

Economic growth accelerated in the 3rd quarter

According to the second estimates of Statistics Estonia, the gross domestic product (GDP) of Estonia increased by 3.5% in the 3rd quarter of 2012 compared to the same quarter in the previous year.

The seasonally and working-day adjusted GDP growth accelerated to 1.6% compared to the previous quarter.

Construction contributed the most to the economic growth already for the fourth quarter in succession. The growth of the construction market was driven by repair and reconstruction works of buildings and construction of infrastructure objects. In addition, fast growth of the value added of administrative and support service, information and communication, agriculture and forestry and transport and storage activities had a substantial impact on the economic growth. The growth of computer programming and related activities had the biggest impact on the growth of the value added of information and communication. Transportation and storage activity was influenced the most by the growth of warehousing and support activities for transportation.

The economic growth in Estonia depends considerably on foreign demand, whereas the main exporters are manufacturing enterprises. Although the value added of manufacturing grew by a percentage, its contribution to the economic growth remained modest. The production of computers, electronic and optical products upheld the growth of the value added of manufacturing the most.

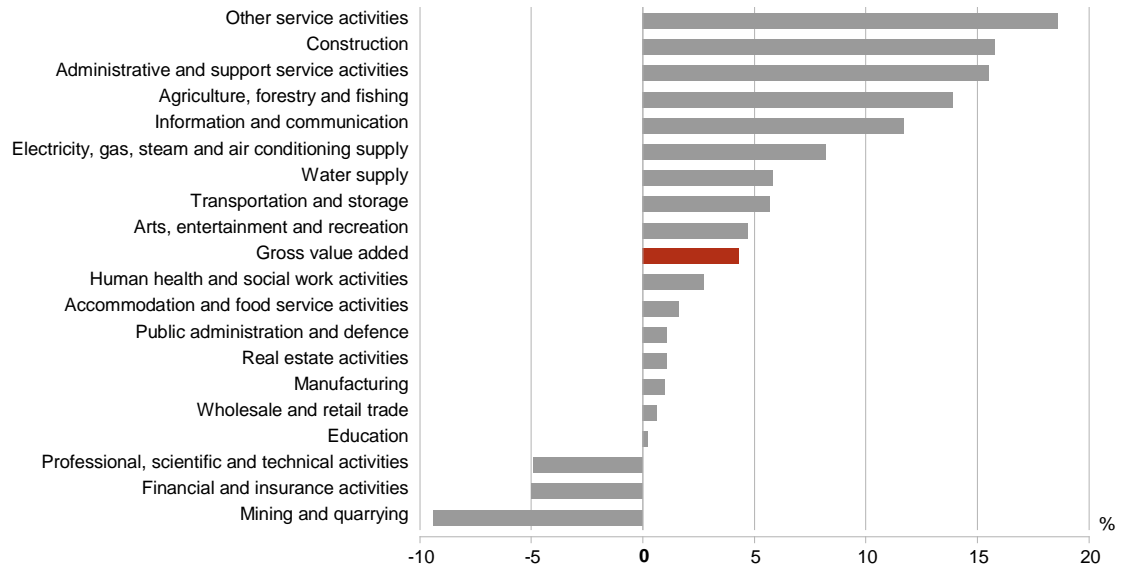
The value added of mining, financial and insurance and professional, scientific and technical activities decreased in the 3rd quarter. At the same time, the contribution of the activities with the decreased value added to the GDP was substantially smaller than in the 2nd quarter.

The real growth of export of goods and services decelerated to 3% due to the decrease in export of services. The fast decrease in services of sea transport and of warehousing and support activities for transportation contributed the most to the decrease in export of services. Export of goods increased by 5% influenced the most by export of electrical equipment, machinery and equipment and beverages. Import of goods and services increased to 9%. Import of goods increased by 8% influenced the most by import of machinery and equipment and transport equipment. The share of the total exports and imports in the GDP has increased gradually in the recent quarters, respectively to 95% and 93% in the 3rd quarter. The share of net exports in the GDP was 1.4% (in the 2nd quarter it was 2.7%).

Whereas in the 3rd quarter the GDP grew faster than employment, while hours worked even decreased, labour productivity per employee and hours worked of the total economy increased by 2% and 6%, respectively, compared to the same quarter of the previous year. Labour productivity is calculated by seasonally and calendar adjusted figures. At the same time labour costs for the GDP production have increased. Unit labour costs increased by 5% compared to the same quarter of the previous year, which indicates that the compensations per employee have grown faster than the productivity. Unit labour cost increased for the fourth quarter in succession.

Against the background of the weak foreign demand, the domestic demand contributed substantially to the economic growth in Estonia. The domestic demand grew by 11% in the 3rd quarter. The gross fixed capital formation grew by 34% influenced the most by the fast growth of general government investments in buildings and structures and transport equipment. Household final consumption expenditures grew by 7%, whereas the growth of consumption of food, operation of personal transport equipment (e.g. motor fuels, spare parts) and recreational and cultural services (visits to cinema, theatre and concerts) contributed the most to the growth.

Growth of the value added of economic activities, 3rd quarter 2012



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More detailed data have been published in the Statistical Database (<http://www.stat.ee/database>).