

## 1. Summary

- Gross domestic product (GDP) increased by 2.6% in real terms in 2025<sup>1</sup>. The Czech economy was driven mainly by consumption, and capital expenditure – changes in inventories and investments – also played a positive role. In Q4 2025, the Czech economy grew by 0.6%, quarter-on-quarter, and by 2.6%, year-on-year. Consumption of both households and general government increased, quarter-on-quarter and year-on-year, and investment also grew. The international trade balance also contributed to the increase of GDP. By contrast, year-on-year and quarter-on-quarter GDP growth was negatively affected by inventories. Czech economic growth was above average within the EU. Gross domestic product grew by 1.5% in the EU in 2025 and the GDP increased by 0.2%, quarter-on-quarter, and by 1.4%, year-on-year, in Q4 alone.
- Gross value added (GVA) increased by 2.8% in real terms last year. The services sector, in particular the weight-important group of economic activities trade, transport, accommodation and food service, and information and communication, shared key contribution to growth. There was also a significant recovery in construction. On the contrary, GVA in industry increased only slightly. The GVA increased by 2.8%, year-on-year, and by 0.5%, quarter-on-quarter, in Q4 2025. Strong year-on-year growth was maintained by information and communication as well as by the group of economic activities trade, transport, accommodation and food service. A noticeable recovery of year-on-year GVA growth in manufacturing also manifested at the end of the year, which also provided a key support to the total quarter-on-quarter GVA growth. After a successful development observable from Q3 2024, there was a significant quarter-on-quarter decline of GVA in construction.
- Exports of goods and services increased by 4.1% and imports by 5.2% in real terms last year. Exports increased by 5.1%, year-on-year, and by 0.8%, quarter-on-quarter, in Q4. Imports increased by 5.3%, year-on-year, and by 0.6%, quarter-on-quarter, in Q4. The balance of international trade of goods and services reached a surplus of 504.2 bn CZK last year, and the positive balance increased by 9.5 bn CZK, year-on-year, to 133.9 bn CZK in Q4. The balance of trade with metalworking products and electrical equipment deteriorated last year. On the other hand, the surplus of trade with motor vehicles and motorcycles strengthened.
- The total price level (according to the GDP deflator) increased by 3.4% in 2025 and was 3.9% higher, year-on-year, and 1.0%, quarter-on-quarter, in Q4 alone. Consumer prices rose by 2.5% last year. Food and non-alcoholic beverages contributed the most to the increase of consumer prices last year, followed by the division housing, water, energy and fuels. Two divisions including services – food service and accommodation and recreation and culture – continued to maintain above-average dynamics last year. Only developments in clothing and footwear and transportation were in the direction of the consumer price drop last year.
- Total employment<sup>2</sup> increased by 1.1% in 2025. It was 1.0% higher, year-on-year, in Q4 alone and unchanged, quarter-on-quarter. The total unemployment rate has been climbing up since the beginning of the year and remained above 3% in Q4. The average gross monthly wage reached 49,215 CZK in 2025 and was by 7.2% higher. In real terms, it increased by 4.6%. The average wage attained 52,283 CZK in Q4, up 7.4%, year-on-year, and 1.8%, quarter-on-quarter. The average wage increased by 5.1% in real terms, year-on-year.
- The key monetary policy-relevant interest rates remained unchanged from May 2025 to the end of the year. A recovery of the real estate market was evident in 2025. However, among new mortgage contracts, net new loans accounted for less than one half.

<sup>1</sup> Data regarding the GDP, gross value added and their components are expressed in constant prices and adjusted for seasonal and calendar effects.

<sup>2</sup> Employment data are in the national accounts conception and adjusted for seasonal effects.



- The state budget ended with a deficit of 290.7 bn CZK in 2025, deeper by almost 20 bn CZK, year-on-year. Both the revenue and expenditure side of the budget were gradually increasingly impacted by the effects of the consolidation recovery package, and the change of the budgetary allocation of taxes, which again increased the share of revenue of some taxes of significant weight to the benefit of the state budget starting January 2025, also has a clear impact. Almost all key revenue items strengthened, but expenditure as well. Both current expenditure and investment contributed to the year-on-year growth of total expenditure last year.

## Selected Key Indicators of the Economic Development\*

Indicator	Unit	2024		2025			Whole year	
		4q	1q	2q	3q	4q	2024	2025
<b>Economic Performance</b>								
Gross Domestic Product in the CR <sup>1</sup>	y/y, in %	2,0	2,4	2,6	2,8	2,6	1,1	2,6
	q/q, in %	0,8	0,7	0,5	0,8	0,6	x	x
Gross Domestic Product in the EU <sup>1</sup>	y/y, in %	1,5	1,7	1,7	1,7	1,4	1,1	1,5
Final consumption expenditure <sup>1</sup>	y/y, in %	3,1	2,1	3,2	2,7	3,0	2,6	2,8
Gross fixed capital formation <sup>1</sup>	y/y, in %	-5,1	-1,1	1,3	2,7	5,3	-3,0	2,0
Exports of goods and services <sup>1,3</sup>	y/y, in %	1,1	4,0	4,3	3,2	5,1	1,1	4,1
Imports of goods and services <sup>1,3</sup>	y/y, in %	2,7	5,4	6,4	3,7	5,3	0,2	5,2
Balance of foreign trade <sup>2,3</sup>	in CZK bn	124,4	131,3	114,3	124,7	133,9	503,3	504,2
Balance of economic sentiment indicator <sup>1</sup>	in p.p.	4,8	6,7	7,4	9,3	7,5	4,8	7,5
<b>Performance in Main Branches</b>								
Industrial production <sup>4</sup>	y/y, in %	-2,2	1,1	2,2	1,1	4,2	-1,0	2,2
Construction production <sup>4</sup>	y/y, in %	3,2	9,9	12,0	13,7	7,8	-1,4	10,9
Sales in services <sup>4</sup>	y/y, in %	2,1	3,3	2,2	0,2	2,1	2,3	1,9
Sales in retail trade <sup>4</sup>	y/y, in %	5,2	3,2	4,7	2,5	2,8	4,6	3,3
<b>Prices</b>								
Consumer price index	y/y, in %	2,9	2,7	2,4	2,5	2,2	2,4	2,5
HICP in the CR	y/y, in %	3,1	2,8	2,3	2,3	1,9	2,7	2,3
HICP in the EU	y/y, in %	2,5	2,7	2,3	2,5	2,4	2,6	2,5
Agricultural producer prices	y/y, in %	5,0	8,8	14,7	9,8	0,9	-5,9	7,9
Industrial producer prices	y/y, in %	1,8	0,0	-0,9	-1,0	-1,5	0,8	-0,8
Service producer prices in the bus. sph.	y/y, in %	3,7	3,5	4,2	4,4	4,2	3,8	4,1
Terms of trade in trade with goods	in %	101,9	100,1	100,4	100,5	100,9	101,5	100,5
<b>Labour Market</b>								
Total employed in the CR <sup>3</sup>	y/y, in %	0,6	1,1	1,0	1,1	1,0	0,6	1,1
General unemployment rate in the CR <sup>5</sup>	in %	2,6	2,5	2,8	2,9	3,0	2,6	2,8
General unemployment rate in the EU <sup>5</sup>	in %	5,8	6,0	6,0	6,1	6,0	5,9	6,0
Average employee wage (nominal)	y/y, in %	6,9	6,7	7,7	7,1	7,4	7,2	7,2
Average employee wage (real)	y/y, in %	3,9	3,9	5,2	4,5	5,1	4,7	4,6
<b>Monetary Conditions</b>								
Two week repo rate <sup>6</sup>	in %	4,00	3,75	3,50	3,50	3,50	4,00	3,50
Exchange rate CZK/EUR		25,2	25,1	24,9	24,5	24,3	25,1	24,7
Exchange rate CZK/USD		23,6	23,8	22,0	21,0	20,9	23,2	21,9
<b>State Budget<sup>7</sup></b>								
State budget balance in the CR	in CZK bn	-89,6	-91,2	-61,2	-1,5	-136,8	-271	-291
State debt <sup>6</sup>	in CZK bn	3 365	3 410	3 504	3 518	3 678	3 365	3 678

Data source: CZSO, CNB, MF, Eurostat

\* Unless stated otherwise, data relate to the CR.

<sup>4</sup> adjusted for seasonal effects<sup>1</sup> data adjusted for seasonal and calendar effects in constant prices<sup>5</sup> seasonally adjusted, age group 15 – 74 years<sup>2</sup> data adjusted for seasonal and calendar effects in current prices<sup>6</sup> balance at the end of period<sup>3</sup> in the national account conception, in natural persons<sup>7</sup> based on treasury fulfilment