

3. Branches Performance

Gross value added decreased by 5.5% last year and thus slightly exceeded the record slump from the crisis year 2009.

If the restrictive pandemic measures severely hit primarily the branches closely tied to tourism in Q1 2020, it already managed to paralyse a large part of the economy during the subsequent quarter. The gross value added (GVA)¹ in Q2 thus dived by record 9.6% quarter-on-quarter and deepened its descend from Q1 (−2.4%). In Q3, the majority of significant restrictive measures were abolished and thus the economy could take a breath again. So 7.5% quarter-on-quarter GVA growth, which was also unique in the nearly 25 year available time series, proves fast resuscitation. Serious deterioration of the epidemic situation in Q4 2020 strongly stifled but did not halt the ongoing economic revival. Its impacts were compared to the spring period more selective, they affected especially the activities closely tied to the household consumption. Many economic branches demonstrated a solid capacity for adjustment, when they capitalised on more favourable development of the foreign demand as well as higher expenditures of the government institutions sector. The GVA decreased by 5.5% for the whole last year and it thus narrowly overtook the slump from year 2009, which was the highest in the history of the independent CR so far.

Many branches demonstrated a solid capacity for adjustment to the restrictive measures in Q4.

Manufacturing contributed the most to the lower economic output in both Q1 and Q2, the grouping trade, transportation, accommodation, and food service in the subsequent periods.

The last year's fall of the value added in whole economy was tightly bound to the decrease of the number of hours worked (−6.0%), three times higher compared to the crisis year 2009. At the same time, the composition of the most considerably affected branches was not identical and underwent significant changes during the last year. While the industry played a major role in all previous recession periods in the history of the CR so far, the sector of services left its mark the most on the decrease of economic output last year (contribution −3.3 p.p.), specifically the grouping trade, transportation, accommodation, and food service (−2.2 p.p.)². GVA for the last year plunged in this branch the most in the modern history, similarly to the professional, scientific, technical, and administrative activities or the branch other services³. Industry contribution was −2.1 p.p. last year. It dragged down the whole economy the most in H1 when its output was affected by the April closure of operations of key export businesses. In contrast it benefited from the fast recovering of foreign demand, associated with the favourable development of important east Asian economies in the second half of the year. The industry contribution to the year-on-year GVA change in the economy was only −0.4 p.p. in Q4. Revived demand as well as the continued production in manufacturing also had a positive effect on energetics. Similar recovery did not eventuate in construction. Due to the inertial character of productions as well high stock of orders, the counter pandemic measures had smaller impact in this branch initially and manifested especially by the limited availability of foreign workers. Growing economic uncertainties of both businesses and households together with high administrative demands on the process of preparation as well as realisation of constructions gradually started to take its toll. So the GVA in construction, as in one of few of the main branches, recorded a quarter-on-quarter decrease in Q4 2020 (by 1.2%).

Some branches of services featured record slumps of GVA last year.

In contrast to manufacturing or energetics, construction did not experience recovery towards the end of the year.

GVA decrease in the economy was curbed the most by higher output of the public services.

The branches with the predominance of the government institution sector worked the most against the deeper fall of the GVA in the economy last year, especially in the second half of the year (+0.3 p.p.), when the demands on the outputs in health care grew as a consequence of the adverse epidemic situation⁴. The same was also valid for information and communication. Still, the GVA grew here the least in the last eight years last year (+1.6%)⁵. The GVA of agriculture, forestry and fishing climbed up by nearly 5% last year and similarly to year 2019, it represented

¹ Data regarding the GVA are expressed in constant prices and adjusted for seasonal and calendar effects.

² Not only the both spring and autumn closure of the significant part of retail shops had a negative effect here, but also the persisting deep plunge of arrival tourism. Final consumption expenditures of non-residents in the CR slumped by 51% year-on-year last year, in that even by unprecedented 64% in Q2 till Q4. Non-residents participated on the total household final consumption expenditures in the CR approximately 6%.

³ Includes cultural, entertainment and recreation activities and further especially provision of personal services (e.g. hairdressing, beauty treatment services, cleaning services or repairs of products for personal need – predominantly for households).

⁴ Hours worked increased by 0.9% year-on-year in the whole grouping Public administration, education, health, and social work in H2 last year. Among the main branches, information and communication recorded the highest growth (+3.6%).

⁵ Relatively weaker growth could have been related to the deep last year's downturn of the motion picture and music industry, to a lesser extent also to the development in the subbranch of publishing activities.



GVA grew the most in agriculture, forestry, and fishing. Solid harvest, stabilised animal production as well as strong roundwood removals took effect.

one of the most dynamic economic branches. Stabilised situation in the agricultural primary production, which was not directly affected by the state regulative measures (apart from stricter hygienic measures) in year 2020 was instrumental in this result. Production of meat slightly grew (+0.9%, year-on-year), due to the higher slaughter weight of the fattened beef cattle and pigs as well as long term growing consumer popularity of poultry. Domestic producers sold in-kind by 3.9% milk more. Plant production was supported by good last year's harvest, especially of cereals, potatoes or forage crops⁶. The continuing natural roundwood removals also likely had a pro-growth effect on the whole primary sector.

The largest year-on-year GVA slump struck the states of the euro area southern wing last year. Poland fared the best among the central European economies.

Total value added dived by 6.1% in the EU for the last year and by 6.5% in the euro area countries, i.e. more than in the CR⁷. Still, the domestic downturn was the tenth largest among the EU states. The Union results were influenced by the output downswing in the significant economies especially on the southern wing of the euro area (Spain 10.8%, Italy 8.6%, Greece 8.1%, Portugal 6.4%) and also France (8.1%). Among the central European states, Poland (-2.8%) fared the best, Austria (-6.4%) the worst. Both Germany and Slovakia recorded comparable slump to the CR. Only Ireland registered the growth of the value added (+2.5%), North states or Baltic states also reported relatively favourable results. Differences between states primarily testify about the onset of the coronavirus infection across the EU, the speed and intensity of government restrictive measures and partially also about the varying sectoral structure of economies (larger proportion of activities tied to tourism had a negative effect, the role of public services but also manufacturing then for example a positive effect).

Despite strong summer recovery, the value of industrial production still remained below its „pre-pandemic“ peak.

Also more detailed data of enterprise statistics confirm that a significant revival of industrial production⁸ occurred during both May and June, following the steep spring descend⁹ accompanied by several-week closure of number of operations. Both fast renewal of demand in key export activities and persisting weaker koruna foreign exchange had a positive effect. It was also important, that the global production chains were not suspended more and the permeability of borders for the freight transport was not disrupted any more. The month-on-month industrial output grew until October, in the last months of the year it almost stagnated. Despite this development, even the December output level still did not reach its „pre-pandemic“ maximum¹⁰. However, it was positive that the industry returned to growth in the year-on-year expression in Q4 (+2.0%). The industrial production declined by 7.2%¹¹ for the whole year 2020. While the motor vehicle production drove the whole branch down the most in both Q1 and Q2 (it was responsible for more than one third of the year-on-year slump of the total industrial output), machinery took over this role in the remaining part of the year. On the contrary, the motor vehicle industry proved to be the principal factor for the growth reestablishment in the whole industry in Q4 (contribution +1.9 p.p., together with the nearest subcontractor branches +2.5 p.p.). This revival, even though with smaller intensity, arrived in all significant manufacturing activities (apart for machinery).

Motor vehicle production stood behind the slump of the whole industry in H1, it was however also key for the renewal of its growth at the end of the year.

⁶ According to the preliminary data as of 15th September 2020, total last year's harvest is estimated in the size of 7.98 mil tons. It is the strongest in the last four years and by 4.0% higher than the ten-year average. Harvest was also higher for wine, legumes, potatoes, vegetables, rape and green maize and silage year-on-year. Contrary, the harvest of hops and sugar beet was lower. Preliminary results of the total agricultural account imply, that the output of the agricultural branch increased in real terms by even 4% during year 2020. Higher plant production contributed the most (+6.0%), supported mainly by the favourable development for forage, rape and grain maize. Higher animal output also had a favourable effect (+1.7%), fed for the major part by higher value of the output of milk, with a distance then also pigs.

⁷ More favourable development in the public services and in the branch agriculture, forestry and fishing stood behind the milder decrease of GVA in the CR. Also the downswing of performance in the branch other services (NACE sections R to T) was weaker locally (-12%) compared to the EU (-18%).

⁸ Includes branches of mining and quarrying, manufacturing and also energetics (here as activities of production and distribution of electricity, gas, heat and air conditioning supply). All year-on-year rates of growth of output (at the level of branch sections as well as divisions) are adjusted for calendar effects, both quarter-on-quarter and month-on-month rates then also for seasonal effects.

⁹ Industrial output fell by 11.3% month-on-month in March 2020, in April the plunge deepened to record 24.1%.

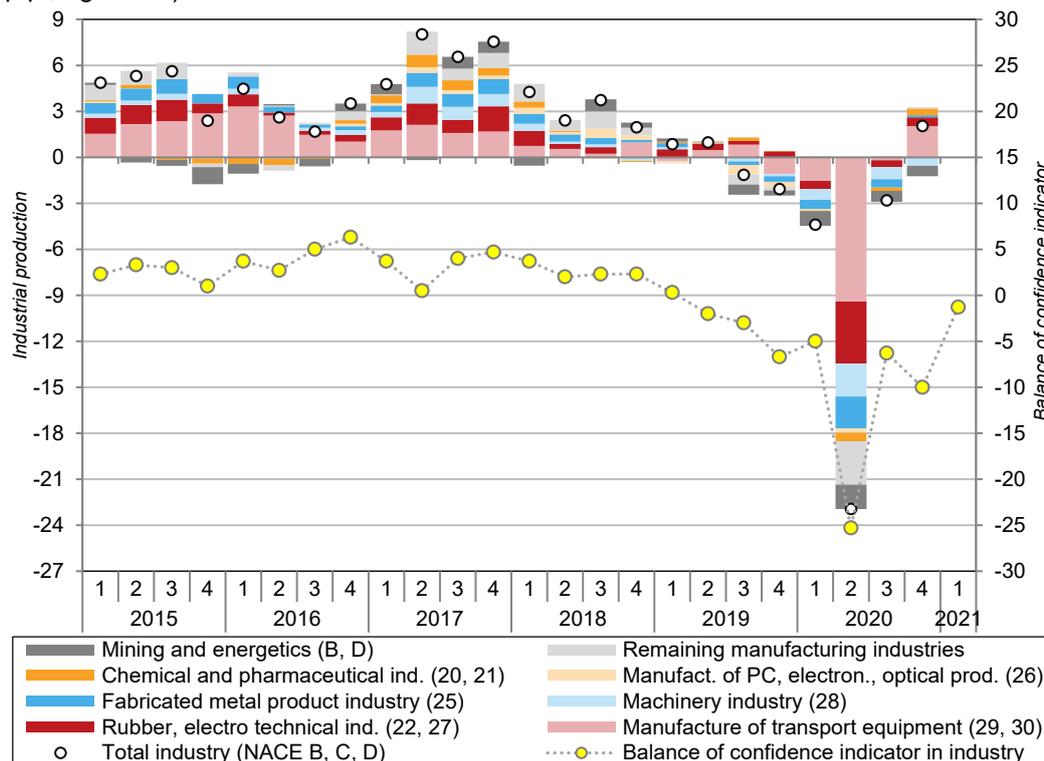
¹⁰ This maximum was placed in May 2019 due to the cyclical downturn, which the domestic industry went through already during H2 2019. Production in December 2020 was by 3.2% lower compared to this level.

¹¹ During the global financial as well as economic crisis in year 2009, the output of the domestic industry fell however by nearly doubled rate of growth (by 13.0%).

Motor vehicle manufacturers strived to offset part of the spring losses in the second half of the year. Utilisation of production capacities returned to a high level.

Output of motor vehicle manufacturing declined by one eighth for the last year, that is slightly more in comparison to the crisis year 2009. Effectively closure of operations of key businesses as well as simultaneous paralysing of activity of many subcontractors led to the unprecedented fallout of production, export, and also new orders by more than 75%¹² in April 2020. The spring economic freeze was not manifested to such an extent in any other industrial activity. However, already during June and July, the motor vehicles manufacturers registered year-on-year growth of foreign orders, which they used to help to offset at least part of spring losses. The utilisation of production capacities exceeded 90% in this field in Q4 2020 and thus returned to the level usual in the previous peak period. The output thus grew by more than one tenth here year-on-year.

Chart 4 Contributions of sub-branches to the year-on-year change of the industrial production (in p.p., adjusted for calendar effects), confidence indicator in industry* (in p.p., right axis)



*The confidence indicator balance is seasonally adjusted and expresses the state in the second month of the given quarter.
Source: CZSO

Revival of machinery was obstructed by the lasting weak private investment activity in the economy.

Production fallouts in both mining and energetics were the largest in the two last decades.

One-eighth decrease of production also struck machinery last year, which thus contributed to the decline of the whole industry 1 p.p. (by one half less than the motor vehicle manufacturers). Machinery faced the reduced both domestic and foreign demand almost throughout the whole year, which was connected to the persisting slump of the investment activity in the economy. The output however fell the most in the long-term subdued mining industry last year (by record 16.5%, by nearly one quarter in the still dominant division – coal mining). However, given the proportion of this activity in the output of the whole industry, it only had a limited impact (-0.3 p.p.). Energetics, where record 6.3% year-on-year fall of output narrowly copied the pace of the electricity production, played a large role (-0.7 p.p.). Especially the decrease of demand in businesses due to the lowered or temporarily halted production activity was evident¹³. Planned temporary shutdowns in the power stations also played a role.

¹² Data regarding the physical production also prove it. Based on the Automotive Industry Association, there was manufactured only less than 15 thousand motor vehicles during the last year's April in the CR (by 113 thousand less compared to April 2019). Year-on-year, the production of motor vehicles grew only the first two months of the year 2020 and also in October and December. Output of motor vehicle manufacturing was 1 160 thousand vehicles for the whole year, which was by 19% less year-on-year (resp. by 275 thousand). Annual decrease affected both the manufacturing of passenger cars and also other categories of motor vehicles.

¹³ According to the data of the Energy Regulatory Office, the total gross electricity production reached 81.4 TWh in the CR last year (the least since year 2002). It reduced by 6.4% year-on-year. Gross electricity consumption dropped by 3.5% to 71.4 TWh (five year minimum).



Restrictions against pandemic considerably impacted the output of beverages manufacturing.

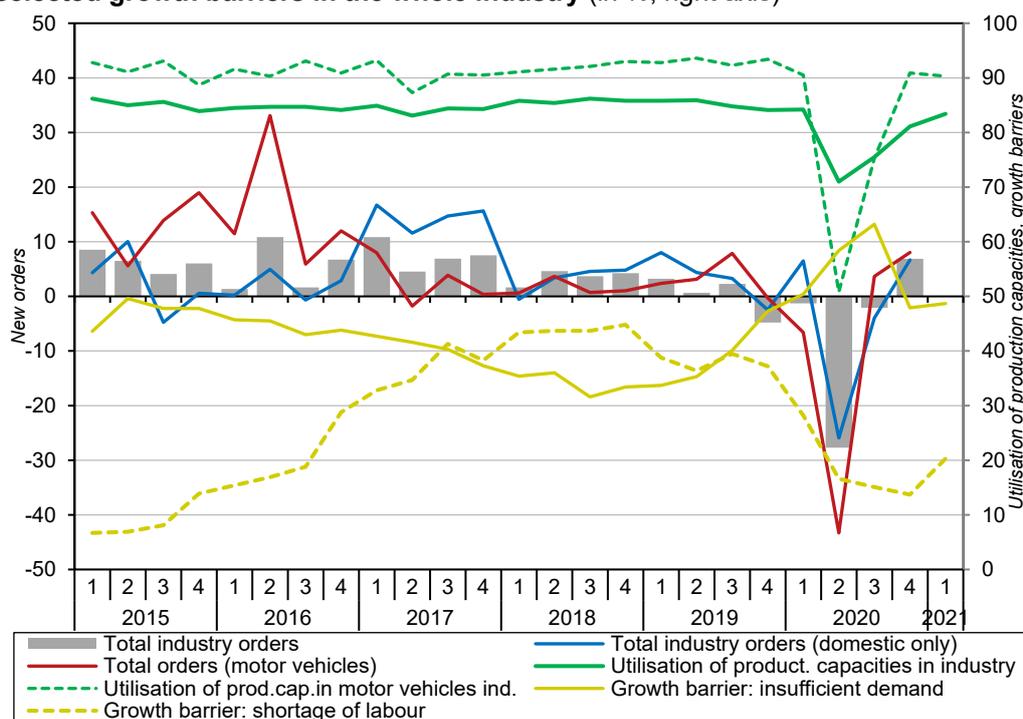
In the smallest manufacturing field – leather manufacturing – output fell by one seventh last year, mainly due to the weaker foreign demand. Manufacturing of beverages, which fared relatively well in the previous years, decreased output by one tenth last year. Major limitations of operations of the hospitality facilities accompanied by the fallout of the arrival tourism were negatively reflected in the domestic sales here. Export of beverages however also featured a decline. On the contrary, the relatively mild decrease of output (between 3 and 4%) affected the chemical industry, manufacturing of building materials or considerably export oriented manufacturing of computers, electronic and optical products.

Food industry capitalised on both the higher domestic demand and good harvest.

Even though the food industry recorded the weakest year-on-year rate of growth of production since the end of recession in year 2013 last year, it represented one of the few industrial activities, which recorded growth last year (+0.6%). Next to the relatively stable domestic demand, the good outcomes of this year’s agricultural primary production were also helpful in this result. Wood and paper industries are also characterised by a close connection to the primary sector. They achieved a similar growth of output of around 4%. Specific composition of demand during the coronavirus crisis was reflected in the mild growth of output of the pharmaceutical industry (+3.7%) or other manufacturing industry (+2.4%), which also includes the manufacturing of medical supplies or manufacturing of games and toys.

The specific supply composition during the coronavirus crisis was helpful to some smaller branches.

Chart 5 New orders in manufacture of motor vehicles and in the whole industry (in current prices, year-on-year change in %), utilisation of production capacity* and selected growth barriers in the whole industry (in %, right axis)



*Both utilisation of production capacities and growth barriers are seasonally adjusted and express the situation in the first (growth barriers), resp. second month of the given quarter (utilisation of capacities). Businesses could have stated more main barriers simultaneously.
Source: CZSO

The sales grew the most to the businesses in energetics,

Nominal sales of industrial businesses decreased by 6.1%¹⁴ last year, for the first time since 2009. Drop of both local (domestic) sales and sales from direct export was nearly similar. Sales expanded the most in energetics (+5%). Manufacturers of wearing apparel earned more also

Entrepreneurs consumed at low voltage levels by 2.9% less year-on-year, the largest businesses then by 6.6% less. Mobility restrictions of the population, extended home office work as well as distance learning led to the accelerated growth pace of the electricity consumption in households (to +4.7%) last year. Their electricity consumption was the highest since the year 1996.

¹⁴ In Q4 2020 however the sales of businesses from industrial activity recorded a growth (+4.2%) year-on-year, exclusively thanks to higher foreign demand.

<p>exclusively due the effect of growing prices.</p>	<p>solely due the raised prices. On the contrary, despite higher output the sales did not grow in the paper industry. Price influence adversely also affected the sales in the chemical industry and metallurgy (the sales shrank by more than one tenth in both branches).</p>
<p>Value of new industrial orders increased at the end of the year.</p>	<p>Short term outlooks in industry improved towards the end of the year. Value of industrial orders¹⁵ grew thanks to the both foreign and domestic demand by 6.9%¹⁶ year-on-year in Q4 2020. Higher demand pervaded the overwhelming majority of monitored activities, however it missed the important machinery industry. Utilisation of production capacities in the whole industry already exceeded 83% at the beginning of year 2021, and closely thus approached the level from the last boom period¹⁷. Insufficient demand remains the main growth barrier¹⁸. It was stated by nearly one half of industrial businesses at the beginning of year 2021, one fifth of them struggled with shortage of labour. Total balance of confidence indicator in industry at the turn of years 2020 and 2021 grew. In February 2021 it was the highest since April 2019. Anticipations of production activity in the subsequent three months were mildly positive and outlook in the area of employment changes neutral.</p>
<p>Inadequate demand still notably dominates among the barriers to growth.</p>	<p>Impacts of anti-pandemic measures on construction were initially mild, however lasted longer.</p>
<p>Impact of anti-pandemic measures on construction were initially mild, however lasted longer.</p>	<p>Impacts of anti-pandemic measures on construction were initially mild, nevertheless they endured longer. The deepest month-on-month fall of construction output¹⁹ occurred last year as late as May (-3.9%). The restrictive measures gradually limited the collaboration of all participants of the “construction procedure” and thus further made the already demanding administrative process of the constructions preparations harder. Some tenders were suspended, which disrupted the continuity of construction output. As a consequence of restricted mobility, the problems with the availability of workers (especially those from abroad) deepened. In contrast to the vast majority of other market activities, the spring slump was weaker in construction, however it was not followed by subsequent recovery. The output thus decreased quarter on quarter in Q3, but also in Q4 (-2.9%, resp. -0.3%). For the whole last year, the output dropped by 6.2%²⁰, exclusively due to the weak output of building construction (-9.0%, minimum in the comparative time series starting from year 2000). Ongoing growth of public investments²¹, had a positive effect on the civil engineering construction and its output thus went slightly up compared to year 2019 (+1.4%).</p>
<p>Output of building construction plunged the most in the last two decades. Civil engineering construction maintained a mild growth.</p>	<p>Repairs and upgrades thus helped the construction last year since the volume of building permits for “changes of completed structures” further grew (+0.5%). The plunge of the new construction can be assumed from the same source, especially non-residential buildings (-11%). Number of commenced flats fell by nearly 9%²² in comparison to the high last year’s basis. Still, the last year’s frequency of these flats (35.3 thousand) was the second highest in the last decade. Following five years of growth, the number of completed flats also decreased last year (by 5.4%), mainly due to the lower number of flats in the residential buildings. But yet the most flats in the last ten years (19.3 thousand) were created in the family houses. Reduced construction hit the majority of regions last year, number of completed flats rose in total year-on-year only in Olomouc region and Moravian-Silesian and Vysočina region.</p>
<p>Output of building construction hindered mainly by lower construction of non-residential buildings.</p>	<p>Repairs and upgrades thus helped the construction last year since the volume of building permits for “changes of completed structures” further grew (+0.5%). The plunge of the new construction can be assumed from the same source, especially non-residential buildings (-11%). Number of commenced flats fell by nearly 9%²² in comparison to the high last year’s basis. Still, the last year’s frequency of these flats (35.3 thousand) was the second highest in the last decade. Following five years of growth, the number of completed flats also decreased last year (by 5.4%), mainly due to the lower number of flats in the residential buildings. But yet the most flats in the last ten years (19.3 thousand) were created in the family houses. Reduced construction hit the majority of regions last year, number of completed flats rose in total year-on-year only in Olomouc region and Moravian-Silesian and Vysočina region.</p>
<p>Longer term growth of the residential construction halted last year.</p>	<p>Repairs and upgrades thus helped the construction last year since the volume of building permits for “changes of completed structures” further grew (+0.5%). The plunge of the new construction can be assumed from the same source, especially non-residential buildings (-11%). Number of commenced flats fell by nearly 9%²² in comparison to the high last year’s basis. Still, the last year’s frequency of these flats (35.3 thousand) was the second highest in the last decade. Following five years of growth, the number of completed flats also decreased last year (by 5.4%), mainly due to the lower number of flats in the residential buildings. But yet the most flats in the last ten years (19.3 thousand) were created in the family houses. Reduced construction hit the majority of regions last year, number of completed flats rose in total year-on-year only in Olomouc region and Moravian-Silesian and Vysočina region.</p>

¹⁵ Surveying of orders is ongoing only in twelve manufacturing branches, which manufacture mostly custom-made products, with longer production cycle and larger stocks of orders.

¹⁶ Growth is partially affected by lower comparative basis since the industry was in the phase of mild cyclical downturn at the end of year 2019.

¹⁷ Capacities were most utilised in the wood industry (93%). Motor vehicle, rubber, plastics, chemical and paper industry and also repairs of machinery and equipment moved close to the 90% level. On the contrary, level deep below their long term average and utilisation only around 70% registered some smaller branches (beverage, footwear, leather, printing as well as petrochemical industry).

¹⁸ Businesses could have stated more barriers simultaneously.

¹⁹ All year-on-year data regarding the construction output are adjusted for calendar effects, both quarter-on-quarter and month-on-month rates of growth also for the seasonality effect.

²⁰ Comparable downturn was also recorded in year 2016. However, short term fallout of public infrastructure investments associated with the transfer to new EU programme period, stood in its background at that time.

²¹ Investment transfers to the State Fund for Transport Infrastructure from the state budget were by 41% higher year-on-year last year. The inflow of funds from the EU structural funds was also gaining pace (+21%, to 75.8 CZK bn).

²² Last year’s decrease did not concern categories of flats created by the modification of existing residential buildings. There were commenced 3 244 flat in this category last year – the most after year 2004. It could have been connected to the in total lower administrative demands on the preparation of these constructions (building project design, cooperation with the building authorities).

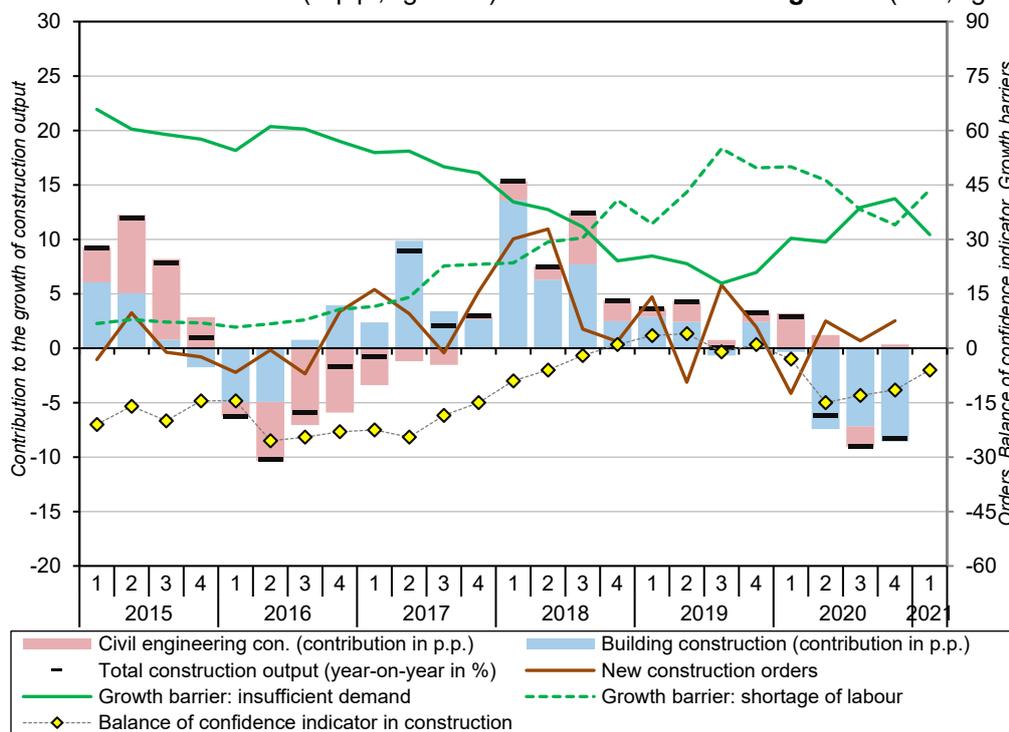


New orders grew in both the building and civil engineering construction. The stock of not yet realised orders expanded faster.

Confidence in construction strengthened. Significant output growth barriers however prevailed.

Value of newly concluded construction orders (in businesses with more than 50 employees) grew year-on-year in both building (by 8.1%) and civil engineering construction (7.0%) in Q4 2020. With the view to the fact, that it was happening also for the major part of year 2020, in combination with the lower last year's continuity of construction output it had a positive effect on the total stock of work (not yet realised orders). It was higher by one sixths year-on-year at the end of 2020, which was the merit of both public and private domestic orders by similar part. The volume of work contracted to realisation abroad, which domestic businesses often use to help out „in more difficult times“, enlarged for the first time since year 2014. Total entrepreneur confidence in construction improved since the half of the last year and it reached an 11th month maximum in February 2021. It was linked to the favourable development of orders as well as the mildly positive employment anticipations. Still, the inadequate demand limited nearly one third of businesses and the shortage of workers around 40% of them.

Chart 6 Contributions of branches to year-on-year change of construction output (in p.p.), new construction orders (year-on-year in %, right axis), balance of confidence indicator in construction* (in p.p., right axis) and selected barriers to growth* (in %, right axis)



Data related to construction output are adjusted for calendar effects.
 *Balance of confidence indicator as well as barriers to growth are seasonally adjusted and express the state in the second month of the given quarter. Businesses could have state more main barriers simultaneously.
 Source: CZSO

Sales in services plunged by nearly one tenth month-on-month both in March and April.

Sales in selected services²³ were rather severely hit by the government restrictive measures last year. They plunged month-on-month by record pace during March as well as April (by 10 %). In the subsequent three months, a partial recovery eventuated (mainly in accommodation, food service and restaurants), it was however far from compensating the previous deep slump. The second epidemic wave led to the shortening of the summer tourist season. From August until the end of the last year the sales were again falling month-on-month²⁴, however by much lower paces than in the spring crisis. Some services managed to adjust to the compulsory limitation of interpersonal contact, certain segment of services also profited from the favourable development of industry.

²³ Without trade, financial and insurance activities, science, research and public services. All figures for services are in constant prices, year-on-year data are adjusted for calendar effects, quarter-on-quarter as well as month-on-month data are seasonally adjusted (including the effect of number of working days).

²⁴ Mild decrease thus occurred also in December, when the part of restrictions was temporarily loosened. It however only benefited branch accommodation, food service and restaurants. Sales were falling month-on-month in other branch divisions.

Sales in services plunged deeper last year than in year 2009. They were the most affected by transporting and storage.

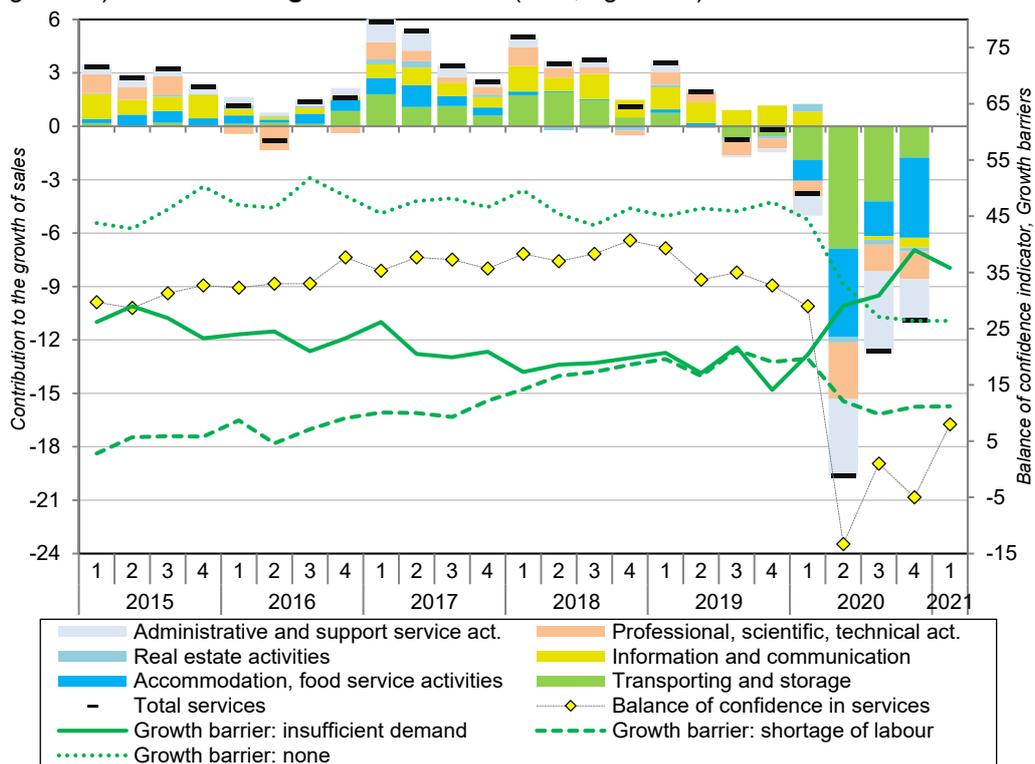
The sales in services plunged by 11.8% for the whole last year and slightly thus overtook their so far deepest slump from year 2009. Weight dominant transporting and storage shared by nearly one third in the last year's fall. Further branches exerted only weaker influence – administrative and support services activities, respectively accommodation, food service and restaurants, which were the decisive factor of adverse development of services in third, resp. fourth quarter 2020.

The areas of services tied to tourism or leisure activities were the most hit.

It is not surprising with the view to the nature of the restrictions, that the most severe slump in services affected areas closely tied to tourism and other leisure time activities. Sales of travel agencies dived compared to year 2019 by 75.0%, by 70.4% in the air transport, by 55.9% in accommodation and by 34.1%²⁵ in food service and restaurants. The output of motion picture and musical industry also slumped by nearly two fifths²⁶. Other branches of services, where the demand correlates to the business cycle fluctuations, also faced difficulties last year. It was especially job agencies, where the sales fell by nearly one fifth. They decreased by more than one tenth in land transport, warehousing and also in advertising. Rental and operative leasing activities or architectural and engineering activities registered 8% decline. Services areas tied to industry experienced revival in H2. In Q4 compared to the preceding quarter, sales thus rose in land transport (+1.9%), warehousing (+3.2%) as well as job agencies (+5.2%).

Services with ties to industry experienced a mild recovery in the second half of the year.

Chart 7 Contributions of branches to year-on-year change of sales in services* (in p.p., adjusted for calendar effects), balance of confidence indicator in services (in p.p., right axis) and selected growth barriers** (in %, right axis)**



* Without branches trade, financial activities, insurance activities, science, research and public services.
 **Also includes also the financial sector. Balance of confidence as well as the barriers to growth are seasonally adjusted and express the state in the first (growth barriers), resp. second month of the given quarter (balance of confidence). Businesses could have stated more main barriers simultaneously.
 Source: CZSO

²⁵ Last year's downturn of these branches, which was unprecedented in the history of independent CR, also depicts the comparison in current prices. While sales in food service and restaurants were placed at the level of year 2015 last year, sales in the air transport did not attain even three fifths of the level from year 2000 (they were even at only 39% level from the beginning of millennium for the travel agencies).

²⁶ According to the Union of Motion Picture Distributors, the number of cinema visitors fell by 65% year-on-year, to 6.4 mil (the lowest number in the history of the CR). Cinemas were in fact closed for nearly five months in the last year (only the operations of drive-in cinemas were permitted), they operated without any restrictions only 2.5 months in the year. The segment of the motion picture production, where the restrictions applied only during the spring pandemic wave, was hit less.



<p>Demand for postal and courier activities, information activities or communication services substantially mounted up.</p>	<p>The role of some areas of services, which offered solution in the environment of limited social contact, on the contrary strengthened last year. Sales grew by 4.8% in telecommunication services (the most after year 2007). Information activities including e.g. data processing, web portals or hosting, also featured a swift pace (+5.5%). The demand for television programming and broadcasting activities grew for the third year in a row. Postal and courier activities experienced boom; the sales hiked up by double digit rate of growth for the second year in a row²⁷. Next to these, it is also possible to find some areas of services, which were not significantly impacted by the government restrictions and whose sales pace essentially did not change compared to year 2019 (real estate activities, legal and accounting activities or security and investigation activities).</p>
<p>Retail sales dropped in 2020 year-on-year for the first time in the last seven years.</p>	<p>Retail sales²⁸ were majorly affected by spring and autumn wave of the anti-pandemic measures last year. In March, they plunged by 11.8% month-on-month, in November by 5.6%. For the whole year 2020, they decreased by 0.9%, and thus ended with the weakest rate of growth after year 2012. Sound condition of the labour market, being so far characterised by subdued unemployment as well as ongoing growth of real average wages (which accelerated at the end of the year) worked against any deeper descend of sales. On the other hand, the consumer confidence balance, which was very responsive to the government restrictions, remained in the negative band. Concerns of households about the growth of both prices and unemployment stayed high. Retail was also hindered by lower consumption expenditures of non-residents.</p>
<p>Mainly the slump of demand for fuels was pivotal to the decrease in retail.</p>	<p>Mainly the slump of sales for fuels (by 9.0%) stood behind the decrease of whole retail last year. Sales for food also slightly decreased (-0.3%), which was caused exclusively by specialised (usually small) shops. Growth of sales of non-food goods continued last year only thanks to the dynamic development of sales via internet and mail order (+27.3%), even though it represented the weakest growth in the last decade (+0.5%). Part of specialised shops was however struck by a double digit plunge of sales (wearing apparel, footwear and leather goods or cultural and recreation products). Shops with pharmaceutical and medical products (+3.5%), computer and communication equipment (+2.7%) or household goods (+1.2%) maintained a mild growth.</p>
<p>Segment of non-food goods grew only thanks to the sales via internet or mail order.</p>	
<p>Record slump of sale and repair of motor vehicles.</p>	<p>Sales slumped by 15.2% in the motorist segment of trade last year – nearly by one half more than in year 2009. It was associated with the persisting downturn of private investment activity in the economy.</p>

²⁷ Their role was enhanced last year also due to the suspension of part of retail trade, as well as the restrictions of food service and restaurants (partially offset by the food delivery).

²⁸ All year-on-year rates of growth of retail sales are stated in the constant prices and adjusted for calendar effects, quarter-on-quarter as well as month-on-month paces are adjusted for seasonal effects (including the effect of the number of working days). Retail includes branches CZ-NACE 47.