1 April 2021

Consumption of households per capita decreased by 2.9% in 2020

Quarterly sector accounts – the fourth quarter of 2020

The total of monetary and non-monetary income of households increased in real terms by 2.8% in 2020 and the real consumption per capita decreased by 2.9%, y-o-y. The saving rate increased by 6.2 percentage points (p. p.) to 18.7% compared to the year 2019. The profit from foreign investment reached 7.0% of the gross domestic product (GDP) last year.

Non-financial corporations: both profit rate and investment rate decreased in the Q4 2020

The *profit rate* in the Q4 2020 was 45.2%, which is by 0.4 percentage point (p. p.) less, quarter-on quarter, and by 1.7 p. p.1 more, year-on-year. The profit rate was mainly influenced, year-on-year, by received subsidies. The total labour costs of non-financial corporations decreased by 0.2%1, y-o-y. The *investment rate* decreased by 0.7 p. p., q-o-q, and reached 26.1%. It decreased by 4.8 p. p.1, year-on-year.

Households: real household income increased by 3.4% in the Q4 2020

*The total of real monetary and non-monetary income of households per capita* increased in the Q4 2020 by 3.4%, q-o-q, and by 4.9%1 in the year-on-year comparison. *Household real consumption per capita* decreased by 1.6%, q-o-q, and by 3.4%1 in the year-on-year comparison.

The ***average monthly income from employment*** reached CZK 38 9731 in the Q4 2020 and it increased in real terms by 2.1%, q-o-q; in the y-o-y comparison, it increased by 1.6%.

Resulting from the significant decrease in household expenditure and from the increase in their income was the historically highest ***saving rate***, i.e. 23.3%. The household saving rate was by 5.4 p. p. higher, q-o-q; in the y-o-y comparison, it was by 9.2 p. p.1 higher. The ***investment rate*** in the household sector decreased by 0.4 p. p., quarter-on-quarter, and reached 7.7%. In the year-on-year comparison, the household investment rate decreased by 1.6 p. p.1

Non-financial corporations in 2020: investment rate decreased by 2.1 p. p.

The ***profit rate*** in 2020 reached 44.9%, which was by 0.2 p. p.**1** more, y-o-y. The profit rate in the Czech Republic remained above the EU average, which is approximately 40%. In nominal terms, profits decreased, y-o-y; however, they decreased less than the value added. It was because received subsidies increased and labour costs decreased; they decreased by 1.3%**1**, y-o-y. The ***investment rate*** decreased by 2.1 p. p.**1** compared to that of 2019 and reached 27.0%.

The ***profit rate*** and the ***investment rate*** of non-financial corporations (%)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **Year 2020** |
| Profit rate | 45.0 | 43.9 | 45.6 | **45.2** | **44.9** |
| Investment rate | 26.5 | 28.7 | 26.7 | **26.1** | **27.0** |

Households in 2020: real income increased by 2.8%

The *household real income per capita* increased by 2.8% compared to that of 2019. The *household real consumption per capita* decreased by 2.9%.

***Household real income and expenditure***, y-o-y change (%)1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **Year 2020** |
| Real income | 2.7 | 0.9 | 2.6 | **4.9** | **2.8** |
| Real consumption (expenditure) | 0.9 | -6.5 | -2.2 | **-3.4** | **-2.9** |

The ***average monthly income from employment*** reached CZK 36 025**1** in 2020 and decreased by 1.3%, in real terms, compared to 2019. Shutdown of production and closures of some operations/outlets due to the coronavirus pandemic resulted in a decrease of income from employment. Money paid to employees within the ANTIVIRUS programme are not wages2 according to the ESA 2010 methodology.

The ***saving rate*** reached 18.7% in 2020 and was by 6.2 p. p.1 higher than in 2019. The ***investment rate*** in the household sector reached 8.6% in 2020 and thus it decreased by 1.0 p. p.**1**

**Relationship to the rest of the world in 2020: profit from foreign investment reached CZK 393 billion**

***The profit from foreign investment*** reached 7.0% of GDP. Foreign owners distributed CZK 217 billion in the form of dividends; almost CZK 176 billion were reinvested. Although the outflow of dividends was almost by CZK 110 billion lower, y-o-y, the profitability of foreign direct investment remains high in the Czech Republic.

On the contrary, the outflow of income from profit was partially compensated by an inflow of income from abroad, especially by income from employment and subsidies. A balance of primary income from abroad was by CZK 118 billion better, y-o-y, and reached CZK −229 billion.

The **gross national income** decreased in real terms by 2.5% in 2020.

The **gross disposable income** for the whole economy decreased in real terms by 2.7% in 2020.

**GDP estimate refinement**

New data for the general government sector were also incorporated when compiling sector accounts for the Q4 2020, which resulted in a more precise estimate of the GDP growth rates. The GDP decreased by 4.8%, y-o-y, in the Q4 2020; however, in the q-o-q comparison, it was 0.6% up. In 2020, the GDP decreased by 5.6%. For the time series of GDP resources and uses see: <https://www.czso.cz/csu/czso/hdp_ts>.

1 Seasonally non-adjusted piece of data.

2 They are captured as employers’ imputed social contributions (D.122). This item is a part of the total cost of wages, for which employers received operating subsidies.

All terms are in terms of national accounts; for explanations of terms written in **bold italics** see: <https://apl.czso.cz/nufile/Definitions.pdf>.

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Used data sources updated as at: 25 March 2021

Related CZSO website: <https://www.czso.cz/csu/czso/quarterly-national-accounts-gdp-resources-and-uses-and-gdp-preliminary-estimate>

Next Release will be published on: 29 June 2021 (Quarterly Sector Accounts for the first quarter of 2021)

*Data of quarterly sector accounts are seasonally adjusted unless otherwise stated.*

*The news releases of Eurostat on quarterly sector accounts are published later. The latest published information for the third quarter of 2020 is available at:*

https://ec.europa.eu/eurostat/web/products-euro-indicators/-/2-28012021-AP,

https://ec.europa.eu/eurostat/web/products-euro-indicators/-/2-12012021-AP.

*Quarterly sector accounts data are published on the CZSO website in the tables of Transactions in Products and Distributive Transactions by Sector:* <http://apl.czso.cz/pll/rocenka/rocenkavyber.kvart_qsa?mylang=EN&oblast=@RU>

*and Quarterly Non-financial Sector Accounts (Current and Capital Accounts):*

<http://apl.czso.cz/pll/rocenka/rocenkavyber.kvart_qsa_mat?mylang=EN&oblast=@RU>