2 October 2020

Consumption of households decreased in real terms by 4.4%, q-o-q

Quarterly sector accounts – the second quarter of 2020

According to seasonally adjusted data, the total of monetary and non-monetary income of households increased in real terms by 0.3%, quarter-on-quarter (q-o-q). The real consumption per capita decreased by 4.4%, q-o-q, and the saving rate increased by 5.3 percentage points (p. p.).

Non-financial corporations: profit rate decreased, investment rate increased

The *profit rate* in the Q2 2020 was 42.9%, which is by 1.1 percentage point less, quarter-on quarter, and by 1.0 p. p.1 less, year-on-year. The total labour costs of non-financial corporations decreased by 4.9%1, y-o-y. A higher decrease of the gross value added than investments led to an increase of the investment rate by 2.3 p. p., q-o-q, and reached 29.2%. The investment rate increased by 1.4 p. p.1, year-on-year.

Households: real household income slightly increased

*The total of real monetary and non-monetary income of households per capita* increased in the Q2 2020 by 0.3%, q-o-q, and by 0.3%1 in the year-on-year comparison, too, also thanks to programmes to support the employment. The *household real consumption per capita* decreased, q-o-q, namely by 4.4%, q-o-q, and by 6.0%1 in the year-on-year comparison.

The ***average monthly income from employment*** reached CZK 34 1421 in the Q2 and it decreased in real terms by 7.1%, q-o-q; in the y-o-y comparison it was 7.4%1 down. The significant decrease of income from employment reflected shutdown of production and closure of some (business) establishments/premises due to coronavirus pandemic. Money paid to employees within the “Antivirus” programme are not wages2 according to the ESA 2010 methodology.

Resulting from the significant decrease of household expenditure and a slight increase of household income compared to the previous quarter was the historically highest ***saving rate***, i.e. 18.5%. The ***investment rate*** in the household sector decreased by 0.1 p. p., quarter-on-quarter, and reached 9.2%.

**GDP estimate refinement**

Concurrently, the gross domestic product (GDP) estimate has been refined. The GDP decreased by 8.7%, q-o-q, in the Q2 2020 and in the y-o-y comparison it was 10.9% down. 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: 23 September 2020

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: 8 January 2021 (Quarterly Sector Accounts for the third quarter of 2020)

*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 first quarter of 2020 is available at:*

https://ec.europa.eu/eurostat/web/products-press-releases/-/2-03072020-AP,

https://ec.europa.eu/eurostat/web/products-press-releases/-/2-03072020-BP,

https://ec.europa.eu/eurostat/web/products-press-releases/-/2-28072020-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>