22 April 2020

Indebtedness declined to 30.76%

Notification of government deficit and debt – 2019

**The general government debt for the year 2019 has been revised during regular consultations with Eurostat downwards by CZK 1.7 billion compared to data published in the News Release on 1 April 2020. The debt amounted to CZK 1 738.7 billion; expressed as a percentage of the GDP, it corresponds to 30.76% of the GDP. Other data remain unchanged.**

Notification table of government deficit and debt, the Czech Republic, 2016–2019

|  |  |  |
| --- | --- | --- |
|  | Unit | Year |
| 2016 | 2017 | 2018 | 2019 |
| Net borrowing/lending of general government  | CZK mil. | 34 136 | 76 718 | 49 259 | 15 374 |
| General government consolidated gross debt  | CZK mil. | 1 755 142 | 1 749 701 | 1 734 626 | 1 738 728 |
| Gross domestic product (GDP), current prices | CZK mil. | 4 767 990 | 5 047 267 | 5 323 556 | 5 652 553 |
| Net borrowing/lending of general government as % of GDP | % | 0.72 | 1.52 | 0.93 | 0.27 |
| General government consolidated gross debt as % of GDP  | % | 36.81 | 34.67 | 32.58 | 30.76 |

The reason for the revision of the general government debt was that evaluation of securities in face value has been refined.

Eurostat has no reservations on the data on the government deficit and debt of the Czech Republic.

Data for all Member States of the EU will be released on the website of Eurostat on 22 April 2020 at 11 a.m.

*Notes:*

*Notification of government deficit and debt is compiled always for the past four years and submitted to the European Commission by each Member State of the European Union always at the end of March and September each year, including a projection for the current year. The projection for the current year is compiled and published by the Ministry of Finance of the Czech Republic. Quantification of fiscal indicators is based on the ESA 2010 methodology. Pursuant to the Maastricht criteria, the government deficit must not exceed 3% of the GDP and the level of the accumulated government debt must not exceed 60% of the GDP.*

*Government surplus/deficit is represented by the item B.9 “net borrowing (−) or net lending (+)” in the system of national accounts. The indicator refers to the ability of the general government sector in the given year to finance other sectors of the economy (+) or the need of the general government sector to be financed (−) by other sectors.*

*The government debt consists of consolidated liabilities of the general government sector in the form of currency and deposits, issued debt securities, and received loans. In case of foreign exchange debt instruments hedged against currency risk, value in CZK is obtained by means of a contractual exchange rate.*

|  |  |
| --- | --- |
| *Responsible head at the CZSO:* | *Petr Musil, Ph.D., Director of Government and Financial Accounts Department, phone: (+420) 734 352 286, e-mail:* petr.musil@czso.cz  |
| *Contact person:* | *Jaroslav Kahoun, Head of Government Accounts Unit, phone: (+420) 274 054 232, e-mail:* jaroslav.kahoun@czso.cz  |
| *Next News Release will be published on:* | *1 October 2020* |