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Survey of macroeconomic forecasts

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The aim of the survey of macroeconomic forecasts (the so-called Colloquium), which is carried out by the Ministry of Finance of the Czech Republic (MoF), is to ascertain the opinion of relevant institutions on the future development of the Czech economy and to assess key trends the participating institutions envisage in their forecasts. The results of the 59th Colloquium, which took place in May 2025 (the OECD forecast was updated in early June), are based on the forecasts of 16 institutions (Ministry of Finance; Ministry of Industry and Trade; Ministry of Labour and Social Affairs; Czech National Bank; Citfin – Financial Markets Inc.; Banka CREDITAS; Česká spořitelna; Generali Investments CEE; Czech Chamber of Commerce; Institute of economic studies, Faculty of social sciences, Charles University; Komerční banka; Confederation of Industry of the Czech Republic; UniCredit Bank). To make the survey more representative, forecasts of the European Commission (European Economic Forecast, May 2025), the International Monetary Fund (World Economic Outlook, April 2025) and the Organisation for Economic Co-operation and Development (Economic Outlook, June 2025) have been included.

Key trends for the years 2025 and 2026 that are envisaged in the latest forecast of the MoF (April 2025) are consistent with the forecasts of other institutions. However, the comparison of forecasts for the years 2027 and 2028, which are understood as an indicative outlook, is complicated by the fact that the forecasts of the participating institutions do not cover this period in many cases (the whole period 2025–2028 cover, at least for some indicators, forecasts of 8 institutions). The results of the survey and the latest forecast of the MoF are summarised in Tables 1 and 2.

Main macroeconomic trends expected in 2025 and 2026 can be summarised as follows:

- On average, the participating institutions expect the Czech economy to grow by 1.8% this year. Real household consumption could increase by 3.1% thanks to the weakening inflation rate, growth in real earnings and improved consumer confidence. Government consumption is expected to slow to 2.3% in the context of the ongoing consolidation of public finances. The weak economic performance of the euro area countries and the uncertainties in the economic and foreign policies of the new US administration are weighing on investment developments. On the other hand, the increase in government investment spending, supported by EU funds, should contribute positively, and gross fixed capital formation should stagnate. The change in inventories could support economic growth to the extent of 0.6 pp.
- Economic growth is expected to reach 2.0% in 2026, thanks to accelerating investment and economic growth in the main trading partner countries. At the same time, however, domestic demand will support imports, so the external trade balance should slightly dampen GDP growth.
- In addition to the restrictive monetary policy, inflationary pressures will be reduced by the decline in the dollar oil price, lower energy prices and a slight appreciation of the koruna. On the other hand, higher wage growth, strong dynamics of services prices and imputed rental and an increase in consumption taxes should have an inflationary effect. On average, respondents expect the inflation rate to reach 2.4% in 2025. Next year, the average inflation rate is expected to fall slightly to 2.2%.
- The unemployment rate is expected to rise slightly due to international trade barriers and persistent problems in the industrial sectors, by 0.2 pp on average this year to 2.8% and then to 2.9% in 2026. However, labour shortages in many sectors should lead to an increase in employment (in national accounts methodology) this year and next (by 0.3%).
- On average, the institutions forecast that wages and salaries will increase by 6.3% this year, while growth in this essential budget indicator could slow to 5.3% in 2026. Average wage could follow a similar trajectory, rising by 6.0% this year and 4.9% in 2026.
- Domestic demand should be the guiding factor for the current account of the balance of payments this year and next. The current account surplus should narrow to 1.1% of GDP this year on the back of stronger household consumption dynamics. It could fall to 0.6% of GDP next year on the back of a recovery in trading partner countries and import-intensive domestic demand. Recovering investment activity should lead to a further decline to 0.8% next year.

Table 1: Results of the survey for the years 2025 and 2026

		2025						2026					
		min.	P25	average	P75	max.	MoF	min.	P25	average	P75	max.	MoF
<i>Assumptions</i>													
Eurozone GDP	real growth in %	0.1	0.8	0.8	0.9	1.0	0.7	0.8	1.1	1.2	1.3	1.4	1.4
Crude oil Brent	USD/barrel	65	65	67	68	72	72	60	63	65	68	70	68
3M PRIBOR	average in %	3.2	3.4	3.5	3.6	3.6	3.5	2.7	3.0	3.1	3.3	3.4	3.4
YTM of 10Y gov. bonds	average in %	3.9	4.0	4.0	4.1	4.2	4.1	3.5	3.7	3.8	4.0	4.1	3.7
CZK/EUR exchange rate		24.9	25.0	25.0	25.1	25.3	24.9	24.5	24.8	24.9	25.0	25.3	24.5
USD/EUR exchange rate		1.08	1.10	1.10	1.11	1.12	1.08	1.08	1.12	1.13	1.14	1.18	1.11
<i>Main indicators</i>													
Gross domestic product	real growth in %	1.5	1.8	1.8	2.0	2.0	2.0	1.2	2.0	2.0	2.2	2.5	2.4
Contr. of change in inventories	perc. points	-0.1	0.4	0.6	0.9	1.2	0.7	-0.3	0.0	0.0	0.1	0.2	0.2
Contr. of foreign balance	perc. points	-1.0	-0.8	-0.6	-0.4	-0.2	-1.0	-0.6	-0.3	-0.1	0.1	0.3	-0.5
Consumption of households	real growth in %	2.2	2.9	3.1	3.3	3.9	3.6	1.7	2.4	2.6	2.9	3.2	3.2
Consumption of government	real growth in %	2.0	2.1	2.3	2.5	3.3	2.0	1.2	1.4	1.7	2.1	2.8	1.4
Gross fixed capital formation	real growth in %	-4.3	-0.5	0.1	0.8	2.9	0.7	0.9	2.6	2.6	3.0	3.4	3.1
GDP deflator	growth in %	1.6	2.1	2.4	2.8	2.9	2.7	2.0	2.0	2.3	2.5	2.8	2.3
Inflation rate (aop)	in %	2.1	2.3	2.4	2.5	2.5	2.4	1.8	2.1	2.2	2.3	2.4	2.3
Employment (national accounts)	growth in %	0.0	0.1	0.3	0.5	0.8	0.2	0.1	0.1	0.3	0.4	0.6	0.1
Unemployment rate (LFS)	in %	2.5	2.6	2.8	2.9	3.5	2.6	2.4	2.6	2.9	3.2	3.5	2.5
Wages and salaries (dom. concept)	nom. growth in %	5.9	6.2	6.3	6.4	6.6	6.6	4.8	5.0	5.3	5.6	5.6	5.6
Average wage (business statistics)	nom. growth in %	5.0	6.0	6.0	6.2	6.6	6.6	4.1	4.8	4.9	5.0	5.5	5.4
BoP – current account balance	in % of GDP	-0.1	0.7	1.1	1.7	2.0	0.7	-0.6	0.2	0.8	1.4	1.7	0.1

Note: The data in column P25 (P75) correspond to the 1st (3rd) quartile of the forecast sample.

Source: Survey respondents. Calculations of the MoF.

Table 2: Results of the survey for the years 2027 and 2028

		2027				2028			
		min.	average	max.	MoF	min.	average	max.	MoF
<i>Assumptions</i>									
Eurozone GDP	real growth in %	1.3	1.4	1.7	1.6	1.2	1.4	1.9	1.6
Crude oil Brent	USD/barrel	64	65	67	67	65	66	67	67
3M PRIBOR	average in %	3.0	3.2	3.4	3.4	3.0	3.2	3.4	3.4
YTM of 10Y gov. bonds	average in %	3.3	3.7	4.1	3.6	3.3	3.8	4.1	3.6
CZK/EUR exchange rate		24.2	24.4	24.7	24.2	23.8	24.2	24.7	23.8
USD/EUR exchange rate		1.13	1.17	1.20	1.13	1.14	1.18	1.21	1.14
<i>Main indicators</i>									
Gross domestic product	real growth in %	1.9	2.5	2.8	2.6	2.0	2.4	2.6	2.5
Contr. of change in inventories	perc. points	0.0	0.1	0.2	0.1	0.0	0.0	0.1	0.1
Contr. of foreign balance	perc. points	-0.1	0.1	0.3	0.2	0.0	0.2	0.3	0.1
Consumption of households	real growth in %	2.3	2.5	2.8	2.5	2.3	2.4	2.8	2.3
Consumption of government	real growth in %	1.5	1.8	2.0	2.0	1.5	1.8	2.1	2.0
Gross fixed capital formation	real growth in %	2.5	3.1	3.9	2.5	2.8	3.2	3.6	3.6
GDP deflator	growth in %	1.9	2.1	2.5	2.2	1.9	2.1	2.5	2.0
Inflation rate (aop)	in %	2.0	2.1	2.4	2.2	2.0	2.1	2.5	2.1
Employment (national accounts)	growth in %	-0.2	0.1	0.7	-0.2	-0.1	0.1	0.6	-0.1
Unemployment rate (LFS)	in %	2.4	2.8	3.5	2.4	2.4	2.7	3.5	2.4
Wages and salaries (dom. concept)	nom. growth in %	4.9	5.0	5.3	4.9	4.6	4.9	5.4	4.6
Average wage (business statistics)	nom. growth in %	4.4	4.7	5.0	4.9	4.5	4.7	5.0	4.7
BoP – current account balance	in % of GDP	-0.5	0.6	1.5	0.3	-0.4	0.6	1.5	0.3

Source: Survey respondents. Calculations of the MoF.

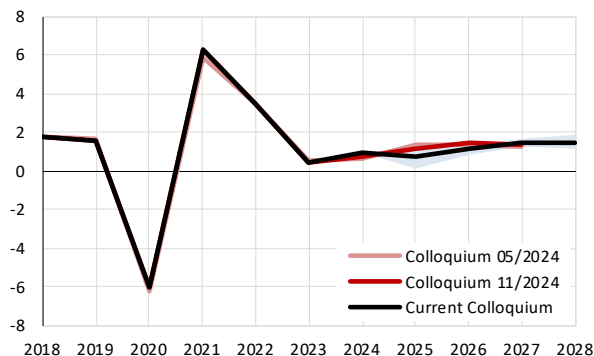
Overview of indicators

Graphs 1–18 show past and expected development of individual indicators. For comparison, consensus forecasts of two previous Colloquia are also included. Extreme forecasts of indicators (min. and max. columns in the tables above) form the boundaries of the highlighted area.

Graph 1: Gross domestic product of the eurozone

real growth in %

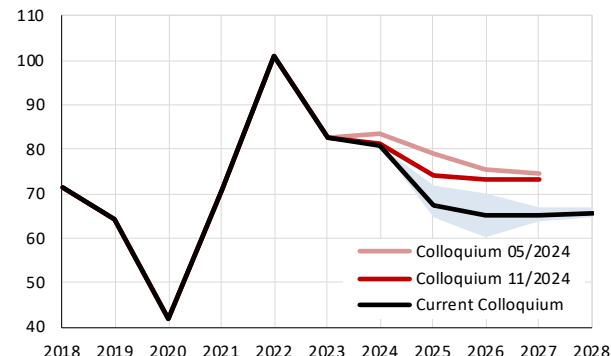
Economic recovery in the euro area will be gradual



Graph 2: Crude oil Brent

in USD/barrel

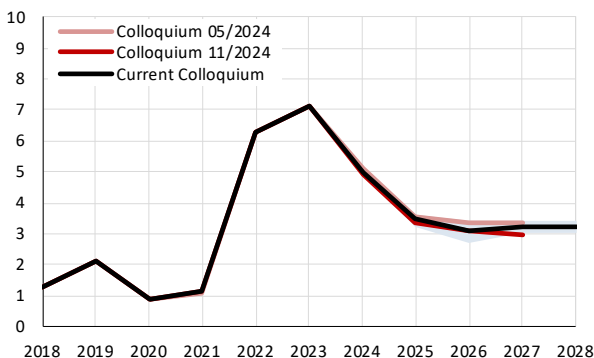
Oil price to fall to near USD 65



Graph 3: 3M PRIBOR

in %, average of period

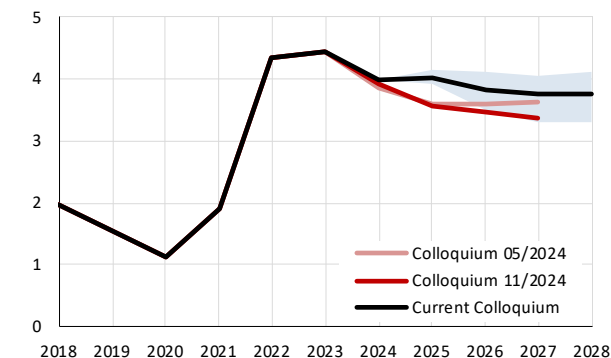
Short-term rates to stabilize above 3%



Graph 4: YTM of 10Y government bonds

in %, average of period

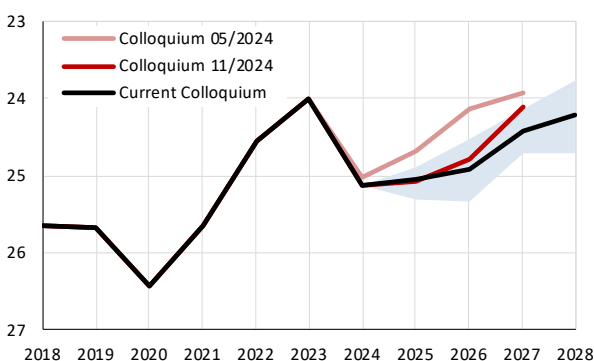
Long-term rates will slowly decline



Graph 5: CZK/EUR exchange rate

CZK per euro

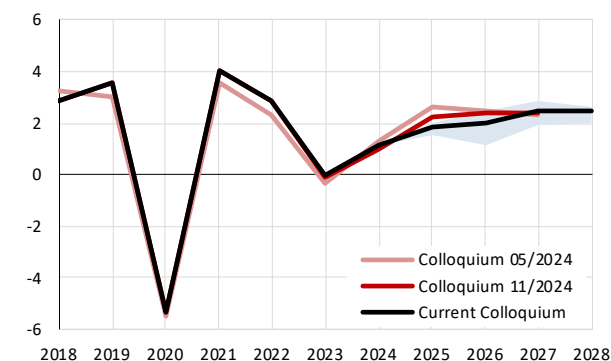
The appreciation of the koruna will gradually accelerate



Graph 6: Gross domestic product

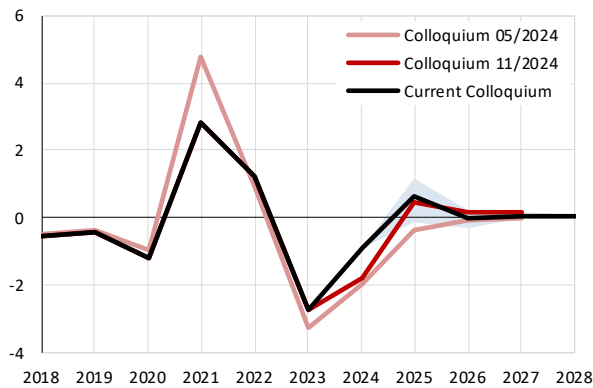
real growth in %

GDP growth close to 2% this year and next



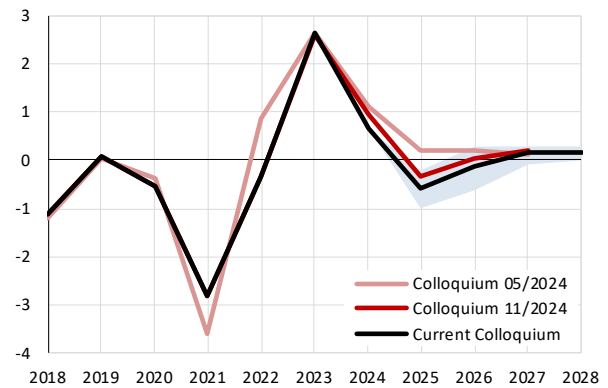
Graph 7: Contribution of change in inventories
in percentage points

Gradual normalisation of inventories towards normal levels



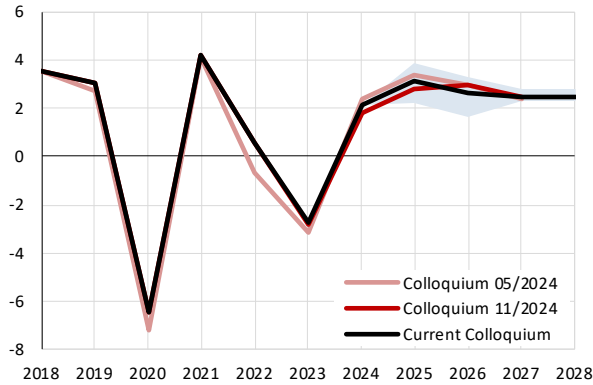
Graph 8: Contribution of net exports
in percentage points

Recovery in foreign partner countries will support exports



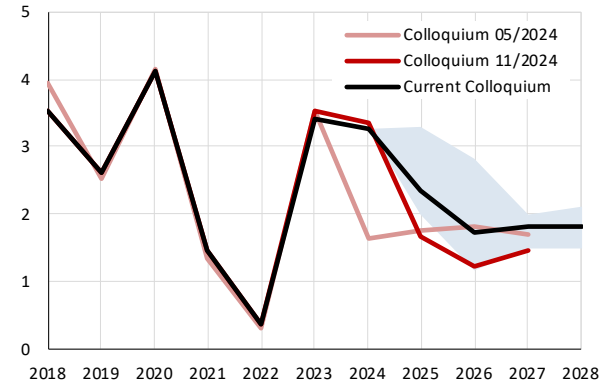
Graph 9: Consumption of households
real growth in %

Household consumption will be supported by real income growth



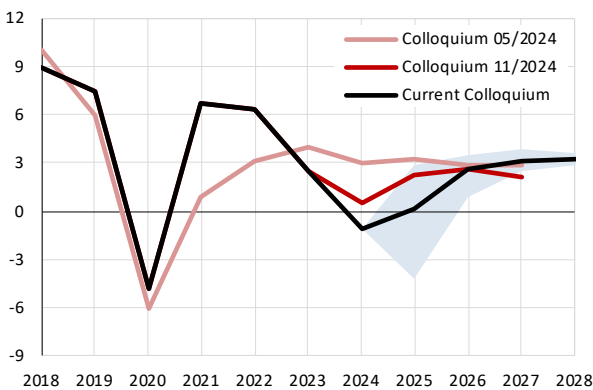
Graph 10: Consumption of government
real growth in %

Government consumption growth slows to 2 percent



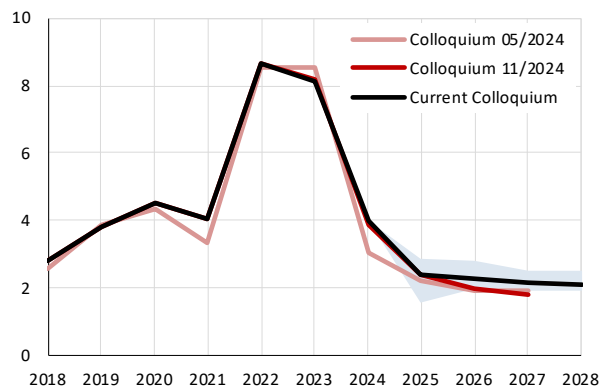
Graph 11: Gross fixed capital formation
real growth in %

Noticeable increase in investment activity from next year onwards



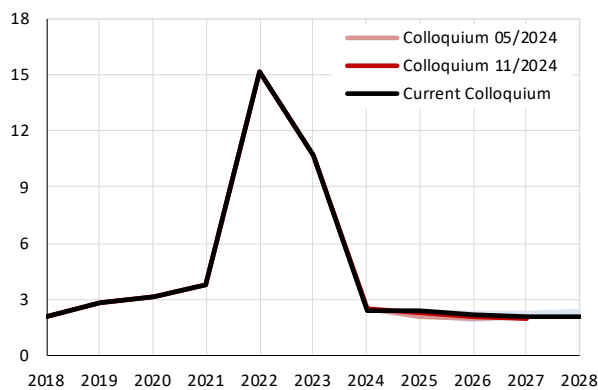
Graph 12: GDP deflator
growth in %

Stable growth in the price level

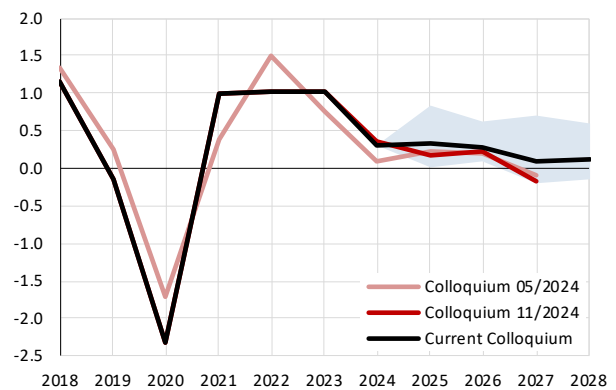


Graph 13: Average inflation rate*in %*

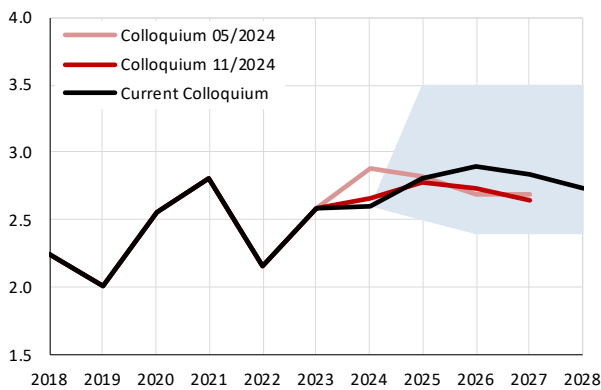
Inflation slightly above the CNB's 2% target

**Graph 14: Employment (national accounts)***growth in %*

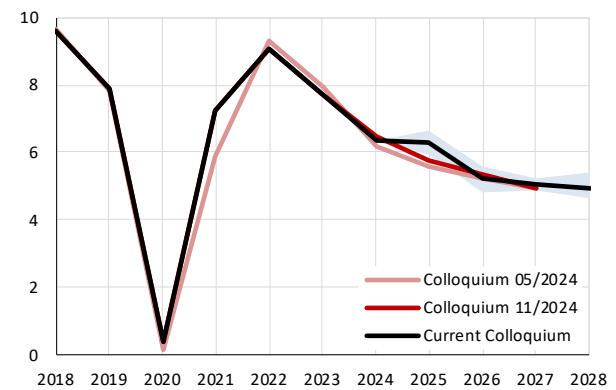
Employment to increase modestly

**Graph 15: Unemployment rate (LFS)***in %*

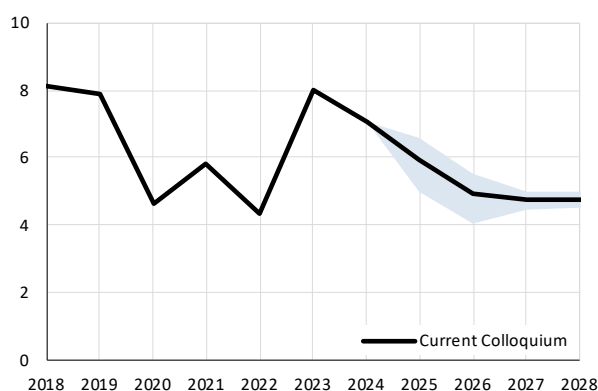
Unemployment rate to rise slightly over the next two years

**Graph 16: Wages and salaries (domestic concept)***nominal growth in %*

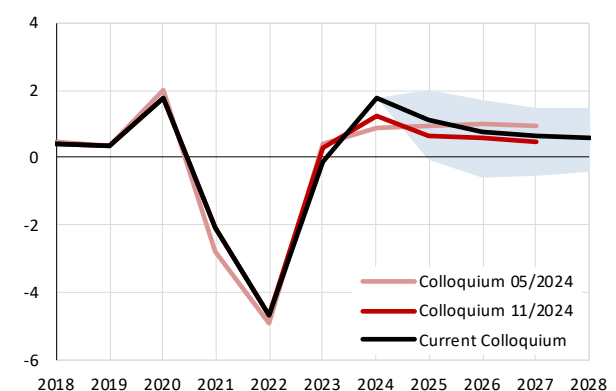
Wage and salary dynamics to improve

**Graph 17: Average wage (business statistics)***nominal growth in %*

Average wage growth should slow to below 5%

**Graph 18: Balance of payments – current account***in % of GDP*

Current account surplus will fall to near 0.5% of GDP



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