4. External Relations

Sources: CNB, CZSO, Eurostat, MoF estimates

Table 4.1: **Exchange Rates –** yearly

		2002	2003	2004	2005	2006	2007	2008	2009 Forecast	2010 Forecast	2011 Outlook
Nominal exchange rates:											
CZK / EUR	*average*	**30,81**	**31,84**	**31,90**	**29,78**	**28,34**	**27,76**	**24,94**	**26,9**	**25,0**	**23,9**
appreciation	*prev.year=100*	110,6	96,8	99,8	107,1	105,1	102,1	111,3	92,9	107,5	104,6
CZK / USD	*average*	**32,74**	**28,23**	**25,70**	**23,95**	**22,61**	**20,31**	**17,03**	**21,0**	**20,3**	**19,9**
appreciation	*prev.year=100*	116,2	116,0	109,8	107,3	105,9	111,3	119,2	81,3	103,3	101,9
NEER	*verage of 2005=100*	**93,5**	**93,5**	**94,1**	**100,0**	**105,1**	**107,9**	**120,4**	**111**	**119**	**124**
appreciation	*prev.year=100*	111,8	99,9	100,7	106,2	105,1	102,6	111,6	92,2	107,0	104,2
Real exchange rate [1]											
to EA-12	*verage of 2005=100*	**97,5**	**93,2**	**95,5**	**100,0**	**104,0**	**107,6**	**119,1**	**110**	**117**	**123**
appreciation	*prev.year=100*	110,9	95,6	102,4	104,7	104,0	103,4	110,7	92,7	106,4	105,0

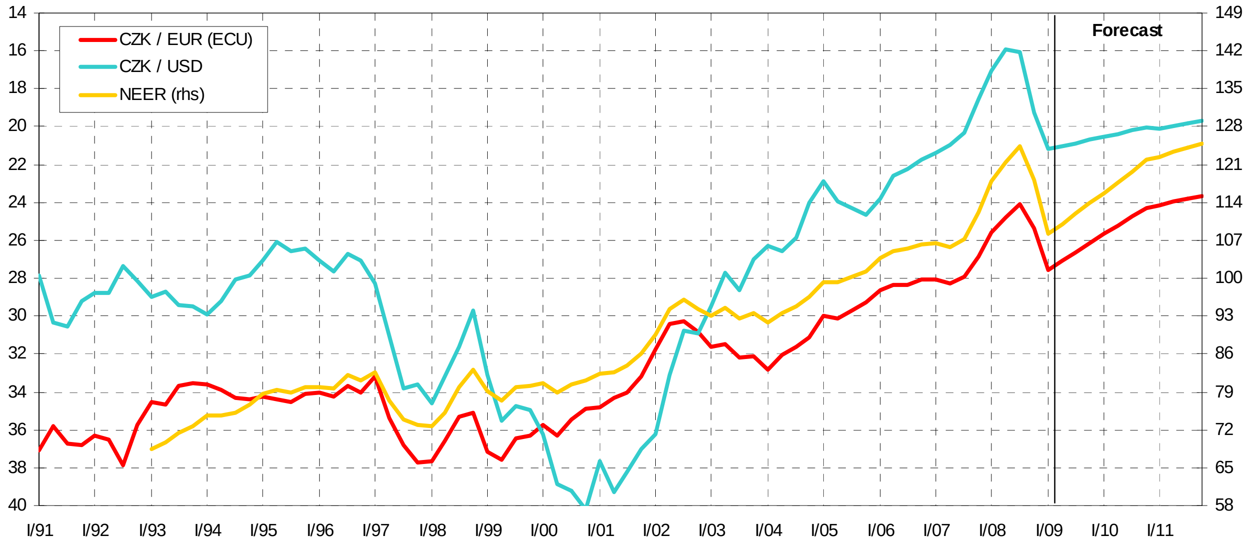
[1] *Deflated by GDP deflators.*

Table 4.2: **Exchange Rates -** quarterly

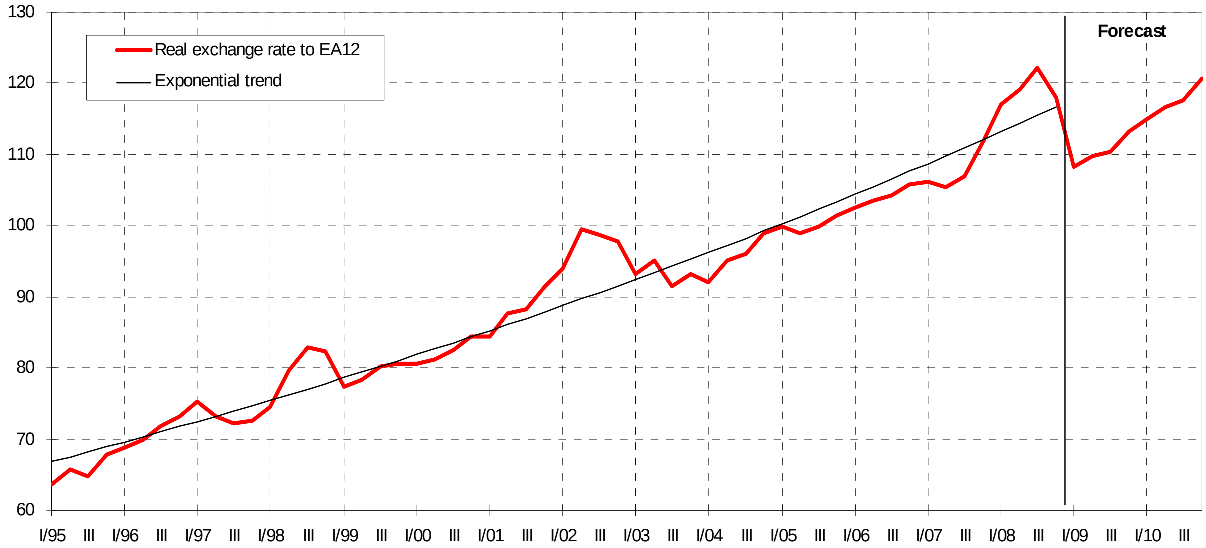
		2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1 Estimate	2009 Q2 Forecast	2009 Q3 Forecast	2009 Q4 Forecast
Nominal exchange rates:									
CZK / EUR		**25,56**	**24,83**	**24,09**	**25,34**	**27,60**	**27,1**	**26,6**	**26,1**
appreciation	*prev.year=100*	109,7	113,9	115,9	105,9	92,6	91,6	90,5	97,0
CZK / USD		**17,08**	**15,89**	**16,05**	**19,25**	**21,21**	**21,0**	**20,9**	**20,7**
appreciation	*prev.year=100*	125,3	132,0	126,7	96,3	80,5	75,5	76,9	93,0
NEER	*average of 2005=100*	**117,9**	**121,4**	**124,3**	**118,1**	**108**	**110**	**112**	**114**
appreciation	*prev.year=100*	110,8	114,7	115,9	105,3	91,8	90,7	90,1	96,4
Real exchange rate									
to EA12	*average of 2005=100*	**117,0**	**119,2**	**122,1**	**117,9**	**108**	**110**	**110**	**113**
appreciation	*prev.year=100*	110,2	113,0	114,3	105,4	92,5	92,1	90,4	96,0

Graph 4.1: **Nominal Exchange Rates**

quarterly average, average 2005 = 100 (rhs)



Graph 4.2: **Real Exchange Rate to EA12**
quarterly average, deflated by GDP deflators, average 2005 = 100



Graph 4.3: **Real Exchange Rate to EA12**
deflated by GDP deflators, YoY growth, in percentage points

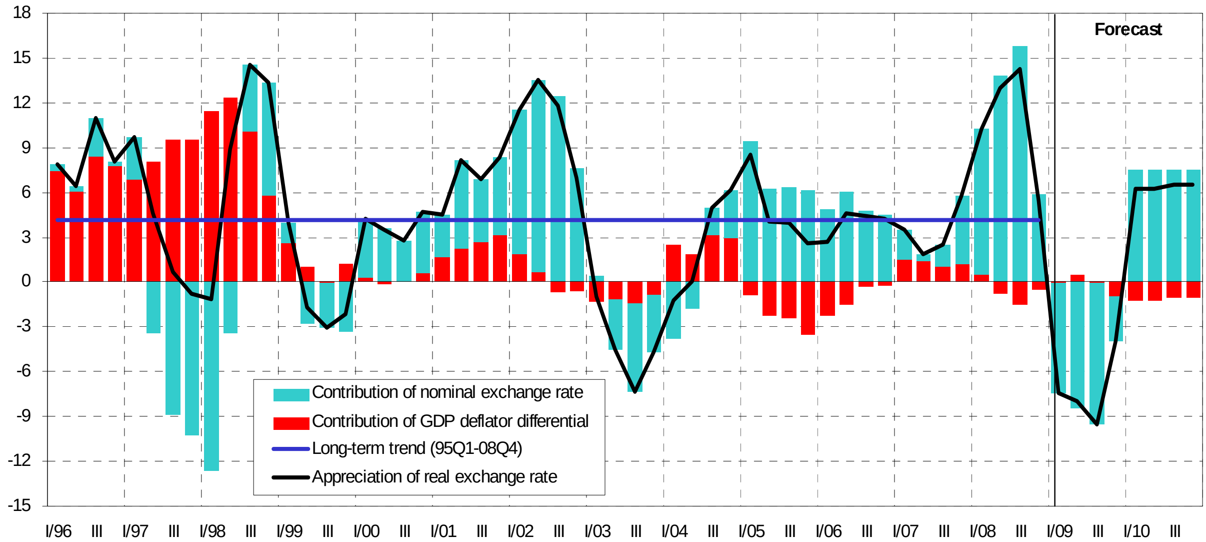


Table 4.3: **Balance of Payments -** yearly

		2001	2002	2003	2004	2005	2006	2007	2008	2009 Forecast	2010 Forecast
Exports of goods (fob)	*bill.CZK*	1270	1254	1371	1723	1869	2145	2479	2465	2195	2153
	prev.year=100	113,2	98,8	109,3	125,7	108,5	114,8	115,6	99,4	89,0	98,1
Imports of goods (fob) [1)]	*bill.CZK*	1386	1326	1441	1736	1809	2079	2359	2362	2133	2089
	prev.year=100	111,6	95,6	108,7	.	104,2	114,9	113,4	100,2	90,3	97,9
Balance of trade [1)]	*bill.CZK*	-117	-71	-70	-13	59	65	121	103	61	64
of which:											
- mineral fuels *(SITC 3)* [2)]	*bill.CZK*	-88	-64	-68	-72	-110	-139	-124	-164	-100	-116
- others [2)]	*bill.CZK*	-29	-7	-1	46	149	179	212	233	130	150
- imports fob - imports cif	*bill.CZK*	.	.	.	13	21	25	33	34	31	30
Exports of services	*bill.CZK*	270	231	219	247	282	314	347	377	391	410
	prev.year=100	101,8	85,7	94,8	.	114,3	111,2	110,4	108,9	103,5	105,0
Imports of services	*bill.CZK*	212	209	206	231	245	268	290	295	295	309
	prev.year=100	100,7	98,9	98,4	.	106,5	109,0	108,3	101,9	100,0	104,5
Balance of services	*bill.CZK*	58	22	13	17	37	46	57	82	95	101
Balance of income	*bill.CZK*	-84	-116	-120	-157	-143	-181	-270	-289	-266	-287
of which:											
- compensation of employees	*bill.CZK*	-17	-18	-17	-16	-11	-13	-20	-35	-35	-36
- investment income	*bill.CZK*	-66	-97	-103	-141	-132	-168	-251	-254	-231	-251
Balance of transfers	*bill.CZK*	18	29	16	6	7	-13	-18	-10	4	24
Current account	*bill.CZK*	-124	-136	-161	-147	-40	-82	-111	-114	-106	-97
Capital account	*bill.CZK*	0	0	0	-14	5	8	20	31	46	49
Financial account	*bill.CZK*	173	348	157	177	155	92	126	151	.	.
- foreign direct investments	*bill.CZK*	208	271	54	102	280	90	179	150	.	.
- portfolio investments	*bill.CZK*	35	-47	-36	53	-81	-27	-57	-9	.	.
- other investments	*bill.CZK*	-70	124	139	23	-44	29	4	10	.	.
Change in reserves	*bill.CZK*	67	217	13	7	93	2	16	40	.	.
Gross external debt	*bill.CZK*	811	813	895	1012	1142	1194	1349	1551	1651	1714
Balance of trade / GDP [1)]	*per cent*	-5,0	-2,9	-2,7	-0,5	2,0	2,0	3,4	2,8	1,7	1,7
Current account / GDP	*per cent*	-5,3	-5,5	-6,2	-5,2	-1,3	-2,6	-3,2	-3,1	-2,9	-2,6
Financial account / GDP	*per cent*	7,3	14,1	6,1	6,3	5,2	2,9	3,6	4,1	.	
Gross external debt / GDP [3)]	*per cent*	34,5	33,0	34,7	35,9	38,3	37,1	38,2	41,9	45	46

[1)] *Imports cif till April 2004, fob since May 2004*
[2)] *Imports cif*
[3)] *In CZK*

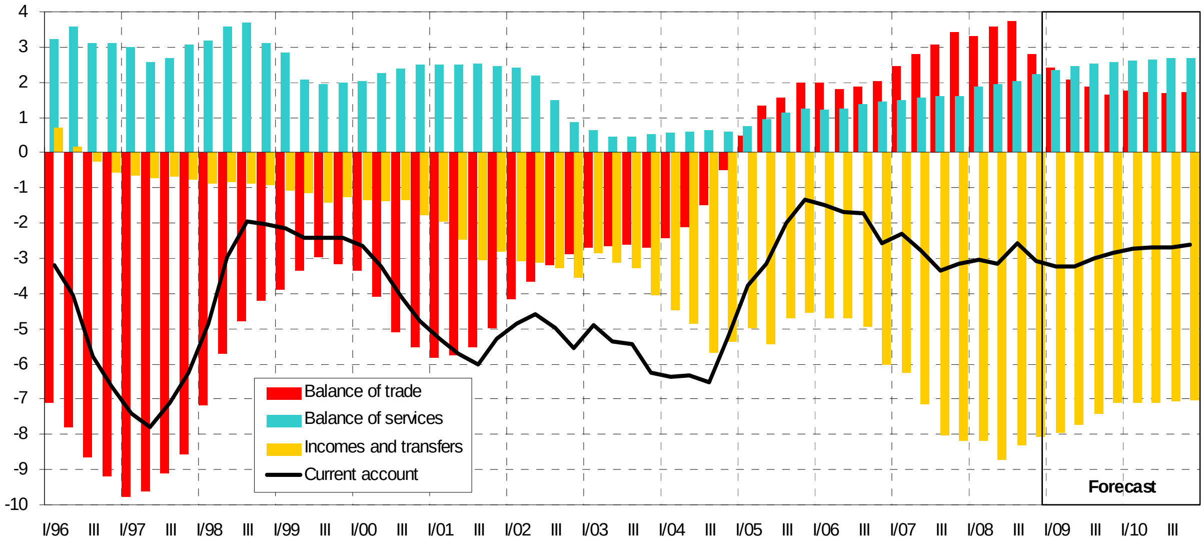
Table 4.4: **Balance of Payments -** quarterly

		2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1 *Estimate*	2009 Q2 *Forecast*	2009 Q3 *Forecast*	2009 Q4 *Forecast*
Exports of goods (fob)	*bill.CZK*	644	652	602	568	509	570	565	551
	prev.year=100	107,1	106,0	99,5	86,3	79,0	87,4	93,9	97,0
Imports of goods (fob)	*bill.CZK*	601	613	574	574	480	543	545	566
	prev.year=100	108,1	104,2	98,3	91,0	79,8	88,6	94,8	98,6
Balance of trade	*bill.CZK*	43	40	27	-7	29	27	21	-16
- mineral fuels *(SITC 3)* [1)]	*bill.CZK*	-38	-42	-40	-44	-32	-24	-21	-23
- others [1)]	*bill.CZK*	72	73	60	29	54	43	34	-1
- difference between imports cif and fob	*bill.CZK*	9	9	8	9	7	8	8	8
Exports of services	*bill.CZK*	89	96	96	97	93	100	98	99
	prev.year=100	119,9	108,7	102,6	106,4	104,0	104,0	103,0	103,0
Imports of services	*bill.CZK*	67	74	76	78	66	73	77	79
	prev.year=100	107,4	104,6	98,7	98,2	99,0	99,0	101,0	101,0
Balance of services	*bill.CZK*	22	22	20	18	27	27	22	20
Balance of income	*bill.CZK*	-36	-120	-70	-63	-33	-110	-65	-58
- compensation of employees	*bill.CZK*	-6	-8	-10	-10	-6	-8	-10	-10
- investment income	*bill.CZK*	-30	-112	-60	-53	-27	-102	-55	-48
Balance of transfers	*bill.CZK*	1	2	-7	-6	1	1	1	1
Current account	*bill.CZK*	30	-56	-30	-58	24	-55	-22	-53
Capital account	*bill.CZK*	7	13	2	9	9	28	1	8
Financial account	*bill.CZK*	-16	67	47	53	.	.	.	.
- foreign direct investments	*bill.CZK*	22	53	41	34	.	.	.	.
- portfolio investments	*bill.CZK*	-13	39	8	-44	.	.	.	.
- other investments	*bill.CZK*	-24	-25	-3	63	.	.	.	.
Change in reserves	*bill.CZK*	19	18	1	2	.	.	.	.
Gross external debt	*bill.CZK*	1355	1462	1513	1551	1586	1612	1632	1651

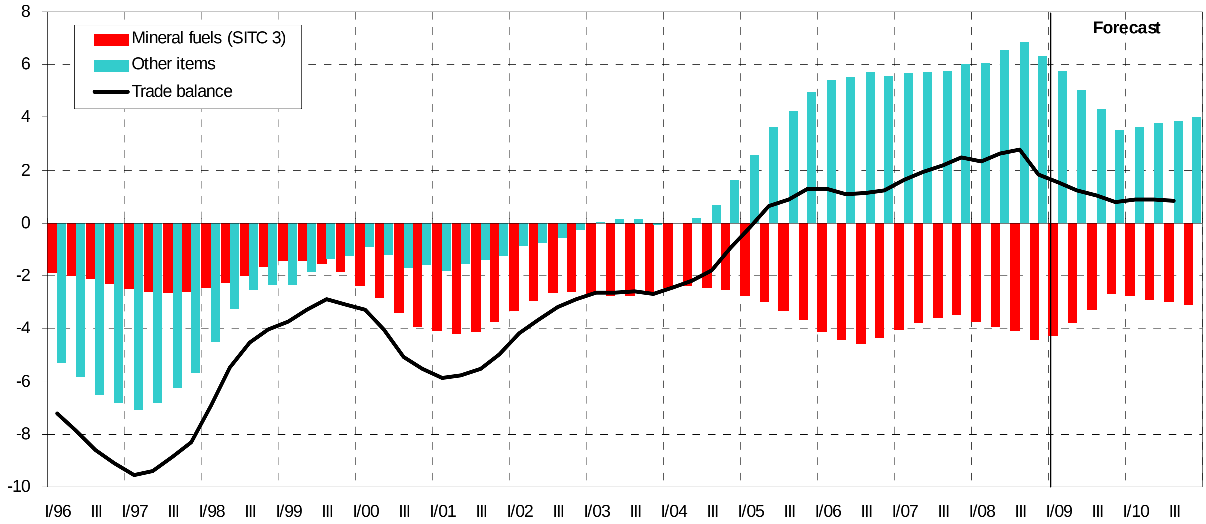
[1)] *Imports cif*

Graph 4.4: **Current Account**

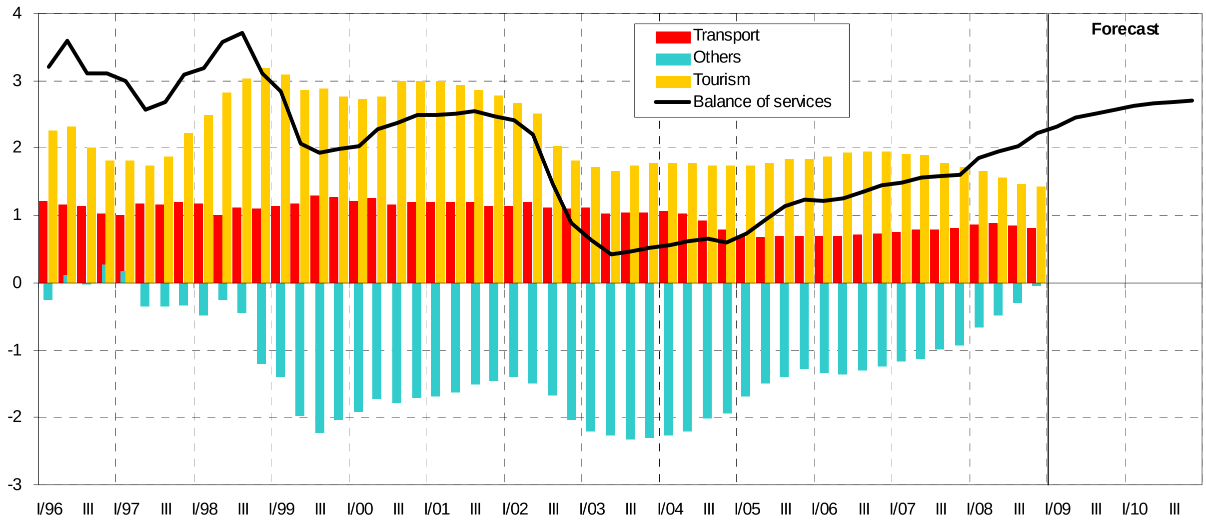
moving sums of the latest 4 quarters in per cent of GDP



Graph 4.5: **Balance of Trade** *(exports fob, imports cif)*
moving sums of the latest 4 quarters in per cent of GDP



Graph 4.6: **Balance of Services**
moving sums of the latest 4 quarters in per cent of GDP



Graph 4.7: **Balance of Income**
moving sums of the latest 4 quarters in per cent of GDP

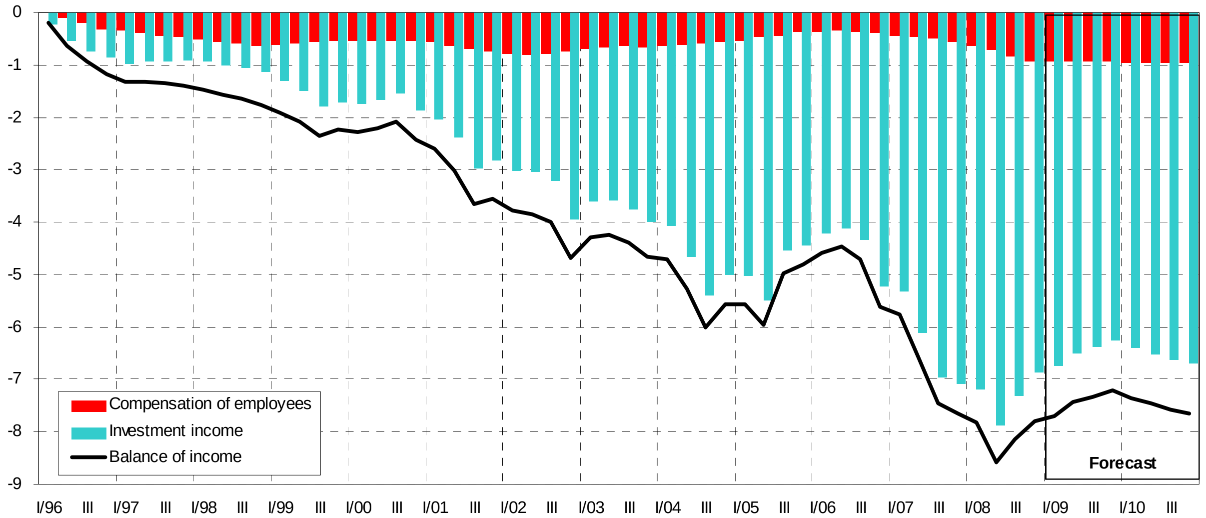


Table 4.5: **Decomposition of Exports of Goods –** yearly

		2001	2002	2003	2004	2005	2006	2007	2008	2009 *Forecast*	2010 *Forecast*
GDP [1]	*average of 2000=100*	101,7	102,7	103,7	105,8	108,0	112,3	116,6	118,8	115	115
	prev.year=100	**101,7**	**101,0**	**101,0**	**102,0**	**102,1**	**103,9**	**103,9**	**101,9**	**96,6**	**99,9**
Import intensity [2]	*average of 2000=100*	101,2	101,3	105,8	112,3	118,5	127,8	130,6	131,6	126	125
	prev.year=100	**101,2**	**100,1**	**104,5**	**106,1**	**105,5**	**107,9**	**102,2**	**100,7**	**95,6**	**99,2**
Export markets [3]	*average of 2000=100*	102,9	104,0	109,7	118,8	128,0	143,5	152,3	156,3	144	143
	prev.year=100	**102,9**	**101,1**	**105,5**	**108,2**	**107,8**	**112,2**	**106,1**	**102,6**	**92,3**	**99,1**
Export performance	*average of 2000=100*	110,9	116,2	120,3	136,7	141,7	147,3	160,6	165,5	154	157
	prev.year=100	**110,9**	**104,8**	**103,5**	**113,7**	**103,6**	**104,0**	**109,0**	**103,0**	**93,3**	**101,8**
Real exports	*average of 2000=100*	114,1	120,8	132,0	162,4	181,3	211,4	244,6	258,7	223	225
	prev.year=100	**114,1**	**105,9**	**109,3**	**123,0**	**111,6**	**116,6**	**115,7**	**105,7**	**86,1**	**100,9**
1 / NEER	*average of 2000=100*	96,0	85,9	85,9	85,3	80,3	76,4	74,5	66,7	72	68
	prev.year=100	**96,0**	**89,5**	**100,0**	**99,3**	**94,1**	**95,1**	**97,5**	**89,6**	**108,4**	**93,5**
Prices on foreign markets	*average of 2000=100*	103,5	107,8	107,8	110,9	114,5	118,5	121,5	127,4	121	126
	prev.year=100	**103,5**	**104,2**	**100,0**	**102,8**	**103,2**	**103,5**	**102,5**	**104,9**	**95,3**	**104,0**
Exports deflator	*average of 2000=100*	99,3	92,7	92,7	94,6	92,0	90,5	90,5	85,0	88	85
	prev.year=100	**99,3**	**93,3**	**100,0**	**102,1**	**97,2**	**98,4**	**99,9**	**94,0**	**103,3**	**97,2**
Nominal exports	*average of 2000=100*	113,2	111,9	122,3	153,7	166,7	191,3	221,1	219,9	196	192
	prev.year=100	**113,2**	**98,8**	**109,3**	**125,7**	**108,5**	**114,8**	**115,6**	**99,4**	**89,0**	**98,1**

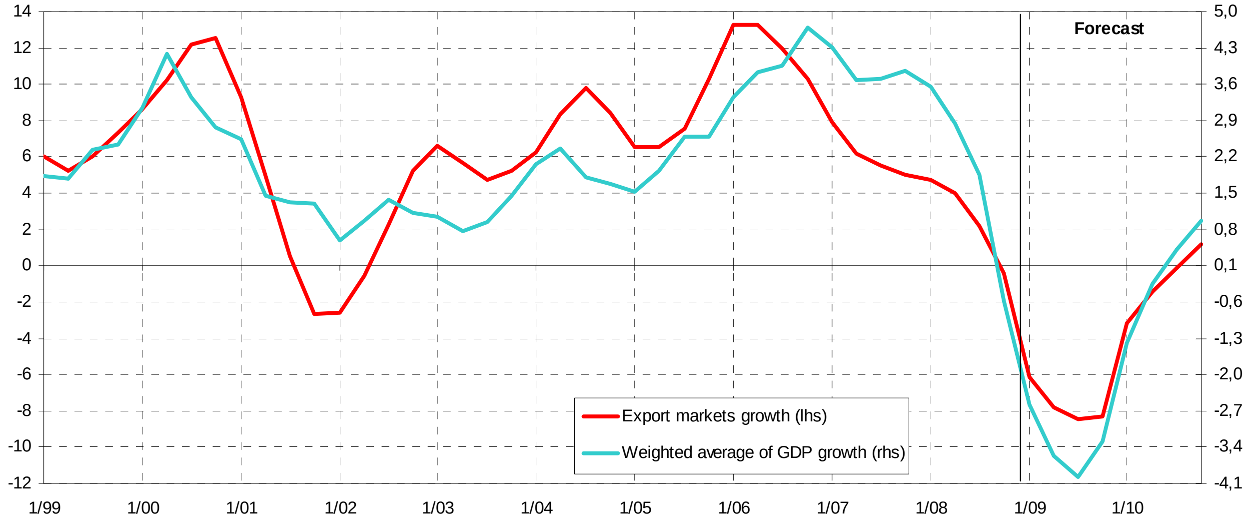
[1] *Weighted average of GDP of the seven most important partners – Germany, Slovakia, Austria, the United Kingdom, Poland, France and Italy.*
[2] *Index of ratio of real imports of goods to real GDP.*
[3] *Weighted average of imports of goods of the main partners.*

Table 4.6: **Decomposition of Exports of Goods –** quarterly

		2008				2009			
		Q1	Q2	Q3	Q4	Q1 *Estimate*	Q2 *Forecast*	Q3 *Forecast*	Q4 *Forecast*
GDP	*average of 2000=100*	119,1	119,2	119,1	117,9	116	115	114	114
	prev.year=100	**103,5**	**102,8**	**101,8**	**99,4**	**97,3**	**96,3**	**96,0**	**96,7**
Import intensity	*average of 2000=100*	131,5	131,9	131,5	131,3	127	126	125	125
	prev.year=100	**101,2**	**101,2**	**100,4**	**100,2**	**96,5**	**95,7**	**95,4**	**94,9**
Export markets	*average of 2000=100*	156,7	157,1	156,7	154,8	147	145	143	142
	prev.year=100	**104,7**	**104,0**	**102,2**	**99,6**	**93,8**	**92,2**	**91,5**	**91,7**
Export performance	*average of 2000=100*	170,1	174,8	163,6	153,2	144	157	159	158
	prev.year=100	**107,6**	**110,2**	**106,1**	**89,4**	**84,5**	**90,0**	**97,0**	**103,0**
Real exports	*average of 2000=100*	266,4	274,7	256,3	237,2	211	228	228	224
	prev.year=100	**112,7**	**114,7**	**108,4**	**89,1**	**79,3**	**83,0**	**88,8**	**94,5**
1 / NEER	*average of 2000=100*	68,1	66,2	64,6	68,0	74	73	72	71
	prev.year=100	**90,3**	**87,2**	**86,3**	**95,0**	**108,9**	**110,3**	**111,0**	**103,7**
Prices on foreign markets	*average of 2000=100*	126,6	128,1	129,6	125,6	116	122	124	124
	prev.year=100	**105,2**	**106,1**	**106,3**	**102,0**	**91,5**	**95,5**	**95,3**	**99,0**
Exports deflator	*average of 2000=100*	86,2	84,7	83,8	85,4	86	89	89	88
	prev.year=100	**95,0**	**92,5**	**91,7**	**96,9**	**99,6**	**105,3**	**105,8**	**102,7**
Nominal exports	*average of 2000=100*	229,7	232,7	214,6	202,5	182	203	202	197
	prev.year=100	**107,1**	**106,0**	**99,5**	**86,3**	**79,0**	**87,4**	**93,9**	**97,0**

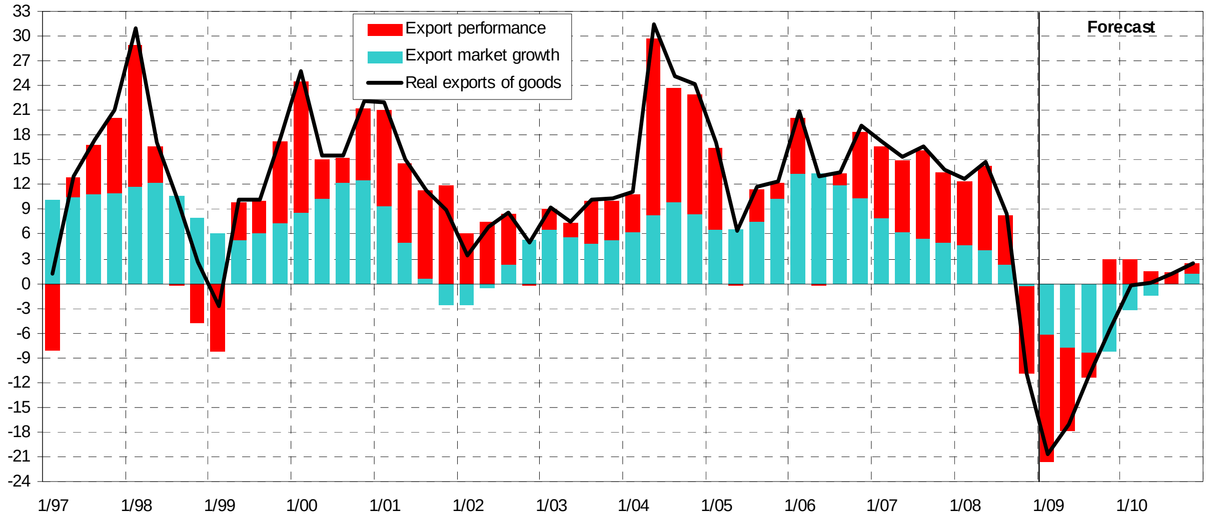
Graph 4.8: **GDP and Imports of Goods in Main Partner Countries**

YoY growth, in %



Graph 4.9: **Real Exports of Goods**

decomposition of YoY growth, in %



Graph 4.10: **Deflator of Exports of Goods**

decomposition of YoY growth, in %

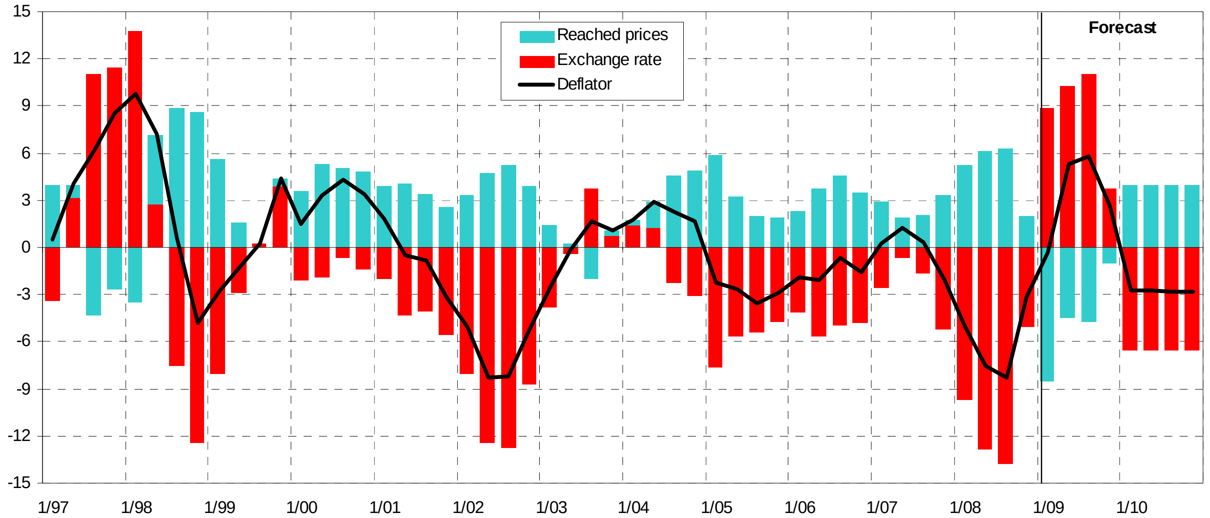
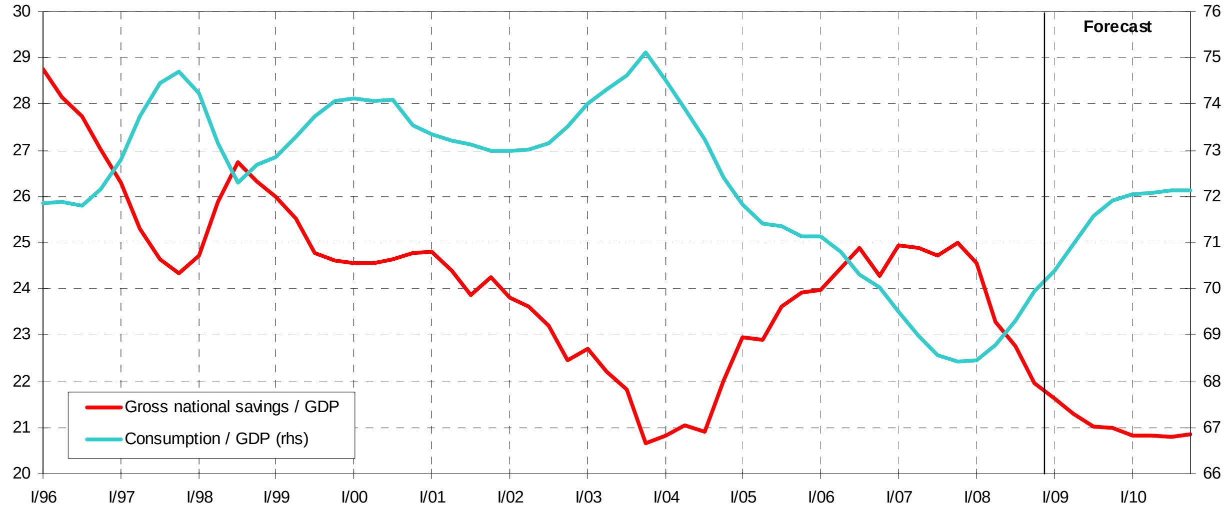


Table 4.7: **Savings and Investments** – yearly

		2001	2002	2003	2004	2005	2006	2007	2008 Prelim.	2009 Forecast	2010 Forecast
Gross capital formation	% of GDP	29,5	28,6	27,2	27,5	25,7	26,5	26,5	25,0	23,8	23,4
- fixed capital formation	% of GDP	28,0	27,5	26,7	25,8	24,9	24,6	24,3	24,0	23,0	22,8
- change in stocks	% of GDP	1,5	1,1	0,5	1,7	0,8	1,9	2,2	1,1	0,8	0,6
- government sector	% of GDP	3,6	3,9	4,4	4,7	4,9	5,0	4,9	5,3	6,1	6,8
- households	% of GDP	5,1	5,2	4,8	4,7	4,5	4,7	5,3	4,8	4,6	4,7
- non-financial and financial sectors	% of GDP	20,8	19,4	18,1	18,1	16,3	16,7	16,4	15,0	13,1	11,9
Gross national savings	% of GDP	24,2	22,4	20,7	22,0	23,9	24,3	25,0	22,0	21,0	20,8
- government sector	% of GDP	2,7	2,0	1,4	4,0	3,5	3,6	4,3	4,3	4,2	4,5
- households	% of GDP	4,1	4,5	4,1	3,3	4,3	4,8	4,6	4,3	5,7	6,4
- non-financial and financial sectors	% of GDP	17,5	15,9	15,2	14,7	16,1	15,8	16,1	13,4	11,0	9,9
Financial balance											
- government sector	% of GDP	-0,9	-1,9	-2,9	-0,7	-1,3	-1,4	-0,5	-1,1	-1,9	-2,3
- households	% of GDP	-1,1	-0,7	-0,7	-1,4	-0,3	0,1	-0,7	-0,4	1,2	1,7
- non-financial and financial sectors	% of GDP	-3,3	-3,5	-2,9	-3,4	-0,1	-0,9	-0,3	-1,6	-2,1	-2,0
- methodological discrepancy	% of GDP	0,0	0,6	0,3	0,2	0,4	-0,3	-1,6	0,0	0,0	0,0
Current account BoP	% of GDP	-5,3	-5,5	-6,2	-5,2	-1,3	-2,6	-3,2	-3,1	-2,9	-2,6

Graph 4.11: **Gross National Savings and Consumption**
moving sums of the latest 4 quarters in per cent of GDP



Graph 4.12: **Financial Balances of Individual Sectors**
savings minus investments as percent of GDP