

On GDP in Q3 of 2024

The economy continues to stagnate, improvements are expected at the end of the year and in 2025

According to the Central Statistical Bureau, in the 3rd quarter, GDP at constant prices was 1.6% lower than a year ago. Overall, GDP decreased by 0.5% in the first three quarters of this year compared to the corresponding period of the previous year.

In the 3rd quarter of this year, household consumption was 1.1% higher than a year ago, which is a relatively larger increase than in the first quarters of the year. This growth was positively influenced by an increase in real income.

Investments in the 3rd quarter of this year decreased by 5.1%. The sharpest decline in investments was observed in the category “Other buildings and structures,” which decreased by 6.9%. Investments in machinery and equipment, including vehicles, as well as in intellectual property products, fell by 2.8% and 4.7%, respectively. Government expenditures continued to grow, increasing by 7.7% year-on-year in the 3rd quarter.

Exports of goods and services in the 3rd quarter were 0.2% higher than a year ago. Exports of goods increased by 0.5%, while exports of services decreased by 1.5%. The main export goods were wood and wood products (except furniture), electrical appliances and electrical equipment, as well as mineral products. The main exported services were transport services and other economic services. Imports of goods and services also rose in the 3rd quarter by 0.2%. Imports of goods increased by 0.2%, while imports of services declined by 0.3%. The main import goods were electrical appliances and electrical equipment, land vehicles and their parts. The most important imported services were transport services and other economic services.

Trends remain very different across sectors. The largest increases in the 3rd quarter of this year, compared to the corresponding period of the previous year, were observed in the following sectors: other industry (13%), arts, entertainment, and recreation (12.8%), and trade (4.7%). Lower growth was recorded in accommodation and food services (2.1%) and financial and insurance activities (2.5%). The rapid growth in the other industry sector was primarily driven by increases in electricity, gas supply, heat supply, and air conditioning (20.1%), mining and quarrying (12.2%), and water supply, sewage, waste management, and remediation (3.4%). Growth in the trade sector was mainly supported by faster growth in household consumption and an increase in foreign trade. All trade subsectors showed positive results, with the trade and repair of motor vehicles and motorcycles sector increasing by 7.6%, retail trade by 0.5%, and wholesale trade by 1.6%.

The sharpest declines were in the education (-9.3%), transport and storage (-7.7%), construction (-6.9%), health and care (-6.8%), and real estate operations (-4.5%) sectors. The significant decline in the transport and storage sector was primarily due to a decrease in land and pipeline transport activities (-8.3%), water transport (-15.5%), storage and support activities for transport (-8.6%), and postal and courier activities (-4.2%). On the other hand, growth in the air transport sector contributed positively, with an increase of 16.7%. The decline in construction was mainly attributed to low demand for building construction and a drop in civil engineering. Specialized construction work volumes fell by 2.7%. Manufacturing declined by 2.2%, primarily due to a decrease in the largest manufacturing sub-sector—manufacture of wood and wood products—down by 1.2%. Declines were also observed in the manufacture of fabricated metal products (-7.8%), computers, electronic and optical equipment (-5.5%), and food products (-2%). Overall, 10 out of 22 manufacturing sub-sectors showed positive performance.

The economy is expected to return to sustained growth next year, supported by an increase in domestic consumption and investment.

GDP DYNAMICS

At constant 2015 prices, % change compared to the corresponding period of the previous year

