

State Budget

- ***Quarterly surplus with a higher expenditures growth compared to revenues***

Despite the trend of the preceding three years state budget expenditures increased in Q1 2007 more rapidly than revenues. Budget revenues grew by 2.6% in year-on-year terms to CZK 242 billion, expenditures amounted to CZK 230.7 billion and compared to the same period of 2006 were higher by 4.8%. This resulted in a positive balance amounting to CZK 11.3 billion, lower than in Q1 2006 (CZK 15.8 billion), however, the second highest since 1993. The state budget surplus reached 1.4% of GDP, in Q1 2006 it amounted to 2.1% of GDP.

- ***Tax revenues including social security insurance increased by 6.5%, current expenditures by 4.9%***

The general revenues dynamics was influenced by the dynamics of non-tax and capital revenues, which dropped by 16.6% (compared to tax collection the volume of these revenues amounts approximately to one fifth). Budget saturation from tax revenues was in all main items lower than in Q1 2006, the most significant decrease was recorded in case of corporate income tax, where the saturation dropped by 4 p.p. to 20.4% of the approved budget. Revenues from this tax compared to the same period of 2006 increased by 1.9%, VAT revenues by 4.3% and excise taxes by 4.4%. In general tax revenues grew by 6.5% due to higher dynamics of social security contributions (9.7%) – tax collection excluding contributions grew by 4.2%.

Current expenditures from the budget grew in year-on-year terms by 4.9% and thanks to their weight in the total expenditures they determined the dynamics thereof (4.8%). Capital expenditures increased by 1.4%.

Data sources: CZSO, MF CR, ČNB, MLSA, calculations of the CZSO.

The latest data from CZSO and ČNB stated herein date back to 12 June 2007. Therefore they include data after the revision published by both institutions on 7 June 2007. The report is based on monthly branch statistics and quarterly GDP estimates.