

Introduction

The Czech Statistical Office has re-established the publication of a regular annual extensive analysis entitled "Tendencies and Factors of Macroeconomic Development in the Czech Republic". As opposed to previous years, this time its concept has been modified.

A significant change over previous years is the strong emphasis placed on international comparison, which is omnipresent across all the topics discussed. The emphasis placed on this comparison makes sense because of the Czech Republic's special position in the economic sphere, a position granted by its high degree of openness towards both Europe and the rest of the world but also simply by where it is situated territorially, which can be relevant for demographic changes influenced by migration and has an effect on the social-economic sphere. On the contrary, a method is maintained when the development in a given year – or year, for which the data are available – is put into the mid-term to long-term perspective. This provided very interesting results as of 2011, the time of transition: from the strong boom in the Czech economy, through the crisis year 2009, to a subsequent ascent out of this crisis. The year 2011 showed that maintaining a growth trajectory is not an easy task.

As far as analysis of factual issues is concerned, a predominant focus on detailed analysis of gross domestic product and related indicators of national account systems (NAS) was not a preferred approach this time. The focus instead was on the monitoring of tendencies at times when the economy is potentially driven out of balance. This includes a view of balanced economic activities of institutional sectors of the Czech economy and changes in its ability to compete on a European and global scale, the intensity with which the Czech Republic is attempting to converge towards the economic advancement of Europe and the results of this effort.

Given the significance of the 2011 European sovereign debt crisis for the Eurozone and the real European economy, the first part of this analysis is dedicated to the development of the global and European economy, particularly from the perspective of the debt crisis and subsequent actions that were intended to reduce its impact. The development in commodity and financial markets was added to the analysis. The chapter concerning the internal imbalance of the Czech Republic measured by fiscal parameters, also a big macroeconomic issue of 2011, is the most elaborated part in the present publication. The reduction of internal debt became a fundamental paradigm of the economic policy of the government, to which all other objectives were subordinated. Therefore, this chapter pays attention to the level and particularly the structure of the government sector deficit, including an analysis of the public tenders, state aid, guarantees, social benefits and positions of the Czech Republic in these spheres in comparison with other EU countries. At the same time, the gross consolidated debt of the government sector of the Czech Republic was also discussed. And for the first time, the private debt was analysed, and an indicator was formulated of the so-called complex debt and the position of the Czech Republic in the context of the EU-27 countries.

The real convergence of the Czech Republic to the EU-27 average is also studied according to the success of the individual regions of the country in the analysis, including the evaluation of nominal convergence based on how the Maastricht criteria have been fulfilled in the last five years. The last chapter is dedicated to selected price and non-price related parameters of the competitiveness of the Czech economy.