31 March 2015

GDP Growth Driven by Domestic as well as Foreign Demand

## Quarterly National Accounts – 4th Quarter 2014

In Q4 2014 the gross domestic product increased by 1.4%, year-on-year, and by 0.4% compared to the previous quarter. A more refined estimate confirmed the gross domestic product growth in 2014 by 2.0%.

The gross domestic product (GDP) for the Q4 2014, adjusted for price effects and seasonally adjusted[[1]](#footnote-1),increased by 1.4%, year-on-year (y-o-y), and by 0.4% in the quarter-on-quarter (q-o-q) comparison. Compared to the previous estimate new data for the general government sector and also more precise information on taxes on products were employed. This refinement brought merely moderate impacts on the GDP growth rate in Q4 2014. The estimate for the whole year 2014 at the value of 2.0% has not been changed.

The main components of demand had positive effects on the both the year-on-year increase and the quarter-on-quarter one in the economy performance. **Final consumption expenditure of households** increased by 2.0%, y-o-y; the **gross fixed capital formation** was higher by 4.3%. **Stock of inventories** (unadjusted for seasonal effects), especially of goods, finished products, and work-in-progress production, were declining at the end of the year. On the contrary, inventories of materials were growing in a similar way as in the two previous quarters.

The positive **external trade balance** in current prices reached CZK 64.8 billion and compared to Q4 2013 increased by CZK 6.2 billion. Exports and imports of goods grew identically by 7.3%, y-o-y, and the 15.9% increase in imports of services substantially outpaced exports, which was higher by 8.2%, y-o-y.

According to a more refined estimate of indicators for the general government sector, based on more complete data sources, the **final consumption expenditure of the general government** increased by 4.2% in Q4 2014, y-o-y. The growth was contributed namely by compensation of employees, intermediate consumption, and social transfers in kind.

Performance of economic activities, as measured by the **gross value added,** in the last quarter of 2014 increased by 3.0%, y-o-y, and by 1.2%, q-o-q. The higher domestic and foreign demand brought benefits to majority of activities, especially to manufacturing, information and communication, professional, scientific and technical activities, administrative and support service activities, wholesale and retail trade, and transportation and storage.

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Used data sources updated as at: 19 March 2015

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

Next News Release will be published on: 15 May 2015 (Preliminary GDP Estimate for the First Quarter of 2015)

1. *Unless otherwise stated, all data presented in the News Release are adjusted for price, seasonal, and calendar effects.* [↑](#footnote-ref-1)