

State budget

- **State budget surplus in relation to GDP 2.1%**

In the 1.Q 2006, the state budget execution ended with a surplus of CZK 15.8 bn, which was inter-annually higher by CZK 7.5 bn. Not only was the flow of budgetary revenue (26.7%) higher than expenditure (23.0%), also the revenue excess over expenditure increased. The inter-annual increase of revenue (CZK 29.1 bn.) was higher than the one of expenditure (CZK 21.6 bn). The budget surplus to GDP was 2.1%, what is Inter-annually better result by 0.9 p.p.
- **Tax revenue growth**

Tax revenue (9.4 p.p.) had the decisive influence on budgetary revenue, which increased by 11.0%, out of which tax revenue excluding social security by 13.6%. Non-tax and capital revenues and obtained grants increased by one third, their growth, however, declined; they contributed to the total growth by 4.7 p.p. The tax share on GDP increased inter-annually. The increase of operating expenditure by 9.3% (9.0 p.p.), out of which social benefits 4.7 p.p., influenced total expenditure at most. The rest was due to the considerable increase of capital expenditure (62.2%), out of which particularly investment purchases and connected outlays.

Sources: CZSO, MF CR, CNB, MLSA, CZSO calculations.

Latest information in this report dates from the 12th June 2006. The report was based on monthly statistical data of branch statistics and quarterly estimates of GDP.

Table 1 Monthly Indicators

	Months 2005										Months 2006			
	IV.	V.	VI.	VII.	VIII.	IX.	X.	XI.	XII.	I.	II.	III.	IV.	
Consumer prices ¹⁾ , in %	1.6	1.3	1.8	1.7	1.7	2.2	2.6	2.4	2.2	2.9	2.8	2.8	3.1	
Producer prices ¹⁾ , in %	5.6	4.0	2.7	2.0	1.1	1.0	0.3	0.0	-0.3	0.3	0.3	0.3	0.5	
Exports of goods ¹⁾ , in %	4.1	0.3	6.1	3.2	14.4	7.4	7.6	9.7	10.9	19.0	12.6	20.6	3.0	
Imports of goods ¹⁾ , in %	-2.6	-2.7	1.3	-1.4	14.1	6.2	4.7	8.6	6.2	19.3	14.4	20.6	2.6	
Trade balance, in CZK billion	-0.4	5.3	8.8	-1.0	-3.5	4.4	2.8	2.7	3.8	12.3	5.2	8.0	0.2	
Registered unemployment rate ²⁾	8.9	8.6	8.6	8.8	8.9	8.8	8.5	8.4	8.9	9.2	9.1	8.8	8.3	
Industrial production ¹⁾ , in %	6.4	6.3	7.1	5.1	8.8	8.5	8.8	10.0	7.2	16.1	12.0	17.4	3.6	
Construction works ¹⁾ , real % change	-29.5	26.1	19.1	6.0	6.5	9.4	13.9	6.6	8.6	-1.2	-8.2	8.7	-2.9	

Source: CZSO, MLSA

¹⁾ change on previous year

²⁾ proportion of unemployed registered with the labour offices to the labour force in %

Table 2 Selected Quarterly Macroeconomic Indicators

		2004				2005				2006
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Gross domestic product	in CZK billion, in c.p	643.4	710.1	706.0	721.5	691.2	757.9	752.1	777.0	748.8
Gross domestic product	real % change	3.6	4.2	4.3	4.7	5.4	6.1	5.9	6.9	7.4
Final consumption	real % change	1.4	1.5	0.5	0.0	0.8	1.9	3.1	1.4	2.0
of which: household consumption	real % change	3.2	2.3	2.3	2.4	1.8	2.5	2.7	2.4	3.4
Gross capital formation	real % change	10.6	9.4	8.2	4.9	1.9	0.6	1.9	7.3	16.7
of which: fixed	real % change	7.5	5.9	3.0	3.0	2.3	3.8	3.8	4.4	7.1
Exports of goods and services	real % change	10.3	28.8	22.3	22.3	16.5	5.9	10.9	10.1	17.0
Imports of goods and services	real % change	10.6	27.4	18.8	15.7	10.1	-0.3	6.3	4.8	15.3