

Annex to Tables

Table 9.4: Growth and Associated Factors

	ESA code	Year 2003	Year 2004 (1)	Year 2005 (1)	Year 2006 (2)	Year 2007 (2)
GDP growth at constant market prices (7 + 8 + 9) in %	B1g	2.9	2.8	3.1	3.3	3.5
GDP level at current market prices in bn CZK	B1g	2541	2703	2879	3070	3283
GDP deflator change in %		2.9	3.5	3.3	3.2	3.4
HICP change in %		-0.1	2.8	2.6	2.2	2.2
Employment growth in % ⁽³⁾		-0.7	-0.8	-0.3	0.0	0.1
Labour productivity growth in % ⁽⁴⁾		3.6	3.6	3.4	3.3	3.5
Sources of growth: percentage changes at constant prices						
1. Private consumption expenditure	P3	5.4	2.9	3.1	3.4	3.4
2. Government consumption expenditure	P3	0.0	-0.2	-0.2	-0.2	-0.1
3. Gross fixed capital formation	P51	3.7	4.8	4.7	4.3	4.5
4. Changes in inventories and net acquisition of valuables as a % of GDP	P52+P53	2.6	2.8	3.0	3.1	3.1
5. Exports of goods and services	P6	6.7	8.0	7.9	7.8	7.8
6. Imports of goods and services	P7	7.6	7.9	7.5	7.1	7.1
Contribution to GDP growth						
7. Final domestic demand		4.3	3.3	3.4	3.4	3.5
8. Change in inventories and net acquisition of valuables (= 4)	P52+P53	0.3	0.3	0.3	0.1	0.2
9. External balance of goods and services	B11	-1.6	-0.8	-0.5	-0.2	-0.2

(1) Forecasts

(2) Trend values or period averages.

(3) Occupied population, domestic concept, persons, national accounts definition.

(4) Growth of GDP at market prices per person employed at constant prices.

Source of tables 9.4-9.9: MoF CR

Table 9.5: General Government Budgetary Developments

% of GDP	ESA code	Year 2003	Year 2004 (1)	Year 2005 (1)	Year 2006 (2)	Year 2007 (2)
Net lending (B9) by sub-sectors						
1. General government	S13	-12.9	-5.3	-4.7	-3.8	-3.3
2. Central government	S1311	-12.6	-5.5	-4.4	-3.6	-3.1
3. State government	S1312					
4. Local government	S1313	-0.2	0.0	-0.2	-0.2	-0.2
5. Social security funds	S1314	-0.1	0.1	0.0	0.0	0.0
General government (S13)						
6. Total receipts	ESA	47.4	47.4	46.9	46.8	46.6
7. Total expenditures	ESA	60.3	52.7	51.6	50.6	49.9
8. Budget balance	B9	-12.9	-5.3	-4.7	-3.8	-3.3
9. Net interest payments		0.7	1.0	1.0	1.2	1.4
10. Primary balance		-12.2	-4.4	-3.7	-2.6	-1.9
Components of revenues						
11. Taxes	D2+D5	20.9	21.3	20.8	20.6	20.4
12. Social contributions	D61	15.2	15.2	15.2	15.3	15.4
13. Interest income	D41	0.6	0.3	0.2	0.2	0.2
14. Other		10.7	10.6	10.6	10.6	10.6
15. Total receipts	ESA	47.4	47.4	46.9	46.8	46.6
Components of expenditures						
16. Collective consumption	P32	10.3	10.1	9.8	9.6	9.3
17. Social transfers in kind	D63	10.1	10.0	9.8	9.6	9.4
18. Social transfers other than in kind	D62	12.6	12.4	12.0	11.9	11.6
19. Interest payments	D41	1.3	1.3	1.3	1.4	1.6
20. Subsidies	D3	2.3	2.6	2.3	2.2	2.2
21. Gross fixed capital formation	P51	3.6	3.8	3.9	4.0	4.0
22. Other		20.0	12.6	12.5	12.0	11.8
23. Total expenditures	ESA	60.3	52.7	51.6	50.6	49.9

(1) Forecasts

(2) Trend values or period averages

Table 9.6: General Government-Debt Developments

% of GDP	ESA code	Year 2003	Year 2004 (1)	Year 2005 (2)	Year 2006 (2)	Year 2007 (2)
Gross debt level		37.6	38.4	39.7	41.0	41.7
Change in gross debt		8.7	0.8	1.3	1.3	0.7
Contributions to change in gross debt						
Primary balance		11.7	4.1	3.4	2.4	1.7
Interest payments	D41	1.3	1.3	1.3	1.4	1.6
Nominal GDP growth	B1g	-1.5	-2.3	-2.3	-2.5	-2.7
Other factors influencing the debt ratio		-2.7	-2.3	-1.1	0.0	0.1
Of which: Privatisation receipts		-1.0	-1.0	0.0	0.0	0.0
p.m. implicit interest rate on debt		4.6	3.6	3.5	3.8	4.1

(1) Forecasts

(2) Trend values or period averages

Table 9.7: Cyclical Developments

% of GDP	ESA code	Year 2003	Year 2004 (1)	Year 2005 (2)	Year 2006 (2)	Year 2007 (2)
1. GDP growth at constant prices	B1g	2.9	2.8	3.1	3.3	3.5
2. Actual balance	B9	-12.9	-5.3	-4.7	-3.8	-3.3
3. Interest payments	D41	1.3	1.3	1.3	1.4	1.6
4. Potential GDP growth		2.6	2.7	3.0	3.1	3.1
5. Output gap		-0.4	-0.3	-0.3	0.0	0.4
6. Cyclical budgetary component		-0.1	-0.1	0.0	0.0	0.1
7. Cyclically-adjusted balance (2 – 6)		-12.9	-5.3	-4.6	-3.8	-3.4
8. Cyclically-adjusted primary balance (7 – 3)		-11.6	-4.0	-3.4	-2.4	-1.8

(1) Forecasts

(2) Trend values or period averages

Table 9.8: Divergence: Convergence Programme vs. 2003 PEP

% of GDP	ESA code	Year 2003	Year 2004 (1)	Year 2005 (1)	Year 2006 (2)	Year 2007 (2)
GDP growth						
previous update	B1g	2.4	2.8	3.2	3.6	-
latest update	B1g	2.9	2.8	3.1	3.3	3.5
Difference		0.5	0.0	-0.1	-0.3	-
Actual budget balance						
previous update	B9	-7.6	-5.9	-4.8	-4.0	-
latest update	B9	-12.9	-5.3	-4.7	-3.8	-3.3
Difference		-5.3	0.6	0.1	0.2	-
Gross debt levels						
previous update		30.5	34.2	37.7	39.4	-
latest update		37.6	38.4	39.7	41.0	41.7
Difference		7.1	4.1	2.0	1.7	-

(1) Forecasts

(2) Trend values or period averages

Table 9.9: Long-term Sustainability of Public Finances

% of GDP	Year 2003	Year 2005	Year 2010	Year 2020	Year 2030	Year 2040	Year 2050
Total expenditure	59.0	50.3	47.8	48.5	50.3	54.1	57.4
Old-age pensions	6.4	6.5	6.3	6.5	7.4	9.9	11.8
Other pensions	2.2	2.2	2.2	2.3	2.6	3.1	3.4
Education	4.2	4.1	3.6	3.4	3.4	3.4	3.6
Healthcare (including care for the elderly)	6.3	6.4	6.5	7.0	7.7	8.5	9.3
Interest payments	1.3	1.3	1.7	2.5	4.0	7.8	14.8
Total revenues	47.4	46.9	46.6	46.6	46.6	46.6	46.6
of which: from pensions contributions	8.3	9.0	9.0	9.0	9.0	9.0	9.0
National pension fund assets (if any)							
Assumption							
Labour productivity growth	4.3	2.9	3.4	2.8	2.5	1.8	1.8
Real GDP growth	2.9	3.1	3.9	2.3	1.7	0.6	1.1
Participation rate males (aged 20–64)	84.8	84.7	84.9	85.7	84.5	83.6	83.9
Participation rates females (aged 20–64)	67.6	67.6	68.1	71.5	72.3	73.9	77.2
Total participation rates (aged 20–64)	76.2	76.1	76.5	78.6	78.4	78.8	80.6
Unemployment rate	7.8	8.7	7.9	6.5	6.5	6.5	6.5

Table 9.10: Basic Assumptions

	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007
Short-term interest rate (CZ) (annual average)	2.3				
Long-term interest rate (CZ) (annual average)	4.2	4.8	5.0	5.5	5.5
United States: short-term (<i>three-month money market</i>)	1.2	1.2	1.7	1.7	1.8
United States: long term (10-year government bonds)	4.0	4.2	4.6	4.6	4.8
USD/EUR exchange rate (annual average)	1.13	1.25	1.24	1.23	1.23
Nominal effective exchange rate (euro area, %change)	11.8	4.2	-0.2	-0.1	-0.1
Nominal effective exchange rate (EU, % change)	12.8	6.9	-1.1	-0.9	-0.9
Exchange rate CZK/EUR (annual average)	31.8	32.4	31.4	30.8	30.5
World GDP growth, excluding EU	4.4	5.1	4.7	5.0	4.8
United States, GDP growth	3.1	4.2	3.2	4.0	4.0
Japan, GDP growth	2.7	3.4	2.3	3.0	3.0
EU-15 GDP growth	0.8	2.0	2.4	2.8	2.6
Growth of relevant foreign markets					
World import volumes, excluding EU	7.3	9.7	8.5	8.1	7.5
World import prices (goods, in USD)	8.8	6.4	0.7	1.5	2.0
Oil prices (Brent, USD/barrel)	28.8	31.1	28.9	27.2	26.9
Non-oil commodity prices (in USD, % change)	6.6	15.6	-2.6	-0.5	1.0

Source: EC