

The growth in business sector is slowing down

According to Statistics Estonia, in the 3rd quarter of 2011, the net sales, costs and total profit of the business sector increased compared to the previous quarter as well as to the same quarter of the previous year. At the same time the continually improving comparison basis turns the growth rate slower.

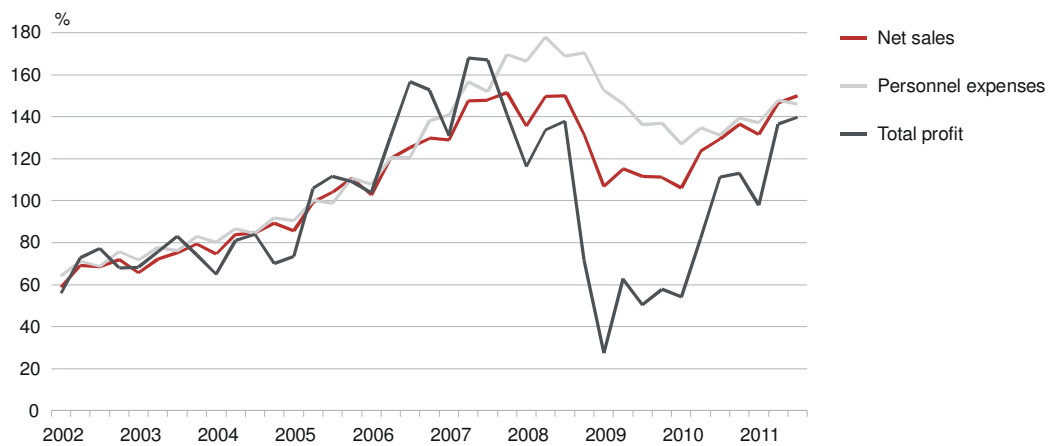
In the 3rd quarter of 2011, enterprises sold goods and services for 10.8 billion euros at current prices, which is 16% more than in the same period a year ago. The net sales of wholesale and retail trade, manufacturing and transportation and storage enterprises, which have the biggest share in gross net sales in total business sector, increased 10%, 27% and 14%, respectively. At the same time the growth of net sales of these activities as well as total business sector slightly slowed down. The reason for the slowdown is continually improving comparison basis.

According to the seasonally adjusted data, the net sales of enterprises increased by about 4% in the 3rd quarter of 2011 compared to the previous quarter. In the 1st and 2nd quarter of 2011 the growth compared to the previous quarter was 8% and 1%, respectively.

Compared to the 3rd quarter of 2010, the enterprises' total costs increased 15%, of which the personnel expenses 11%. The hour productivity (total productivity / number of hours worked) of business sector increased by a tenth, at the same time the average hourly labour costs increased only 5%.

In the 3rd quarter of 2011, the total profit of enterprises amounted to 766 million euros, which was about 26% more compared to the 3rd quarter of the previous year and according to the seasonally adjusted data stayed on the same level with the profit of the 2nd quarter of 2011. Although, compared to the 3rd quarter of the previous year, the total profit increased the most in agriculture and accommodation and food service activities, the total profit growth of business sector was mostly influenced by trade. The 43% growth in this activity was mainly caused by enterprises dealing with retail trade and sales of motor vehicles. The total profit of manufacturing, which gave the biggest share of the total profit of the business sector, increased only 4% compared with the same quarter of the previous year and decreased nearly 30% compared to the 2nd quarter of 2011. The changes in manufacturing profit were mainly caused by the manufacture of electronic equipment, which was running in the loss in the 3rd quarter of 2011.

The investments activeness of enterprises continues. In the 3rd quarter of 2011, enterprises invested 536 million euros, which is by a half more than in the 3rd quarter of 2010. Investments were mainly made in equipment and machinery. The major investors were manufacturing and energy enterprises with about a half of the total investments of enterprises. Only investments in land decreased.

**Net sales, personnel expenses and total profit of the business sector,
1st quarter 2002 – 3rd quarter 2011 (average of the quarters of 2005 = 100)**

For further information:

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More detailed data have been published in the
Statistical Database (investments
http://www.stat.ee/sdb-update?db_update_id=8410,
productivity [http://www.stat.ee/sdb-
update?db_update_id=9500](http://www.stat.ee/sdb-update?db_update_id=9500), enterprises income
statement [http://www.stat.ee/sdb-
update?db_update_id=8655](http://www.stat.ee/sdb-update?db_update_id=8655)).