2 February 2021

GDP decreased by 5.6% in 2020

GDP preliminary estimate – the fourth quarter of 2020

According to a preliminary estimate, the gross domestic product decreased by 5.6% in 2020. In the Q4 2020, GDP decreased by 5.0%, year-on-year; in the quarter-on-quarter comparison it increased by 0.3%.

In 2020, the deepest slump in economic performance in the history of the independent Czech Republic was recorded. The gross domestic product (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) was by 5.6% lower than in 2019, according to the preliminary estimate. The decrease was influenced mainly by household consumption, investment expenditure and also by a slump in external demand in the first half-year. The general government expenditure was growing. The gross value added (GVA) decrease was influenced the most by the development in the group of economic activities of trade, transportation, and accommodation and food service activities. Industry, construction and most of economic activities of services were also unsuccessful.

In the Q4 2020, GDP decreased by 5.0%, year-on-year (y-o-y); compared to the Q3 2020, it increased by 0.3%. The y-o-y decrease was caused mainly by a deepening slump in consumption expenditure of households, whereas external demand was significantly increasing. On the side of GVA formation, mainly the group of economic activities of trade, transportation, and accommodation and food service activities were unsuccessful.

Employment[[2]](#footnote-2) decreased in 2020 by 1.6%. In the Q4 2020, employment decreased by 2.1%, compared to the corresponding quarter of the previous year, and by 0.5%, compared to the Q3 2020.

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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: 2 March 2021*

*(GDP resources and uses for the Q4 2020)*

1. *All data presented in this News Release are adjusted for price changes and seasonal and calendar effects.*  [↑](#footnote-ref-1)
2. *Employment in terms of national accounts.* [↑](#footnote-ref-2)