

1. Contents

- The Gross domestic product (GDP) decreased by 0.4%¹ in year 2023. The household consumption was falling, and the change in inventories exerted a negative effect. The foreign demand, investment and government consumption on the contrary contributed to the GDP growth. The GDP fell by 0.2% year-on-year in Q4, mainly as a result of the negative effect of the inventory stock, which outweighed the other GDP components. The GDP went up by 0.2% quarter-on-quarter. Development of household consumption, investment as well as foreign demand contributed. Consumption of general government and the change in inventories prevented a larger GDP revival. The Gross domestic product grew by 0.2% year-on-year in the EU in Q4 and it stagnated quarter-on-quarter. The economies stagnated quarter-on-quarter in the whole central European region.
- The Gross value added (GVA) grew by 0.5% last year. Development in manufacturing and information and communication were contributing the most. On the other hand, the GVA in group of economic activities of trade, transport, accommodation, and food service activities and in construction dropped. In Q4 itself, the GVA increased by 0.3% year-on-year. Manufacturing and information and communication activities had a favourable effect again. The total year-on-year GVA growth was hampered the most by the group of economic activities of trade, transport, accommodation, and food service activities. Following the two preceding decreases the Gross value added rose by 0.6% quarter-on-quarter in Q4. The revival was strong in manufacturing, but the GVA slumped in construction, other activities and in financial and insurance activities.
- Exports of goods and services increased in real terms by 3.1%² year-on-year in year 2023 and imports decreased by 0.4%. In Q4 itself, the exports grew by 1.0% year-on-year and by 2.2% quarter-on-quarter. Imports in contrast fell by 4.7% year-on-year and by 2.4% quarter-on-quarter. The balance of international trade with goods and services reached in total in current prices the surplus of 378.0 CZK bn last year and it expanded by 312.4 bn year-on-year. Moderation of the deficit of the crude petroleum and natural gas trade and improvement of the trade surplus in motor vehicles mainly contributed to the improvement of the trade balance of goods. The trade balance of electricity, gas, steam and air conditioning on the contrary deteriorated.
- Total price level (gauged by the GDP deflator) increased by 8.6% last year. It rose by 6.0% year-on-year in Q4 and stagnated quarter-on-quarter. Consumer prices jumped up by 10.7% last year. Their year-on-year growth gradually slowed down during the year and the consumer prices increased by 7.6% in Q4. Quarter-on-quarter they fell by 0.4%. Year-on-year pace of prices of the majority of consumer basket divisions weakened their growth apart from housing and energies. Prices of industrial producers, construction work and service producer prices in the business sphere also grew slower in Q4. Agricultural producer prices remained in deep decline.
- The monetary policy-relevant interest rates were lowered at the end of the year. The anticipated decrease was apparent on the interbank offered interest rates with longer maturity already during autumn, short-term rates responded only in December. Interest rates on term deposits as well as credit for households and corporations went down.
- Total employment³ increased by 0.8% last year. In Q4 itself, it was by 0.4% higher year-on-year, while quarter-on-quarter it decreased by 0.1%. Mild growth trend of the general unemployment rate was evident during the year, the rate thus arriving at 3.0% in January. The average gross monthly nominal wage grew by 6.3% year-on-year in Q4 and reached 46 013 CZK. The real average wage dropped by 1.2%. Quarter-on-quarter nominal rise of the average wage was 1.5%.

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

² According to the methodology of quarterly national accounts (export and import in FOB/FOB prices).

³ Employment data are in the national accounts conception and adjusted for seasonal effects.



- State budget deficit for year 2023 amounted to 288.5 CZK bn. The deficit shrank year-on-year for the second time in a row and decreased by 71.9 CZK bn compared to year 2022. Total revenues rose by even 23% year-on-year and slightly exceeded the budget anticipations. Both tax income without insurance and non-tax and capital income as well as received transfers contributed to the growth. Total expenditures thus increased by 12.4% year-on-year since the beginning of the year. Their growth reflected the state aid associated with high prices of energies as well as the impacts of the slowly subsiding high inflation.

Selected Key Indicators of the Economic Development*

Indicator	Unit	2022		2023			Whole year	
		4q	1q	2q	3q	4q	2022	2023
Economic Performance								
Gross Domestic Product in the CR ¹	y/y, in %	0,1	-0,3	-0,2	-0,8	-0,2	2,4	-0,4
	q/q, in %	-0,4	0,1	0,1	-0,5	-0,5	x	x
Gross Domestic Product in the EU ¹	y/y, in %	1,7	1,2	0,6	0,1	0,2	3,4	0,4
Final consumption expenditure ¹	y/y, in %	-3,4	-3,0	-1,7	-0,4	0,3	-0,3	-1,2
Gross fixed capital formation ¹	y/y, in %	1,5	-0,1	4,1	4,4	4,7	3,1	3,3
Exports of goods and services ^{1,3}	y/y, in %	10,9	7,2	4,9	-0,5	1,0	7,2	3,1
Imports of goods and services ^{1,3}	y/y, in %	8,3	3,4	1,6	-1,8	-4,7	3,7	-2,2
Balance of foreign trade ^{2,3}	in CZK bn	21,5	62,7	98,1	89,3	128,0	65,7	378,0
Balance of economic sentiment indicator ^f	in p.p.	-3,3	1,2	-2,6	-3,8	0,8	3,3	-3,3
Performance in Main Branches								
Industrial production ⁴	y/y, in %	2,4	0,5	0,3	-3,5	-0,8	2,1	-0,8
Construction production ⁴	y/y, in %	-0,1	-1,7	-4,2	-0,6	-2,9	3,3	-2,4
Sales in services ⁴	y/y, in %	3,1	1,6	-1,7	-3,8	-2,2	8,7	-1,6
Sales in retail trade ⁴	y/y, in %	-9,3	-7,8	-6,3	-3,1	-0,1	-3,9	-4,2
Prices								
Consumer price index	y/y, in %	15,7	16,4	11,1	8,0	7,6	15,1	10,7
HICP in the CR	y/y, in %	16,5	18,0	12,6	9,5	8,4	14,8	12,0
HICP in the EU	y/y, in %	11,0	9,4	7,2	5,7	3,4	9,2	6,4
Agricultural producer prices	y/y, in %	28,0	19,4	-8,1	-14,7	-14,6	31,8	-6,0
Industrial producer prices	y/y, in %	21,8	15,0	3,9	1,3	0,8	24,3	5,0
Service producer prices in the bus. sph.	y/y, in %	6,7	5,8	6,3	5,3	4,9	5,8	5,6
Terms of trade in trade with goods	in %	98,2	103,0	106,3	107,7	104,2	96,2	105,3
Labour Market								
Total employed in the CR ³	y/y, in %	1,2	1,3	0,8	0,4	0,4	1,5	0,8
General unemployment rate in the CR ⁵	in %	2,3	2,5	2,6	2,6	2,6	2,2	2,6
General unemployment rate in the EU ⁵	in %	6,1	6,0	6,0	6,0	6,0	6,2	6,0
Average employee wage (nominal)	y/y, in %	6,6	8,8	8,0	7,1	6,3	5,3	7,5
Average employee wage (real)	y/y, in %	-7,9	-6,5	-2,8	-0,8	-1,2	-8,5	-2,9
Monetary Conditions								
Two week repo rate ⁶	in %	7,00	7,00	7,00	7,00	6,75	7,00	6,75
Exchange rate CZK/EUR		24,4	23,8	23,6	24,1	24,5	24,6	24,0
Exchange rate CZK/USD		23,9	22,2	21,7	22,2	22,8	23,4	22,2
State Budget⁷								
State budget balance in the CR	in CZK bn	-90	-166	-49	35	-108	-360	-289
State debt ⁶	in CZK bn	2 895	2 997	3 044	3 115	3 111	2 895	3 111

Data source: CZSO, CNB, MF, Eurostat

* Unless stated otherwise, data relate to the CR.

⁴ adjusted for seasonal effects¹ data adjusted for seasonal and calendar effects in constant prices⁵ seasonally adjusted, age group 15 – 74 years² data adjusted for seasonal and calendar effects in current prices⁶ balance at the end of period³ in the national account conception, in natural persons⁷ based on treasury fulfilment