30 August 2022

Czech economy increased by 0.5%, q-o-q

## GDP resources and uses – the second quarter of 2022

According to the refined estimate, the gross domestic product increased by 0.5%, quarter-on-quarter, in the Q2 2022. In the year-on-year comparison, it increased by 3.7%. The year-on-year GDP growth was mainly supported by expenditure on the gross capital formation. Also final consumption expenditure of general government made a positive contribution.

The refined estimate confirmed the increase of the Czech economy in the Q2 2022. The **gross domestic product** (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **was by 0.5% higher, quarter-on-quarter** (q-o-q)**. In the year-on-year** (y-o-y) **comparison, the GDP increased by 3.7%.**

The **gross value added** (GVA) **increased by 0.5%, q-o-q,** and **by 3.4%, y-o-y,** in the Q2 2022. In the q-o-q comparison, the following economic activities were the biggest contributors to the GVA growth: information and communication (2.4% growth) and professional, scientific, technical and administrative activities (+3.5%). Industry (+0.3%) and a group of economic activities of trade, transportation, and accommodation and food service activities (+0.4%) were also successful. A decrease occurred in construction (-1.1%).

The y-o-y GVA growth (+3.4%) was the most contributed to by a group of economic activities of trade, transportation, and accommodation and food service activities +1.4 percentage point (p. p.; growth by 7.7%). Manufacturing contributed +0.2 p. p. (+0.8%), construction +0.3 p. p. (+5.1%), information and communication +0.5 p. p. (+6.6%), and professional, scientific, technical and administrative activities +0.4 p. p. (+5.7%).

**On the demand side**, change in inventories was the main factor of the q-o-q GDP growth in the Q2 2022. The gross fixed capital formation also made a positive contribution. The y-o-y increase of GDP (+3.7%) was influenced by expenditure on final consumption of general government +0.4 p. p.[[2]](#footnote-2), gross fixed capital formation +1.6 p. p., and change in inventories +2.2 p. p. External demand had a negative influence (-0.6 p. p.).

*“Total final consumption expenditure decreased by 0.2%, quarter-on-quarter. Final consumption expenditure of households decreased by 0.1%, q-o-q. Especially expenditure on durables decreased. Final consumption expenditure of general government decreased, too; in the quarter-on-quarter comparison it was by 0.4%,”* Vladimír Kermiet, Director of the National Accounts Department of the Czech Statistical Office (CZSO) comments on the data.

In the y-o-y comparison, there was a total increase in final consumption expenditure by 0.7%. Both were increasing – household expenditure by 0.2% as well as general government expenditure by 1.8%.

**Gross fixed capital formation** increased by 0.7%, q-o-q. In the y-o-y comparison, it increased by 6.2%. Increasing were mainly investments in other buildings and structures, transport equipment, and machinery and equipment. **Change in inventories**[[3]](#footnote-3) was CZK +110.6 billion. Primarily, inventories of finished products and of material of industrial enterprises were increasing, by which they significantly contributed to the growth of the gross capital formation in total.

The **international trade balance of goods and services** at current prices reached the value of  CZK -25.8 billion; thus, it was by CZK 77.3 billion lower than in the corresponding period of the previous year. Exports increased in real terms by 1.2%, q-o-q. In the y‑o-y comparison, it increased by 1.8%, in which the development was influenced by an increase in export of services. On the contrary, decreases occurred in exports of chemicals, basic metals, and of fabricated metal products. Imports were increasing by 1.8%, q-o-q, and by 2.7%, y-o-y; it was mainly owing to an increase in imports of crude petroleum and natural gas.

As for the price development in the Q2 2022, the total GDP deflator increased by 6.6%, y-o-y, the most since the end of the year 1998.

The volume of labour costs3 increased by 6.7%, y-o-y, in the Q2 2022.

The **total employment**[[4]](#footnote-4) increased by 1.6%, q-o-q; in the y-o-y comparison, it increased by 2.5%. In total, by 0.1% more hours were worked in the q-o-q comparison; in the y-o-y comparison, it was by 4.8% more.

Notes:

Responsible head at the CZSO: Vladimír Kermiet, Director of the National Accounts Department, phone number (+420) 274 054 247, e‑mail: [vladimir.kermiet@czso.cz](mailto:vladimir.kermiet@czso.cz)

Contact person: Jan Benedikt, Quarterly Estimates Unit, phone number (+420) 274 052 750, e-mail: [jan.benedikt@czso.cz](mailto:jan.benedikt@czso.cz)

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Time series: <https://www.czso.cz/csu/czso/hdp_ts>

The News Release 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: 1 November 2022*

*(GDP preliminary estimate for the third quarter of 2022)*

1. *Unless otherwise stated, all data presented in this news release are adjusted for price, seasonal, and calendar effects.*  [↑](#footnote-ref-1)
2. *Contributions to the GDP growth (imports for final use excluded, unless otherwise stated).* [↑](#footnote-ref-2)
3. *at current prices, not adjusted for seasonal effects* [↑](#footnote-ref-3)
4. *in terms of national accounts* [↑](#footnote-ref-4)