

## Decline in economy deepened in the 1st quarter

**According to Statistics Estonia, by flash estimations, the gross domestic product (GDP) of Estonia decreased by 15.6% in Estonia in the 1st quarter of 2009 compared to the same quarter in the previous year.**

GDP decreased successively already for four quarters. In the 4th quarter of 2008, GDP decreased by 9.7%.

Compared to the 4th quarter of the previous year, the seasonally and working-day adjusted GDP decreased by 6.5%.

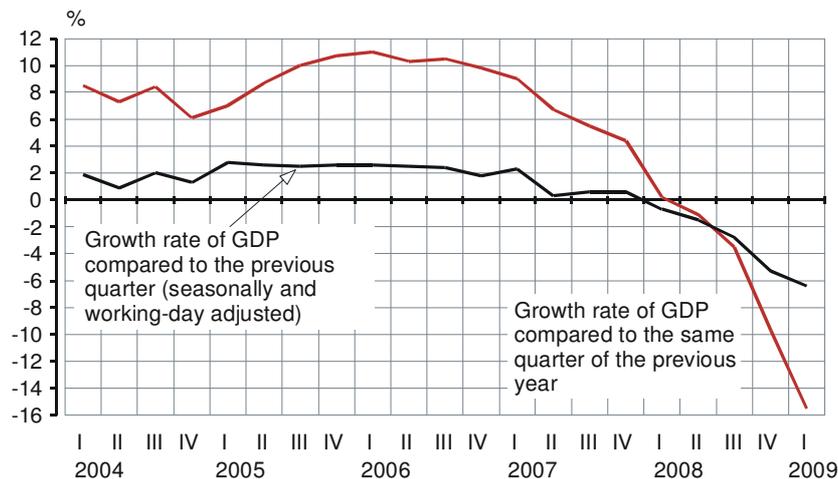
The value added decreased in the majority of economic activities. The economic activities, which had a growth in the value added according to flash estimates, contributed little to the GDP.

According to the flash estimations the steep decrease of the value added in manufacturing, construction and retail and wholesale trade influenced the decrease of GDP the most. In manufacturing the value added decreased in all economic activities due to a continually small domestic demand and by virtue of that, the decrease in orders. Exports of the manufacturing output decreased as well due to the weak external demand. According to the flash estimations the steep decrease of the value added of construction was caused by the decrease in construction volume of dwellings.

The decrease of the value added in financial intermediation deepened in the 1st quarter due to the fast deceleration in the growth of financial and interest income, fees and commissions' income.

In relation with modest production and consumption activity in real terms the receipts of product taxes continually decreased. However, the receipts of product taxes increased in nominal terms due to the low base in the 1st quarter of the previous year and good receipts of excise taxes.

### Real growth rate of the GDP, 1st quarter 2004 – 1st quarter 2009



The first estimate of the GDP for the 1st quarter of 2009 calculated in accordance with the internationally recognized methodology will be published by Statistics Estonia on 9 June.

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