Economic and social development of the Czech Republic
in the 2nd quarter of 2005
(Preliminary figures)

Gross domestic product[1] at constant prices[2] is estimated to have grown by 5.1% y-o-y in Q2 2005 (+4.7% in Q1 2005 according to revised data). In comparison to the preceding quarter, seasonally adjusted (SA) and working days adjusted (WDA) GDP increased by 1.3%. GDP has been growing q-o-q for nearly seven years. In total for the 1st half of 2005, GDP was by 4.9% higher y-o-y. **Gross domestic income** at constant prices rose by 3.4% y-o-y (in comparison to GDP, this figure reflects the worsening of terms of trade).

Like in Q1, the main factor of GDP growth also in Q2 2005 was external trade. In **external trade in goods and services**, only exports developed dynamically (+4.3% at current prices, +6.9% at constant prices), whereas imports remained almost unchanged (+0.1% y-o-y). The achieved surplus of external trade balance was the basic factor of the high GDP growth.

In terms of both y-o-y and q-o-q comparison, the dynamics of growth of **gross fixed capital formation** decreased, growing by 2.3% y-o-y (+2.9% in Q1 2005) at constant prices and by 0.7% q-o-q (SA and WDA). In gross fixed capital formation broken down by type of goods, the share of investment in buildings and constructions (except dwellings) dropped on the one hand, on the other hand investment in transport equipment and in other machinery and equipment rose. Change in inventories, compared to Q2 2004, was roughly a third.

Total final consumption expenditure in Q1 and Q2 2005 contributed to GDP growth only inconsiderably, rising by 1.8% y-o-y. The dynamics of growth of household expenditure on final consumption stood at 2.1% at constant prices, i.e. slightly more than in Q1 2005. General government expenditure was up by 0.9% at constant prices, particularly due to the inclusion of the value of six fighters Jas-39 Gripen.

Gross value added in individual CZ-NACE activities characterises their contribution to GDP by kind of activity. Total gross value added grew by 5.5% y-o-y at constant prices. CZ-NACE activities with the best results were agriculture (+46.2%), trade (+26.3%), electricity, gas and water supply (+9.2%), commercial services (+4.3%) and manufacturing (+2.7%). Below the Q2 2004 level was gross value added in transport and communications.

Total current nominal income of the **household sector** rose by 4.1% and current expenditure by 7.6%. Gross disposable income grew by 2.3% y-o-y at current prices. Individual household consumption expenditure went up by 3.3%, i.e. faster than disposable income. Gross household saving decreased by 12.5% and their rate 7.29% (percentage of gross saving in disposable income) was by 1.24 percentage points lower y-o-y. .

Total labour productivity (GDP at constant prices per worker[3]) went up by 4.2% y-o-y in Q2 2005 and its contribution to GDP growth exceeded four-fifths. The remaining nearly a fifth was affected by an increase in the number of workers.

Key economic characteristics

%

	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2003 to Q2 2004	Q4 2003 to Q3 2004	Year 2004	Q2 2004 to Q1 2005	Q3 2004 to Q2 2005
GDP, y-o-y change (constant prices)	4.5	4.6	4.6	4.7	5.1	4.0	4.2	4.4	4.6	4.8
Final consumption, y-o-y change (constant prices)	1.4	0.3	-0.1	0.0	1.8	2.8	1.9	0.8	0.4	0.5
Gross capital formation, y-o-y change (constant prices)	10.1	8.1	1.2	-1.0	-4.1	6.3	8.0	7.8	4.8	0.9
Inflation rate, y-o-y, average	2.6	3.2	3.1	1.6	1.6	1.4	2.2	2.8	2.6	2.4
Registered unemployment rate, average – current methodology	9.02	9.14	9.03	9.64	8.84	.	.	9.19	9.21	9.17
Registered unemployment rate, average – former methodology	10.13	10.12	9.99	10.54	9.67	10.18	10.24	10.24	10.19	10.12
State budget balance / GDP ratio, %[1)]	-5.9	1.3	-7.6	1.2	-0.6	-4.0	-2.6	-3.4	-2.8	-1.4
Current account / GDP ratio, %[1)]	-5.4	-7.9	-5.2	2.7	-4.1	-6.3	-6.4	-5.2	-4.0	-3.7
Financial account / GDP ratio, %[1)]	6.4	7.7	10.9	-1.6	13.7	5.7	6.4	6.6	5.9	7.8
Net exports / GDP ratio, %[1)]	-0.4	-0.5	-0.9	4.4	2.9	-1.7	-1.3	-0.3	0.6	1.5

[1)] At current prices

Sources: CZSO, Ministry of Finance, Ministry of Labour and Social Affairs, Czech National Bank; calculations by CZSO

[1] GDP and all GDP components for Q1 2005 have been revised.
[2] The GDP indices and GDP components indices are calculated using average prices of the preceding year; the sales indices in individual CZ-NACE activities are based on constant prices of 2000.
[3] According to employment data from national accounts.

The y-o-y growth of **industrial production** (measured by the product-based index) moderately grew in comparison to Q1 2005 and stood at 4.5%. The fastest increases were recorded for production of consumer durables, energy and intermediate goods. Within manufacturing, the highest rates of growth were reached in ‘manufacture of coke and refined petroleum products’ and ‘manufacture of transport equipment’. Traditionally on the decrease were ‘manufacture of textiles and textile products’ and ‘manufacture of leather and leather products’.

Sales of own goods and services at constant prices grew by 5.3% y-o-y. Employment in the industry (CZ-NACE 10-41) slightly rose predominantly due to foreign-controlled enterprises. Labour productivity developed in accord with average wages, unit wage costs thus remained at the Q2 2004 level. Book value added (at current prices) went up by 5.5%.

Electricity generation rose by 0.5% y-o-y, domestic consumption grew faster. Like in preceding quarters, exports were higher than imports. Imports of **natural gas** were up by 2.0%, while its consumption fell by 3.7%. Imports of **crude petroleum** (in tonnes) were by 14.3% higher than in Q2 2004 (at the same time, reserves dropped by 13.8% at the end of Q2 2005).

In July, industrial production grew by 11.2% y-o-y.

The volume of **construction output** remained roughly at the Q2 2004 level. This result was affected by the high comparative base in Q2 2004 when construction work, with the exception of constructions for dwelling purposes, switched from the low to basic VAT rate. Prevailing in construction output was work on new construction, reconstruction and modernisation. **Construction work carried out by own workers** (construction put in place in enterprises with 20+ employees) rose by 5.6%, while total construction output according to delivery contracts was up by only 0.9%.

Sales of own goods and services (based predominantly on construction activity) were down by 0.8% y-o-y. The number of persons employed in construction grew by 0.5% in April to June. A fall in labour productivity combined with increasing wages caused a rise in unit wage costs by 5.7%. In terms of financial data, construction enterprises produced by 5.5% lower book value added (at current prices) than in Q2 2004.

The volume and average size of **construction orders** were up, while their number remained at the same level y-o-y. Planning and building control authorities issued fewer **building permits** than in Q2 2004, but the total value of permitted constructions was higher.

In **housing construction**, the total numbers of started and completed dwellings fell by nearly a fifth and grew by 1.3%, respectively.

In July, construction output was up by 6.1% y-o-y.

Sales of own goods and services in **agriculture** grew by 6.5% y-o-y at current prices and by nearly a quarter at constant prices (higher sale of crop products harvested in 2004). The number of employees in holdings of agricultural primary production continued decreasing. As labour productivity rose considerably more than average wages, unit wage costs dropped by 17.3%. In terms of financial data, the results in agriculture were very good; book value added grew by 11.7% (at current prices). Populations of all kinds of farm animals kept falling. Sale of cattle for slaughter was down by more than a fifth. According to a **harvest estimate made on 15 August**, production of cereals should be 14% down on 2004 (due to bad weather during the harvest), production of potatoes 14.4% up, and production of sugar beet 10.9% down.

Total **retail sales, incl. the automotive segment,** rose by 4.9% y-o-y at constant prices. Dynamics of growing sales in the automotive segment were almost twice as high (+8.9%). Sales in retail trade, incl. repair of personal and household goods grew less (+2.7%) y-o-y. More markedly (+9.3%) rose sales in large enterprises (with 250+ employees); foreign-controlled enterprises make up more than 80% of them. Sales in **hotels and restaurants** dropped by 9.5% at constant prices, particularly in consequence of the change in the VAT rate for restaurants. The number of employees and workers in **trade total** rose y-o-y, and so did their labour productivity. Book value added (at current prices) in trade grew by 8.9%.

According to the border statistics, foreign visitors coming to the Czech Republic in the framework of **international tourism** grew by 2.8% y-o-y in Q2 2005. Like in preceding two quarters, departures of Czech residents abroad decreased (-2.3%). The slowdown in the growth of numbers of guests at collective accommodation establishments was connected with a fall in overnight stays. The active balance of international tourism (in the framework of the balance of payments) stood at CZK 12.3 billion (CZK +12.2 billion in Q2 2004).

The growth of sales of own goods and services in **transport** is slowing down, sales increased by 1.3% y-o-y in Q2 2005, of which sales in ‘supporting and auxiliary transport activities’ were down by more than 7%. On the other hand, sales in land transport and in ‘transport via pipelines’ rose by 6%. The number of employees in transport dropped and their labour productivity grew, but less than wages. Book value added (at current prices) dropped by 4.3%. Goods carried in freight transport rose only in road transport, in rail transport went down y-o-y. The volume of outputs fell in both modes of transport.

Sales in **communications** rose by 9.2%. Employment decreased and labour productivity rose faster than wages. Book value added (at current prices) grew by 7.4%.

Financial intermediation (excl. the Czech National Bank) reached by nearly 50% higher gross profits than in Q2 2004. The highest increase was recorded for investment companies and funds (almost the 3.5 multiple). Banks and savings banks (excl. the CNB) raised their economic result by 45.3%, pension funds by 36.4% and insurance companies by 5.6%.

Sales in **other market services** were up by 0.6% and, unlike the past, they grew not only in inter-enterprise services, but also in services provided predominantly to the population. Among inter-enterprise services it was mainly services relating to renting of machinery and equipment; among services provided predominantly to the population, sales in education and health grew. More than three-quarters of total sales took place in enterprises below 100 employees. Employment in other market services was up by 2.9% y-o-y, the average monthly nominal wage rose, under a concurrent decrease in labour productivity (sales per worker). Book value added produced (at current prices) was by 6.0% higher y-o-y.

Trend of sales*) in chosen CZ-NACE activities

Y-o-y indices (%)

CZ-NACE activity		Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2003 to Q2 2004	Q4 2003 to Q3 2004	Year 2004	Q2 2004 to Q1 2005	Q3 2004 to Q2 2005
Industry (CZ-NACE 10-41)	Current prices	117.0	112.6	114.1	108.4	109.6	110.8	111.8	113.5	112.9	111.1
	Constant prices	111.5	104.5	105.4	101.4	105.3	108.9	107.8	107.4	105.6	104.1
Construction	Current prices	119.8	103.2	105.1	103.7	102.0	116.5	111.5	108.3	107.7	103.5
	Constant prices	115.5	98.9	100.8	99.6	99.2	113.5	108.0	104.5	103.5	99.6
Agriculture	Current prices	102.8	112.9	113.3	103.9	106.5	97.0	103.6	108.5	109.1	109.8
	Constant prices	89.6	105.7	110.0	116.6	123.9	90.3	94.9	100.0	105.5	112.8
Retail trade (CZ-NACE 50, 52)	Current prices	100.6	105.4	106.6	104.4	105.0	104.9	103.3	105.1	105.7	105.4
	Constant prices	102.9	102.4	104.8	104.7	104.9	103.4	101.4	102.8	103.7	104.2
Transport	Current prices	115.0	108.4	106.6	106.7	104.5	115.2	112.6	110.0	109.2	106.5
	Constant prices	112.9	106.0	103.1	103.8	101.3	112.1	109.9	107.5	106.4	103.5
Communications	Current prices	104.3	102.3	102.5	103.3	104.0	104.8	104.1	103.9	103.1	103.0
	Constant prices	103.4	102.3	102.7	107.7	109.2	105.0	104.0	103.4	104.0	105.4
Other market services	Current prices	110.7	105.5	102.8	103.9	103.5	109.4	108.0	107.0	105.6	103.8
	Constant prices	105.9	100.5	99.3	100.9	100.6	106.1	104.3	102.7	101.6	100.3

*) The data on the industry, construction and agriculture refer to sales of own goods and services; data on other CZ-NACE activities refer to total sales.

The total **economic result** (i.e. gross profits or pre-tax profits) of **non-financial corporations with 100+ employees** was down by 4.5% y-o-y (all figures in this paragraph at current prices), which was the result of a higher rise in costs (+10.8%) than yields (+9.7%). Their return on costs and return on equity capital fell. The number of loss-making enterprises went up y-o-y and accounted for 26% of the total number of enterprises. Significant y-o-y decreases in gross profits were apparent particularly in ‘manufacturing’, ‘transport, storage and communications’, ‘hotels and restaurants’. The y-o-y growth of gross profits was contributed to mainly by ‘electricity, gas and water supply’ and by ‘mining and quarrying of energy producing materials’. **Book value added** produced in large non-financial corporations was by 5.4% higher y-o-y. Book value added in total industry (CZ-NACE 10-41) saw the same increase of 5.4%, of which in manufacturing 3.1%. Book value added rose in all non-industrial CZ-NACE activities except in hotels and restaurants. Stock of total inventories grew by 11.3% y-o-y at the end of Q2 2005. Overcapitalisation, i.e. negative value of equity capital, occurred in 4.4% of enterprises, and the total amount of overcapitalisation was up. The share of equity capital in the coverage of the balance sum slightly dropped and reached 51.5%, other resources accounted for the rest. **Foreign-controlled enterprises** raised their book value added by 7.5% and their gross profits fell by 10.3%, compared to Q2 2004.

The average annual inflation rate, measured as increase in the **consumer price** index in last 12 months over the average for preceding 12 months, stood at 2.4% in June, i.e. by 0.2 percentage points less q-o-q. In terms of y-o-y comparison, the price level grew by 1.6% in Q2 2005, just like in Q1. The development in Q1 2005 was even, fluctuations were recorded during Q2, the growth considerably decreased in May (as a mark of the switch of the VAT rate for services from the low to basic level in May 2004) and increased in June (in particular due to the growth of prices of public telecommunication services). Consumer prices in Q2 2005 rose faster than in Q1, especially in housing (prices of natural gas and electricity, prices of water and sewage and refuse disposal) and public telecommunication services. Prices of services were up by 3.7% y-o-y in total and prices of goods by 0.3%. Market prices rose by only 0.6% and administrative prices by 4.5%. Compared to Q2 2004, prices of food and non-alcoholic beverages were slightly lower, the same holds for prices in transport, ‘textiles and textile products’ and ‘furnishings and household equipment’. The price level (cost of living) in households of employees and households of pensioners grew by 1.4% and 2.0%, respectively, on average.

In July and August, prices rose by 1.7% y-o-y in both months.

Agricultural producer prices fell by 14.1% y-o-y, mainly as a result of lower prices of crop products by 37.5%. **Industrial producer prices** slowed down their growth rate to 4.1% mainly due to prices of ‘basic metals, metallurgic and fabricated metal products’ and ‘coke and refined petroleum products’. Prices of **construction work** grew by 2.8% y-o-y and prices of construction material inputs rose by 4.7%. Among **market services** whose prices increased by 1.8%, particularly prices in the area of financial intermediation except insurance and pension funding grew. **Tangible investment** prices were up by a mere 0.1%.

In July and August, prices in agriculture fell by 11% and 8.5% y-o-y, respectively; industrial producer prices rose by 2.0% and 1.1%, respectively; and construction work prices were higher by 2.2% in both months.

Price development in external trade in Q2 2005 was affected by the strengthening of the *koruna* against the main foreign currencies on the one hand, and by growing prices of mineral fuels in world markets on the other hand. Import and export prices were up by 0.2% and down by 0.7% y-o-y, respectively. Compared to Q2 2004, **terms of trade** reached 99.1% (for the first time since 2001 below 100%). **World prices** of industrial raw materials and food measured by the CZSO index were up by 39.7% y-o-y on average in Q2 2005.

The development of **external trade in goods** differed from that in Q1 2005. Whereas the growth of exports slowed down to 4.2% at current prices and was 7.3% at constant prices, imports dropped by 1.0% at current prices and by 0.1% at constant prices. Trade balance improved by CZK 24 billion against Q2 2004 and reached a surplus of CZK 15.1 billion. This development was influenced by more factors, particularly by higher comparative bases starting from March 2004, by external trade prices, by lower growth of domestic investment and consumer demand, and by the slowdown of economic growth in the Euro-zone states. In terms of the territorial structure of external trade, exports to all the main groups of countries rose, while only imports from the European transition economies and from the CIS countries recorded increases. In terms of commodity structure, exports and imports of 'machinery and transport equipment' moderately rose and dropped, respectively; exports and imports of 'manufactured goods classified chiefly by material' recorded an above-the-average growth and a decrease, respectively, and the same holds for exports and imports of 'miscellaneous manufactured articles'. A high growth rate of exports and the sharpest fall in imports was recorded for 'chemicals and related products', the highest growth rate of imports was observed for 'crude materials, inedible, and mineral fuels', and high dynamics of both exports and imports was recorded for 'agricultural and food crude materials and products'.

In July 2005, exports and imports at current prices were up by 2.5% and down by 3.5%, respectively, y-o-y. The balance of trade was active by CZK 1.2 billion.

The current account of the **balance of payments** ended in a deficit of CZK 30.8 billion in Q2 2005, which represented a y-o-y improvement of CZK 7.1 billion. The financial account of the balance of payments reached a high surplus of CZK 101.6 billion, which was by CZK 56.6 billion more y-o-y. Deficit of the current account made up 4.1% and surplus of the financial account 13.7% of nominal GDP volume. Besides the favourable trade balance, also the balance of current transfers contributed to the improvement of the current account. The surplus of the balance of services slightly decreased y-o-y and the balance of yields recorded a high growth of deficit. The flows of resources to the financial account were caused especially by privatisation of state property into the hands of foreign investors (Český Telecom and Unipetrol). These flows affected inward flows of foreign direct investment, which reached CZK 136.5 billion. The balance of portfolio investments was nearly zero. As to the other investments, capital amounting to CZK 33.6 billion flew out of the Czech Republic. Foreign exchange reserves grew by CZK 83.7 billion in Q2 2005.

Foreign exchange reserves of the CNB reached CZK 746.5 billion at the end of Q2 2005, which would be enough to cover 4.5 months' imports of goods and services.

The average **exchange rates** of the Czech ***koruna* against the *euro*** and **against the American dollar** strengthened and reached 30.126 CZK/EUR and 23.928 CZK/USD, respectively, in Q2 2005. The index of nominal effective exchange rate of the *koruna* was by 5.9% higher y-o-y on average. The index of real effective exchange rate of the *koruna* was by 5.4% higher based on consumer prices and by 6.0% higher based on industrial producer prices.

The y-o-y growth of **money supply** M2 hardly changed as at the end of Q2 2005. It stood at 5.3% in March and 5.2% in June 2005. The average annual level of M2 in relation to the annualised GDP volume amounted to 64.3%. The share of the monetary aggregate M1 (money in circulation and one-day deposits) in money supply M2 was 52.5%. Its y-o-y dynamics slowed down to 6.2%. The growth of volume of quasi money (deposits with agreed due date, time deposits and repo transactions) increased to 4.2% y-o-y at the end of June 2005. Growth was recorded in particular for time deposits of households and for deposits with agreed due date of non-financial corporations and non-monetary financial institutions. The lower growth of the monetary aggregate M2 in Q2 2005 was related to a fall in negative annual growth rate of net loan to government and, inter alia, to an increase in capital and reserves of monetary financial institutions.

Total **loans** raised their y-o-y growth to 18.3% at the end of June. This development was fuelled by a decrease in the average interest rate to 5.3% at the end of Q2 2005. On the increase were loans granted to non-financial corporations (+13.6%) and households (+32.5% – particularly loans on housing). The development was also affected by high supply of loans by banks.

The dynamics of total **deposits** at banks rose to 9.7% y-o-y at the end of Q2 2005, of which *koruna* deposits grew by 7.6%.

The average **interest rate** on total **deposits** and total **loans** reached 1.12% and 5.68%, respectively, at the end of Q2 2005. **Interest margin** between total rates on loans and total rates on deposits does not tend to fluctuate significantly and reached 4.57 percentage points in June: 6.36 percentage points in the household sector and 3.17 percentage points in the non-financial corporations sector.

Employment in businesses **with 20+ employees** of the business sphere (in financial intermediation irrespective of employment) and in all organisations of the non-business sphere increased by 0.5%. This increase is mainly attributable to foreign-controlled enterprises where the growth amounted to 12.4%. The highest decrease of employed persons continued in cooperatives. The average monthly gross **nominal wage** of employees in these businesses grew by 5.4%

and stood at CZK 18 763. Under a growth of consumer prices by 1.6%, the average **wage** rose by 3.7% **in real terms**. Wages in the business and non-business spheres grew by the same rate. Wage differentiation between individual CZ-NACE activities rose (the variation coefficient was up by 2.2 percentage points y-o-y and reached 35.7%).

The estimated **number of workers in the whole economy of the Czech Republic**, compared to Q2 2004, grew by 0.4%, the **number of employees in the whole economy** rose by 0.5%, i.e. by 18.8 thousand persons. Their average wage increased by 5.4% and reached CZK 17 583.

The **registered unemployment rate**, according to current methodology, was 8.6% on 30 June. It dropped by 0.8 percentage points quarter-on-quarter in Q2 2005. The number of registered job applicants was 489.7 thousand, of which 461.9 thousand were available unemployed. The share of long-term unemployed persons grew to 44% at the end of June. Persons with basic education made up 31.1% of the unemployed and persons with university education 3.5%. The average number of unemployed school-leavers fell by nearly 28% y-o-y. The situation between demand for work and supply of vacancies is characterised by a new indicator called the vacancy rate. This rate was 1.4% in Q2 2005, which was by 0.3 percentage points more y-o-y. On 30 June, there were 8.6 persons per vacancy on average nationwide, i.e. by 2.8 persons less than in June 2004. The situation on the labour market improved in twelve regions; the highest unemployment rates persist in the districts of Most (21.9%), Karviná (18.9%) and Chomutov (15.8%).
The registered unemployment rate according to current methodology was 8.8% at the end of July and 8.9% at the end of August.

Net money expenditures at constant prices grew in both households of employees (+4.3%) and households of pensioners (+1.4%). The share of expenditures on food, beverages and housing was 34.3% of total expenditures in households of employees and 50.7% in households of pensioners. This share was down in both types of households in terms of both y-o-y and m-o-m comparison, more markedly in households of employees.

In the framework of **social expenditures**, resources paid as pensions rose by 7.4% at current prices. Due to the pensions adjustment on 1 January 2005, the average old-age pension was CZK 7 720 at the end of Q2 2005, i.e. by 6.5% more y-o-y. As cost of living of pensioners was up by 2.5% y-o-y, the average old-age pension grew by 3.9% in real terms.

In the 1st half of 2005, the **state budget** recorded total revenues CZK 426.3 billion (53.0% of the adjusted budgeted level) and total expenditures CZK 422.5 billion (47.6% of the adjusted budgeted level). Surplus of the state budget thus stood at CZK 3.8 billion, which was by CZK 53.5 billion better result than in the corresponding period of 2004. In relation to nominal GDP, the surplus was 2.6%. Tax revenues of the state budget represented 51.1% of the adjusted budgeted level, which was 18.8% up y-o-y. Revenues from social security insurance and employment policy were met at 47.6%, i.e. by 5.8% up y-o-y. Mandatory expenditures made up 58.5% of total expenditures, i.e. by 1.0% up y-o-y.

The **budgets of self-governing territorial units** reported revenues of CZK 156.2 billion and expenditures of CZK 149.7 billion, all in the 1st half of 2005. Regions and municipalities thus reached a surplus of CZK 6.5 billion, of which regions CZK 1.0 billion and municipalities CZK 5.5 billion.

The **population** of the Czech Republic was 10 235 thousand on 30 June 2005, which was by 28.4 thousand more y-o-y and by 14.8 thousand more than at the end of 2004. The population increase resulted from the active balance of external migration (+18.4 thousand persons) and from rising numbers of births. The number of live births exceeded 51 thousand in the 1st half of 2005 and grew by 2.3 thousand y-o-y. The number of marriages slightly dropped, the number of divorces fell. The level of the latter tends to stabilise closely below 50% of the number of marriages.

Comparison of the development of the CR and the EU in Q2 2005 according to selected harmonised indicators

Harmonised indicator	EU 25	EU 15	Germany	Slovakia	Czech Republic
Gross domestic product (constant prices) – y-o-y change in %	1.6	1.6	1.5	5.1	5.1
Harmonised index of consumer prices (HICP)	102.0	102.1	101.6	102.4	101.2
Harmonised unemployment rate (seasonally adjusted) in %	8.7	7.9	9.9	15.4	7.7
Industrial production index (working days adjusted) in %	100.5	100.3	102.6	102.6	103.9
Construction output index (working days adjusted) in %	100.6	100.3	93.1	120.9	96.8
Retail sales index (seasonally adjusted) in %	101.9	101.7	102.2	106.8	103.1

Source: Eurostat (as at 20 June 2005), calculations by CZSO