Macroeconomic Forecast
of the Czech Republic

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January 2026

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List of Abbreviations

BoP	balance of payments
const. pr.	constant prices
CNB	Czech National Bank
CPI	consumer price index
CR	Czech Republic
CSSA	Czech Social Security Administration
curr. pr.	current prices
CZSO	Czech Statistical Office
EA20	euro area consisting of 20 countries
EC	European Commission
ECB	European Central Bank
EU27	European Union consisting of 27 countries
Fed	Federal Reserve System
GDP	gross domestic product
GFCF	gross fixed capital formation
GVA	gross value added
IMF	International Monetary Fund
LFS	Labour Force Survey
MMBtu	one million British thermal units
MoF	Ministry of Finance
MoLSA	Ministry of Labour and Social Affairs
NPISHs	non-profit institutions serving households
OECD	Organisation for Economic Co-operation and Development
p. a.	per annum
PMI	Purchasing Managers' Index
p.p.	percentage points
RRF	Recovery and Resilience Facility
TFP	total factor productivity
VAT	value-added tax

Symbols Used in Tables

-	A dash in place of a number indicates that the phenomenon did not occur.
.	A dot in place of a number indicates that we do not forecast that variable, or the figure is unavailable or unreliable.
x, (space)	A cross or space in place of a number indicates that no entry is possible for logical reasons.

Cut-off Date for Data Sources

The Macroeconomic Forecast is based on data available as of 15 January 2026.

Notes

All data in the Macroeconomic Forecast are unadjusted for seasonal and calendar effects, unless stated otherwise. Published aggregate data may not match the sum of individual items to the last decimal place due to rounding.

Data from the previous forecast (November 2025) are indicated in italics. Data relating to the years 2027 and 2028 represent an extrapolation scenario that indicates only the direction of possible developments and are therefore not commented on in the following text.

Summary of the Forecast

The global economy operates in an environment of stabilized inflation, rising real incomes, and increasing household consumption expenditure. As the restrictive effect of monetary conditions fades, investment activity is gradually recovering, though it remains dampened by persistent geopolitical uncertainties and barriers to international trade.

While an agreement between the United States and the European Union mitigated trade tensions, uncertainties regarding tariff measures and export restrictions on critical technologies and strategic raw materials—particularly regarding the United States, China, and other Asian economies—persist. In the European context, Germany's fiscal and tax package provides a positive impetus, expected to support economic growth in the coming years for both Germany and other EU member states, including the Czech Republic.

The Czech Republic's **real gross domestic product** growth, seasonally and calendar adjusted, accelerated to 2.8% year-on-year and 0.8% quarter-on-quarter in the third quarter 2025. Year-on-year growth was driven almost exclusively by domestic demand.

For the full year 2025, GDP likely increased by 2.5%. A year-on-year decrease in the savings rate and an increase in real income resulted in more pronounced household consumption growth. Investment activity was driven by public investment, supported by the Recovery and Resilience Facility and the acceleration of the current financial perspective of European Structural and Investment Funds. Renewed inventory accumulation and government consumption also contributed positively to growth. Net exports likely had a negative impact on GDP growth, primarily due to higher imports driven by rising consumer demand and expected inventory build-up.

In 2026, economic growth could slightly slow to 2.4%. Dynamics should continue to be driven exclusively by domestic demand. Alongside continued household consumption growth, a recovery in corporate investment activity is expected, which will simultaneously increase import volumes. Exports will be limited by increased trade barriers and low export order volumes. Consequently, the contribution of net exports to GDP growth is expected to remain negative.

The average **inflation** rate reached 2.5% in 2025. While price growth in services was elevated, goods prices were subdued, mainly due to lower energy prices (electricity, natural gas, and fuels). This year, disinflationary energy price developments will be significantly bolstered by the state budget fully assuming the funding for the supported energy sources fee. Inflationary pressures will continue to be mitigated by monetary policy, the expected continued decline in dollar oil prices, and further appreciation of the koruna. Conversely, inflationary factors include continued dynamic wage growth, increased household disposable income, and persistent price dynamics in services, primarily driven by strong growth in owner-occupied housing costs and rents. The average inflation rate could decrease to 2.1% this year, largely due to the reduction in the regulated component of electricity prices.

In the **labour market**, despite partial imbalances related to labour shortages, the unemployment rate is slightly increasing and likely reached 2.8% in 2025. Strong demand for labour in services and construction will continue to mitigate the negative impacts of problems in industrial sectors. The unemployment rate could remain at 2.8% this year. Persistent friction between labour supply and demand continues to support wage and salary dynamics. Real earnings are expected to increase in both 2025 and 2026.

The **current account** of the balance of payments ended in the third quarter of 2025 with a surplus of 0.7% of GDP. The year-on-year deterioration of the external balance was largely due to a decrease in the goods balance surplus, influenced by growth in consumer goods imports and higher volumes of imported materials. Exports were limited by lower order volumes in manufacturing. Future current account developments will depend on domestic demand, export orders, and U.S. import tariffs, which will limit EU exports. The current account is estimated to have ended 2025 with a surplus of 0.6% of GDP. For this year, the positive balance could further narrow to 0.3% of GDP as investment activity recovers.

Continued economic recovery and adopted austerity measures positively influenced the **general government outturn** in 2025. Despite increased defense spending, higher social benefits, and flood damage recovery costs, it should end with the deficit of 2% of GDP, same as previous year. The general government debt continued to rise and is expected to reach 44.6% of GDP.

Risks to the economic growth forecast are considered tilted to the downside in aggregate. Main uncertainties include geopolitical tensions, tariffs and other trade barriers, and energy price volatility. Changes in fiscal policy settings in EU member states, especially Germany, and persistent price growth in services are additional risk factors.

The economy will be driven solely by domestic demand
growth rate of real GDP in %, contributions in percentage points

- Net exports
- Gross capital formation
- Final consumption
- Gross domestic product
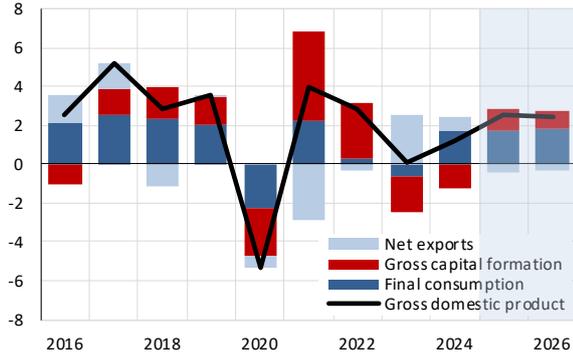
Source: CZSO. Calculations and forecast of the MoF.

Profit growth will continue despite higher wage costs
growth rate of nominal GDP in %, contributions in percentage points

- Net taxes and subsidies
- Gross operating surplus
- Compensation of employees
- Gross domestic product
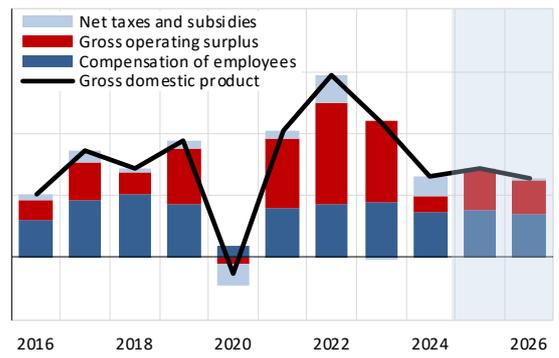
Source: CZSO. Calculations and forecast of the MoF.

Inflation should stay stabilised close to 2% target
YoY growth rate of CPI in %, contributions in percentage points

- Market increase
- Admin. measures
- CPI
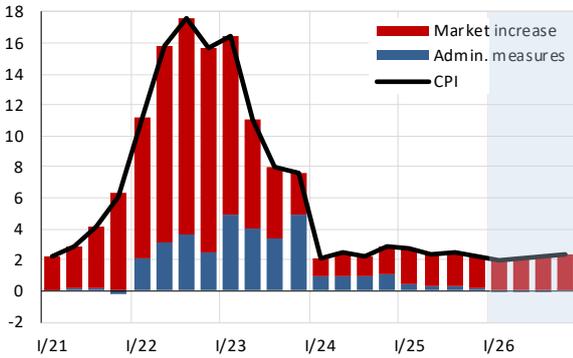
Source: CZSO. Calculations and forecast of the MoF.

Unemployment should start decreasing
registered unemployment, in thous. of persons, seasonally adjusted
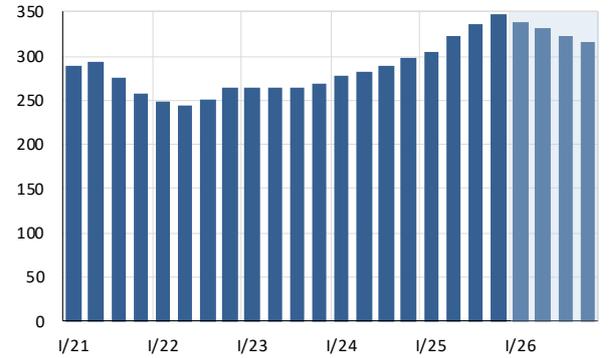
Source: MoLSA. Calculations and forecast of the MoF.

Real wages should maintain its strong growth
average gross monthly wage, YoY growth rate, in %

- Nominal
- Real
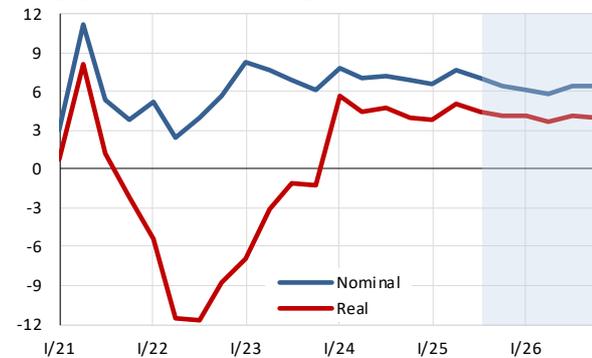
Source: CZSO. Calculations and forecast of the MoF.

Current account balance should gradually deteriorate
in % of GDP, annual moving sums

- Incomes
- Goods and services
- Current account
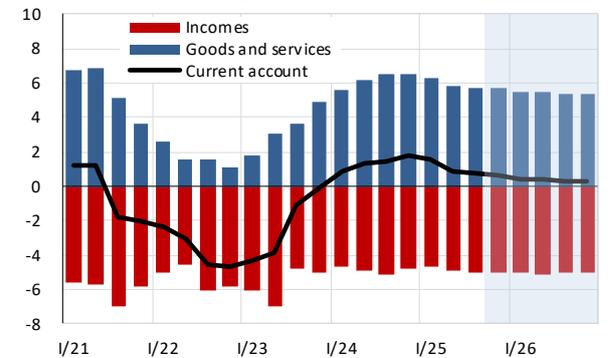
Source: CNB, CZSO. Calculations and forecast of the MoF.

Public finance deficit remained close to 2% of GDP
general government net lending/borrowing, in % of GDP
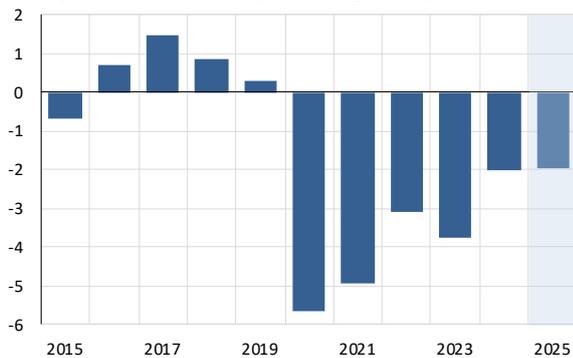
Source: CZSO. Calculations and forecast of the MoF.

Risks to the GDP forecast are skewed to the downside
QoQ growth of real GDP in %

- 30% range
- 50%
- 75%
- Forecast
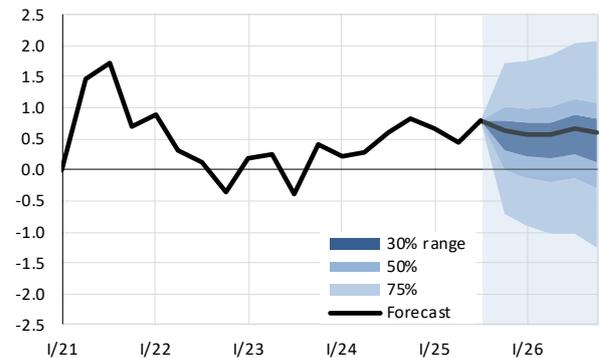
Source: CZSO. Calculations and forecast of the MoF.

Table: Main Macroeconomic Indicators

		2020	2021	2022	2023	2024	2025 Current forecast	2026 Current forecast	2025 Previous forecast	2026 Previous forecast
Nominal GDP	bill. CZK	**5 828**	**6 308**	**7 050**	**7 660**	**8 058**	**8 524**	**8 957**	8 510	8 940
	nominal growth in %	-1.0	8.2	11.8	8.6	5.2	5.8	5.1	5.6	5.1
Gross domestic product	real growth in %	**-5.3**	**4.0**	**2.8**	**0.0**	**1.3**	**2.5**	**2.4**	2.4	2.2
Consumption of households	real growth in %	-6.4	4.2	0.5	-2.6	2.4	2.9	3.0	3.1	3.0
Consumption of government	real growth in %	4.1	1.5	0.4	3.2	3.1	2.1	1.9	2.1	1.6
Gross fixed capital formation	real growth in %	-4.8	6.7	6.3	4.2	-2.7	0.9	3.1	0.2	3.0
Contribution of net exports	pp	-0.6	-2.8	-0.3	2.6	0.7	-0.4	-0.3	-0.4	-0.3
Contrib. of change in inventories	pp	-1.2	2.8	1.2	-3.0	-0.5	0.9	0.1	0.9	0.0
GDP deflator	growth in %	**4.5**	**4.0**	**8.7**	**8.6**	**3.9**	**3.2**	**2.6**	3.1	2.8
Average inflation rate	%	**3.2**	**3.8**	**15.1**	**10.7**	**2.4**	**2.5**	**2.1**	2.4	2.3
Employment *(national accounts)*	growth in %	**-2.3**	**1.0**	**1.0**	**1.6**	**0.6**	**1.0**	**0.1**	0.9	0.1
Unemployment rate *(LFS)*	average in %	**2.6**	**2.8**	**2.2**	**2.6**	**2.6**	**2.8**	**2.8**	2.7	2.8
Wage bill *(domestic concept)*	growth in %	**0.4**	**7.2**	**9.1**	**8.8**	**6.8**	**7.3**	**6.3**	7.1	5.9
Current account balance	% of GDP	**1.8**	**-2.1**	**-4.7**	**-0.1**	**1.7**	**0.6**	**0.3**	0.8	0.3
General government balance	% of GDP	**-5.6**	**-5.0**	**-3.1**	**-3.7**	**-2.0**	**-2.0**	**.**	-1.9	-1.9
General government debt	% of GDP	**36.9**	**40.7**	**42.5**	**42.2**	**43.3**	**44.6**	**.**	43.9	45.3
Assumptions:										
Exchange rate CZK/EUR		**26.4**	**25.6**	**24.6**	**24.0**	**25.1**	**24.7**	**24.1**	24.7	24.3
Long-term interest rates	% p.a.	**1.1**	**1.9**	**4.3**	**4.4**	**4.0**	**4.3**	**4.6**	4.3	4.3
Crude oil Brent	USD/barrel	**42**	**71**	**101**	**82**	**81**	**69**	**61**	70	66
GDP in the euro area	real growth in %	**-6.2**	**6.4**	**3.7**	**0.6**	**0.8**	**1.5**	**1.5**	1.4	1.4

Source: CNB, CZSO, Eurostat, U. S. Energy Information Administration. Calculations and forecast of the MoF.

Risks to the Forecast

The macroeconomic forecast is subject to a number of risks, with the risks to the economic growth forecast assessed as being **tilted to the downside** in aggregate.

The primary risk to the forecast is the possibility of an **escalation in geopolitical tensions**, particularly in connection with the ongoing Russian aggression against Ukraine and increased uncertainty regarding the direction of the **foreign and trade policy of the United States**, including the potential introduction of tariffs and other barriers to international trade. These factors could lead to further disruption of global trade ties, increased volatility in financial markets, and a reduction in corporate investment activity. The negative impacts would manifest primarily through weaker foreign demand, higher corporate uncertainty, and worsening financing conditions, representing an increased risk for open economies of the European Union, including the Czech Republic.

Certain sectors of the economy and price stability are also exposed to the threat of a potential **resurgence of supply chain issues**, which could be triggered by the aforementioned deterioration of the geopolitical situation or the introduction of international trade barriers. The development of **energy commodity prices** remains a significant risk. However, the Czech and, by extension, the European economy is now better prepared for potential energy crises, and the impact of a potential price shock would likely be weaker than in the years 2022–2023.

The **green transition** increases the demand for critical raw materials necessary for the development of low-carbon technologies. However, the rising frequency and intensity of **extreme weather events**—such as droughts, torrential rains, or heatwaves—disrupts their extraction and distribution, thereby strengthening price volatility in commodity markets. These phenomena simultaneously negatively affect agricultural production and food supply chains, which may manifest as an increase in food prices.

Possible **changes in the settings of fiscal policies** abroad and in the domestic economy represent a risk to the forecast. The **German fiscal expansionary package** may positively influence Czech industry, especially export-oriented sectors, albeit with a high degree of uncertainty. This uncertainty primarily concerns the timing of the measures, their structure, and the involvement of Czech suppliers. The short-term growth effect may be limited, while the medium-term benefit will depend on whether the fiscal impulse supports investment and industrial production, or predominantly consumption or imports. The impact of the **increase in defense spending** on economic growth and inflation will depend on its structure and the share of domestic production; with a high import share, the growth effect would be significantly limited.

A certain threat to price stability remains the **elevated price growth in services**, linked, among other things, to the considerably dynamic development of real estate prices and strong wage growth.

Economic Policy Uncertainty Index
frequency of references to economic policy uncertainty in the media of 18 selected countries; weighted by GDP; average 1997–2015 = 100
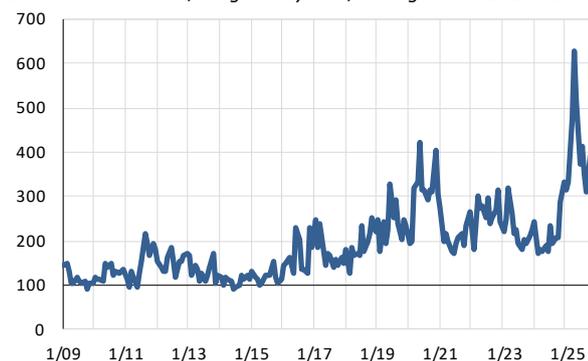
Source: Economic Policy Uncertainty.

Global Supply Chain Pressure Index
combination of transport cost indicators and PMI adjusted for demand effects; number of standard deviations from long-term average
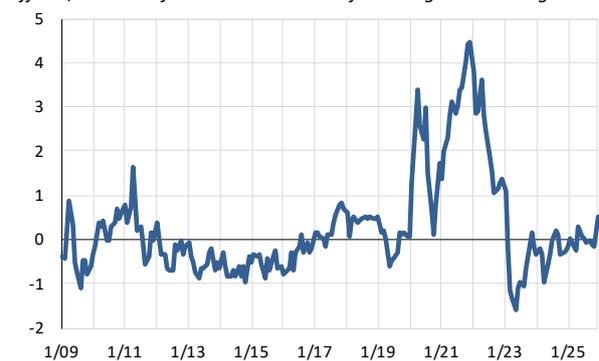
Source: Federal Reserve Bank of New York.

1 Forecast Assumptions

1.1 External Environment

Global economic growth was subdued last year due to the lagged effects of restrictive monetary policy and heightened geopolitical tensions, however, U.S. trade risks declined following a series of agreements. Supply chain stabilization and the final phase of disinflation created favourable conditions. Consumption and investment were supported by interest rate cuts.

The **United States** economy grew by 2.3% year-on-year and 1.1% quarter-on-quarter in the third quarter. Quarterly growth was driven by household consumption and foreign trade, with more modest contributions from government consumption and gross fixed capital formation. By contrast, changes in inventories had a negative impact. While activity in services and industry remains in expansionary territory, the labour market is cooling, as reflected in rising unemployment and slightly falling labour demand. In response to negative labour market signals, the Fed reduced interest rates to the 3.50–3.75% range despite persistent proinflationary risks. We estimate that GDP grew by 2.2% (*previously 1.9%*) in 2025. Economic activity was likely dampened at the turn of the year by lower consumption expenditure due to government shutdown and deteriorating labour market. In 2026, growth is expected to accelerate slightly to 2.3% (*previously 2.0%*) due to higher investment volumes following last year's interest rate cuts. Risks include slightly elevated inflation, trade policy impacts and potential corrections in equity markets.

China's GDP grew by 5.0% last year. Economic activity was supported by exports and, to a lesser extent, consumer demand. However, growth was constrained by private investment activity amid a decline in residential construction. While industrial production and services point to some improvement, domestic demand remains subdued due to low consumer confidence and an insufficient social safety net. Government support measures for consumption, such as subsidies for vehicles and appliances, largely resulted in the front-loading of purchases. Deflationary pressures eased at the end of 2025. Many structural problems persist, including population ageing, declining employment, previous overreliance on the troubled real estate sector, and overproduction linked to aggressive pricing policies. In 2026, growth could slow to 4.4% (*unchanged*) reflecting weakening domestic demand dynamics, with risks tilted to the downside given the aforementioned structural issues.

The **European Union** economy grew by 1.6% year-on-year and 0.4% quarter-on-quarter in the third quarter, while the euro area grew by 1.4% and 0.3% respectively.

Among EU states, high year-on-year growth was in Ireland, Denmark, Poland, and Cyprus. Conversely, Germany, Hungary, and Italy faced low growth dynamics, and the Finnish economy contracted. The services sector in the EA remains resilient, but industry continues to show subdued activity, and business expectations remain negative despite some improvement. The European Central Bank has signalled rate stability at 2.0%. In fiscal policy, consolidation efforts in several countries are at odds with rising expenditures on defense and backbone infrastructure. We estimate that EU GDP grew by 1.6% (*previously 1.5%*) in 2025 and euro area GDP by 1.5% (*previously 1.4%*). Growth was supported by low inflation, a strong labour market, and real wage growth. However, investment activity was constrained by industrial uncertainty, and foreign trade was negatively affected by lower export orders and U.S. tariff policy. In 2026, economic growth is expected to remain at 1.6% (*previously 1.5%*) in the EU and 1.5% (*previously 1.4%*) in the euro area. Improvements in domestic demand will likely be tempered by a gradual recovery in industry and the negative impact of foreign trade developments.

The **German** economy grew by 0.3% in 2025 according to preliminary estimates. Growth was supported by household and government consumption, but exports continued to decline, and investment activity remained weak. Industry faces low foreign demand and higher energy costs compared to many other regions, while the services sector is showing a gradual recovery. In 2026, growth should accelerate to 1.2% (*previously 1.3%*), supported by the fiscal package and real wage growth aiding consumption. Risks include the potential low effectiveness of the fiscal measures—particularly the ability to boost productive investment and enhance competitiveness—and the related increase in public debt.

Slovakia's GDP grew by 0.8% year-on-year and 0.3% quarter-on-quarter in the third quarter. Quarterly growth was driven primarily by foreign trade, changes in inventories, and government consumption. Gross fixed capital formation and household consumption had negative contributions. Annual inflation was elevated, reaching 4.0% in the fourth quarter, with core inflation at 5.4%. This, combined with fiscal consolidation, limited consumption growth. However, investment expenditure continued to be supported by the RRF. For 2025, we expect GDP growth at 0.7% (*previously 0.8%*). In 2026, it could accelerate to 1.7% (*previously 1.8%*) due to recovery of foreign demand and the positive effects of the German fiscal package. Nonetheless, government consolidation measures, impacting mainly consumers, are expected to reduce growth dynamics.

Graph 1.1.1: Real GDP in the Euro Area and USA
QoQ growth rate in %, seasonally adjusted
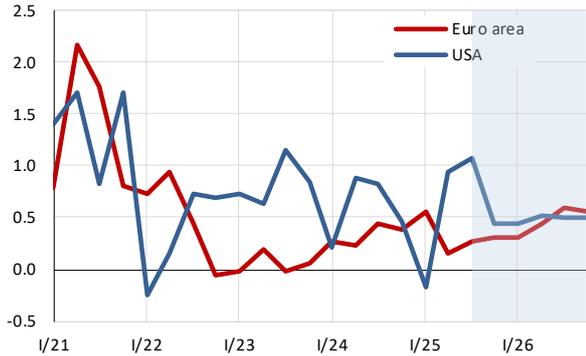
Source: Eurostat, OECD. Calculations and forecast of the MoF.

Graph 1.1.2: Real Gross Domestic Product
YoY growth in %, seasonally adjusted
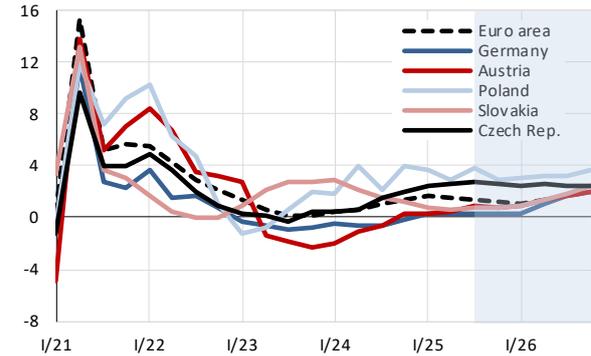
Source: CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 1.1.3: HICP
quarterly averages, YoY growth in %
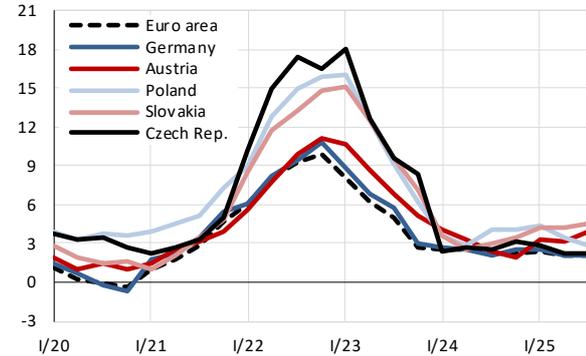
Source: Eurostat. Calculations of the MoF.

Graph 1.1.4: Unemployment Rate
in %, LFS methodology, seasonally adjusted
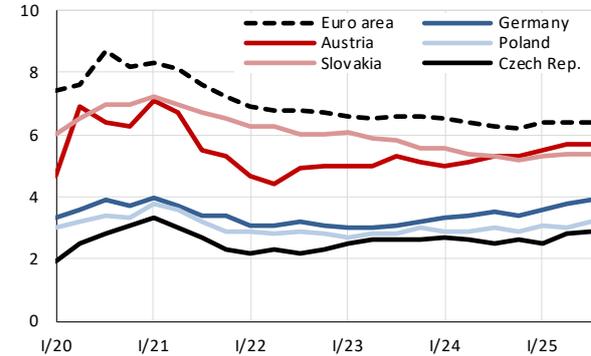
Source: Eurostat.

Graph 1.1.5: Economic Sentiment Indicator
quarterly averages, long-run average = 100
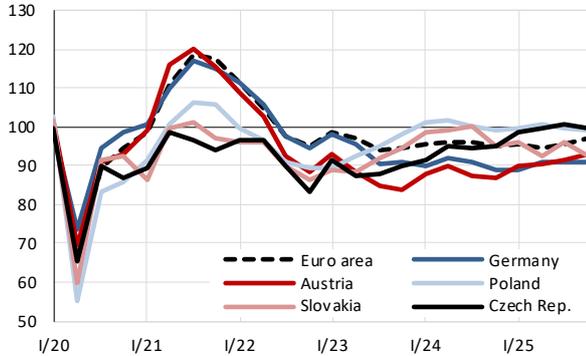
Source: Eurostat. Calculations of the MoF.

Graph 1.1.6: Purchasing Managers' Index
manufacturing, quarterly averages
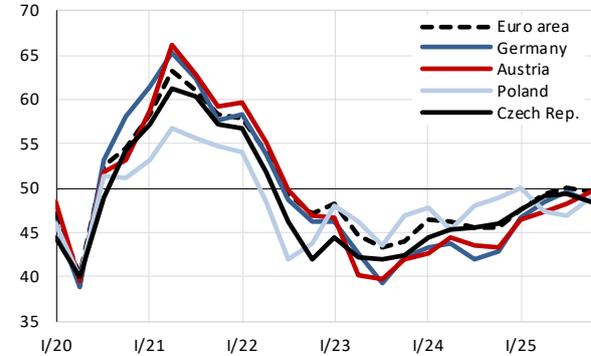
Source: Markit. Calculations of the MoF.

Graph 1.1.7: Business Tendency
manufacturing, quarterly averages
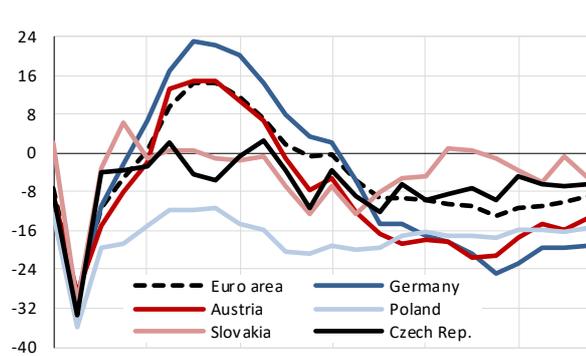
Source: OECD. Calculations of the MoF.

Graph 1.1.8: Ifo and Czech Manufacturing Production
balances (Ifo, manufacturing), seas. adjusted industrial production in Czech manufacturing, YoY growth in % (three-month moving avg.)
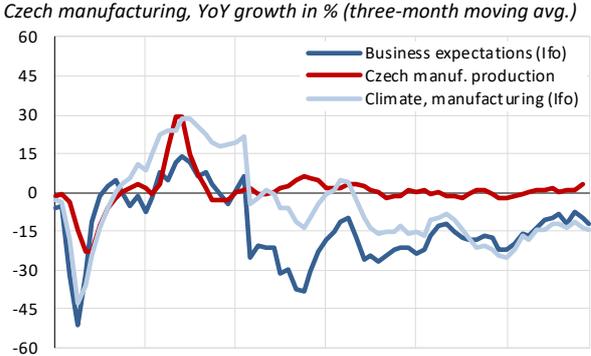
Source: CESifo, CZSO. Calculations of the MoF.

Table 1.1.1: Gross Domestic Product – annual

growth rate of real GDP in %

		2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast
World	seasonally adjusted	**3.8**	**3.6**	**2.8**	**-2.7**	**6.6**	**3.8**	**3.5**	**3.3**	**3.3**	**3.4**
USA	seasonally adjusted	**2.5**	**3.0**	**2.6**	**-2.1**	**6.2**	**2.5**	**2.9**	**2.8**	**2.2**	**2.3**
China	seasonally adjusted	**6.9**	**6.9**	**6.2**	**2.0**	**8.9**	**3.1**	**5.4**	**5.0**	**5.0**	**4.4**
United Kingdom	seasonally adjusted	**3.0**	**1.6**	**1.3**	**-10.0**	**8.5**	**5.1**	**0.3**	**1.1**	**1.4**	**1.4**
European Union	seasonally adjusted	**3.0**	**2.0**	**1.9**	**-5.7**	**6.3**	**3.6**	**0.5**	**1.0**	**1.6**	**1.6**
Euro area	seasonally adjusted	**2.8**	**1.8**	**1.6**	**-6.2**	**6.4**	**3.7**	**0.6**	**0.8**	**1.5**	**1.5**
Germany	seasonally adjusted	**3.1**	**1.1**	**1.0**	**-4.5**	**3.9**	**1.9**	**-0.7**	**-0.5**	**0.3**	**1.2**
	unadjusted	2.8	1.1	1.0	-4.1	3.9	1.8	-0.9	-0.5	0.2	1.5
France	seasonally adjusted	**2.3**	**1.6**	**2.1**	**-7.6**	**6.8**	**2.8**	**1.6**	**1.1**	**0.9**	**1.7**
	unadjusted	2.1	1.6	2.0	-7.4	6.9	2.7	1.4	1.2	0.8	1.8
Italy	seasonally adjusted	**1.7**	**0.7**	**0.4**	**-9.0**	**8.8**	**5.0**	**1.1**	**0.5**	**0.6**	**1.1**
	unadjusted	1.6	0.8	0.4	-8.9	8.9	4.8	1.0	0.7	0.4	1.3
Austria	seasonally adjusted	**2.4**	**2.4**	**1.7**	**-6.4**	**5.0**	**5.4**	**-0.7**	**-0.8**	**0.6**	**1.5**
	unadjusted	2.3	2.5	1.8	-6.3	4.9	5.3	-0.8	-0.7	0.7	1.5
Hungary	seasonally adjusted	**4.3**	**5.6**	**5.1**	**-4.5**	**7.2**	**4.2**	**-0.7**	**0.6**	**0.3**	**2.5**
	unadjusted	4.1	5.6	5.1	-4.3	7.2	4.2	-0.8	0.6	0.3	2.5
Poland	seasonally adjusted	**5.2**	**6.2**	**4.5**	**-2.0**	**6.8**	**5.5**	**0.1**	**3.0**	**3.4**	**3.3**
	unadjusted	5.2	6.2	4.6	-2.0	6.9	5.3	0.2	3.0	3.4	3.3
Slovakia	seasonally adjusted	**2.9**	**4.1**	**2.3**	**-2.6**	**5.7**	**0.5**	**2.1**	**1.9**	**0.7**	**1.7**
Czech Republic	seasonally adjusted	**5.3**	**2.8**	**3.5**	**-5.3**	**4.0**	**2.9**	**0.2**	**1.1**	**2.6**	**2.5**
	unadjusted	5.2	2.8	3.6	-5.3	4.0	2.8	0.0	1.3	2.5	2.4

Source: CZSO, Destatis, Eurostat, IMF, OECD, Office for National Statistics. Calculations of the MoF.

Table 1.1.2: Gross Domestic Product – quarterly

growth rate of real GDP in %, data adjusted for seasonal and calendar effects

		2025				2026			
		Q1	Q2	Q3	Q4 Estimate	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
USA	QoQ	**-0.2**	**0.9**	**1.1**	**0.5**	**0.4**	**0.5**	**0.5**	**0.5**
	YoY	2.0	2.1	2.3	2.3	2.9	2.5	1.9	2.0
United Kingdom	QoQ	**0.7**	**0.2**	**0.1**	**0.3**	**0.4**	**0.5**	**0.5**	**0.5**
	YoY	1.8	1.4	1.3	1.3	1.0	1.2	1.6	1.8
European Union	QoQ	**0.5**	**0.3**	**0.4**	**0.3**	**0.3**	**0.5**	**0.6**	**0.6**
	YoY	1.7	1.7	1.6	1.4	1.2	1.4	1.7	2.0
Euro area	QoQ	**0.6**	**0.1**	**0.3**	**0.3**	**0.3**	**0.5**	**0.6**	**0.6**
	YoY	1.6	1.6	1.4	1.3	1.0	1.3	1.7	1.9
Germany	QoQ	**0.3**	**-0.2**	**0.0**	**0.2**	**0.3**	**0.5**	**0.6**	**0.6**
	YoY	0.2	0.3	0.3	0.3	0.3	1.0	1.6	2.0
France	QoQ	**0.1**	**0.3**	**0.5**	**0.4**	**0.4**	**0.5**	**0.5**	**0.5**
	YoY	0.6	0.7	0.9	1.4	1.6	1.7	1.7	1.8
Italy	QoQ	**0.3**	**-0.1**	**0.1**	**0.2**	**0.3**	**0.4**	**0.4**	**0.5**
	YoY	0.8	0.5	0.6	0.6	0.5	1.0	1.3	1.6
Austria	QoQ	**0.2**	**0.0**	**0.4**	**0.2**	**0.3**	**0.5**	**0.6**	**0.6**
	YoY	0.3	0.5	1.0	0.8	0.9	1.4	1.6	2.0
Hungary	QoQ	**-0.2**	**0.5**	**0.0**	**0.4**	**0.7**	**0.9**	**0.9**	**1.0**
	YoY	-0.3	0.2	0.6	0.7	1.6	2.0	2.9	3.5
Poland	QoQ	**0.7**	**0.8**	**0.9**	**0.6**	**0.8**	**0.9**	**0.9**	**1.0**
	YoY	3.7	3.0	3.8	2.9	3.1	3.2	3.2	3.6
Slovakia	QoQ	**0.1**	**0.2**	**0.3**	**0.2**	**0.4**	**0.6**	**0.7**	**0.7**
	YoY	0.8	0.7	0.8	0.7	1.0	1.4	1.9	2.4
Czech Republic	QoQ	**0.7**	**0.5**	**0.8**	**0.6**	**0.6**	**0.6**	**0.7**	**0.6**
	YoY	2.4	2.6	2.8	2.6	2.5	2.6	2.5	2.4

Source: CZSO, Destatis, Eurostat, OECD, Office for National Statistics. Calculations and forecast of the MoF.

1.2 Commodity Prices

In 2025, a barrel of Brent crude oil traded at an average of 69 USD (*in line with the forecast*); the price thus fell by 14.2% year-on-year, and by 18.7% in CZK terms.

Oil prices continue to be influenced by a high degree of uncertainty. Key factors include global economic developments, the confrontational foreign policy of the USA, and the increasing electrification of transport, which is slowing the growth in oil demand, particularly in China. On the supply side, a crucial role is played by the Organization of the Petroleum Exporting Countries and its coordinating partners (OPEC+). The policy of OPEC+ remains predominantly oriented toward short-term reactions to market developments. The gradual increase in production in non-OPEC+ countries is weakening the effectiveness of the oil cartel's efforts to regulate supply.

Geopolitical risks affecting oil prices remain elevated. Tensions in the Middle East represent a risk of supply disruption. Furthermore, military intervention by the USA in Venezuela introduced significant new risks to the oil market, although assessing the expected impact on prices is heavily complicated, particularly be-

cause of the partial fragmentation of global oil trade networks.

The projected development of the Brent crude oil price reflects the trajectory of prices on the futures market. This year, the average price per barrel could fall by 12.2% year-on-year to 61 USD (*previously 66 USD*), while in CZK terms, it could decrease by 18.6% as the koruna continues to appreciate against the dollar.

Global prices of other commodities increased last year, especially in the case of precious metals, fertilizers, base metals and minerals, coffee beans, and meat. Conversely, prices of cereals and coal, in particular, declined. Main risks associated with more volatile weather and regulatory interventions—in the form of export restrictions on certain commodities or imposed tariffs—persist. Electricity and natural gas prices remain influenced by the uncertain development of the European energy transition. Uncertainties concern, among other things, the pace of the phase-out of fossil fuels, the future of nuclear energy, and the development of emission allowance prices.

Graph 1.2.1: Dollar Price of Brent Crude Oil
USD/barrel
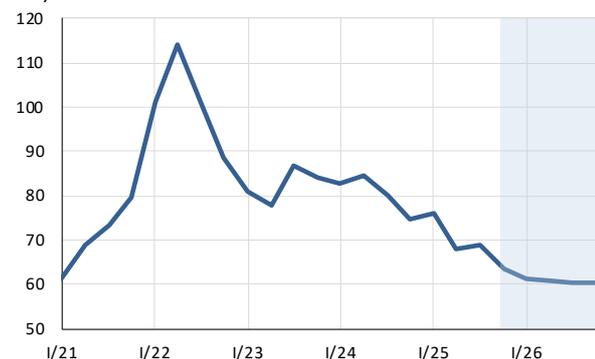
Source: U. S. EIA. Calculations and forecast of the MoF.

Graph 1.2.2: Koruna Price of Brent Crude Oil
YoY change of the CZK price of Brent crude oil in %, contributions in pp
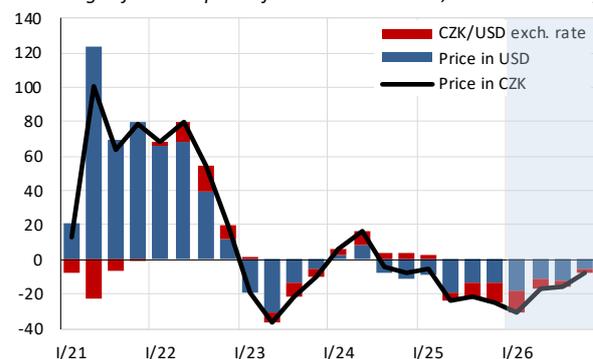
Source: CNB, U. S. EIA. Calculations and forecast of the MoF.

Table 1.2.1: Prices of Selected Commodities – annual
spot prices

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Forecast
Crude oil Brent	USD/barrel	**54**	**71**	**64**	**42**	**71**	**101**	**82**	**81**	**69**	**61**
	growth in %	24.3	31.7	-9.8	-35.0	69.3	42.7	-18.4	-2.3	-14.2	-12.2
Crude oil Brent index (in CZK)	2020=100	**131**	**161**	**153**	**100**	**159**	**244**	**190**	**194**	**158**	**128**
	growth in %	18.5	22.9	-4.9	-34.6	59.1	53.5	-22.3	2.1	-18.7	-18.6
Natural gas (Europe)	USD/MMBtu	**5.7**	**7.7**	**4.8**	**3.2**	**16.1**	**40.3**	**13.1**	**11.0**	**12.0**	**.**
	growth in %	25.3	34.4	-37.5	-32.5	397.1	150.3	-67.5	-16.4	9.1	.
Natural gas (Europe) index (in CZK)	2020=100	**179**	**225**	**148**	**100**	**474**	**1278**	**392**	**343**	**355**	**.**
	growth in %	19.2	25.8	-34.3	-32.4	373.7	169.7	-69.3	-12.6	3.6	.

Source: CNB, U. S. Energy Information Administration, World Bank. Calculations and forecast of the MoF.

Table 1.2.2: Prices of Selected Commodities – quarterly
spot prices

		2025				2026			
		Q1	**Q2**	**Q3**	**Q4**	**Q1** *Forecast*	**Q2** *Forecast*	**Q3** *Forecast*	**Q4** *Forecast*
Crude oil Brent	USD/barrel	**76**	**68**	**69**	**64**	**61**	**61**	**60**	**60**
	growth in %	-8.5	-19.6	-13.7	-14.7	-19.1	-11.0	-12.4	-5.0
Crude oil Brent index *(in CZK)*	2020=100	**187**	**155**	**150**	**138**	**131**	**128**	**127**	**127**
	growth in %	-5.5	-23.8	-21.1	-24.8	-30.3	-17.3	-15.2	-8.0
Natural gas (Europe)	USD/MMBtu	**14.4**	**11.9**	**11.3**	**10.3**	.	.	.	.
	growth in %	64.6	18.4	-1.8	-24.4	.	.	.	.
Natural gas (Europe) index *(in CZK)*	2020=100	**462**	**351**	**318**	**288**	.	.	.	.
	growth in %	70.0	12.3	-10.2	-33.2	.	.	.	.

Source: CNB, U. S. Energy Information Administration, World Bank. Calculations and forecast of the MoF.

1.3 Fiscal Policy

We estimate that the **general government outturn in 2025** ended with a deficit of 2.0% of GDP (*previously 1.9% of GDP*). According to current estimates, the balance adjusted for the economic cycle and one-offs deteriorated to −2.0% of GDP (*previously −1.9% of GDP*). The deficit was primarily driven by the state budget, health insurance companies likely also operated with a slight deficit. Conversely, local government institutions should again report a positive balance.

In national cash methodology, the state budget reached a deficit of CZK 290.7 billion at the end of 2025; after adjusting the revenue and expenditure side for the impact of EU funds and financial mechanisms, the deficit was CZK 40.8 billion lower. On a cash basis, health insurance companies recorded a deficit of CZK 5.2 billion by the end of November 2025, an improvement of CZK 2.7 billion year-on-year. In contrast, local budgets achieved a surplus of CZK 29.4 billion over the same period, which was CZK 42.2 billion lower year-on-year due to high capital expenditures; this surplus likely decreased further by year-end due to December payment schedules.

The estimate assumes growth in total **general government revenue** of 6.2%, of which tax revenue, including social security contributions, grew by 6.0%.

Growth in household consumption, supported by higher earnings, largely determined the yield of **value-added tax**. This increased by 6.5%, reflecting the additional effect of increased excise duties on tobacco products and spirits, the abolition of exemptions in the field of financial services, and the increase in public investment.

The estimated 7.1% growth in **personal income tax** and 6.6% in **social security contributions** stems from the increase in the total volume of wages and salaries in the economy. However, personal income tax dynamics was dampened by the development of tax on capital gains due to lower interest rates on deposit accounts. In the area of social security contributions, increased levies from the self-employed acted against the introduction of the pension insurance discount for working pensioners.

Corporate income tax revenue rose by an estimated 6.9% due to higher corporate profits. The resulting impact of discretionary measures on tax dynamics was entirely neutral, as the slightly higher accrual revenue from the windfall profits tax and the additional positive impact of the introduction of the top-up tax compensated for the deepening negative effect of the tax exemption on state bond yields.

Regarding other revenues, we expect more significant growth in **current** and **capital transfers**. These reflect the implementation of projects co-financed from the EU budget for the 2021–2027 programming period. Funds from the Recovery and Resilience Facility also played a substantial role.

Total **general government expenditure** likely grew slightly slower than revenue. We estimate that the growth rate of final consumption expenditure slowed year-on-year to 5.6% due to intermediate consumption and social transfers in kind. Conversely, **compensation of employees** in the general government sector reached a growth rate of 6.5%, a higher dynamic than in 2024.

According to current estimate, the pace of **social transfers in kind** slowed to 4.3%, primarily due to the high base in 2024. This increase was driven by higher health insurance companies´ spending on healthcare and a further increase in the volume of housing-related social benefits. Current expenditure on transport infrastructure (primarily rail) contributed significantly to the 4.8% dynamics of **intermediate consumption**. Among extraordinary factors, ongoing repairs of property damaged by the September 2024 floods were carried out.

Within the structure of **cash social benefits**, pension benefits adjusted from January 2025 based on the statutory indexation formula held the decisive share. However, in terms of dynamics, unemployment benefits, foster care benefits, and care allowances grew the most. The continued payment of the humanitarian allowance for persons under temporary protection also required a slight increase. In the development of social security

benefits, the national accounts methodology also reflects the growth in payments for state-insured persons. Collectively, this should lead to a 1.7% increase in social benefits.

According to national accounts, the pace of **investment in fixed assets** continued to accelerate in the third quarter of last year, reaching 13.1% for the first 9 months. For the full year 2025, we estimate investment growth of 14.2%, driven mainly by the investment activity of local governments. In terms of financing, we assume significant involvement of resources from the Recovery and Resilience Facility; the increase in the volume of funds within the 2021–2027 financial perspective, in line with the given phase of the cohesion funds cycle, also had an impact. Investments from national sources could also show double-digit dynamics.

Behind the estimated nearly 15% dynamic in **subsidies** lies higher support for renewable energy sources, expenditures on public transport services, and the increase in the maximum amount of the contribution to support

the employment of persons with disabilities in the sheltered labour market. This was partially offset by the year-on-year decrease in payments for the accommodation of Ukrainian refugees.

According to our estimate, higher contributions to the EU budget led to a 9.9% increase in **current** and **capital transfers**; payments to the Czech Post Office for the provision of universal postal services and programs in connection with the 2024 floods also contributed. Conversely, the burden on the state budget fell due to the reduction of the maximum building savings contribution.

The deficit of government institutions was reflected in the level of **debt**, which, according to the current estimate, rose by 1.3 percentage points in 2025 to 44.6% of GDP (*previously 43.9% of GDP*). Last year's 9.0% increase in the absolute amount of debt led to a further increase in **interest expenditure** by an estimated 3.4%, although in ratio terms, they should remain at 1.3% of GDP.

Graph 1.3.1: General Government Balance
in % of GDP
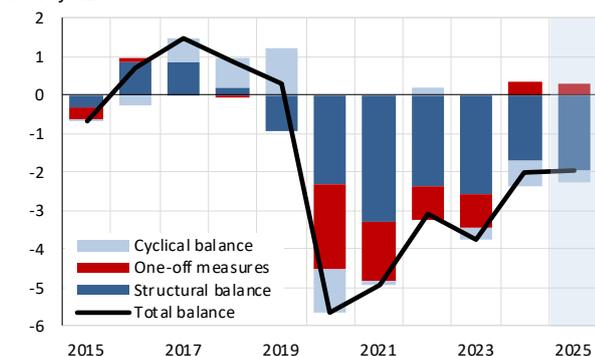
Source: CZSO. Calculations and forecast of the MoF.

Graph 1.3.2: General Government Debt
in % of GDP
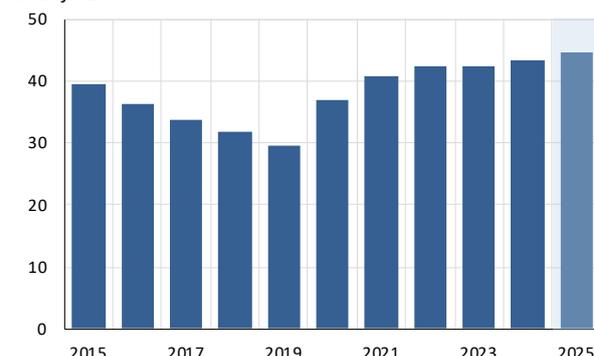
Source: CZSO. Calculations and forecast of the MoF.

Table 1.3.1: Net Lending/Borrowing and Debt

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate
General government balance	% GDP	0.7	1.5	0.9	0.3	-5.6	-5.0	-3.1	-3.7	-2.0	-2.0
	bill. CZK	33	76	48	17	-329	-312	-216	-286	-163	-166
Cyclical balance	% GDP	-0.3	0.6	0.8	1.2	-1.1	-0.1	0.2	-0.3	-0.7	-0.3
Cyclically adjusted balance	% GDP	0.9	0.8	0.1	-0.9	-4.5	-4.8	-3.2	-3.5	-1.4	-1.7
One-off measures [1]	% GDP	0.1	0.0	-0.1	0.0	-2.2	-1.5	-0.9	-0.9	0.3	0.3
Structural balance	% GDP	0.9	0.8	0.2	-0.9	-2.3	-3.3	-2.4	-2.6	-1.7	-2.0
Fiscal effort [2]	pp	1.2	0.0	-0.7	-1.1	-1.4	-1.0	0.9	-0.2	0.9	-0.3
Interest expenditure	% GDP	0.9	0.7	0.7	0.7	0.7	0.7	1.1	1.3	1.3	1.3
Primary balance	% GDP	1.6	2.2	1.6	1.0	-4.9	-4.2	-2.0	-2.4	-0.7	-0.7
Cyclically adjusted primary balance	% GDP	1.8	1.6	0.8	-0.2	-3.8	-4.1	-2.1	-2.2	0.0	-0.4
General government debt	% GDP	36.2	33.8	31.7	29.6	36.9	40.7	42.5	42.2	43.3	44.6
	bill. CZK	1 755	1 750	1 735	1 740	2 150	2 567	2 998	3 234	3 488	3 802
Change in debt-to-GDP ratio	pp	-3.2	-2.5	-2.1	-2.1	7.3	3.8	1.8	-0.3	1.1	1.3

[1] One-off and temporary measures are such measures that have only a temporary impact on public budgets. Besides their temporary impact on overall balance, these measures are usually of non-recurring nature and very often result from the events that are beyond the direct power of the government.

[2] Change in structural balance.

Source: CZSO. Calculations and forecast of the MoF.

1.4 Monetary Policy, Financial Sector and Exchange Rates

In the first half of last year, the Czech National Bank (CNB) reduced the **two-week repo rate** from 4.0% to 3.5% and subsequently left it unchanged. Given the outlook for inflationary pressures (see section 3.2), overall economic conditions, the CNB's previous communication, and the assumed level of the equilibrium interest rate, we expect the monetary policy rate to remain within the 3.0% to 3.5% range this year.

The **three-month PRIBOR rate** remained at 3.5% (*in line with the forecast*) in the fourth quarter of 2025, following the stability of the CNB's primary interest rates. For the whole of 2025, the rate averaged 3.6% (*in line with the forecast*) and is expected to reach the same average level (*previously 3.4%*) this year.

The **yield to maturity on 10-year government bonds** increased to an average of 4.6% (*vs. forecast of 4.4%*) in the fourth quarter of 2025. Throughout the entirety of 2025, the average yield was 4.3% (*in line with the forecast*). We expect the yield to partially stabilize during 2026, supported by inflation close to the target and the stability of the CNB's rates. Factors that drove yield growth last year—the surprising persistence of domestic inflationary pressures, especially in services, and the resilience of the Czech economy despite negative external shocks—may subside. Both factors led to a gradual reassessment of market expectations regarding the future level of the CNB's main policy rate. Conversely, upward pressure on the yield could stem from continued growth of the domestic economy, an increased supply of Czech government bonds, or from similar interest rates abroad. For 2026, we thus expect an average yield of 4.6% (*previously 4.3%*).

The stock of **household loans** grew by 8.1% year-on-year in October and November 2025. The growth continues to be primarily influenced by the volume of housing loans, reflecting rising property prices and increased credit demand from households, partly due to falling interest rates; for new mortgage loans to households, the average interest rate fell by 0.4 percentage points year-on-year to 4.6%.

The annual growth in the stock of **household deposits** reached 5.0% in October and November 2025. The trend dynamic has been slowing for some time, likely related to a decline in the savings rate and lower interest rates on deposits, especially for term accounts. The average interest rate on the total volume of koruna household deposits remained at the same level as in the previous year, at 1.6%.

The annual growth in the stock of **loans to non-financial corporations** was 2.6% in the same period. The contribution of koruna loans is increasingly rising, while foreign currency loans are falling. This is partly due to the stronger koruna, resulting in a lower CZK-equivalent volume after conversion. The average interest rate on the stock of koruna loans to non-financial corporations fell by 0.5 percentage points year-on-year to 5.2% in October and November 2025.

The shares of **non-performing loans** in total loans to both non-financial corporations and households remain near historical lows. In October and November 2025, the share of non-performing loans was 1.3% for households and 2.5% for non-financial corporations.

The **Czech koruna's exchange rate against the euro** averaged CZK 24.3 per euro (*vs. forecast of CZK 24.4 per euro*) in the fourth quarter of 2025; the koruna thus appreciated by 4.0% year-on-year. For the whole of 2025, the koruna appreciated on average by 1.7% to CZK 24.7 per euro (*in line with the forecast*).

The koruna's exchange rate should continue to significantly reflect global currency market developments. The U.S. dollar could weaken slightly further against the euro this year, partly due to the expected continued easing of Fed monetary policy; the euro already appreciated against its counterpart by approximately 13% during 2025. The anticipated further weakening of the dollar could then indirectly support the koruna against the euro. However, more significant depreciation of the dollar may be prevented by the Fed's ongoing caution and the resilience and solid growth prospects of the U.S. economy. We consider the development of global sentiment toward the U.S. currency to be the main risk to the koruna's exchange rate forecast.

Domestic fundamentals will also support the koruna. The continued recovery of the European and Czech economies, combined with relatively stronger domestic growth, should ucontribute to its appreciation. In the long term, we continue to expect mild appreciation pressure on the koruna due to economic convergence. The persistent caution of the CNB Bank Board and the expected development of the interest rate differential against major global currencies and Central and Eastern European currencies could also have a favourable effect.

As a result, in 2026, the koruna could strengthen by an average of 2.4% to CZK 24.1 per euro (*previously CZK 24.3 per euro*). However, the annual dynamic is significantly influenced by the koruna's appreciation during the past year; for 2026, we expect only a slight appreciation.

The expected **Czech koruna's exchange rate against the U.S. dollar** is implied by the forecast of the USD/EUR exchange rate, which is based on the futures contracts. For this year, we predict the USD/EUR exchange rate to be 1.18 (*previously 1.19*). However, due to the risk premium, the actual development may deviate significantly from the futures-based forecast.

Graph 1.4.1: Interest Rates
in % p.a.
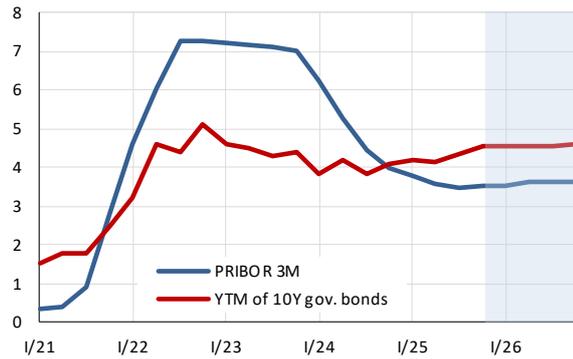
Source: CNB. Calculations and forecast of the MoF.

Graph 1.4.2: Loans to Households
YoY growth rate in %, contributions in percentage points
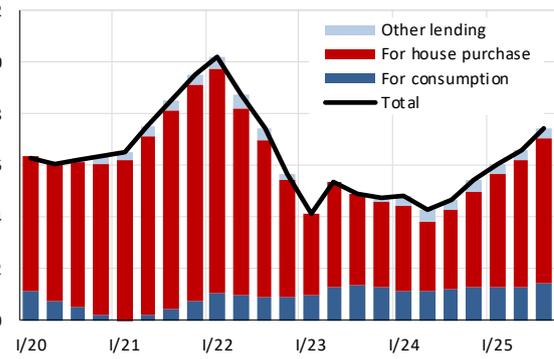
Source: CNB. Calculations of the MoF.

Graph 1.4.3: New Mortgage Loans
for purchase of residential property, YoY growth in %, contributions in pp
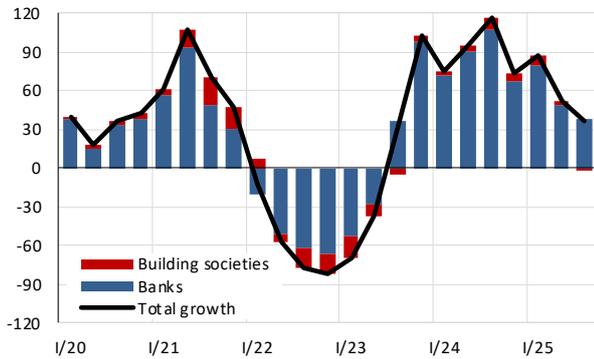
Source: CNB. Calculations of the MoF.

Graph 1.4.4: Loans to Non-financial Corporations
YoY growth rate in %, contributions in percentage points
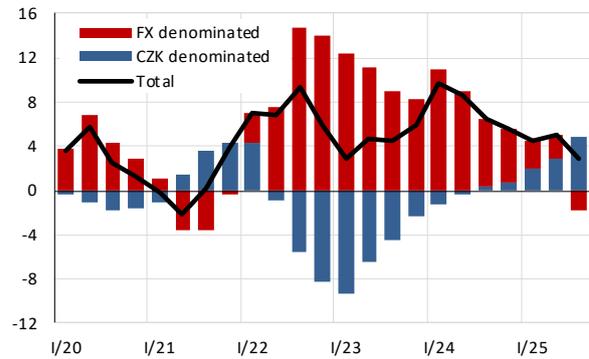
Source: CNB. Calculations of the MoF.

Graph 1.4.5: Non-performing Loans
ratio of non-performing to total loans, in %
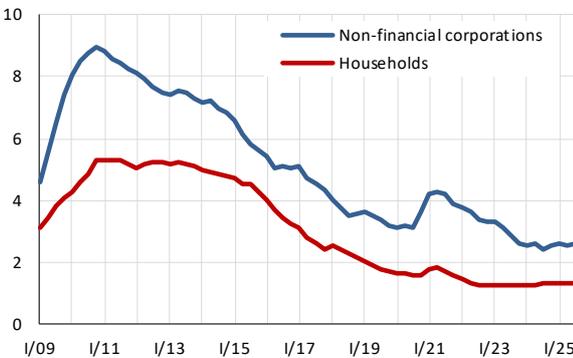
Source: CNB. Calculations of the MoF.

Graph 1.4.6: Deposits
YoY growth rate in %, contributions in percentage points
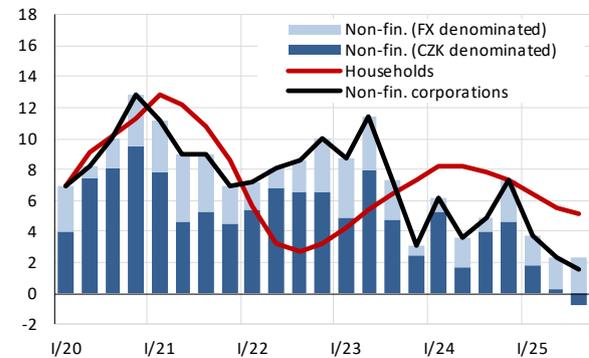
Source: CNB. Calculations of the MoF.

Graph 1.4.7: Nominal Exchange Rates
quarterly averages, average 2015=100 (rhs)
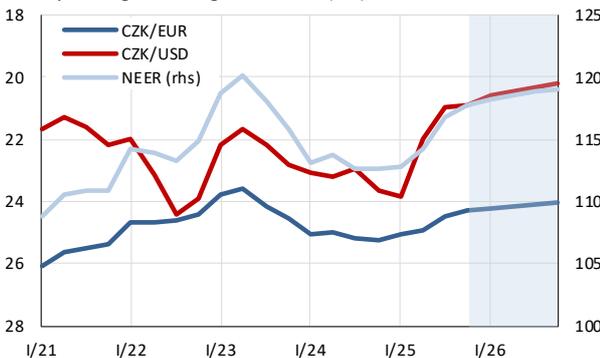
Source: CNB. Calculations and forecast of the MoF.

Graph 1.4.8: Real Exchange Rate to the Euro Area
deflated by GDP deflators, YoY growth rate in %, contributions in pp
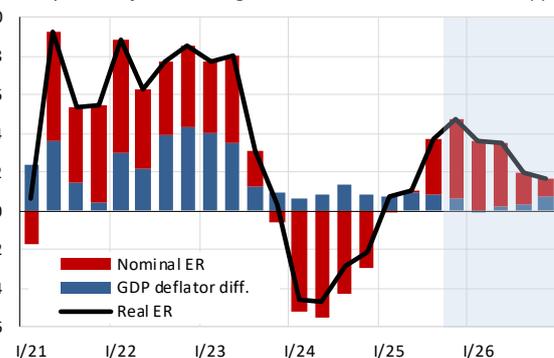
Source: CNB, CZSO, Eurostat. Calculations and forecast of the MoF.

Table 1.4.1: Interest Rates – annual
average of period, unless stated otherwise

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Forecast
Repo 2W rate CNB (end of period)	in % p.a.	0.50	1.75	2.00	0.25	3.75	7.00	6.75	4.00	3.50	.
Deposit facility ECB (end of period)	in % p.a.	-0.40	-0.40	-0.50	-0.50	-0.50	2.00	4.00	3.00	2.00	.
Federal funds rate (end of period)	in % p.a.	1.50	2.50	1.75	0.25	0.25	4.50	5.50	4.50	3.75	.
PRIBOR 3M	in % p.a.	0.41	1.27	2.12	0.86	1.13	6.29	7.12	4.98	3.60	3.6
YTM of 10Y government bonds	in % p.a.	0.98	1.98	1.55	1.13	1.90	4.33	4.44	3.98	4.31	4.6
Client interest rates											
Loans to households	in % p.a.	4.10	3.76	3.66	3.53	3.31	3.42	3.85	4.26	.	.
Loans to non-financial corporations	in % p.a.	2.57	3.05	3.75	2.96	2.86	6.42	7.39	6.31	.	.
Deposits of households	in % p.a.	0.36	0.33	0.39	0.35	0.26	1.13	2.10	1.94	.	.
Deposits of non-financial corporations	in % p.a.	0.05	0.11	0.37	0.20	0.11	1.96	3.29	2.47	.	.

Source: CNB, ECB, Fed. Calculations and forecast of the MoF.

Table 1.4.2: Interest Rates – quarterly
average of period, unless stated otherwise

		2025				2026			
		Q1	Q2	Q3	Q4	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
Repo 2W rate CNB (end of period)	in % p.a.	3.75	3.50	3.50	3.50	.	.	.	.
Deposit facility ECB (end of period)	in % p.a.	2.50	2.00	2.00	2.00	.	.	.	.
Federal funds rate (end of period)	in % p.a.	4.50	4.50	4.25	3.75	.	.	.	.
PRIBOR 3M	in % p.a.	3.79	3.57	3.50	3.54	3.6	3.6	3.7	3.7
YTM of 10Y government bonds	in % p.a.	4.17	4.16	4.36	4.57	4.5	4.5	4.6	4.6
Client interest rates									
Loans to households	in % p.a.	4.43	4.47	4.51	.	.	.	.	.
Loans to non-financial corporations	in % p.a.	5.42	5.28	5.17	.	.	.	.	.
Deposits of households	in % p.a.	1.66	1.59	1.54	.	.	.	.	.
Deposits of non-financial corporations	in % p.a.	1.72	1.65	1.56	.	.	.	.	.

Source: CNB, ECB, Fed. Calculations and forecast of the MoF.

Table 1.4.3: Loans and Deposits – annual

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Households											
Loans	growth in %	**4.8**	**7.2**	**7.8**	**7.6**	**6.6**	**6.3**	**8.0**	**8.0**	**4.8**	**4.8**
For consumption	growth in %	3.4	6.0	4.3	5.4	6.4	4.4	2.6	7.0	9.0	8.4
For house purchase	growth in %	5.6	8.1	9.0	8.5	7.4	7.3	9.5	8.5	4.5	4.1
Other lending	growth in %	1.0	3.0	4.2	4.3	1.1	0.9	4.2	4.5	0.3	5.3
CZK denominated	growth in %	4.7	7.2	7.7	7.6	6.6	6.3	8.0	7.9	4.7	4.8
FX denominated	growth in %	12.7	8.5	36.3	1.7	9.0	6.1	16.9	43.4	26.7	11.4
Deposits	growth in %	**4.8**	**7.0**	**8.7**	**7.0**	**7.2**	**9.4**	**11.1**	**3.7**	**5.9**	**7.9**
CZK denominated	growth in %	4.1	6.9	9.7	7.1	6.9	9.2	10.9	3.2	5.2	8.3
FX denominated	growth in %	22.5	7.3	-13.9	3.5	15.2	14.5	16.6	16.6	20.4	0.6
Non-performing loans (banking statistics)	share, in %	**4.5**	**3.6**	**2.7**	**2.4**	**1.9**	**1.6**	**1.7**	**1.3**	**1.3**	**1.3**
Loans to deposits ratio	in %	**63**	**63**	**63**	**63**	**63**	**61**	**59**	**62**	**61**	**59**
Non-financial corporations											
Loans	growth in %	**6.5**	**6.6**	**5.0**	**4.2**	**4.3**	**3.2**	**0.5**	**7.2**	**4.5**	**7.5**
CZK denominated	growth in %	5.9	2.8	-1.4	3.0	1.9	-1.8	3.2	-4.0	-9.4	-0.2
FX denominated	growth in %	9.0	20.5	24.4	6.9	10.0	14.0	-4.6	29.6	25.1	15.9
Deposits	growth in %	**10.3**	**4.6**	**7.8**	**3.0**	**4.2**	**9.5**	**9.0**	**8.5**	**7.5**	**5.5**
CZK denominated	growth in %	6.7	4.5	13.9	2.1	1.9	9.4	7.1	8.3	6.6	5.1
FX denominated	growth in %	23.2	4.8	-11.1	6.6	13.0	9.9	15.3	9.2	10.7	6.5
Non-performing loans (banking statistics)	share, in %	**6.0**	**5.2**	**4.7**	**3.7**	**3.4**	**3.3**	**4.2**	**3.5**	**3.0**	**2.5**
Loans to deposits ratio	in %	**106**	**108**	**105**	**106**	**106**	**100**	**92**	**91**	**89**	**91**

Note: All indicators, except for the share of non-performing loans, are from the monetary statistics.
Source: CNB, ECB. Calculations of the MoF.

Table 1.4.4: Loans and Deposits – quarterly

		2023	2024				2025		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Households									
Loans	growth in %	**4.8**	**4.9**	**4.3**	**4.7**	**5.4**	**6.1**	**6.6**	**7.4**
For consumption	growth in %	9.2	8.3	8.0	8.4	9.1	9.2	8.9	9.8
For house purchase	growth in %	4.3	4.2	3.5	3.9	4.8	5.6	6.3	7.3
Other lending	growth in %	2.0	5.2	5.3	5.5	5.3	4.9	4.7	4.5
CZK denominated	growth in %	4.7	4.8	4.3	4.7	5.4	6.1	6.7	7.5
FX denominated	growth in %	17.6	19.2	10.0	9.6	7.6	0.8	-5.6	-10.6
Deposits	growth in %	**7.3**	**8.2**	**8.3**	**7.9**	**7.3**	**6.5**	**5.5**	**5.2**
CZK denominated	growth in %	7.0	8.4	8.7	8.3	7.8	6.8	5.7	5.1
FX denominated	growth in %	13.9	5.6	0.2	-1.2	-2.1	0.2	1.9	5.9
Non-performing loans (banking statistics)	share, in %	**1.3**	**1.3**	**1.3**	**1.3**	**1.3**	**1.3**	**1.3**	**1.3**
Loans to deposits ratio	in %	**61**	**60**	**59**	**59**	**60**	**59**	**60**	**61**
Non-financial corporations									
Loans	growth in %	**6.0**	**9.7**	**8.7**	**6.4**	**5.6**	**4.4**	**5.0**	**2.9**
CZK denominated	growth in %	-4.3	-2.3	-0.6	0.6	1.4	4.0	6.1	10.0
FX denominated	growth in %	18.5	23.8	19.1	12.4	9.8	4.9	4.0	-3.6
Deposits	growth in %	**3.0**	**6.2**	**3.6**	**4.8**	**7.3**	**3.7**	**2.3**	**1.6**
CZK denominated	growth in %	3.2	7.0	2.2	5.2	6.2	2.5	0.4	-1.0
FX denominated	growth in %	2.4	3.8	8.1	3.6	10.6	7.4	7.7	9.6
Non-performing loans (banking statistics)	share, in %	**2.6**	**2.6**	**2.6**	**2.4**	**2.5**	**2.6**	**2.6**	**2.6**
Loans to deposits ratio	in %	**92**	**91**	**90**	**91**	**90**	**91**	**92**	**93**

Note: All indicators, except for the share of non-performing loans, are from the monetary statistics.
Source: CNB, ECB. Calculations of the MoF.

Table 1.4.5: Exchange Rates – annual

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
								Estimate	Forecast	Outlook	Outlook
Nominal exchange rates											
CZK/EUR	average	**25.67**	**26.44**	**25.65**	**24.57**	**24.01**	**25.12**	**24.69**	**24.1**	**23.9**	**23.6**
	appreciation in %	-0.1	-2.9	3.1	4.4	2.3	-4.4	1.7	2.4	1.1	1.3
CZK/USD	average	**22.94**	**23.20**	**21.68**	**23.36**	**22.21**	**23.21**	**21.91**	**20.4**	**19.9**	**19.5**
	appreciation in %	-5.2	-1.1	7.0	-7.2	5.2	-4.3	5.9	7.6	2.3	2.4
NEER	average of 2015=100	**108.8**	**106.7**	**110.4**	**114.8**	**118.3**	**113.2**	**115.5**	**119**	**120**	**122**
	appreciation in %	-0.3	-1.9	3.4	4.0	3.0	-4.3	2.0	2.8	1.2	1.4
Real exchange rate to EA20 [1]	average of 2015=100	**111.1**	**110.7**	**116.3**	**125.4**	**131.4**	**126.7**	**130**	**133**	**136**	**138**
	appreciation in %	2.0	-0.4	5.1	7.8	4.7	-3.5	2.5	2.7	1.6	1.6
REER [2]	average of 2015=100	**111.5**	**112.4**	**116.7**	**126.9**	**139.6**	**133.4**	.	.	.	.
	appreciation in %	0.3	0.8	3.8	8.7	10.0	-4.4	.	.	.	.

[1] Deflated by GDP deflators.
[2] Eurostat calculations, deflated by CPI, versus 42 countries.
Source: CNB, Eurostat. Calculations and forecast of the MoF.

Table 1.4.6: Exchange Rates – quarterly

		2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
					Estimate	Forecast	Forecast	Forecast	Forecast
Nominal exchange rates									
CZK/EUR	average	**25.08**	**24.92**	**24.50**	**24.27**	**24.2**	**24.1**	**24.1**	**24.1**
	appreciation in %	0.0	0.1	2.8	4.0	3.6	3.2	1.7	0.9
CZK/USD	average	**23.84**	**21.99**	**20.97**	**20.87**	**20.6**	**20.4**	**20.3**	**20.2**
	appreciation in %	-3.2	5.4	9.4	13.3	16.0	7.7	3.3	3.2
NEER	average of 2015=100	**112.8**	**114.3**	**116.8**	**117.7**	**118**	**119**	**119**	**119**
	appreciation in %	-0.4	0.4	3.6	4.6	4.9	3.7	1.8	1.1
Real exchange rate to EA20 [1]	average of 2015=100	**127.8**	**129.3**	**131.5**	**131**	**132**	**134**	**134**	**133**
	appreciation in %	0.7	1.1	3.7	4.7	3.6	3.5	1.9	1.6
REER [2]	average of 2015=100	**133.2**	**134.8**	**137.8**	.	.	.	.	.
	appreciation in %	-0.6	0.4	3.5	.	.	.	.	.

[1] Deflated by GDP deflators.
[2] Eurostat calculations, deflated by CPI, versus 42 countries.
Source: CNB, Eurostat. Calculations and forecast of the MoF.

1.5 Demographic Trends

At the end of the third quarter of 2025, the Czech Republic had 10.897 million inhabitants, a decrease of 12.3 thousand compared to the beginning of the year. This decline was driven by a negative balance of natural change (−25.1 thousand), which was only partially offset by a positive foreign migration balance (12.8 thousand).

From January to September last year, 58.7 thousand children were **born** alive, a year-on-year decrease of 5.8 thousand (9.0%). The decline in the birth rate thus continues for the fourth consecutive year. During the same period, 83.8 thousand people **died**, a year-on-year increase of 0.9 thousand (1.1%). One-third of all deaths occurred in the 75 to 84 age group.

The number of immigrants exceeded the number of emigrants by 12.8 thousand. At the end of the third quarter of 2025, 85.2 thousand immigrants were recorded, 9.2 thousand fewer than the previous year. However, the monthly number of immigrants for September (16.7 thousand) was the highest in the preceding three years. This increase may be due to a new opportunity

for Ukrainian men aged 18–22 to leave their country. From January to September 2025, 72.4 thousand people emigrated from the Czech Republic, 0.9 thousand fewer year-on-year.

At the end of September last year, the Czech Social Security Administration (CSSA) recorded 2.345 million **old-age pensioners**, corresponding to 21.5% of the Czech population. The year-on-year decline in the number of old-age pensioners accelerated further to 28.4 thousand. The decrease was driven by a lower number of people receiving full old-age pensions. Conversely, the number of early retirements increased year-on-year, though the pace of growth slowed further. CSSA statistics for 2024 show that the number of old-age pensions terminated due to death exceeded the number of newly granted old-age pensions. This trend, with no signs of reversal, likely persisted in 2025 and contributed to the year-on-year decline in the number of old-age pensioners.

Graph 1.5.1: Age Groups
as of 1 January of the given year, shares in total population, in %
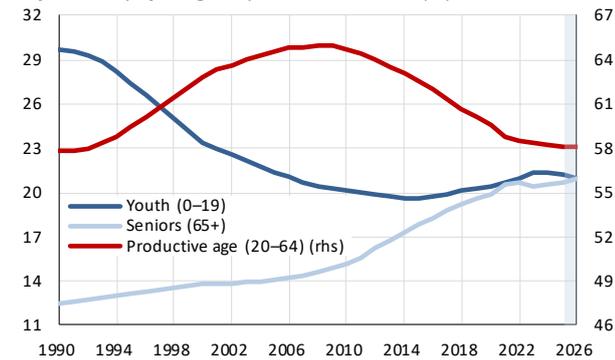
Source: CZSO. Calculations of the MoF.

Graph 1.5.2: Life Expectancy at Birth
in years
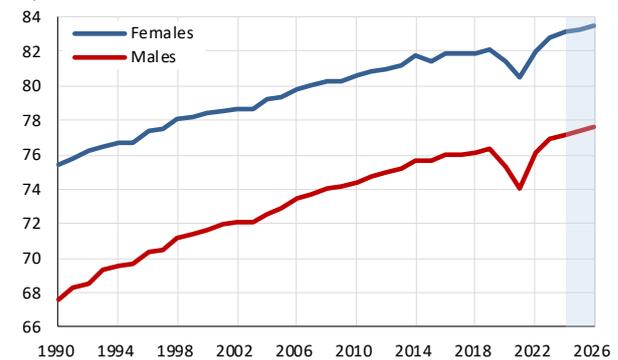
Source: CZSO.

Graph 1.5.3: Old-Age Pensioners
absolute increase over a year in thousands of persons

Source: Czech Social Security Administration. Calculations of the MoF.

Graph 1.5.4: Population Change
in thousands of persons, 2025 only Q1–Q3

Source: CZSO.

Table 1.5.1: Demographics

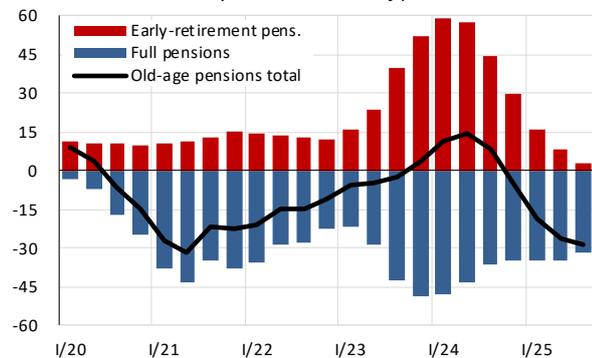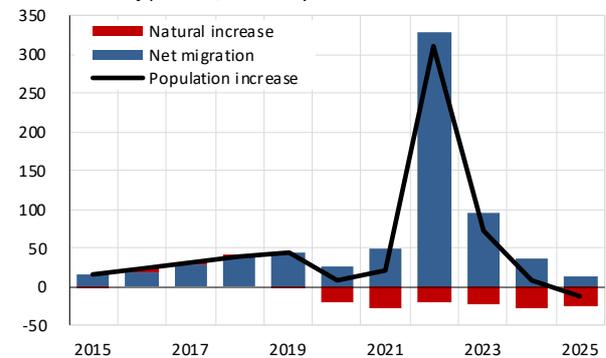|		2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast	2027 Outlook	2028 Outlook
Population (as of 1 January)	thous. persons	**10 650**	**10 694**	**10 495**	**10 517**	**10 828**	**10 901**	**10 910**	**10 856**	**10 799**	**10 739**
	growth in %	0.4	0.4	-1.9	0.2	3.0	0.7	0.1	-0.5	-0.5	-0.6
0–19 years	thous. persons	2 160	2 188	2 171	2 197	2 307	2 321	2 309	2 272	2 231	2 184
	growth in %	1.3	1.3	-0.8	1.2	5.0	0.6	-0.5	-1.6	-1.8	-2.1
20–64 years	thous. persons	6 403	6 374	6 172	6 151	6 312	6 342	6 344	6 313	6 281	6 251
	growth in %	-0.5	-0.4	-3.2	-0.3	2.6	0.5	0.0	-0.5	-0.5	-0.5
65 and more years	thous. persons	2 087	2 132	2 152	2 169	2 208	2 237	2 256	2 272	2 287	2 304
	growth in %	2.3	2.2	0.9	0.8	1.8	1.3	0.8	0.7	0.7	0.7
Old-age pensioners (as of 1 January) [1]	thous. persons	**2 410**	**2 415**	**2 400**	**2 378**	**2 367**	**2 371**	**2 367**	**2 349**	**2 345**	**2 345**
	growth in %	0.3	0.2	-0.6	-0.9	-0.4	0.2	-0.2	-0.8	-0.2	0.0
Old-age dependency ratios (as of 1 January)											
Demographic [2]	%	32.6	33.4	34.9	35.3	35.0	35.3	35.6	36.0	36.4	36.9
Under current legislation [3]	%	40.4	40.5	41.2	40.6	39.3	38.8	38.5	38.4	38.5	38.5
Effective [4]	%	44.6	45.0	45.9	44.7	44.2	43.6	43.3	42.6	42.5	42.7
Fertility rate	children	**1.709**	**1.707**	**1.827**	**1.618**	**1.453**	**1.368**	**1.50**	**1.50**	**1.50**	**1.50**
Population increase	thous. persons	**44**	**8**	**22**	**311**	**73**	**9**	**-53**	**-57**	**-61**	**3**
Natural increase	thous. persons	**0**	**-19**	**-28**	**-19**	**-22**	**-28**	**-22**	**-26**	**-29**	**-32**
Live births	thous. persons	112	110	112	101	91	84	91	88	86	85
Deaths	thous. persons	112	129	140	120	113	112	113	114	115	117
Net migration	thous. persons	**44**	**27**	**50**	**330**	**95**	**37**	**-31**	**-31**	**-32**	**35**
Immigration	thous. persons	66	56	69	350	141	122	.	.	.	.
Emigration	thous. persons	21	29	19	20	47	85	.	.	.	.
Census difference	thous. persons	**x**	**x**	**-207**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

Note: Between 2020 and 2021, there is a break in the population time series resulting from the 2021 Census.
[1] *In 2010 disability pensions of pensioners over 64 were transferred into old-age pensions.*
[2] *Demographic dependency: ratio of people in senior ages (65 and more) to people in productive age (20–64).*
[3] *Dependency under current legislation: ratio of people above the official retirement age to the people over 19 below the official retirement age.*
[4] *Effective dependency: ratio of old-age pensioners to working people (LFS methodology).*
Source: Czech Social Security Administration, CZSO. Calculations and forecast of the MoF.

1.6 Other Assumptions

In addition to the factors mentioned in the previous sections, the forecast is based on the following assumptions:

− There will be no significant escalation of wars in Ukraine, the Middle East, or other regions;
− Supply chains will function without major disruptions over the forecast horizon;
− In trade relations between the EU and the USA, no changes will occur beyond already agreed tariff adjustments – the general 15% tariffs on most commodities exported from EU countries to the USA will remain in effect;
− Except for already enacted legislative changes, tax rates and bases, as well as mandatory contributions, will remain unchanged.
− The minimum wage and the lowest guaranteed salary levels will grow faster than the average nominal wage, with the minimum wage gradually approaching 47% of the average wage.

2　Economic Cycle

2.1　Position within the Economic Cycle

In recent years, real GDP growth has significantly lagged behind the dynamics of the potential product. The primary causes were the COVID-19 pandemic, supply chain disruptions, a sharpened geopolitical situation—particularly due to Russian aggression and Middle Eastern conflicts—and the associated energy crisis. These factors culminated in high inflation, subdued household consumption, and restrictive monetary policy. With the gradual recovery of growth, the negative output gap is slowly closing, a process expected to be completed in the first half of this year.

Growth of the potential product likely remained at 1.6% (*vs. estimate of 1.5%*) in 2025, where a weaker contribution from the capital factor—impacted by weak investment activity—was offset by favourable developments in total factor productivity. Over the forecast horizon, we expect a slight acceleration in dynamics; thus, the potential product could grow by 1.7% (*previously 1.6%*) this year.

The trend component of total factor productivity contributed rather negatively to potential growth in previous years, unlike the pre-pandemic period. In 2025 and 2026, it could act positively again, to the extent of 0.4 percentage points (*unchanged*) and 1.0 percentage points (*unchanged*), respectively.

In past years, the capital stock was the main source of potential growth due to a significant recovery in in-vestment activity. Given the predicted development of gross fixed capital formation and depreciation, the contribution of this factor may have decreased to 0.4 percentage points (*unchanged*) in 2025 and could slightly increase to 0.5 percentage points (*previously 0.4 percentage points*) in 2026.

The population aged 15 and over contributed significantly to overall potential growth in 2022–2023, with the arrival of refugees from Ukraine playing a major role. Over the forecast horizon, we expect the contribution of this component to be negligible. The employment rate in the 15+ age group should have a positive effect, primarily due to relatively strong employment growth last year. The increasing statutory retirement age and measures supporting the retention of older persons in employment also have a positive long-term impact. The previous long-term trend of declining average hours worked per employee reversed during the pandemic. This is partly caused by the faster growth in the number of hours worked compared to employment in sectors with labour shortages (construction, transport, food services, and accommodation). Overall, the labour factor could have supported potential growth in 2025 by 0.7 percentage points (*unchanged*), while in 2026, the contribution is expected to decrease to 0.2 percentage points (*unchanged*).

Graph 2.1.1: Output Gap
in % of potential product
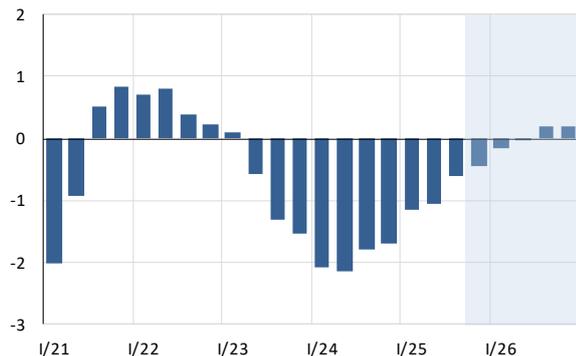
Source: CZSO. Calculations and forecast of the MoF.

Graph 2.1.2: Potential Output
YoY growth rate in %, contributions in percentage points

Source: CZSO. Calculations and forecast of the MoF.

Graph 2.1.3: Capacity Utilisation in Industry
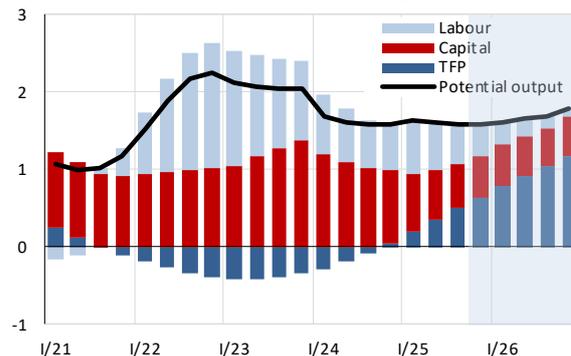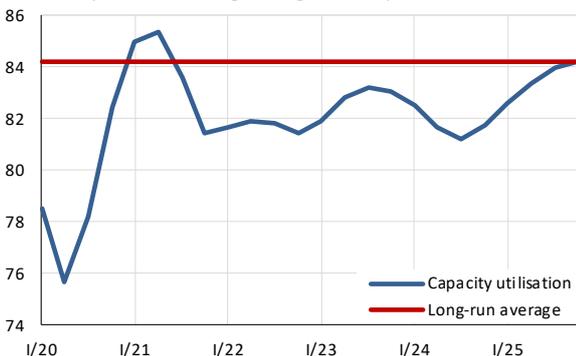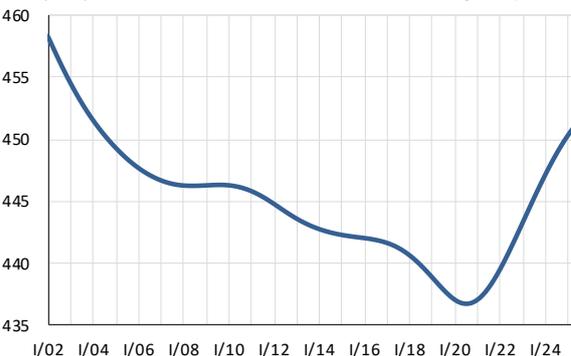*smoothed by centred moving average over 5 quarters, in %*

Source: CZSO. Calculations of the MoF.

Graph 2.1.4: Average Number of Hours Worked
hours per quarter, national accounts, Hodrick-Prescott filter (λ = 1 600)

Source: CZSO. Calculations of the MoF.

Table 2.1.1: Output Gap and Potential Product

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
								Estimate	Forecast	Outlook	Outlook
Output gap	%	**3.5**	**-3.1**	**-0.4**	**0.5**	**-0.8**	**-1.9**	**-0.8**	**0.1**	**0.5**	**0.8**
Potential product	growth in %	**2.3**	**1.4**	**1.1**	**2.0**	**2.1**	**1.6**	**1.6**	**1.7**	**2.0**	**2.3**
Contributions											
Trend total factor productivity	pp	1.2	0.6	0.1	-0.3	-0.4	-0.1	0.4	1.0	1.4	1.6
Fixed assets	pp	1.2	1.5	0.6	1.3	1.1	1.1	0.4	0.5	0.6	0.7
Population 15+	pp	0.1	0.1	-0.1	1.1	0.8	0.3	0.1	-0.1	-0.1	0.0
Employment rate	pp	0.0	-0.8	0.5	-0.6	0.2	-0.1	0.4	0.2	0.0	-0.1
Average hours worked	pp	-0.2	0.0	0.0	0.5	0.4	0.4	0.3	0.2	0.1	0.1

Source: CZSO. Calculations and forecast of the MoF.

2.2 Business Cycle Indicators

The development of confidence indicators in the fourth quarter of 2025 suggests growth in gross value added in the trade and services sectors. Positive sentiment also persists in the construction industry. Conversely, confidence in industry remains low, the primary barrier to growth being an insufficient volume of orders. However, the composite indicator for export of goods—compiled by the MoF from selected questions of the CZSO's business cycle survey and business confidence in Germany—indicates year-on-year growth in export of goods.

The CZSO's consumer confidence indicator rose in the fourth quarter of 2025 compared to the previous quarter, suggesting that the growth in household final consumption expenditure will continue at a brisk pace. This is also signalled by the consumer confidence indicator compiled by the MoF from components of the European Commission's consumer survey. However, pessimism prevails among households, stemming from a negative assessment of the expected economic situation, likely in connection with ongoing geopolitical tensions.

The overall confidence indicator suggests both quarter-on-quarter and year-on-year growth in total gross value added for the fourth quarter of 2025. The composite leading indicator, which suggests that the Czech economy will remain in a negative output gap through the first quarter of 2026, is consistent with the estimated position of the economy within the business cycle (see Chapter 2.1).

Graph 2.2.1: Confidence and GVA in Industry
2005=100 (lhs), YoY growth in % (rhs)
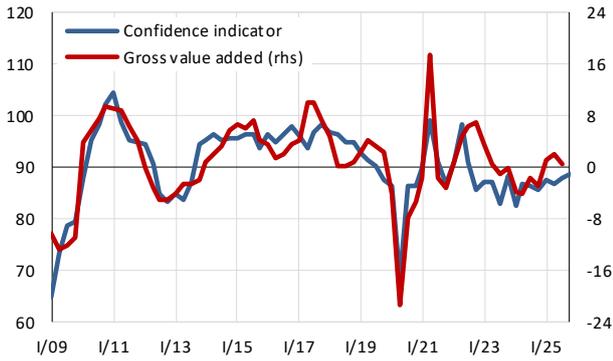
Source: CZSO.

Graph 2.2.2: Confidence and GVA in Construction
2005=100 (lhs), YoY growth in % (rhs)
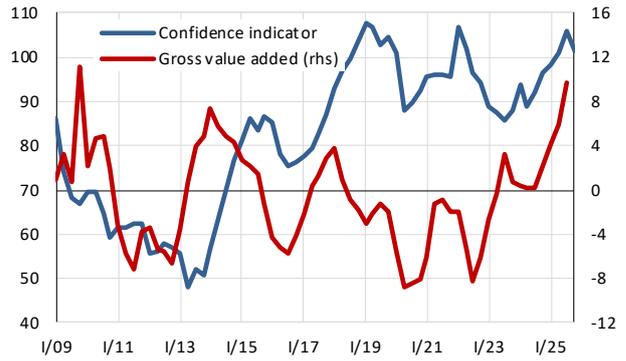
Source: CZSO.

Graph 2.2.3: Confidence and GVA in Trade and Services
2005=100 (lhs), YoY growth in % (rhs)
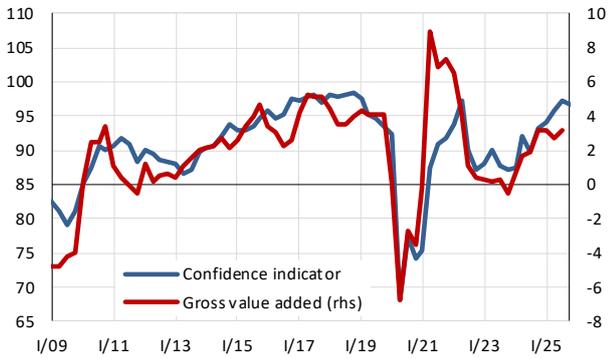
Source: CZSO. Calculations of the MoF.

Graph 2.2.4: Composite Export Indicator
2010=100 (lhs), YoY growth in % (rhs)
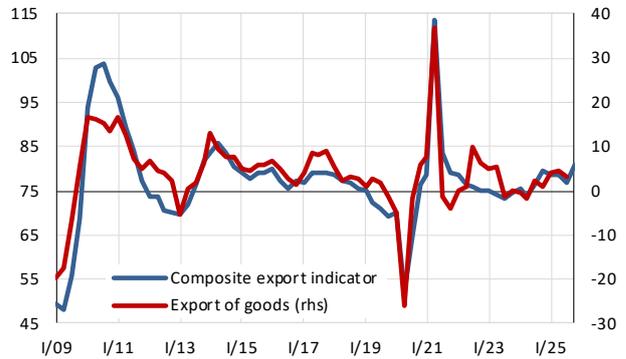
Source: CESifo, CZSO. Calculations of the MoF.

Graph 2.2.5: Consumer Confidence and Consumption
2005=100 (lhs), YoY growth in % (rhs)
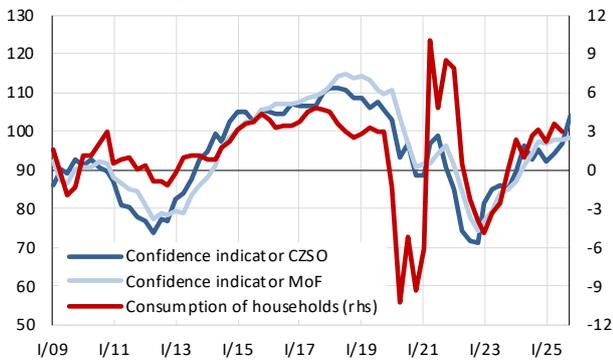
Source: CZSO, European Commission. Calculations of the MoF.

Graph 2.2.6: Decomposition of Consumer Sentiment
consumer confidence indicator of the MoF, balance, contributions
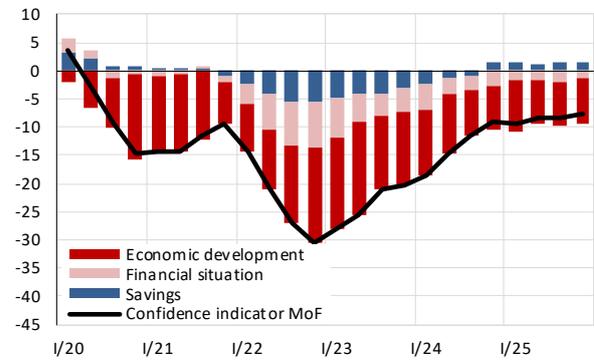
Source: European Commission. Calculations of the MoF.

Graph 2.2.7: Composite Confidence Indicator and GVA
2005=100 (lhs), YoY growth in % (rhs)

Source: CZSO.

Graph 2.2.8: Composite Leading Indicator
2005=100 (lhs), in % of potential output (rhs)
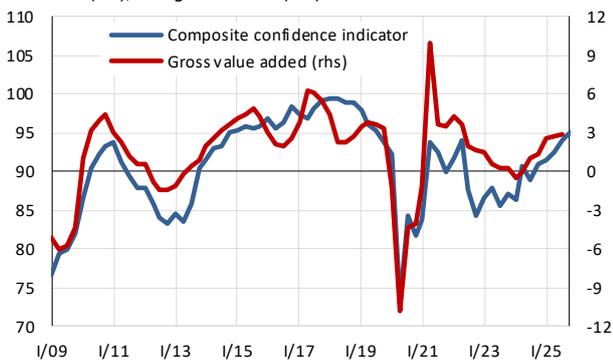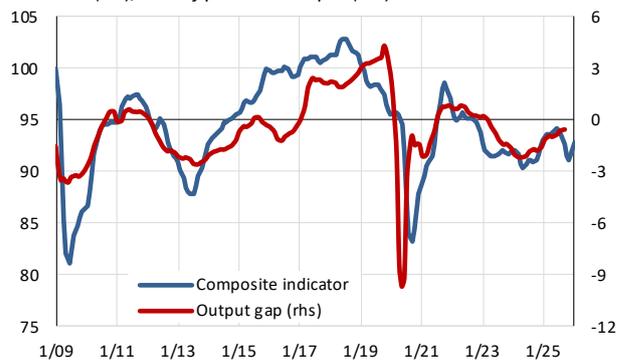

Source: CZSO. Calculations of the MoF.

3 Forecast of Macroeconomic Developments in the CR

3.1 Economic Output

The Czech economy grew by 3.0% year-on-year (*in line with the estimate*) in **the third quarter of 2025**, primarily due to domestic demand. Compared to the previous quarter, seasonally adjusted GDP increased by 0.8% (*vs. estimate of 0.7%*). Economic activity was supported by all sectors, with the highest increase in gross value added occurring in the trade, transport, accommodation, and food services group. Positive developments were also recorded in construction and manufacturing.

Household consumption was 3.1% (*vs. estimate of 3.6%*) higher year-on-year in the third quarter. This growth was aided by a decline in the savings rate, while real disposable income virtually stagnated. Household expenditure increased across all main categories, particularly for services (up 3.0%) and short-term consumer goods (up 3.1%). Household caution was evident in moderate spending on durable goods, which grew by only 0.6% year-on-year. Real consumption expenditure of residents abroad increased by 7.2% year-on-year.

Government consumption increased by 2.1% (*vs. estimate of 1.8%*) year-on-year. Dynamics were driven by central government institutions, especially the Railway Administration and various budgetary and semibudgetary organizations. In local government, consumption grew mainly due to budgetary organizations and public hospitals.

Gross fixed capital formation grew by 2.5% (*vs. estimate of 0.4%*) year-on-year. Investment activity was supported primarily by construction, specifically the other buildings and structures category due to public investment in infrastructure, as well as investment in dwellings. Conversely, a decline occurred in the categories of transport equipment and intellectual property products. From a sectoral perspective, corporate investment demand weakened. Investment expenditure in the general government sector, supported by projects co-financed by EU funds, increased significantly by 12.1% year-on-year.

Change in inventories and valuables added 0.4 percentage points (*vs. estimate of 1.0 percentage points*) to year-on-year economic growth. The increase in inventories may have been related to the replenishment of production inputs in an effort to avoid supply disruptions in response to heightened international tensions. Simultaneously, companies may have been building up stocks of materials and raw materials in anticipation of a recovery in private investment.

Foreign trade balance added 0.1 percentage points (*vs. estimate of a negative contribution of 0.2 percentage points*) to economic growth. While exports of goods and services grew by 4.3% (*vs. estimate of 4.2%*) year-on-year, imports increased by 4.4% (*vs. estimate of 4.8%*). Export dynamics were supported primarily by foreign demand for motor vehicles. Territorially, exports to EU countries increased, while domestic exports to the United States decreased significantly compared to the previous quarter. Imports rose mainly due to higher household consumption and a higher volume of import-intensive investments.

We estimate that the Czech economy grew by 0.6% (*previously 0.5%*) quarter-on-quarter in the fourth quarter of 2025, and that **real GDP** for the full **year 2025** thus increased **by 2.5%** (*previously 2.4%*). Economic activity last year was most significantly supported by household consumption, though government consumption and renewed inventory accumulation also contributed to growth. Investment activity was driven by public investment, which was supported by both the Recovery and Resilience Facility and the acceleration of the existing financial perspective of EU structural and investment funds. Conversely, private investment activity remained subdued. The foreign trade balance had a negative impact on GDP growth, primarily due to higher imports driven by rising consumer demand and inventory buildup.

In 2026, economic growth could slow slightly to **2.4%** (*previously 2.2%*). Dynamics will continue to be driven exclusively by domestic demand. In addition to continued growth in household consumption, there will be a recovery in corporate investment activity, which will simultaneously increase import volumes. The export side will be limited by increased trade barriers and low export order volumes. The contribution of foreign trade to GDP growth is therefore expected to remain negative.

Household final consumption expenditure may have increased by 2.9% (*previously 3.1%*) last year. Factors such as strong real wage growth and a year-on-year decline in the savings rate had a positive effect. In the opposite direction, a slight increase in the unemployment rate likely hampered consumption expenditure dynamics, particularly for low-income households. For 2026, we expect a more significant increase in real disposable income. The savings rate should fall further, though it will remain well above its long-term average. Real household consumption could thus grow by 3.0% (*unchanged*) this year.

Government consumption may have increased by 2.1% (*unchanged*) last year. Its growth was tempered not only by fiscal consolidation but also by slower dynamics in the current expenditures of health insurance companies and by the rising output of general government

units. An opposite effect was exerted by expenditure related to the remediation of the previous year's flood damage and by spending on the maintenance and repair of transport infrastructure. This year, the changed structure of the expenditure side of the state budget and health insurance company expenditures (determined by the final setting of reimbursements) should manifest; real government consumption expenditure could thus grow by 1.9% (*previously 1.6%*).

Gross fixed capital formation in 2025 likely grew by 0.9% (*previously 0.2%*). Private investment activity was limited by persistent negative corporate sentiment linked to uncertainties in the economic and foreign policies of the U.S. administration. Companies also contended with the delayed effects of earlier restrictive monetary conditions. Conversely, the growth of government investment expenditure, supported by EU funds, had a positive effect. For 2026, we expect an increase in investment activity of 3.1% (*previously 3.0%*) due to the economic recovery in the euro area, expected improvement in business sentiment, and postponed investments from the period of high interest rates and geopolitical uncertainty.

Last year saw a renewed accumulation of production input inventories due to increased economic activity and global uncertainties. We estimate that the contribution of **changes in inventories** to GDP growth in 2025 was positive at 0.9 percentage points (*unchanged*). For this year, we assume the extent of inventory accumulation will move toward values typical for the given phase of the economic cycle; the contribution should therefore be 0.1 percentage points (*previously 0.0 percentage point*).

We estimate that **exports of goods and services** grew by 3.3% (*previously 3.8%*) last year. Growth dynamics were primarily supported by the development of export markets. The projected slowdown in export growth to 1.9% (*previously 2.9%*) in 2026 reflects the tariff measures of the U.S. administration and a decline in export performance due to low export order volumes and a strengthening koruna. The dynamics of exports and domestic demand, especially import-intensive investments, are reflected in the growth rate of **imports of goods and services**, which may have grown by 4.3% (*previously 4.8%*) in 2025. The expected slowdown to 2.6% (*previously 3.7%*) in 2026 reflects the lower export dynamics.

Graph 3.1.1: Resources of Gross Domestic Product
QoQ growth rate of real GDP in %, contrib. in pp, season. adjusted

Net taxes on products
Agriculture
Construction
Trade and services
Industry
GDP
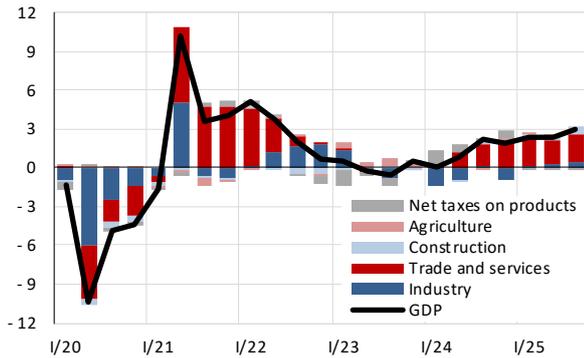
Source: CZSO. Calculations of the MoF.

Graph 3.1.2: GDP by Type of Expenditure
YoY growth rate of real GDP in %, contributions in pp

Net exports
Gross capital formation
Consumption
Gross domestic product
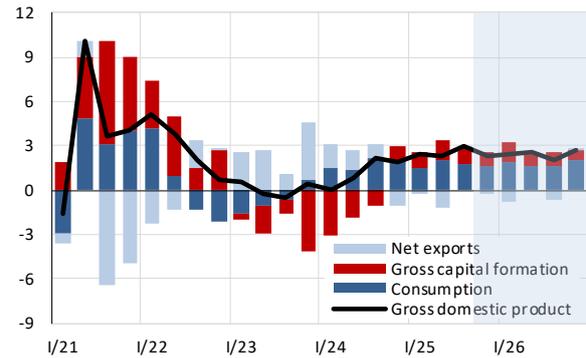
Source: CZSO. Calculations and forecast of the MoF.

Graph 3.1.3: Real Gross Domestic Product
growth in %, contributions in percentage points

Population 20–64
Employment/pop. 20–64
Labour intensity
Labour productivity
Gross domestic product
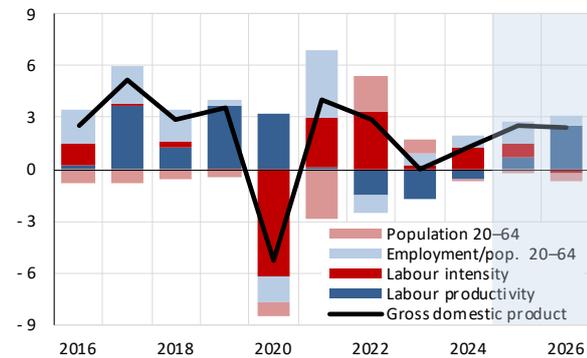
Note: Labour intensity gauges the number of hours worked per worker.
Source: CZSO. Calculations and forecast of the MoF.

Graph 3.1.4: Real Consumption of Households
domestic concept, YoY growth rate in %, contributions in pp

Services
Non-durable goods
Semi-durable goods
Durable goods
Consumption of households
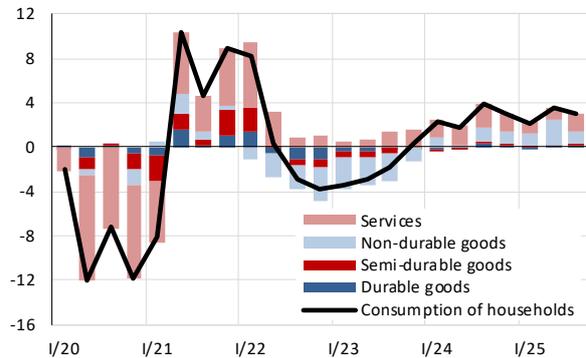
Source: CZSO. Calculations of the MoF.

Graph 3.1.5: Nominal Consumption of Households
national concept, YoY growth rate in %, contributions in pp

Savings
Other
Earnings
Taxes, social contrib.
Social benefits
Consumption
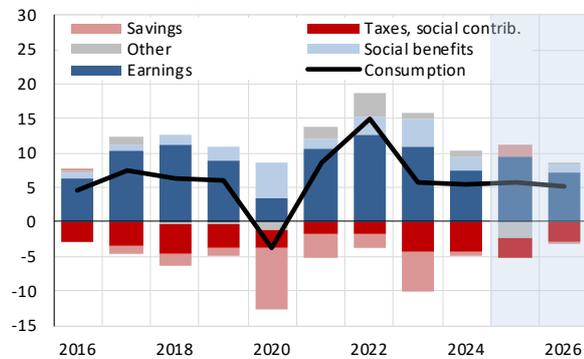
Source: CZSO. Calculations and forecast of the MoF.

Graph 3.1.6: Investment by Type of Expenditure
YoY growth rate of real GFCF in %, contributions in pp

Other
ICT, other machinery & equip.
Transport equipment
Other buildings and structures
Dwellings
Gross fixed capital formation
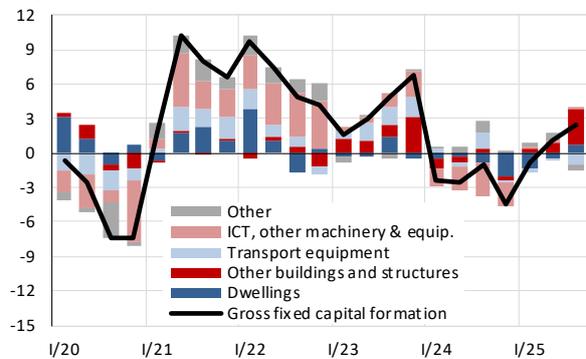
Source: CZSO. Calculations of the MoF.

Graph 3.1.7: Investment by Sector
YoY growth rate of real GFCF in %, contributions in percentage points

Households
Firms
Government
GFCF
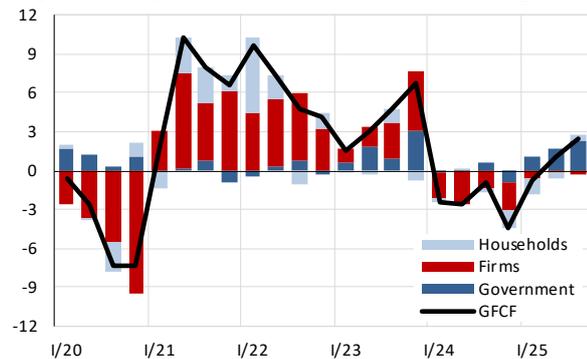
Source: CZSO. Calculations of the MoF.

Graph 3.1.8: Sources of Investment Financing
YoY growth rate of nominal GFCF in %, contributions in pp

Private non-EU
Private sector EU
Gov. sector non-EU
Gov. sector EU
GFCF
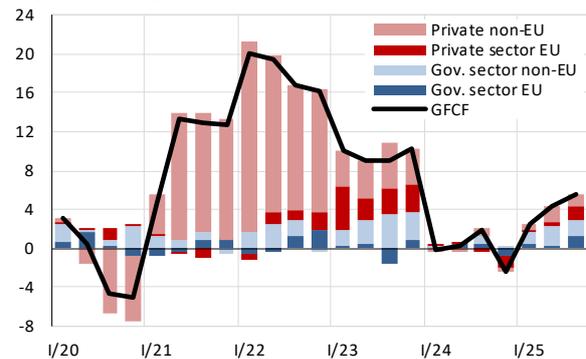
Source: CZSO. Calculations of the MoF.

Table 3.1.1: Real GDP by Type of Expenditure – annual

chained volumes, reference year 2020

		2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast	2027 Outlook	2028 Outlook
Gross domestic product	bill. CZK 2020	**6 155**	**5 828**	**6 063**	**6 236**	**6 239**	**6 317**	**6 475**	**6 633**	**6 801**	**6 969**
	growth in %	3.6	-5.3	4.0	2.8	0.0	1.3	2.5	2.4	2.5	2.5
	growth in % [1]	3.5	-5.3	4.0	2.9	0.2	1.1	2.6	2.5	2.4	2.6
Private consumption expenditure [2]	bill. CZK 2020	**2 933**	**2 745**	**2 859**	**2 874**	**2 800**	**2 869**	**2 951**	**3 040**	**3 120**	**3 192**
	growth in %	3.1	-6.4	4.2	0.5	-2.6	2.4	2.9	3.0	2.6	2.3
Government consumption exp.	bill. CZK 2020	**1 200**	**1 250**	**1 268**	**1 273**	**1 313**	**1 355**	**1 383**	**1 409**	**1 437**	**1 465**
	growth in %	2.6	4.1	1.5	0.4	3.2	3.1	2.1	1.9	2.0	2.0
Gross capital formation	bill. CZK 2020	**1 589**	**1 441**	**1 708**	**1 881**	**1 767**	**1 691**	**1 761**	**1 822**	**1 867**	**1 928**
	growth in %	5.7	-9.3	18.5	10.2	-6.1	-4.3	4.2	3.4	2.5	3.2
Gross fixed capital formation	bill. CZK 2020	1 563	1 488	1 589	1 689	1 760	1 713	1 728	1 781	1 826	1 884
	growth in %	7.5	-4.8	6.7	6.3	4.2	-2.7	0.9	3.1	2.5	3.2
Change in stocks and valuables	bill. CZK 2020	26	-47	119	192	7	-22	33	40	41	43
Exports of goods and services	bill. CZK 2020	**4 317**	**3 949**	**4 271**	**4 491**	**4 597**	**4 667**	**4 822**	**4 913**	**5 116**	**5 271**
	growth in %	1.3	-8.5	8.2	5.1	2.3	1.5	3.3	1.9	4.1	3.0
Imports of goods and services	bill. CZK 2020	**3 884**	**3 556**	**4 043**	**4 284**	**4 232**	**4 255**	**4 436**	**4 549**	**4 738**	**4 885**
	growth in %	1.3	-8.4	13.7	5.9	-1.2	0.5	4.3	2.6	4.2	3.1
Gross domestic expenditure	bill. CZK 2020	**5 724**	**5 435**	**5 835**	**6 028**	**5 875**	**5 909**	**6 091**	**6 267**	**6 421**	**6 581**
	growth in %	3.7	-5.0	7.3	3.3	-2.5	0.6	3.1	2.9	2.5	2.5
Real gross domestic income	bill. CZK 2020	**6 085**	**5 828**	**6 060**	**6 077**	**6 203**	**6 326**	**6 416**	**6 586**	**6 758**	**6 930**
	growth in %	3.9	-4.2	4.0	0.3	2.1	2.0	1.4	2.7	2.6	2.5
Contributions to GDP growth [4]											
Gross domestic expenditure	pp	**3.5**	**-4.7**	**6.9**	**3.2**	**-2.5**	**0.5**	**2.9**	**2.7**	**2.3**	**2.3**
Consumption	pp	**2.0**	**-2.3**	**2.3**	**0.3**	**-0.6**	**1.8**	**1.8**	**1.8**	**1.7**	**1.5**
Household expenditure	pp	1.5	-3.1	2.0	0.3	-1.3	1.2	1.4	1.4	1.3	1.1
Government expenditure	pp	0.5	0.8	0.3	0.1	0.6	0.6	0.4	0.4	0.4	0.4
Gross capital formation	pp	**1.5**	**-2.4**	**4.6**	**2.9**	**-1.9**	**-1.2**	**1.1**	**0.9**	**0.7**	**0.9**
Gross fixed capital formation	pp	1.9	-1.2	1.7	1.7	1.2	-0.8	0.2	0.8	0.7	0.8
Change in stocks	pp	-0.4	-1.2	2.8	1.2	-3.0	-0.5	0.9	0.1	0.0	0.0
Foreign balance	pp	**0.1**	**-0.6**	**-2.8**	**-0.3**	**2.6**	**0.7**	**-0.4**	**-0.3**	**0.2**	**0.1**
External balance of goods	pp	0.5	-0.4	-3.0	0.5	2.5	0.6	-0.3	-0.4	0.1	0.0
External balance of services	pp	-0.4	-0.2	0.1	-0.9	0.0	0.1	0.0	0.1	0.1	0.1
Gross value added	bill. CZK 2020	**5 598**	**5 315**	**5 524**	**5 685**	**5 717**	**5 752**	.	.	.	.
	growth in %	3.6	-5.1	3.9	2.9	0.6	0.6	.	.	.	.
Net taxes and subsidies on products	bill. CZK 2020	**556**	**513**	**539**	**551**	**523**	**567**	.	.	.	.

[1] *From working day adjusted data.*
[2] *Including consumption of non-profit institutions serving households (NPISH).*
Source: CZSO. Calculations and forecast of the MoF.

Table 3.1.2: Real GDP by Type of Expenditure – quarterly

chained volumes, reference year 2020

		2025				2026			
		Q1	Q2	Q3	Q4 Estimate	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
Gross domestic product	bill. CZK 2020	**1 511**	**1 631**	**1 660**	**1 672**	**1 548**	**1 674**	**1 693**	**1 718**
	growth in %	2.4	2.3	3.0	2.3	2.5	2.6	2.0	2.7
	growth in % [1]	2.4	2.6	2.8	2.6	2.5	2.6	2.5	2.4
	QoQ in % [1]	0.7	0.5	0.8	0.6	0.6	0.6	0.7	0.6
Private consumption expenditure [2]	bill. CZK 2020	**698**	**744**	**747**	**762**	**719**	**764**	**769**	**789**
	growth in %	2.4	3.5	3.1	2.6	3.0	2.6	2.9	3.6
Government consumption exp.	bill. CZK 2020	**323**	**338**	**337**	**384**	**331**	**344**	**342**	**391**
	growth in %	2.0	2.3	2.1	2.0	2.5	1.9	1.5	1.7
Gross capital formation	bill. CZK 2020	**357**	**453**	**502**	**449**	**377**	**468**	**518**	**459**
	growth in %	4.4	5.1	3.7	3.6	5.3	3.3	3.2	2.4
Gross fixed capital formation	bill. CZK 2020	364	429	454	481	375	439	460	508
	growth in %	-0.8	1.1	2.5	0.6	2.9	2.4	1.4	5.4
Change in stocks and valuables	bill. CZK 2020	-6	24	48	-33	2	29	58	-48
Exports of goods and services	bill. CZK 2020	**1 198**	**1 221**	**1 185**	**1 216**	**1 209**	**1 238**	**1 183**	**1 283**
	growth in %	3.9	3.5	4.3	1.6	0.9	1.3	-0.2	5.5
Imports of goods and services	bill. CZK 2020	**1 063**	**1 125**	**1 111**	**1 137**	**1 084**	**1 139**	**1 120**	**1 205**
	growth in %	4.8	5.7	4.4	2.2	2.0	1.3	0.9	6.0
Gross domestic expenditure	bill. CZK 2020	**1 379**	**1 535**	**1 585**	**1 592**	**1 427**	**1 575**	**1 628**	**1 637**
	growth in %	2.8	3.7	3.0	2.7	3.5	2.6	2.7	2.8
Real gross domestic income	bill. CZK 2020	**1 467**	**1 594**	**1 674**	**1 682**	**1 507**	**1 638**	**1 711**	**1 730**
	growth in %	-0.3	-0.5	3.5	2.8	2.7	2.8	2.2	2.9
Gross value added	bill. CZK 2020	**1 390**	**1 487**	**1 514**	.	.	.	.	.
	growth in %	2.7	2.5	3.1	.	.	.	.	.
	growth in % [1]	2.6	2.8	2.8	.	.	.	.	.
	QoQ in % [1]	0.8	0.5	0.9	.	.	.	.	.
Net taxes and subsidies on products	bill. CZK 2020	**121**	**145**	**147**	.	.	.	.	.

[1] *From seasonally and working day adjusted data.*
[2] *Including consumption of non-profit institutions serving households (NPISH).*
Source: CZSO. Calculations and forecast of the MoF.

Table 3.1.3: Nominal GDP by Type of Expenditure – annual

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
								Estimate	Forecast	Outlook	Outlook
Gross domestic product	bill. CZK	5 889	5 828	6 308	7 050	7 660	8 058	8 524	8 957	9 422	9 885
	growth in %	7.5	-1.0	8.2	11.8	8.6	5.2	5.8	5.1	5.2	4.9
Private consumption expenditure [1]	bill. CZK	2 848	2 745	2 980	3 424	3 621	3 824	4 051	4 272	4 498	4 708
	growth in %	6.1	-3.6	8.6	14.9	5.8	5.6	5.9	5.5	5.3	4.7
Government consumption exp.	bill. CZK	1 141	1 250	1 319	1 381	1 501	1 610	1 700	1 791	1 877	1 968
	growth in %	8.2	9.5	5.5	4.8	8.6	7.2	5.6	5.4	4.8	4.8
Gross capital formation	bill. CZK	1 541	1 441	1 774	2 188	2 161	2 121	2 264	2 391	2 507	2 643
	growth in %	9.8	-6.5	23.1	23.3	-1.2	-1.9	6.7	5.6	4.9	5.4
Gross fixed capital formation	bill. CZK	1 518	1 488	1 655	1 952	2 140	2 136	2 221	2 342	2 458	2 589
	growth in %	11.6	-1.9	11.2	17.9	9.6	-0.2	4.0	5.5	5.0	5.3
Change in stocks and valuables	bill. CZK	24	-47	119	236	21	-15	43	49	49	53
External balance	bill. CZK	359	393	235	57	376	504	508	503	539	566
Exports of goods and services	bill. CZK	4 247	3 949	4 450	5 105	5 239	5 549	5 703	5 811	6 153	6 425
	growth in %	2.6	-7.0	12.7	14.7	2.6	5.9	2.8	1.9	5.9	4.4
Imports of goods and services	bill. CZK	3 888	3 556	4 215	5 048	4 863	5 045	5 195	5 309	5 614	5 859
	growth in %	2.1	-8.5	18.5	19.7	-3.7	3.7	3.0	2.2	5.8	4.4
Gross national income	bill. CZK	5 525	5 528	6 123	6 763	7 378	7 811	8 225	8 641	9 086	9 530
	growth in %	7.0	0.0	10.8	10.4	9.1	5.9	5.3	5.1	5.2	4.9
Primary income balance	bill. CZK	-364	-301	-185	-287	-281	-247	-298	-316	-336	-355

[1] Including consumption of non-profit institutions serving households (NPISH).
Source: CZSO. Calculations and forecast of the MoF.

Table 3.1.4: Nominal GDP by Type of Expenditure – quarterly

		2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
					Estimate	Forecast	Forecast	Forecast	Forecast
Gross domestic product	bill. CZK	1 961	2 150	2 191	2 222	2 057	2 260	2 295	2 345
	growth in %	5.5	5.8	6.4	5.4	4.9	5.1	4.7	5.6
Private consumption expenditure [1]	bill. CZK	956	1 024	1 024	1 047	1 007	1 075	1 078	1 112
	growth in %	5.7	6.8	6.1	5.2	5.3	5.0	5.4	6.2
Government consumption exp.	bill. CZK	378	409	414	499	400	431	435	525
	growth in %	4.2	6.3	5.8	6.1	5.9	5.3	5.1	5.2
Gross capital formation	bill. CZK	460	585	648	571	494	616	683	598
	growth in %	6.2	8.2	6.4	6.1	7.4	5.3	5.4	4.7
Gross fixed capital formation	bill. CZK	465	551	585	620	490	576	607	669
	growth in %	2.5	4.2	5.6	3.4	5.2	4.6	3.7	8.0
Change in stocks and valuables	bill. CZK	-6	34	63	-48	4	40	76	-71
External balance	bill. CZK	167	132	105	104	156	139	98	110
Exports of goods and services	bill. CZK	1 444	1 453	1 390	1 416	1 423	1 462	1 405	1 521
	growth in %	6.8	3.7	2.4	-1.5	-1.4	0.6	1.1	7.4
Imports of goods and services	bill. CZK	1 277	1 322	1 285	1 311	1 267	1 324	1 307	1 411
	growth in %	7.1	5.4	1.7	-1.8	-0.7	0.2	1.7	7.6

[1] Including consumption of non-profit institutions serving households (NPISH).
Source: CZSO. Calculations and forecast of the MoF.

Table 3.1.5: GDP by Type of Income – annual

		2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast	2027 Outlook	2028 Outlook
GDP	bill. CZK	**5 889**	**5 828**	**6 308**	**7 050**	**7 660**	**8 058**	**8 524**	**8 957**	**9 422**	**9 885**
	growth in %	7.5	-1.0	8.2	11.8	8.6	5.2	5.8	5.1	5.2	4.9
Balance of taxes and subsidies	bill. CZK	**534**	**449**	**478**	**592**	**579**	**678**	**689**	**703**	**726**	**752**
	% of GDP	9.1	7.7	7.6	8.4	7.6	8.4	8.1	7.9	7.7	7.6
	growth in %	6.0	-16.0	6.5	23.8	-2.1	17.0	1.6	2.1	3.2	3.6
Taxes on production and imports	bill. CZK	696	660	716	780	817	869	.	.	.	.
	growth in %	6.2	-5.3	8.5	9.0	4.7	6.4	.	.	.	.
Subsidies on production	bill. CZK	162	211	238	189	238	191	.	.	.	.
	growth in %	6.7	30.3	12.6	-20.5	25.8	-19.6	.	.	.	.
Compensation of employees	bill. CZK	**2 580**	**2 624**	**2 813**	**3 031**	**3 287**	**3 511**	**3 762**	**4 004**	**4 205**	**4 406**
(domestic concept)	% of GDP	43.8	45.0	44.6	43.0	42.9	43.6	44.1	44.7	44.6	44.6
	growth in %	7.8	1.7	7.2	7.7	8.4	6.8	7.2	6.4	5.0	4.8
Wages and salaries	bill. CZK	1 980	1 988	2 132	2 326	2 531	2 704	2 902	3 086	3 241	3 396
	growth in %	7.9	0.4	7.2	9.1	8.8	6.8	7.3	6.3	5.0	4.8
Social security contributions	bill. CZK	599	636	682	706	756	807	860	917	963	1 009
	growth in %	7.6	6.2	7.1	3.5	7.1	6.8	6.6	6.6	5.0	4.8
Gross operating surplus	bill. CZK	**2 775**	**2 756**	**3 016**	**3 427**	**3 794**	**3 870**	**4 072**	**4 250**	**4 491**	**4 727**
and mixed income	% of GDP	47.1	47.3	47.8	48.6	49.5	48.0	47.8	47.5	47.7	47.8
	growth in %	7.6	-0.7	9.5	13.6	10.7	2.0	5.2	4.4	5.7	5.3
Consumption of capital	bill. CZK	1 201	1 294	1 413	1 577	1 684	1 786	1 896	2 028	2 129	2 216
	growth in %	7.5	7.7	9.2	11.6	6.8	6.1	6.2	6.9	5.0	4.1
Net operating surplus	bill. CZK	1 574	1 462	1 604	1 850	2 109	2 083	2 176	2 223	2 362	2 510
	growth in %	7.7	-7.1	9.7	15.4	14.0	-1.2	4.5	2.1	6.3	6.3

Source: CZSO. Calculations and forecast of the MoF.

Table 3.1.6: GDP by Type of Income – quarterly

		2025 Q1	2025 Q2	2025 Q3	2025 Q4 Estimate	2026 Q1 Forecast	2026 Q2 Forecast	2026 Q3 Forecast	2026 Q4 Forecast
GDP	bill. CZK	**1 961**	**2 150**	**2 191**	**2 222**	**2 057**	**2 260**	**2 295**	**2 345**
	growth in %	5.5	5.8	6.4	5.4	4.9	5.1	4.7	5.6
Balance of taxes and subsidies	bill. CZK	**140**	**180**	**189**	**180**	**143**	**186**	**192**	**183**
	growth in %	1.3	4.6	3.1	-2.5	2.4	3.1	1.2	1.9
Compensation of employees	bill. CZK	**897**	**942**	**927**	**997**	**954**	**1000**	**988**	**1061**
(domestic concept)	growth in %	6.6	7.8	7.2	7.0	6.4	6.2	6.6	6.5
Wages and salaries	bill. CZK	691	727	717	768	736	771	762	818
	growth in %	6.9	8.0	7.7	6.8	6.5	6.1	6.3	6.5
Social security contributions	bill. CZK	206	216	210	228	219	229	226	243
	growth in %	5.6	7.2	5.8	7.8	6.2	6.3	7.6	6.5
Gross operating surplus	bill. CZK	**925**	**1028**	**1075**	**1045**	**960**	**1075**	**1115**	**1100**
and mixed income	growth in %	5.0	4.2	6.2	5.5	3.8	4.6	3.8	5.3

Source: CZSO. Calculations and forecast of the MoF.

3.2 Prices

In 2025, **consumer price growth** averaged 2.5% (*vs. forecast of 2.4%*). Significantly elevated price dynamics persisted in services (growth of 4.7%), whereas goods price growth (1.1%) was moderate, primarily due to falling energy prices. The high growth in service prices was driven by rising household demand, increasing labour costs, and rapidly appreciating real estate. Goods prices were primarily influenced by declining consumer prices for energy—electricity, gas, and fuels—reflecting the drop in USD oil prices and wholesale prices for electricity and gas. Price pressures were further mitigated by lower global food commodity prices, especially cereals. The significant appreciation of the koruna generally acted to lower import prices. Monetary policy continued to dampen inflationary pressures through lagged effects.

The largest excessive impacts on inflation last year came from food and non-alcoholic beverages (4.2%), particularly dairy and meat, linked to rising costs in livestock production. Further impacts included owner-occupied and rental housing (4.8%), reflecting dynamically rising real estate prices; tobacco products (7.0%), due to an increase in excise duty; and restaurants and hotels (4.9%), where rising labour costs and an increasing number of foreign tourists have a significant influence.

Conversely, overall inflation dynamics were dampened by prices for electricity (−4.5%), gas (−7.8%), and fuels (−6.8%), due to falling prices on the European wholesale market and significantly cheaper crude oil. Furthermore, price development was favourable for transport equipment (0.6%), likely reflecting increased competition from Chinese automakers despite increased EU tariffs and ongoing industrial challenges, and for clothing and footwear (−1.9%). Prices for alcoholic beverages were broadly stable (0.5%) despite higher excise duty on spirits, likely due to a continuing trend of declining consumption, especially among younger consumers. Vegetables became cheaper (−2.2%), most likely due to a favourable harvest.

Industrial producer prices decreased by 0.8% year-on-year in 2025, primarily due to falling energy prices. This created disinflationary pressures on input costs across sectors, especially energy-intensive ones, but also directly impacted consumer energy prices for housing and transport. Agricultural producer prices increased by 7.9%, specifically due to a 14.7% price hike in livestock production, which manifested in rapidly rising consumer prices for meat and dairy. Crop production prices grew by a more moderate 3.0%, thanks to lower prices for potatoes and vegetables. Construction work prices were 3.0% higher year-on-year, driven by higher labour costs, while construction materials and products increased by only 1.0%. Construction work, a component of estimated owner-occupied housing costs, thus acted to mitigate the growth of imputed rent.

Asking **prices for real estate** rose by 16.8% last year. The internationally comparable House Price Index increased by 10.8% year-on-year in the third quarter of 2025; new dwellings appreciated by 14.7% and existing ones by 9.9%. Real estate price growth is significantly elevated in international comparison, as residential building prices in the EU rose by an average of 5.5% in the same period. For new dwellings, the year-on-year price growth in the Czech Republic was the second highest in Europe. Real estate prices exerted strong upward pressure on consumer prices throughout 2025 via owner-occupied housing costs and indirectly through apartment rents. Within the forecast horizon, we anticipate continued strong dynamics in real estate prices and, consequently, consumer housing costs. Structural factors, specifically the insufficient pace of new residential construction, are the long-term drivers of high price growth. Expected nominal wage growth and relatively more affordable mortgage financing compared to previous years, including relaxed macroprudential limits, should stimulate the demand side of the real estate market.

Year-on-year inflation measured by the **Harmonized Index of Consumer Prices (HICP)** was 2.3% in 2025, slightly lower than the EU weighted average of 2.5%. In the Czech Republic, service price growth was higher (5.0% vs. 3.7%), while goods prices grew more slowly (1.1% vs. 1.5%)[1]. Within total inflation, the Czech Republic saw a higher price increase in food (4.0% vs. 2.8%), and higher service price growth was evident in recreation and culture (3.8% vs. 1.9%), education (8.7% vs. 4.7%), and accommodation (7.9% vs. 4.1%). The dynamic growth in apartment rents (6.1% vs. 3.1%) has only a marginal effect on total inflation in the Czech Republic due to the high rate of home ownership and the resulting low weight of rental housing in the consumer basket. The exclusion of owner-occupied housing costs from the HICP accounts for the lower year-on-year inflation measured by the harmonized index compared to the national Consumer Price Index. Energy dynamics were lower in the Czech Republic than in the EU: electricity (−4.5% vs. 2.2%), natural gas (−8.1% vs. 1.3%), and fuels (−6.8% vs. −3.4%), primarily reflecting the effect of a stronger domestic currency on koruna-denominated import prices.

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[1] This is a common phenomenon associated with the price convergence of the economy through the increasing prices of non-tradable goods. In the Czech Republic, services have a lower share of total nominal household expenditure (in 2025, according to constant weights, 32% vs. 43% of the EU consumer basket), not only due to lower real volume but also due to lower prices. Consequently, the elevated dynamics of service prices across Europe translate into average EU inflation more significantly than in the Czech Republic.

In 2026, the **average inflation rate** is expected to drop to 2.1% (*previously 2.3%*). Year-on-year inflation should remain near the inflation target throughout the forecast horizon. Downward pressure on inflation will likely come from the continued decline in USD crude oil prices and further appreciation of the koruna against both the euro and the U.S. Dollar. Monetary policy will continue to dampen inflation through interest rates, considering the transmission lag. Conversely, robust wage growth and increased disposable income will support real household consumption, exerting upward pressure on consumer prices, especially in services. The expected continued high dynamics of real estate prices and apartment rents will translate into further growth in housing costs.

The contribution of tax changes and price growth in items with at least partially regulated prices should be nearly zero in aggregate (*previously 0.4 percentage points*). Tax changes include further increases in excise duties on spirits and tobacco. The development of regulated prices will be heterogeneous; energy prices should drop significantly as the continued decline in commodity components is joined by a reduction in the regulated portion of electricity prices due to the transfer of fee for supported energy sources (POZE) to the state budget. However, growth in other regulated prices will remain elevated due to the ongoing high price dynamics in services.

We estimate that the **GDP deflator** increased by 3.2**%** (*previously 3.1%*) **in 2025**. The gross domestic expenditure deflator likely increased by 2.9% (*previously 3.0%*), with similar dynamics across all main components. Terms of trade improved by an estimated 0.7% (*previously 0.5%*), with export prices falling by 0.5% and import prices by 1.2%. The appreciation of the koruna had a fundamental impact on foreign trade prices. Adjusted for exchange rate effects, export prices rose by 0.9% last year, driven by higher export prices for electricity and motor vehicles. On the import side, prices increased by 0.4%, particularly for food products and motor vehicles. Conversely, import prices likely fell for base metals and refined petroleum products.

For the current year, we expect GDP deflator growth of 2.6% (*previously 2.8%*), with the gross domestic expenditure deflator growing by 2.5% (*previously 2.7%*) and an improvement in terms of trade of 0.4% (*previously 0.3%*). Within the gross domestic expenditure deflator, the household consumption deflator will reflect consumer price growth, and the government consumption deflator will primarily reflect the anticipated increase in public sector salaries. The expected continued decline in mineral fuel prices will be the main positive factor for overall price developments in foreign trade. The projected strengthening of the domestic currency will act similarly on both the export and import sides toward lower koruna prices.
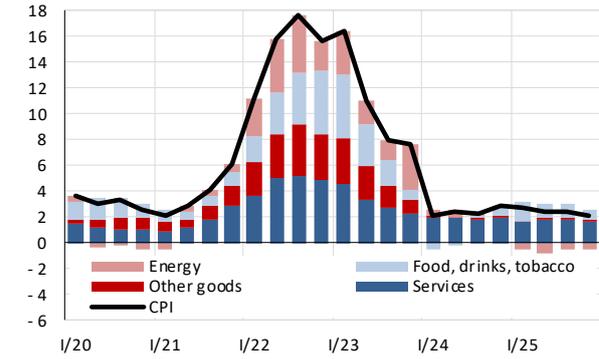
Graph 3.2.1: Consumer Prices
YoY growth rate in %
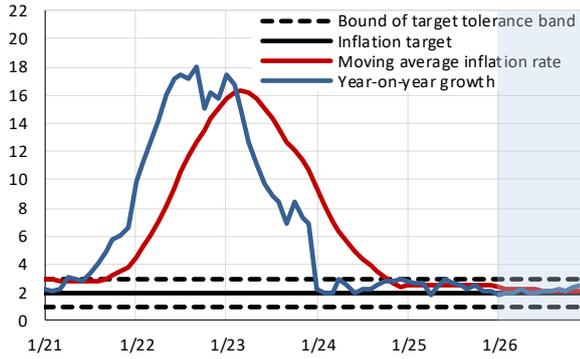
Source: CNB, CZSO. Calculations and forecast of the MoF.

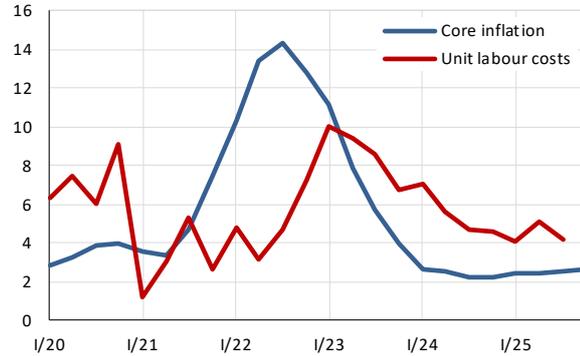**Graph 3.2.2: Consumer Prices in Main Divisions**
YoY growth of consumer price index in %, contributions in pp

Source: CZSO. Calculations of the MoF.

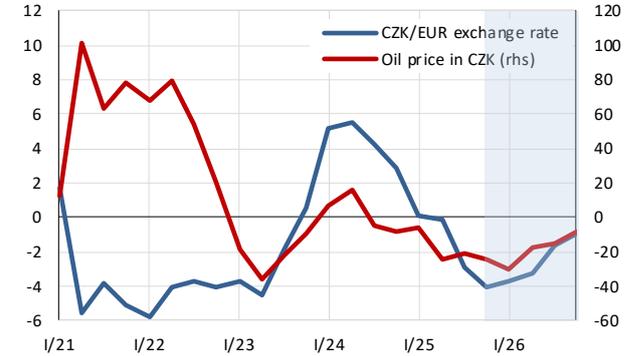**Graph 3.2.3: Core Inflation and Unit Labour Costs**
YoY growth rate in %

Source: CZSO. Calculations and forecast of the MoF.

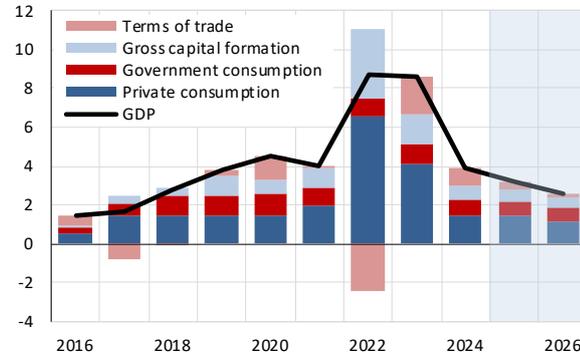**Graph 3.2.4: CZK/EUR and Koruna Price of Oil**
CZK depreciation to EUR, YoY change in CZK price of oil, in %

Source: CNB, U.S. EIA. Calculations and forecast of the MoF.

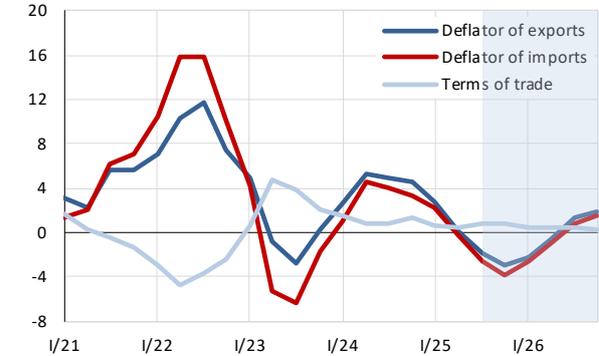**Graph 3.2.5: Gross Domestic Product Deflator**
G0rowth rate in %, contributions in percentage points

Source: CZSO. Calculations and forecast of the MoF.
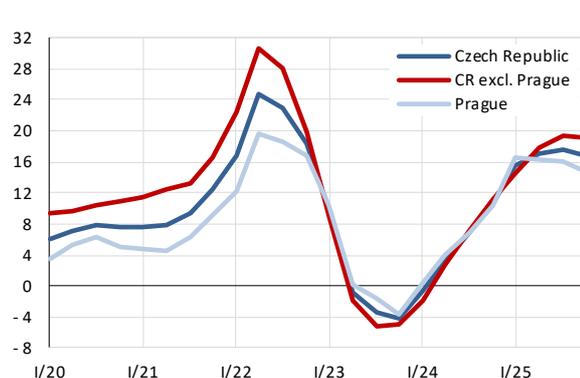
Graph 3.2.6: Terms of Trade
YoY growth rate in %

Source: CZSO. Calculations and forecast of the MoF.

Graph 3.2.7: Offering Prices of Flats
YoY growth rate in %

Source: CZSO.

Graph 3.2.8: Prices of Flats Relative to Average Wage
ratio of the flat offering price index to average wage index, annual moving totals, 2015=100

Source: CZSO. Calculations of the MoF.

Table 3.2.1: Prices – annual

		2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast	2027 Outlook	2028 Outlook
Consumer Price Index											
Level	*average 2015=100*	108.3	111.8	116.1	133.6	147.8	151.4	155.2	158.5	162.5	166.3
Average inflation rate	*%*	**2.8**	**3.2**	**3.8**	**15.1**	**10.7**	**2.4**	**2.5**	**2.1**	**2.5**	**2.3**
Administrative measures [1]	*percentage points*	0.6	0.5	0.0	2.8	4.3	1.0	0.3	0.0	0.4	0.3
Market increase	*percentage points*	2.2	2.7	3.8	12.3	6.4	1.4	2.2	2.2	2.1	2.0
Harmonized index of consumer prices											
Level	*average 2015=100*	107.8	111.4	115.1	132.1	147.9	151.9	155.4	158.4	162.1	165.7
Average inflation rate	*growth in %*	**2.6**	**3.3**	**3.3**	**14.8**	**12.0**	**2.7**	**2.3**	**1.9**	**2.4**	**2.2**
Deflators											
GDP	*average 2015=100*	95.7	100.0	104.0	113.1	122.8	127.6	131.6	135.0	138.5	141.8
	growth in %	3.8	4.5	4.0	8.7	8.6	3.9	3.2	2.6	2.6	2.4
Gross domestic expenditure	*average 2015=100*	96.6	100.0	104.1	116.0	124.0	127.8	131.6	134.9	138.3	141.6
	growth in %	3.7	3.5	4.1	11.5	6.9	3.1	2.9	2.5	2.6	2.4
Consumption of households	*average 2015=100*	97.1	100.0	104.2	119.1	129.3	133.3	137.3	140.5	144.2	147.5
	growth in %	2.9	3.0	4.2	14.3	8.6	3.1	3.0	2.4	2.6	2.3
Consumption of government	*average 2015=100*	95.1	100.0	104.0	108.5	114.3	118.8	123.0	127.2	130.7	134.4
	growth in %	5.4	5.2	4.0	4.4	5.3	4.0	3.5	3.4	2.8	2.8
Fixed capital formation	*average 2015=100*	97.1	100.0	104.2	115.6	121.6	124.7	128.5	131.5	134.6	137.4
	growth in %	3.8	3.0	4.2	10.9	5.2	2.6	3.1	2.3	2.4	2.1
Exports of goods and services	*average 2015=100*	98.4	100.0	104.2	113.7	114.0	118.9	118.3	118.3	120.3	121.9
	growth in %	1.3	1.6	4.2	9.1	0.3	4.3	-0.5	0.0	1.7	1.3
Imports of goods and services	*average 2015=100*	100.1	100.0	104.3	117.8	114.9	118.6	117.1	116.7	118.5	119.9
	growth in %	0.8	-0.1	4.3	13.0	-2.5	3.2	-1.2	-0.3	1.5	1.2
Terms of trade	*average 2015=100*	98.3	100.0	99.9	96.5	99.2	100.3	101.0	101.4	101.5	101.6
	growth in %	0.4	1.7	-0.1	-3.5	2.8	1.1	0.7	0.4	0.2	0.1

[1] *The contribution of change in regulated prices and indirect taxes to the average inflation rate.*
Source: CZSO, Eurostat. Calculations and forecast of the MoF.

Table 3.2.2: Prices – quarterly

		2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
					Estimate	*Forecast*	*Forecast*	*Forecast*	*Forecast*
Consumer Price Index	*average 2015=100*	**154.2**	**154.9**	**155.9**	**155.6**	**157.2**	**158.1**	**159.3**	**159.3**
	growth in %	2.7	2.4	2.5	2.2	2.0	2.1	2.2	2.4
Administrative measures [1]	*percentage points*	0.4	0.3	0.3	0.2	-0.1	-0.1	0.0	0.1
Market increase	*percentage points*	2.3	2.1	2.2	2.0	2.0	2.2	2.2	2.3
Harmonized index of consumer	*average 2015=100*	**154.7**	**155.3**	**156.1**	**155.5**	**157.3**	**158.2**	**159.1**	**158.9**
prices	*growth in %*	2.8	2.3	2.3	2.0	1.6	1.8	1.9	2.1
Deflators									
GDP	*average 2015=100*	**129.8**	**131.8**	**132.0**	**132.8**	**132.9**	**135.0**	**135.5**	**136.5**
	growth in %	3.0	3.4	3.3	3.1	2.4	2.5	2.7	2.8
Gross domestic expenditure	*average 2015=100*	**130.1**	**131.5**	**131.6**	**133.0**	**133.2**	**134.7**	**135.0**	**136.5**
	growth in %	2.6	3.3	3.0	2.8	2.4	2.5	2.5	2.6
Consumption of households	*average 2015=100*	**137.0**	**137.6**	**137.1**	**137.4**	**140.1**	**140.7**	**140.3**	**140.9**
	growth in %	3.2	3.2	2.9	2.6	2.3	2.3	2.4	2.5
Consumption of government	*average 2015=100*	**116.8**	**121.2**	**122.9**	**129.8**	**120.8**	**125.3**	**127.1**	**134.3**
	growth in %	2.1	3.9	3.7	4.0	3.4	3.4	3.5	3.5
Fixed capital formation	*average 2015=100*	**127.9**	**128.4**	**128.9**	**128.7**	**130.7**	**131.2**	**131.9**	**131.9**
	growth in %	3.3	3.1	3.1	2.8	2.2	2.2	2.3	2.4
Exports of goods and services	*average 2015=100*	**120.5**	**119.0**	**117.3**	**116.4**	**117.7**	**118.1**	**118.7**	**118.5**
	growth in %	2.8	0.1	-1.9	-3.1	-2.3	-0.7	1.3	1.8
Imports of goods and services	*average 2015=100*	**120.1**	**117.5**	**115.7**	**115.3**	**116.8**	**116.2**	**116.7**	**117.1**
	growth in %	2.2	-0.3	-2.6	-3.9	-2.7	-1.1	0.8	1.5
Terms of trade	*average 2015=100*	**100.3**	**101.3**	**101.3**	**100.9**	**100.8**	**101.6**	**101.8**	**101.2**
	growth in %	0.6	0.4	0.8	0.8	0.4	0.4	0.4	0.3

[1] *The contribution of change in regulated prices and indirect taxes.*
Source: CZSO, Eurostat. Calculations and forecast of the MoF.

3.3 Labour Market

Employment (national accounts) increased by 1.0% (*vs. estimate of 0.9%*) year-on-year in the third quarter of 2025. Growth was supported by sectors in both market and non-market services, while employment in manufacturing had a negative impact. In the fourth quarter of 2025, it likely increased by 0.9% (*previously 0.8%*) year-on-year, reaching 1.0% (*previously 0.9%*) for the full year. We expect strong labour demand in certain sectors to persist; however, its growth will be limited by the year-on-year decline in the working-age population. Therefore, we anticipate only a slight employment growth of 0.1% (*unchanged*) for this year.

Registered unemployed persons increased both year-on-year and quarter-on-quarter in the fourth quarter of 2025. A higher seasonally adjusted number was last recorded in the first quarter of 2017. The number of job vacancies declined only slightly throughout last year. Of the vacancies listed on the labour office's website, approximately 71% were active at the forecast cut-off date (those with a last change after 1 July 2025, and a start date of 1 October 2025 or later). According to the CZSO's business cycle survey, labour shortages remain the main barrier to output growth in construction and, to some extent, in services.

Low unemployment rate, population aging, and corporate cost-optimization pressures support demand for foreign workers. According to Ministry of Labour and Social Affairs (MoLSA) data, the number of foreign employees increased by 88,000 year-on-year to 929,000 in the fourth quarter of 2025. The growth likely accelerated due to the employer obligation, in effect since October 2025, to report foreign employees before they start work. Workers from Ukraine and Slovakia have dominated for a long time. There were 353,000 registered Ukrainian workers, an increase of 52,000 year-on-year.

The **unemployment rate** according to the LFS (CZSO) increased year-on-year by 0.3 percentage points to 2.9% (*in line with the estimate*) in the third quarter of 2025. The monthly seasonally adjusted unemployment rate for the 15–64 age group continued to increase year-on-year, with the pace of growth accelerating, reaching 3.3% in November. We estimate that the average unemployment rate for 2025 could be 2.8% (*previously 2.7%*). We expect problems in industrial sectors to partially persist, though the unemployment rate should gradually decline during the year due to the improving overall economic situation. It could average 2.8% (*unchanged*) this year.

The **share of unemployed persons** (MoLSA) in the registers of labour offices increased by 0.7 percentage points year-on-year to 4.6% (*in line with the forecast*) in the fourth quarter of 2025. Last year, it rose by 0.6 percentage points to an average of 4.4% (*in line with the forecast*). We expect the share of unemployed persons to peak in the first quarter of this year and subsequently decrease, averaging 4.6% (*unchanged*) for 2026.

The **participation rate** (20–64 years) increased by 0.9 percentage points year-on-year to 85.3% (*in line with the estimate*) in the third quarter of last year. Growth was supported by the working-age labour force, primarily higher employment, which outpaced the population growth in this age group. For the past year, it could have averaged 85.2% (*previously 85.1%*) and could rise to 85.5% (*previously 85.4%*) this year. Within the forecast and outlook horizons, the increasing statutory retirement age will be a positive factor for participation rate growth. Conversely, the demographic effect of a declining share of age groups with naturally high participation rates will act as a negative factor.

Wages and salaries increased by 7.7% year-on-year in the third quarter of 2025 (*vs. estimate of 6.8%*). In the macroeconomically critical manufacturing sector, the wage volume grew by 4.5% (despite a 0.4% reduction in the number of employees). The primary contributors to overall dynamics were public administration, defense, education, and health and social care (7.9% growth), and trade, transport, accommodation, and food services (9.1% growth).

A noticeable labour shortage persists across many sectors and professions, contributing positively to nominal earnings dynamics. Strong increases in consumer prices and corporate profitability from previous years also drive wage demands. Conversely, the slight increase in the unemployment rate dampens pressure for earnings growth. Salaries in the public sector should be primarily influenced by the automatic indexation of teachers' salaries within the forecast horizon. We also assume an increase in salary scales for other public sector employees.

The increasing ratio of the minimum wage to the average wage will contribute positively to the volume of wages and salaries. Since last year, the minimum wage has been determined by a new indexation mechanism, aiming for a gradual increase to 47% of the average wage by 2029. While the minimum wage increased by 10% to CZK 20,800 in 2025, it was raised by 7.7% to CZK 22,400 effective January 1, 2026, based on the August average wage forecast.

In total, we expect the volume of wages and salaries to have increased by 7.3% last year (*previously 7.1%*), with growth slowing to 6.3% in 2026 (*previously 5.9%*).

The average wage (business statistics, full-time equivalent) increased by 7.1% in the third quarter of 2025 (*vs. estimate of 6.7%*), driven primarily by the manufacturing sector (5.9% growth) and wholesale and retail trade (6.7% growth). We estimate that the average wage could have increased by 6.9% last year (*unchanged*) and expect growth of 6.2% for 2026 (*previously 5.8%*).
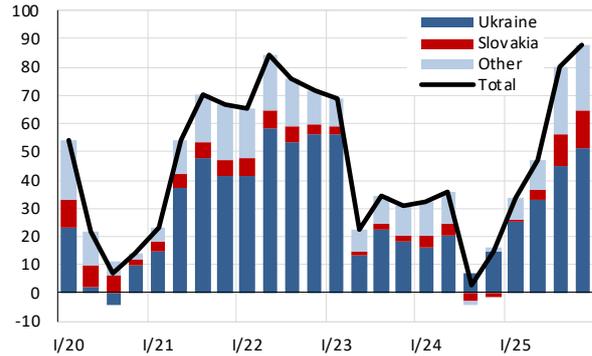
Graph 3.3.1: Employment
YoY growth rate in %, contributions in pp, national accounts
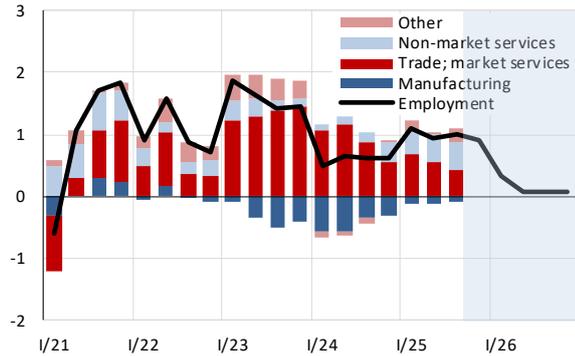
Source: CZSO. Calculations and forecast of the MoF.

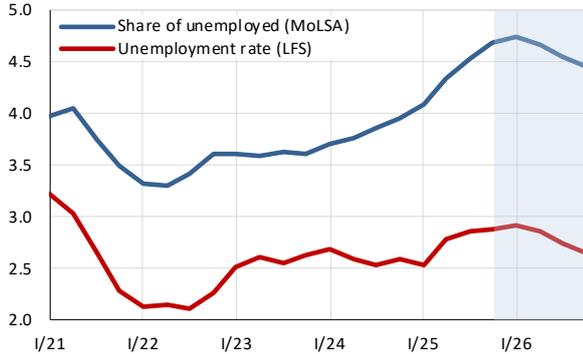## Graph 3.3.2: Number of Foreign Employees in the CR
YoY change in thousands of persons

Source: MoLSA. Calculations of the MoF.

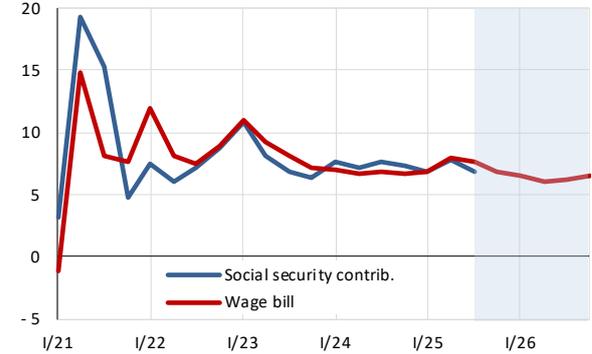## Graph 3.3.3: Indicators of Unemployment
seasonally adjusted data, in %

Source: CZSO, MoLSA. Calculations and forecast of the MoF.

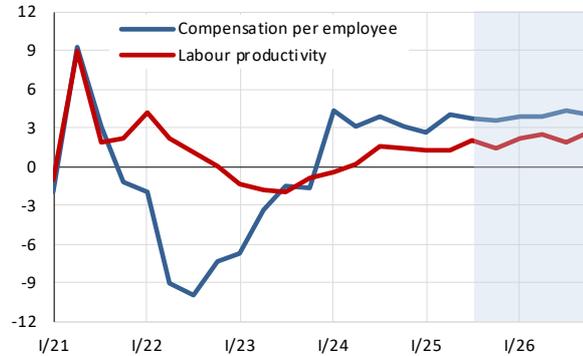## Graph 3.3.4: Social Security Contributions and Earnings
YoY growth rate in %

Source: CZSO, MoF. Calculations and forecast of the MoF.

Graph 3.3.5: Compens. per Employee and Productivity
YoY growth rate in %

Source: CZSO. Calculations and forecast of the MoF.
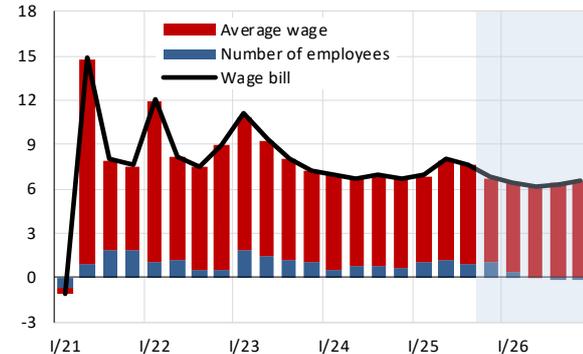
Graph 3.3.6: Nominal Monthly Wages
YoY growth rate in %

Source: CZSO. Calculations and forecast of the MoF.
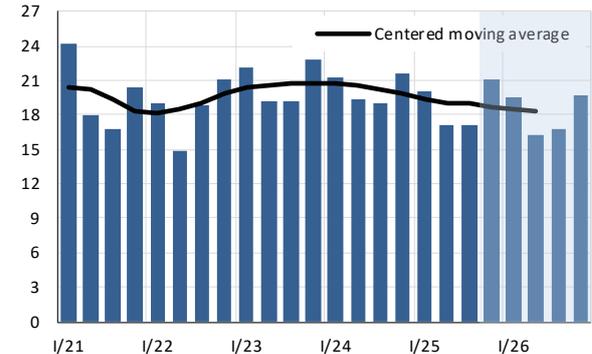
Graph 3.3.7: Nominal Wage Bill
YoY growth rate in %, domestic concept of the wage bill

Source: CZSO. Calculations and forecast of the MoF.

Graph 3.3.8: Gross Savings Rate of Households
in % of disposable income

Source: CZSO. Calculations and forecast of the MoF.

Table 3.3.1: Labour Market – annual

		2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast	2027 Outlook	2028 Outlook
National accounts											
Employment	*av. in thous. persons*	**5 351**	**5 227**	**5 279**	**5 333**	**5 418**	**5 451**	**5 504**	**5 512**	**5 502**	**5 496**
	growth in %	-0.1	-2.3	1.0	1.0	1.6	0.6	1.0	0.1	-0.2	-0.1
Employees	*av. in thous. persons*	4 598	4 496	4 541	4 578	4 640	4 669	4 717	4 721	4 713	4 707
	growth in %	0.1	-2.2	1.0	0.8	1.4	0.6	1.0	0.1	-0.2	-0.1
Self-employed persons	*av. in thous. persons*	753	731	738	755	779	782	787	791	789	788
	growth in %	-1.5	-3.0	1.0	2.3	3.1	0.4	0.7	0.5	-0.3	-0.1
Wage bill	*growth in %*	**7.9**	**0.4**	**7.2**	**9.1**	**8.8**	**6.8**	**7.3**	**6.3**	**5.0**	**4.8**
Labour productivity	*growth in %*	**3.7**	**-3.1**	**3.0**	**1.8**	**-1.5**	**0.7**	**1.5**	**2.3**	**2.7**	**2.6**
Unit labour costs [6]	*growth in %*	**3.9**	**7.3**	**3.1**	**5.0**	**8.6**	**5.5**	**4.5**	**3.9**	**2.4**	**2.2**
Compensation of employees	*% of GDP*	**43.8**	**45.0**	**44.6**	**43.0**	**42.9**	**43.6**	**44.1**	**44.7**	**44.6**	**44.6**
Labour Force Survey											
Unemployment rate	*average in %*	**2.0**	**2.6**	**2.8**	**2.2**	**2.6**	**2.6**	**2.8**	**2.8**	**2.6**	**2.4**
Employment rate 20–64	*average in %*	**80.3**	**79.7**	**80.0**	**81.0**	**81.7**	**82.3**	**82.9**	**83.2**	**83.4**	**83.6**
Participation rate 20–64	*average in %*	**81.9**	**81.8**	**82.2**	**82.7**	**83.8**	**84.3**	**85.2**	**85.5**	**85.5**	**85.5**
Registered unemployment											
Unemployment	*av. in thous. persons*	**212**	**259**	**280**	**252**	**266**	**287**	**328**	**328**	**307**	**290**
Share of unemployed [1]	*average in %*	**2.8**	**3.5**	**3.8**	**3.4**	**3.6**	**3.8**	**4.4**	**4.6**	**4.3**	**4.1**
Job vacancies	*av. in thousands*	**340**	**332**	**346**	**326**	**283**	**264**	**135**	**.**	**.**	**.**
Business statistics											
Average monthly wage											
Nominal	*CZK monthly*	34 578	36 176	38 277	39 932	42 801	45 899	49 083	52 146	54 778	57 419
	growth in %	7.9	4.6	5.8	4.3	7.2	7.2	6.9	6.2	5.0	4.8
Real	*CZK 2015*	31 928	32 358	32 969	29 889	28 959	30 316	31 626	32 903	33 705	34 535
	growth in %	4.9	1.3	1.9	-9.3	-3.1	4.7	4.3	4.0	2.4	2.5
Median monthly wage	*CZK monthly*	**29 439**	**31 049**	**32 795**	**34 283**	**36 880**	**39 108**	**.**	**.**	**.**	**.**
	growth in %	6.8	5.5	5.6	4.5	7.6	6.0	.	.	.	.

Note: Following the 2021 Census, new demographic weights have been applied in the LFS since Q1 2022; a new weighting methodology (weighting to the population in private households) is also applied in the data from 2022 onwards. There is therefore a break in the time series between 2021 and 2022.

[1] *Share of available job seekers aged 15 to 64 years in the population of the same age.*

Source: CZSO, MoLSA. Calculations and forecast of the MoF.0

Table 3.3.2: Labour Market – quarterly

		2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
					Estimate	*Forecast*	*Forecast*	*Forecast*	*Forecast*
National accounts									
Employment	*av. in thous. persons*	**5 468**	**5 496**	**5 536**	**5 518**	**5 487**	**5 500**	**5 540**	**5 523**
	YoY growth in %	1.1	0.9	1.0	0.9	0.3	0.1	0.1	0.1
	QoQ growth in %	0.4	0.5	0.1	0.0	-0.2	0.2	0.1	0.0
Wages and salaries	*growth in %*	**6.9**	**8.0**	**7.7**	**6.8**	**6.5**	**6.1**	**6.3**	**6.5**
Labour Force Survey									
Unemployment rate	*average in %*	**2.6**	**2.7**	**2.9**	**2.8**	**3.0**	**2.8**	**2.8**	**2.6**
Employment rate 20–64	*average in %*	**82.7**	**82.9**	**83.0**	**83.2**	**82.7**	**83.2**	**83.4**	**83.6**
	increase over a year	0.9	0.7	0.6	0.5	0.1	0.4	0.4	0.4
Participation rate 20–64	*average in %*	**84.8**	**85.1**	**85.3**	**85.5**	**85.2**	**85.5**	**85.6**	**85.7**
	increase over a year	0.7	0.9	0.9	0.7	0.4	0.4	0.3	0.2
Registered unemployment									
Unemployment	*av. in thous. persons*	**320**	**318**	**330**	**343**	**355**	**327**	**317**	**313**
Share of unemployed [1]	*average in %*	**4.3**	**4.3**	**4.4**	**4.6**	**5.0**	**4.6**	**4.5**	**4.4**
Job vacancies	*av. in thousands*	**114**	**96**	**96**	**92**	**.**	**.**	**.**	**.**
Business statistics									
Average monthly wage									
Nominal	*CZK monthly*	46 907	49 308	48 295	51 824	49 800	52 208	51 389	55 188
	growth in %	6.7	7.6	7.1	6.5	6.2	5.9	6.4	6.5
Real	*CZK 2015*	30 420	31 832	30 978	33 306	31 678	33 018	32 262	34 639
	growth in %	3.8	5.1	4.5	4.2	4.1	3.7	4.1	4.0
Median monthly wage	*CZK monthly*	**38 371**	**41 037**	**42 901**	**.**	**.**	**.**	**.**	**.**
	growth in %	5.3	7.0	6.2	.	.	.	.	.

[1] Share of available job seekers aged 15 to 64 years in the population of the same age.
Source: CZSO, MoLSA. Calculations and forecast of the MoF.

Table 3.3.3: Income and Expenditures of Households – annual

		2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast
Current income											
Compensation of employees	bill.CZK	**2 196**	**2 399**	**2 571**	**2 636**	**2 827**	**3 022**	**3 299**	**3 523**	**3 769**	**4 008**
	growth in %	8.8	9.2	7.2	2.5	7.2	6.9	9.2	6.8	7.0	6.3
Gross operating surplus	bill.CZK	**828**	**904**	**965**	**996**	**1 088**	**1 261**	**1 353**	**1 397**	**1 501**	**1 548**
and mixed income	growth in %	7.9	9.2	6.8	3.1	9.3	15.8	7.3	3.3	7.4	3.2
Property income received	bill.CZK	**165**	**166**	**167**	**137**	**183**	**304**	**374**	**410**	**349**	**362**
	growth in %	21.9	0.6	0.3	-17.8	33.3	66.1	23.4	9.5	-14.8	3.7
Social benefits not-in-kind	bill.CZK	**654**	**690**	**743**	**891**	**934**	**1 008**	**1 145**	**1 215**	**1 211**	**1 254**
	growth in %	3.5	5.4	7.7	20.0	4.8	7.9	13.6	6.1	-0.3	3.6
Other current transfers received	bill.CZK	**244**	**281**	**339**	**363**	**487**	**675**	**752**	**855**	**911**	**958**
	growth in %	12.7	15.1	20.4	7.3	34.0	38.7	11.4	13.7	6.6	5.2
Current expenditure											
Property income paid	bill.CZK	**25**	**26**	**34**	**32**	**30**	**60**	**84**	**88**	**99**	**103**
	growth in %	10.1	5.6	28.0	-4.5	-5.5	98.0	39.3	5.5	12.1	4.2
Curr. taxes on income and property	bill.CZK	**247**	**277**	**302**	**315**	**247**	**258**	**298**	**329**	**358**	**378**
	growth in %	10.0	12.3	9.1	4.2	-21.6	4.6	15.4	10.4	8.9	5.7
Social contributions	bill.CZK	**832**	**908**	**971**	**1029**	**1143**	**1186**	**1291**	**1417**	**1501**	**1594**
	growth in %	7.8	9.2	6.9	6.0	11.0	3.8	8.8	9.8	6.0	6.2
Other current transfers paid	bill.CZK	**240**	**283**	**341**	**371**	**499**	**673**	**769**	**878**	**943**	**994**
	growth in %	16.0	17.8	20.7	8.6	34.5	35.0	14.3	14.2	7.3	5.4
Gross disposable income	bill.CZK	**2 744**	**2 946**	**3 137**	**3 277**	**3 601**	**4 093**	**4 482**	**4 686**	**4 839**	**5 061**
	growth in %	7.9	7.4	6.5	4.5	9.9	13.7	9.5	4.6	3.3	4.6
Final consumption	bill.CZK	**2 483**	**2 640**	**2 799**	**2 692**	**2 921**	**3 358**	**3 548**	**3 739**	**3 958**	**4 163**
	growth in %	7.5	6.3	6.0	-3.8	8.5	15.0	5.7	5.4	5.8	5.2
Change in share in pension funds	bill.CZK	**33**	**36**	**38**	**40**	**41**	**27**	**1**	**6**	**38**	**17**
Gross savings	bill.CZK	**294**	**342**	**376**	**625**	**720**	**761**	**934**	**953**	**920**	**916**
Capital transfers											
(income (-) / expenditure (+))	bill.CZK	**-12**	**-17**	**-20**	**-44**	**-43**	**-31**	**-47**	**-56**	**-44**	**-35**
Gross capital formation	bill.CZK	**254**	**317**	**358**	**364**	**404**	**484**	**505**	**502**	**516**	**530**
	growth in %	-4.9	24.5	12.9	1.7	11.1	19.7	4.4	-0.5	2.8	2.7
Change in financial assets and liab.	bill.CZK	**52**	**42**	**35**	**304**	**356**	**310**	**475**	**505**	**446**	**420**
Real disposable income	growth in %	**4.7**	**4.4**	**3.5**	**1.5**	**5.4**	**-0.8**	**0.8**	**1.5**	**0.4**	**2.5**
Gross savings rate	%	**10.6**	**11.5**	**11.8**	**18.8**	**19.8**	**18.5**	**20.8**	**20.3**	**18.9**	**18.0**

Source: CZSO. Calculations of the MoF.

3.4 External Relations

Export markets grew by 4.4% (*vs. estimate of 4.0%*) year-on-year in the third quarter of 2025, driven exclusively by the more favourable import intensity of our trading partners. The quarter-on-quarter increase in imports across most monitored economies likely related to inventory replenishment, which in previous quarters had been affected by increased exports to the United States ahead of expected tariffs. Given the strong dynamics in the first half of 2025, economic activity abroad, and projected import intensity, we estimate that export markets grew by 4.0% in 2025 (*previously 3.8%*). For 2026, we expect growth to slow to 2.5% (*previously 3.4%*) due to trade measures by the U.S. administration.

Export performance[2] declined by 1.2% (*vs. estimate of 0.1% growth*) in the third quarter of 2025. This negative trend likely reflects lower production volumes and export orders in industrial sectors; we estimate that performance for the full year 2025 fell by 0.7% (*previously 0.5% growth*). An identical decline is expected for this year (*previously 0.4%*), reflecting both the persistent lack of foreign industrial orders and the negative impact of the strengthening koruna against the euro (see Chapter 1.4) on export competitiveness.

The **current account of the balance of payments** reached a surplus of 0.7% of GDP[3] (*vs. estimate of 0.9% of GDP*) in the third quarter of 2025. The year-on-year deterioration of 0.7 percentage points in the external balance was driven by all components except primary income, with the goods balance surplus seeing the most significant reduction.

The **balance of goods** reached a surplus of 4.7% of GDP (*vs. estimate of 4.5% of GDP*) in the third quarter of 2025. The year-on-year decrease of 0.5 percentage points reflects higher volumes of imported materials and consumer goods. Despite growth in motor vehicle production, the export side was limited by a decline in foreign orders across other manufacturing sectors. These factors were also decisive for the full-year trade balance. We estimate the goods balance achieved a surplus of 4.6% of GDP (*previously 4.4% of GDP*) in 2025. The import side was further supported by renewed inventory accumulation. Conversely, the overall balance was positively impacted by improved terms of trade re-

sulting from lower energy prices, particularly oil. In 2026, the goods balance surplus is expected to decrease to 4.1% of GDP (*previously 3.9% of GDP*). Domestic exports will be constrained by international trade barriers and a persistent lack of foreign orders. Imports will rise due to recovering domestic investment demand, though this should be partially offset by the continued decline in imported energy prices.

The **balance of services** showed a surplus of 1.0% of GDP (*vs. estimate of 1.1% of GDP*) in the third quarter of 2025. The year-on-year deterioration of 0.3 percentage points reflects increased spending on telecommunications services and higher charges for the use of intellectual property. Higher imports of transport services also negatively impacted the balance, potentially indicating that domestic firms are increasingly utilizing foreign transport companies. The services balance surplus in 2025 is estimated at 1.1% of GDP (*previously 1.2% of GDP*); it could increase to 1.2% of GDP (*previously 1.3% of GDP*) in 2026, driven by anticipated improvements in economic sentiment across the euro area.

The **primary income** deficit narrowed by 0.5 percentage points year-on-year to 4.3% of GDP (*vs. estimate of 4.2% of GDP*) in the third quarter of 2025. While direct investment income on the expenditure side rose—suggesting growing profitability of foreign-controlled companies—the income side increased more significantly due to a higher volume of profits reinvested abroad by residents. Interest yields from domestic direct investments abroad also rose. While dividend payments abroad decreased, improved corporate sentiment regarding future economic development led to an increase in domestic reinvestment. Based on projected economic performance and gross operating surplus, we estimate the primary income deficit for 2025 reached 4.4% of GDP (*previously 4.3% of GDP*). The same deficit is expected (*unchanged*) for this year.

The **secondary income** balance ended the quarter of 2025 with a deficit of 0.7% of GDP (*vs. estimate of 0.5% of GDP*). The year-on-year deepening of the deficit by 0.3 percentage points likely reflects a decline in net EU transfers, specifically non-investment subsidies from EU structural funds. These subsidies remain the primary driver of future developments in secondary income. We estimate the 2025 deficit at 0.6% of GDP (*previously 0.5% of GDP*). In 2026, lower non-investment revenues from the Recovery and Resilience Facility are expected to lead to a slight increase in the deficit to 0.7% of GDP (*previously 0.6% of GDP*).

In this context, we estimate that the **current account of the balance of payments** surplus reached 0.6% of GDP (*previously 0.8% of GDP*) last year, and expect it to decrease to 0.3% of GDP (*unchanged*) in 2026.

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[2] Export performance is calculated as the ratio of total goods exports to export markets. It is based on the principle that faster growth of Czech exports compared to the growth of imports by our trading partners leads to a higher share of Czech goods in those markets at the expense of other countries, and thus the indicator increases. In the case of a more pronounced decline in imports by our trading partners compared to a decline or stagnation in Czech exports, the performance indicator improves even though exports from the Czech Republic have not actually increased.

[3] Quarterly data expressed as a ratio to GDP are rolling annual totals.

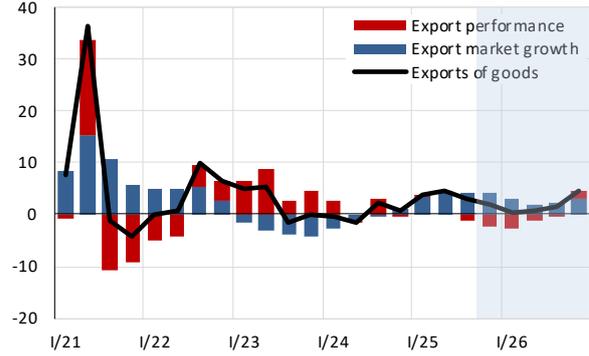**Graph 3.4.1: GDP and Goods Imports of Partner Countries**
YoY growth rate in %, seasonally adjusted

Source: Eurostat. Calculations and forecast of the MoF.
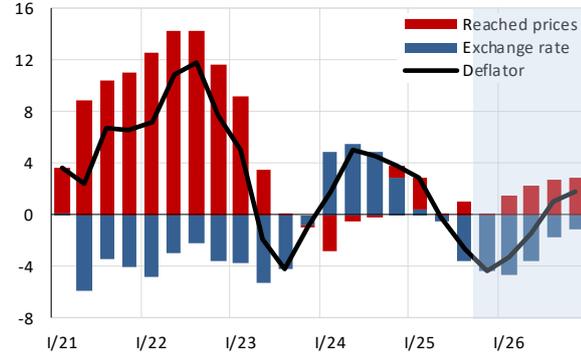
Graph 3.4.2: Real Exports of Goods
YoY growth in %, contributions in pp, seasonally adjusted

Source: CZSO, Eurostat. Calculations and forecast of the MoF.
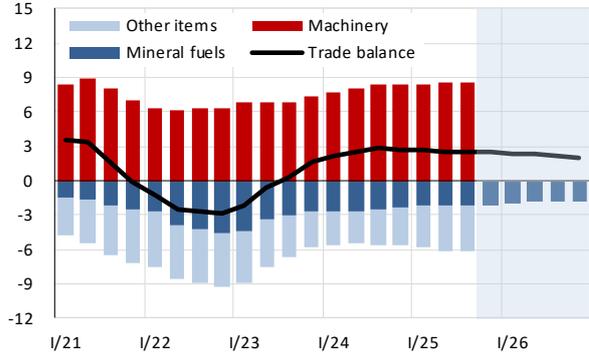
Graph 3.4.3: Deflator of Exports of Goods
YoY growth in %, contributions in percentage points

Source: CNB, CZSO. Calculations and forecast of the MoF.

Graph 3.4.4: Balance of Trade
four-quarter moving totals, in % of GDP, change of ownership concept

Source: CZSO. Calculations and forecast of the MoF.

Graph 3.4.5: Balance of Services
four-quarter moving totals, in % of GDP
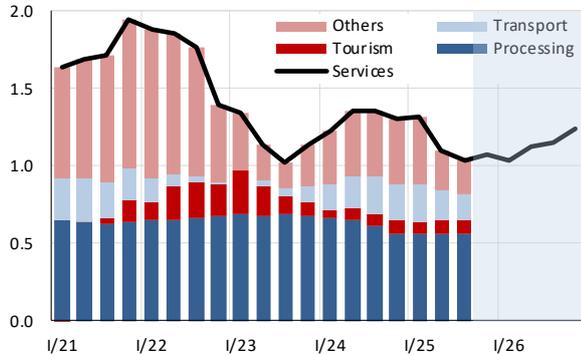
Source: CNB, CZSO. Calculations and forecast of the MoF.

Graph 3.4.6: Balance of Primary Income
four-quarter moving totals, in % of GDP
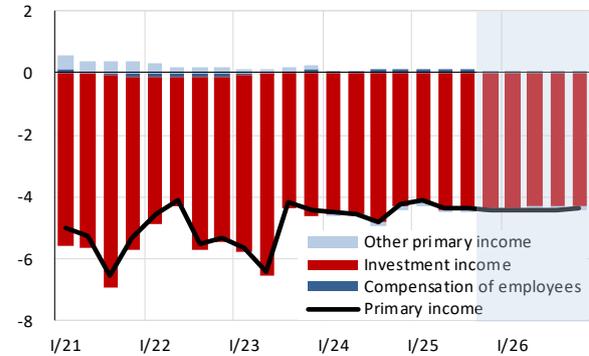
Source: CNB, CZSO. Calculations and forecast of the MoF.

Graph 3.4.7: Current Account
four-quarter moving totals, in % of GDP, BoP methodology
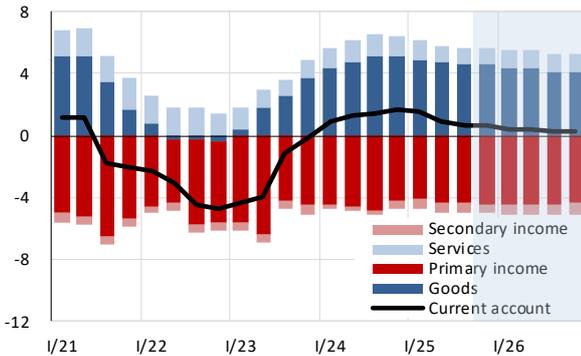
Source: CNB, CZSO. Calculations and forecast of the MoF.

Graph 3.4.8: Current External Balance
four-quarter moving totals, in % of GDP, national accounts
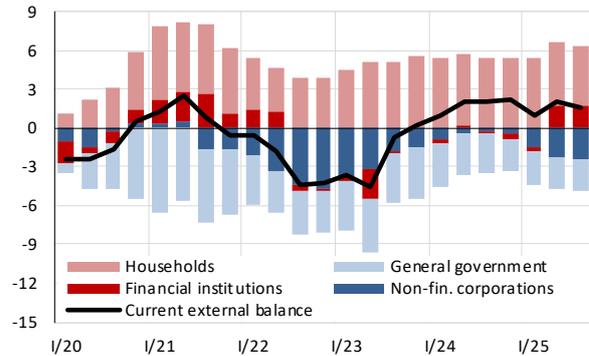
Source: CZSO. Calculations of the MoF.

Table 3.4.1: Decomposition of Exports of Goods (National Accounts Methodology) – annual
seasonally adjusted

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
										Estimate	*Forecast*
GDP [1]	*average of 2010=100*	115.0	117.7	119.8	114.0	120.2	123.7	123.9	124.5	126	128
	growth in %	3.1	2.3	1.8	-4.9	5.5	2.9	0.2	0.6	0.9	1.6
Import intensity [2]	*average of 2010=100*	111.8	114.9	115.6	114.5	119.3	121.2	117.1	115.5	119	120
	growth in %	1.9	2.8	0.6	-0.9	4.2	1.6	-3.4	-1.4	3.1	0.9
Export markets [3]	*average of 2010=100*	128.5	135.2	138.5	130.5	143.4	149.8	145.0	143.8	150	153
	growth in %	5.1	5.2	2.4	-5.8	9.9	4.5	-3.2	-0.8	4.0	2.5
Export performance	*average of 2010=100*	115.6	113.5	111.9	110.6	108.5	108.2	114.2	115.6	115	114
	growth in %	2.3	-1.8	-1.4	-1.1	-1.9	-0.3	5.6	1.2	-0.7	-0.7
Real exports	*average of 2010=100*	148.6	153.5	154.9	144.3	155.7	162.1	165.7	166.2	172	175
	growth in %	7.5	3.3	0.9	-6.8	7.9	4.2	2.2	0.3	3.3	1.9
1 / NEER	*average of 2010=100*	103.9	100.2	100.5	102.4	99.1	95.7	92.4	96.6	95	92
	growth in %	-2.8	-3.6	0.3	1.9	-3.3	-3.3	-3.5	4.5	-2.0	-2.8
Prices on foreign markets	*average of 2010=100*	100.2	103.2	103.8	103.2	111.9	126.7	130.6	129.7	131	134
	growth in %	2.1	3.0	0.6	-0.6	8.5	13.2	3.1	-0.7	0.9	2.3
Exports deflator	*average of 2010=100*	104.2	103.4	104.4	105.7	110.8	121.3	120.6	125.3	124	123
	growth in %	-0.7	-0.7	1.0	1.2	4.9	9.4	-0.5	3.8	-1.1	-0.5
Nominal exports	*average of 2010=100*	154.7	158.7	161.7	152.5	172.5	196.8	199.9	208.3	213	216
	growth in %	6.7	2.6	1.9	-5.7	13.1	14.1	1.6	4.2	2.2	1.3

[1] *Weighted average of GDP of eight most important partners – Germany, Slovakia, Austria, the United Kingdom, Poland, France, Italy and Hungary.*
[2] *Index of ratio of real imports of goods to real GDP.*
[3] *Weighted average of imports of goods of main partners.*
Source: CNB, CZSO, Eurostat. Calculations and forecast of the MoF.

Table 3.4.2: Decomposition of Exports of Goods (National Accounts Methodology) – quarterly
seasonally adjusted

		2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
					Estimate	*Forecast*	*Forecast*	*Forecast*	*Forecast*
GDP [1]	*average of 2010=100*	125.3	125.4	125.7	126	127	127	128	129
	growth in %	0.8	0.8	0.9	0.9	1.0	1.4	1.9	2.3
Import intensity [2]	*average of 2010=100*	117.6	119.3	119.7	120	120	120	120	121
	growth in %	2.4	3.4	3.4	3.3	2.0	0.6	0.3	0.6
Export markets [3]	*average of 2010=100*	147.4	149.6	150.5	151	152	153	154	155
	growth in %	3.3	4.2	4.4	4.2	3.0	2.0	2.2	2.9
Export performance	*average of 2010=100*	116.6	115.3	114.9	112	114	114	114	114
	growth in %	0.5	0.2	-1.2	-2.2	-2.5	-1.1	-0.5	1.6
Real exports	*average of 2010=100*	171.8	172.4	172.9	170	172	174	176	178
	growth in %	3.8	4.5	3.2	1.9	0.4	0.9	1.7	4.5
1 / NEER	*average of 2010=100*	96.9	95.5	93.5	93	92	92	92	92
	growth in %	0.4	-0.4	-3.5	-4.4	-4.6	-3.6	-1.7	-1.1
Prices on foreign markets	*average of 2010=100*	131.7	130.9	130.5	130	134	134	134	134
	growth in %	2.5	0.2	1.0	0.1	1.5	2.3	2.8	2.9
Exports deflator	*average of 2010=100*	127.6	125.1	122.1	121	123	123	123	123
	growth in %	2.9	-0.2	-2.6	-4.3	-3.2	-1.4	1.0	1.8
Nominal exports	*average of 2010=100*	219.2	215.7	211.0	206	213	215	217	219
	growth in %	6.8	4.2	0.5	-2.5	-2.9	-0.6	2.7	6.4

[1] *Weighted average of GDP of eight most important partners – Germany, Slovakia, Austria, the United Kingdom, Poland, France, Italy and Hungary.*
[2] *Index of ratio of real imports of goods to real GDP.*
[3] *Weighted average of imports of goods of main partners.*
Source: CNB, CZSO, Eurostat. Calculations and forecast of the MoF.

Table 3.4.3: Balance of Payments – annual

international investment position and gross external debt – end of period

		2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast
Goods and services	bill.CZK	**394**	**333**	**358**	**389**	**232**	**76**	**378**	**523**	**482**	**477**
	% GDP	7.6	6.1	6.1	6.7	3.7	1.1	4.9	6.5	5.7	5.3
Goods	bill.CZK	259	201	240	280	110	-23	290	418	391	366
	% GDP	5.0	3.7	4.1	4.8	1.7	-0.3	3.8	5.2	4.6	4.1
Services	bill.CZK	135	132	119	109	122	99	88	105	92	111
	% GDP	2.6	2.4	2.0	1.9	1.9	1.4	1.1	1.3	1.1	1.2
Primary income	bill.CZK	**-281**	**-289**	**-319**	**-260**	**-337**	**-373**	**-336**	**-343**	**-375**	**-392**
	% GDP	-5.4	-5.3	-5.4	-4.5	-5.3	-5.3	-4.4	-4.3	-4.4	-4.4
Secondary income	bill.CZK	**-33**	**-22**	**-19**	**-26**	**-30**	**-33**	**-50**	**-39**	**-53**	**-61**
	% GDP	-0.6	-0.4	-0.3	-0.5	-0.5	-0.5	-0.6	-0.5	-0.6	-0.7
Current account	bill.CZK	**80**	**21**	**20**	**103**	**-130**	**-330**	**-8**	**141**	**55**	**24**
	% GDP	1.5	0.4	0.3	1.8	-2.1	-4.7	-0.1	1.7	0.6	0.3
Capital account	bill.CZK	**45**	**27**	**27**	**67**	**107**	**45**	**88**	**140**	**165**	**154**
	% GDP	0.9	0.5	0.5	1.1	1.7	0.6	1.1	1.7	1.9	1.7
Net lending/borrowing	bill.CZK	**125**	**49**	**46**	**169**	**-23**	**-286**	**79**	**281**	**220**	**178**
	% GDP	2.4	0.9	0.8	2.9	-0.4	-4.1	1.0	3.5	2.6	2.0
Financial account	bill.CZK	**116**	**61**	**8**	**162**	**-18**	**-292**	**91**	**206**	**.**	**.**
Direct investments	bill.CZK	-46	-51	-137	-149	-29	-83	-76	-43	.	.
Portfolio investments	bill.CZK	-268	30	-105	-136	75	331	90	-197	.	.
Financial derivatives	bill.CZK	-14	-15	1	11	-58	-45	1	-38	.	.
Other investments	bill.CZK	-802	47	139	388	-302	-188	40	457	.	.
Reserve assets	bill.CZK	1 246	50	110	48	296	-307	36	27	.	.
International investment position	bill.CZK	**-1 278**	**-1 323**	**-1 150**	**-932**	**-939**	**-1 424**	**-1 104**	**-575**	**.**	**.**
	% GDP	-24.7	-24.2	-19.5	-16.0	-14.9	-20.2	-14.4	-7.1	.	.
Gross external debt	bill.CZK	**4 370**	**4 413**	**4 384**	**4 321**	**4 594**	**4 662**	**4 811**	**5 271**	**.**	**.**
	% GDP	84.4	80.6	74.4	74.1	72.8	66.1	62.8	65.4	.	.

Source: CNB, CZSO. Calculations and forecast of the MoF.

Table 3.4.4: Balance of Payments – quarterly

four-quarter moving totals, international investment position and gross external debt – end of period

		2025				2026			
		Q1	Q2	Q3	Q4 Estimate	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
Goods and services	bill.CZK	**509**	**481**	**480**	**482**	**472**	**478**	**471**	**477**
	% GDP	6.2	5.8	5.7	5.7	5.5	5.5	5.3	5.3
Goods	bill.CZK	401	389	393	391	383	380	369	366
	% GDP	4.9	4.7	4.7	4.6	4.4	4.4	4.2	4.1
Services	bill.CZK	108	91	87	92	89	98	102	111
	% GDP	1.3	1.1	1.0	1.1	1.0	1.1	1.2	1.2
Primary income	bill.CZK	**-336**	**-360**	**-365**	**-375**	**-382**	**-386**	**-388**	**-392**
	% GDP	-4.1	-4.4	-4.3	-4.4	-4.4	-4.4	-4.4	-4.4
Secondary income	bill.CZK	**-49**	**-49**	**-55**	**-53**	**-55**	**-57**	**-59**	**-61**
	% GDP	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-0.7	-0.7
Current account	bill.CZK	**123**	**72**	**60**	**55**	**35**	**35**	**23**	**24**
	% GDP	1.5	0.9	0.7	0.6	0.4	0.4	0.3	0.3
Capital account	bill.CZK	**156**	**124**	**180**	**165**	**160**	**158**	**156**	**154**
	% GDP	1.9	1.5	2.1	1.9	1.9	1.8	1.8	1.7
Net lending/borrowing	bill.CZK	**280**	**196**	**240**	**220**	**195**	**193**	**180**	**178**
	% GDP	3.4	2.4	2.9	2.6	2.3	2.2	2.0	2.0
Financial account	bill.CZK	**199**	**108**	**170**	.	.	.	.	.
Direct investments	bill.CZK	-56	-117	-98	.	.	.	.	.
Portfolio investments	bill.CZK	10	-110	-25	.	.	.	.	.
Financial derivatives	bill.CZK	-31	-11	-14	.	.	.	.	.
Other investments	bill.CZK	270	302	122	.	.	.	.	.
Reserve assets	bill.CZK	5	44	186	.	.	.	.	.
International investment position	stock in bill.CZK	**-696**	**-832**	**-808**	.	.	.	.	.
	% GDP	-8.5	-10.0	-9.6	.	.	.	.	.
Gross external debt	stock in bill.CZK	**5 286**	**5 357**	**5 551**	.	.	.	.	.
	% GDP	64.8	64.7	66.0	.	.	.	.	.

Source: CNB, CZSO. Calculations and forecast of the MoF.

4 Survey of Other Institutions' Forecasts

On average, the monitored institutions expect GDP growth to reach 2.1% in 2026 and increase to 2.5% in 2027. The inflation rate could reach 2.2% this year and rise slightly to 2.3% next year. Average wage growth could reach 5.7% this year and slow to 5.2% next year. The current account of the balance of payments could show a surplus of 1.1% of GDP in 2026 and 0.8% of GDP in 2027.

When assessing the differences between the current macroeconomic forecast of the Ministry of Finance of the Czech Republic (MoF) and the average of the estimates of individual institutions, it is necessary to take into account the date of preparation of the individual forecasts and the information available to their authors.

In 2026, the MoF expects higher GDP growth than the average of other institutions, while in 2027, it is in line with the consensus. Regarding inflation, the MoF assumes a slightly lower rate for this year—due to the change in the financing of fee for supported energy sources (POZE) implemented after the forecast cutoff dates for many monitored institutions—whereas the opposite is true for next year. The predicted average wage growth in 2026 is above the average of other institutions' forecasts, while in 2027, the MoF expects slightly weaker growth. MoF foresess lower surpluses on the current account of the balance of payments for both years compared to the monitored institutions.

Graph 4.1: Forecasts for Real GDP Growth in 2026
in %; the month, in which the survey was made on the horizontal axis
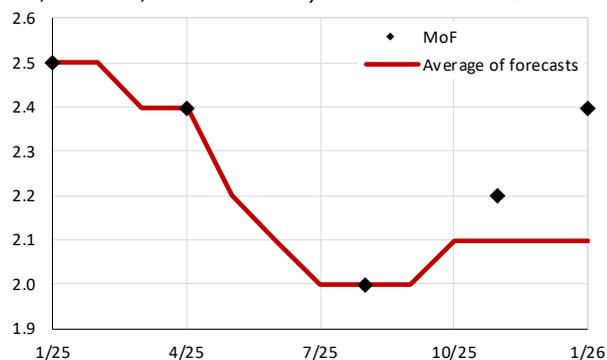
Source: Forecasts of individual institutions. Calculations of the MoF.

Graph 4.2: Forecasts for Average Inflation Rate in 2026
in %; the month, in which the survey was made on the horizontal axis
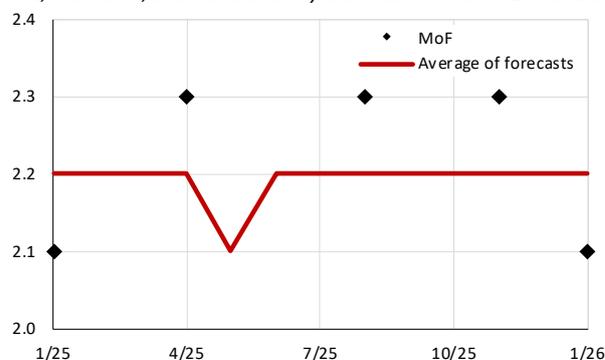
Source: Forecasts of individual institutions. Calculations of the MoF.

Table 4.1: Summary of the Surveyed Forecasts

		January 2026			January 2026
		min.	*max.*	*average*	*MoF forecast*
Gross domestic product (2026)	*growth in %, const.pr.*	1.6	2.5	2.1	2.4
Gross domestic product (2027)	*growth in %, const.pr.*	2.0	2.8	2.5	2.5
Average inflation rate (2026)	*%*	1.5	2.4	2.2	2.1
Average inflation rate (2027)	*%*	2.1	2.5	2.3	2.5
Average monthly wage (2026)	*growth in %*	5.2	6.3	5.7	6.2
Average monthly wage (2027)	*growth in %*	4.9	5.5	5.2	5.0
Current account / GDP (2026)	*%*	0.3	2.4	1.1	0.3
Current account / GDP (2027)	*%*	0.3	1.3	0.8	0.3

Note: The survey is based on publicly available forecasts of 11 institutions, of which 7 institutions are domestic (Czech Banking Association, CNB, Ministry of Labour and Social Affairs, domestic banks) and the remaining are foreign entities (European Commission, OECD, IMF, The Economist). In the case of GDP, no difference is being made between working-day adjusted and unadjusted forecasts.
Source: Forecasts of individual institutions. Calculations and forecast of the MoF.

5 International Comparison

GDP per capita in current purchasing power parity increased in 2024 across all monitored countries (see Table 5.1), most notably in Spain, Portugal, and Poland. The purchasing power parity of the Czech currency against the European Union reached 20.3 CZK/PPS in 2024, compared to 19.5 CZK/PPS against the euro area. The relative economic level of the Czech Republic in current purchasing power parity increased to 88% of the euro area average in 2024. In 2025, it likely increased slightly to 89% and could remain at this level this year.

GDP per capita in exchange rate terms in the Czech Republic grew slightly to EUR 29,400 in 2024, although the relative economic level against the euro area decreased to 68%. In 2025, the relative economic level likely increased slightly, and in 2026, it could reach approximately 73% of the euro area level.

Actual individual consumption per capita in current purchasing power parity in the Czech Republic rose to 78% of the average euro area level in 2024. In 2026, it could reach 80% of the euro area average due to falling inflation and a recovery in consumption.

The comparative price level of GDP, expressed as the ratio of GDP at purchasing power parity to GDP in exchange rate terms, fell to 78% of the EA20 average in 2024 due to the depreciation of the domestic currency. In 2025, it likely reached 79% due to the appreciation of the Czech koruna and recovering economic activity, and it could further increase to 81% this year.

In 2024, **average earnings** in the Czech Republic remained at 75% of the average euro area level. When expressed in domestic currency, earnings in the Czech Republic grew faster than in the euro area (6.2% vs. 4.5%). The opposite was true in purchasing power parity, where earnings in the Czech Republic grew slightly slower (4.6% vs. 4.8%).

The differences in **relative economic performance compared to the euro area** in 2024 are summarised in Graph 5.21, which decomposes GDP per capita in purchasing power parity into hourly labour productivity, average hours worked, number of employed persons to the working-age population (20–64 years), and the effect of the demographic factors.

In 2024, **hourly labour productivity** increased in most of the monitored countries; with only Croatia showing virtually no year-on-year change. Labour productivity in Germany, Austria, and France remains above the euro area average, while in the new EU member states, it remains tens of percent lower. In the Czech Republic, the relative level of labour productivity, like in many other monitored countries, practically stagnated at 73% of the euro area average. This ranks the Czech Republic third among the new member states with the highest relative level of labour productivity, after Slovenia (79%) and Slovakia (75%).

The **average number of hours worked per worker** in the Czech Republic increased in 2024 and remains, as in other new member states, consistently higher than in the euro area (in the case of the Czech Republic, the difference was 16%).

The **ratio of the number of employed persons to the working-age population** varies considerably among the monitored countries. Countries with high structural unemployment (Spain, Italy, and Greece) have long been below the euro area level. Due to dynamic employment growth until 2019, the limited impact of the pandemic on the labour market, and the increase in the effective retirement age, the Czech Republic has long been above the euro areaaverage—by 7% in 2024.

The **share of the working-age population**, captured by the demographic component, declined in most monitored countries in 2024 due to continued population aging. In the Czech Republic, however, an increase occurred. Nevertheless, since 2022, the Czech demographic component has been below the euro area average. Although this difference narrowed to 4% in 2024, no significant improvement is expected over the forecast horizon given the projected demographic development.

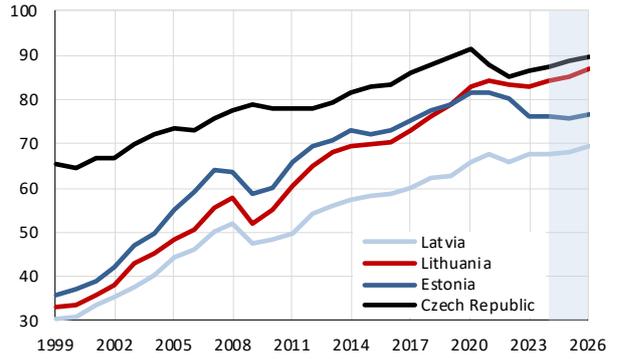**Graph 5.1: GDP per Capita in Current PPP**
EA20=100
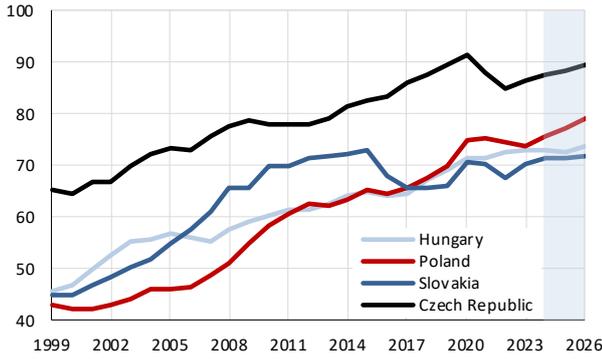
Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

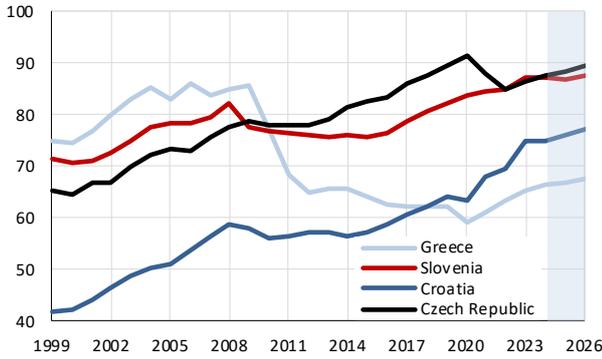**Graph 5.2: GDP per Capita in Current PPP**
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.
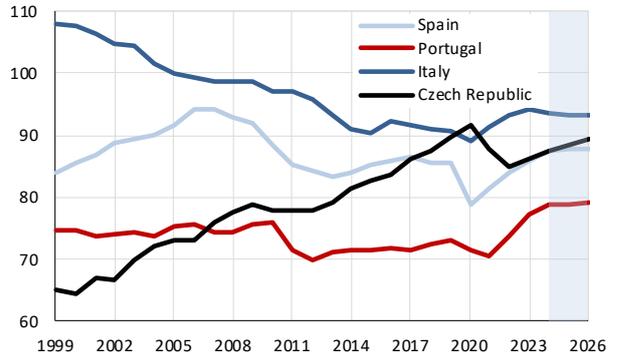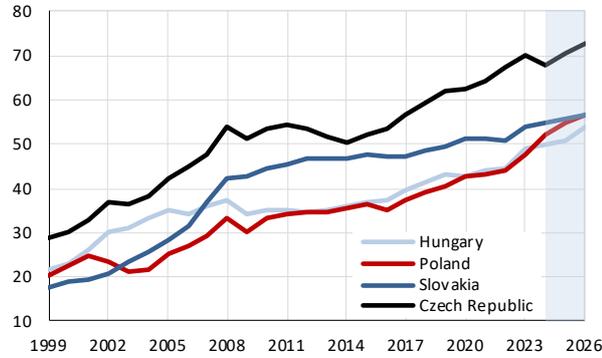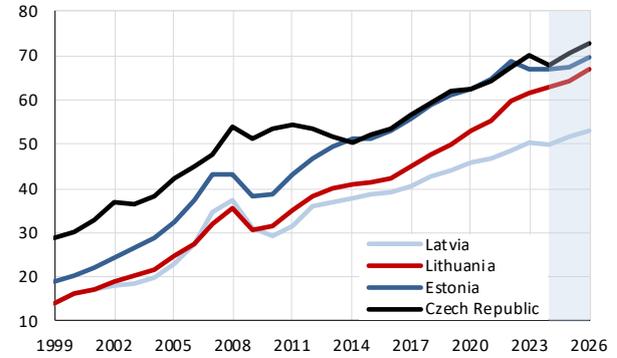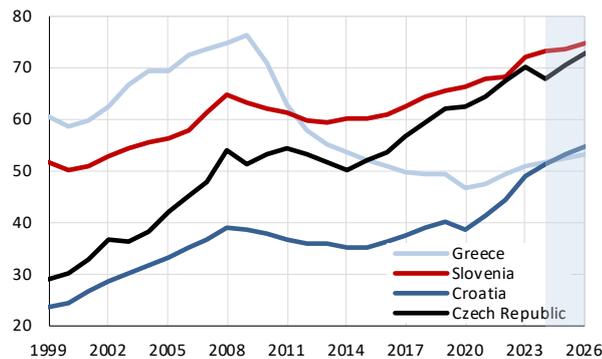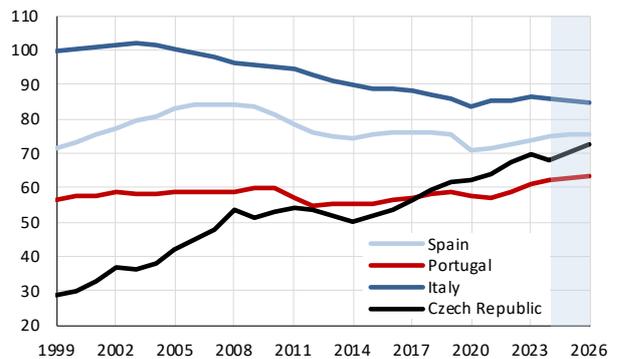
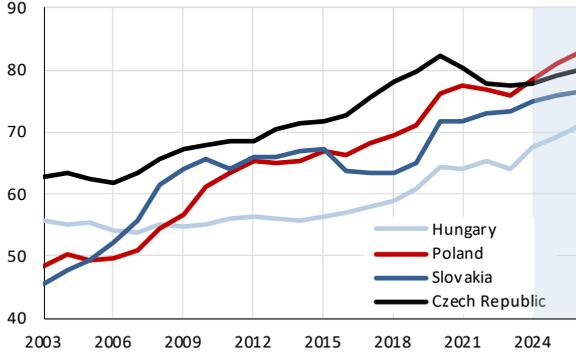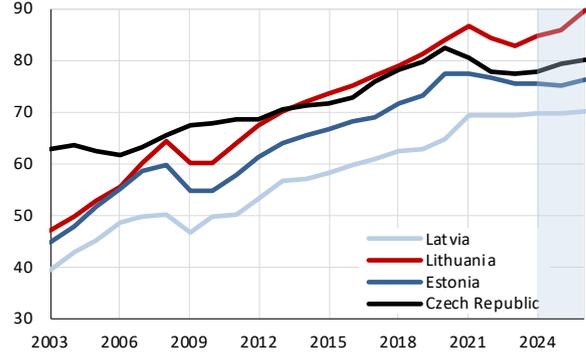**Graph 5.3: GDP per Capita in Current PPP**
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.4: GDP per Capita in Current PPP
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.5: Exchange Rate Adjusted GDP per Capita
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.6: Exchange Rate Adjusted GDP per Capita
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.7: Exchange Rate Adjusted GDP per Capita
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.8: Exchange Rate Adjusted GDP per Capita
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.9: Actual Individual Consumption per Capita
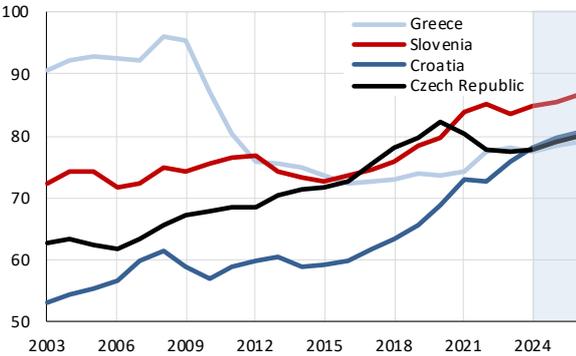
in current PPP, EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.10: Actual Individual Consumption per Capita
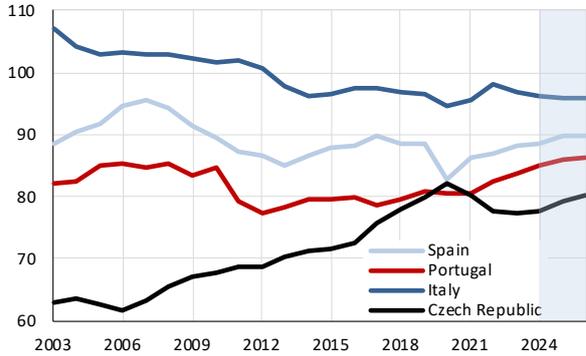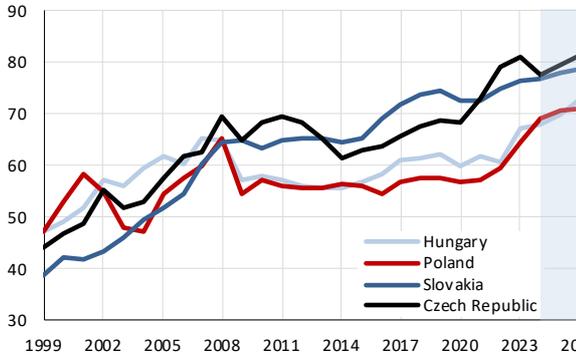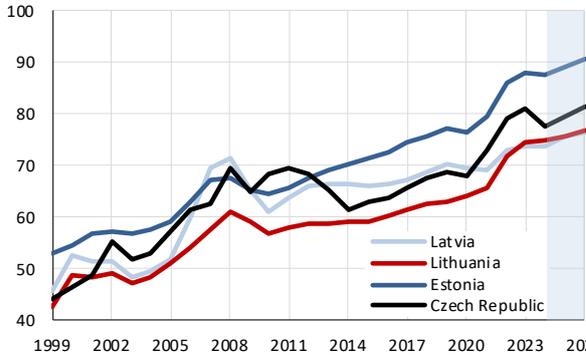
in current PPP, EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.11: Actual Individual Consumption per Capita

in current PPP, EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.12: Actual Individual Consumption per Capita

in current PPP, EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.13: Comparative Price Level of GDP
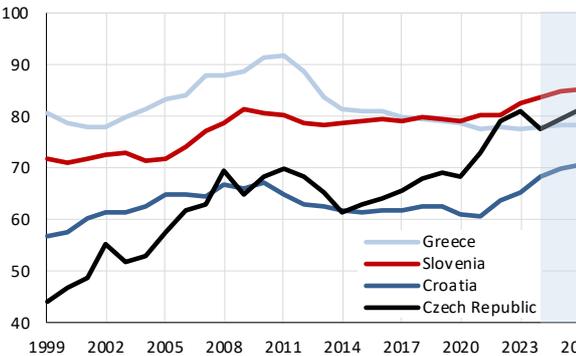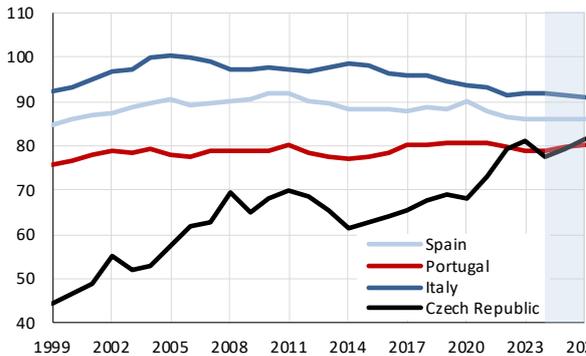
EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.14: Comparative Price Level of GDP

EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.15: Comparative Price Level of GDP

EA20=100

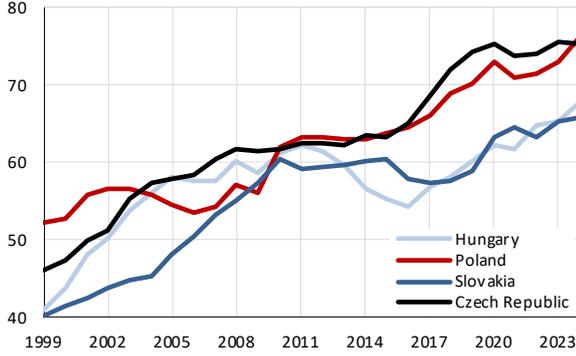Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Graph 5.16: Comparative Price Level of GDP

EA20=100

Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

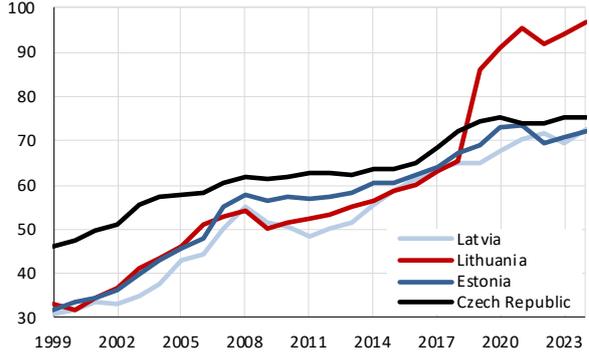**Graph 5.17: Average Earnings in Current PPP**
EA20=100

Source: Eurostat. Calculations of the MoF.

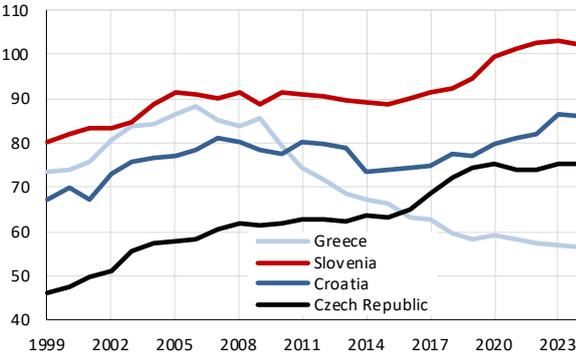**Graph 5.18: Average Earnings in Current PPP**
EA20=100

Source: Eurostat. Calculations of the MoF.
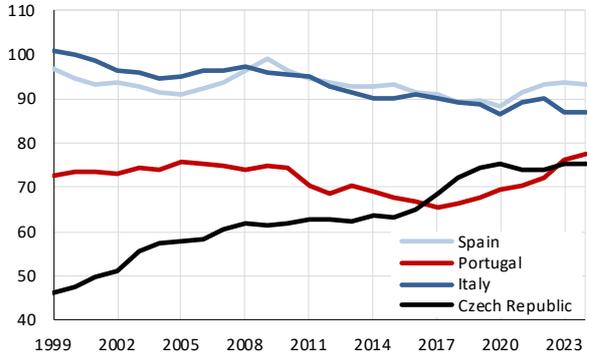
Graph 5.19: Average Earnings in Current PPP
EA20=100

Source: Eurostat. Calculations of the MoF.
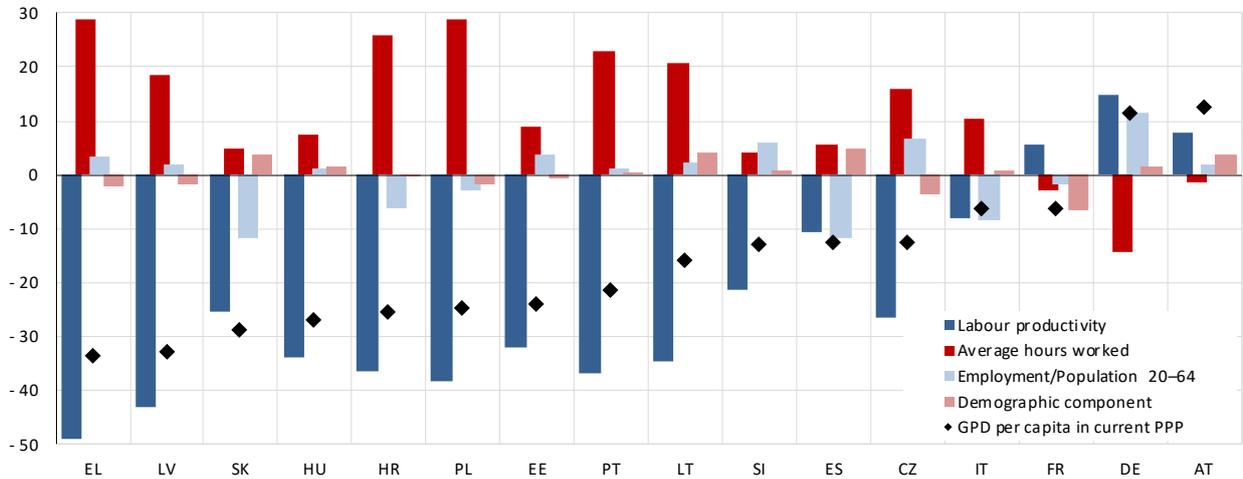
Graph 5.20: Average Earnings in Current PPP
EA20=100

Source: Eurostat. Calculations of the MoF.

Graph 5.21: Current PPP Adjusted GDP per Capita Level Relative to the EA20 Average in 2024
in percentage points

Note: The demographic component is the ratio of the working-age (20–64) to total population.
Source: Eurostat. Calculations of the MoF.

Table 5.1: GDP per Capita in Current Purchasing Power Parity

		2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast
Austria	PPS	37 000	38 400	39 300	37 400	40 200	44 400	46 200	46 900	48 200	49 900
	EA20=100	117	118	117	117	116	118	115	113	112	112
Germany	PPS	37 500	38 500	39 000	38 000	40 500	43 400	45 300	46 400	47 700	49 400
	EA20=100	119	119	117	119	117	115	113	111	110	110
France	PPS	30 600	31 500	33 200	31 600	33 400	35 100	37 800	39 100	40 400	41 900
	EA20=100	97	97	99	99	96	93	94	94	93	94
Italy	PPS	28 900	29 600	30 300	28 400	31 800	35 300	37 800	39 000	40 300	41 700
	EA20=100	92	91	91	89	92	93	94	94	93	93
Czech Republic	PPS	27 200	28 500	30 000	29 200	30 500	32 100	34 700	36 400	38 200	40 000
	EA20=100	86	88	90	92	88	85	86	88	89	89
Spain	PPS	27 400	27 900	28 700	25 100	28 300	31 700	34 500	36 400	37 900	39 300
	EA20=100	87	86	86	79	81	84	86	87	88	88
Slovenia	PPS	24 900	26 200	27 500	26 700	29 300	32 000	35 100	36 300	37 500	39 200
	EA20=100	79	81	82	84	84	85	87	87	87	88
Lithuania	PPS	23 100	24 700	26 400	26 400	29 300	31 500	33 300	35 000	36 700	38 800
	EA20=100	73	76	79	83	84	83	83	84	85	87
Portugal	PPS	22 600	23 500	24 500	22 800	24 500	27 800	31 000	32 800	34 000	35 400
	EA20=100	71	72	73	71	71	74	77	79	79	79
Estonia	PPS	23 700	25 200	26 400	26 000	28 200	30 200	30 600	31 700	32 800	34 300
	EA20=100	75	78	79	82	81	80	76	76	76	77
Poland	PPS	20 700	21 900	23 300	23 900	26 200	28 100	29 600	31 400	33 400	35 400
	EA20=100	66	68	70	75	75	74	74	76	77	79
Croatia	PPS	19 200	20 200	21 500	20 200	23 600	26 300	30 000	31 100	32 900	34 600
	EA20=100	61	62	64	63	68	70	75	75	76	77
Hungary	PPS	20 400	21 900	23 200	22 700	24 800	27 500	29 300	30 400	31 300	32 900
	EA20=100	65	67	69	71	71	73	73	73	73	74
Slovakia	PPS	20 800	21 400	22 100	22 600	24 500	25 600	28 300	29 700	30 800	32 100
	EA20=100	66	66	66	71	70	68	70	71	71	72
Latvia	PPS	19 000	20 200	20 900	20 900	23 500	24 900	27 200	28 100	29 400	30 900
	EA20=100	60	62	63	66	68	66	68	67	68	69
Greece	PPS	19 700	20 200	20 800	18 900	21 200	24 000	26 300	27 700	28 900	30 300
	EA20=100	62	62	62	59	61	63	66	66	67	68

Note: Countries are ranked by economic level in 2024.
Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Table 5.2: Exchange Rate Adjusted GDP per Capita

		2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast
Austria	EUR	41 800	43 400	44 600	42 700	45 400	49 600	52 300	53 800	56 000	58 200
	EA20=100	126	127	127	127	124	125	125	124	124	125
Comparative price level	EA20=100	108	108	108	108	107	107	108	110	111	112
Germany	EUR	40 600	41 800	43 000	42 000	44 900	48 300	50 700	51 800	53 500	55 600
	EA20=100	123	123	122	125	123	122	121	119	119	119
Comparative price level	EA20=100	104	103	105	105	105	106	107	107	108	108
France	EUR	34 300	35 100	36 100	34 300	36 900	38 900	41 300	42 600	43 500	44 900
	EA20=100	104	103	103	102	101	98	99	98	97	96
Comparative price level	EA20=100	107	106	103	103	105	106	105	104	103	103
Italy	EUR	29 100	29 700	30 200	28 100	31 200	33 900	36 300	37 300	38 400	39 600
	EA20=100	88	87	86	84	85	85	87	86	85	85
Comparative price level	EA20=100	96	96	95	94	93	92	92	92	92	91
Spain	EUR	25 200	26 000	26 600	23 900	26 100	28 800	31 000	32 600	34 000	35 100
	EA20=100	76	76	76	71	71	73	74	75	76	75
Comparative price level	EA20=100	88	89	88	90	88	87	86	86	86	86
Slovenia	EUR	20 600	21 900	23 100	22 200	24 700	27 000	30 200	31 700	33 100	34 800
	EA20=100	62	64	66	66	68	68	72	73	74	75
Comparative price level	EA20=100	79	80	80	79	80	80	82	84	85	85
Czech Republic	EUR	18 700	20 300	21 700	21 000	23 400	26 700	29 300	29 400	31 600	33 900
	EA20=100	57	59	62	62	64	67	70	68	70	73
Comparative price level	EA20=100	66	68	69	68	73	79	81	78	79	81
Estonia	EUR	18 500	20 000	21 500	21 000	23 600	27 300	28 100	29 000	30 400	32 400
	EA20=100	56	59	61	62	65	69	67	67	68	70
Comparative price level	EA20=100	74	76	77	76	80	86	88	88	89	91
Lithuania	EUR	14 900	16 300	17 500	17 900	20 200	23 700	25 900	27 400	29 000	31 100
	EA20=100	45	48	50	53	55	60	62	63	64	67
Comparative price level	EA20=100	62	63	63	64	66	72	74	75	76	77
Portugal	EUR	18 900	19 800	20 700	19 400	20 800	23 300	25 600	27 100	28 300	29 500
	EA20=100	57	58	59	58	57	59	61	62	63	63
Comparative price level	EA20=100	80	80	81	81	81	80	79	79	80	80
Slovakia	EUR	15 600	16 600	17 300	17 300	18 700	20 100	22 600	23 900	25 000	26 400
	EA20=100	47	49	49	51	51	51	54	55	56	57
Comparative price level	EA20=100	72	74	75	73	73	75	77	77	78	79
Poland	EUR	12 400	13 300	14 200	14 300	15 800	17 500	20 000	22 600	24 700	26 300
	EA20=100	37	39	40	43	43	44	48	52	55	56
Comparative price level	EA20=100	57	58	58	57	57	59	65	69	71	71
Greece	EUR	16 500	16 800	17 300	15 700	17 300	19 600	21 300	22 500	23 600	24 700
	EA20=100	50	49	49	47	48	49	51	52	52	53
Comparative price level	EA20=100	80	79	79	79	78	78	77	78	78	78
Croatia	EUR	12 400	13 300	14 100	13 000	15 100	17 500	20 500	22 200	23 900	25 500
	EA20=100	38	39	40	39	41	44	49	51	53	55
Comparative price level	EA20=100	62	63	62	61	61	64	65	68	70	71
Latvia	EUR	13 400	14 600	15 500	15 400	17 100	19 100	21 000	21 600	23 200	24 700
	EA20=100	41	43	44	46	47	48	50	50	52	53
Comparative price level	EA20=100	67	69	70	70	69	73	74	74	76	77
Hungary	EUR	13 100	14 100	15 200	14 400	16 100	17 500	20 600	21 500	22 900	25 000
	EA20=100	40	41	43	43	44	44	49	50	51	54
Comparative price level	EA20=100	61	61	62	60	62	61	67	68	70	73

Note: Countries are ranked by economic level in 2024.
Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.

Table 5.3: Actual Individual Consumption per Capita in Current Purchasing Power Parity

		2017	2018	2019	2020	2021	2022	2023	2024	2025 Estimate	2026 Forecast
Austria	PPS	23 900	24 500	25 000	23 600	25 700	28 700	30 100	31 400	32 500	33 300
	EA20=100	113	113	113	112	114	115	114	114	114	113
Germany	PPS	24 400	25 100	25 500	24 500	25 900	28 600	29 600	30 700	31 900	32 900
	EA20=100	115	116	115	117	115	115	112	112	112	112
France	PPS	21 400	22 000	23 000	22 100	23 100	24 600	26 700	27 600	28 300	29 000
	EA20=100	101	101	104	105	102	99	101	100	99	98
Italy	PPS	20 600	21 000	21 400	19 800	21 600	24 600	25 700	26 500	27 300	28 200
	EA20=100	97	97	96	94	95	98	97	96	96	96
Spain	PPS	18 900	19 200	19 600	17 400	19 500	21 700	23 300	24 400	25 600	26 500
	EA20=100	90	89	88	83	86	87	88	89	90	90
Portugal	PPS	16 600	17 200	17 900	16 900	18 200	20 600	22 200	23 400	24 500	25 400
	EA20=100	79	80	81	81	81	82	84	85	86	86
Slovenia	PPS	15 700	16 400	17 400	16 700	18 900	21 300	22 100	23 400	24 400	25 600
	EA20=100	74	76	78	80	84	85	84	85	86	87
Lithuania	PPS	16 200	17 100	18 000	17 700	19 600	21 100	21 900	23 300	24 500	26 400
	EA20=100	77	79	81	84	87	84	83	85	86	89
Poland	PPS	14 400	15 100	15 800	16 000	17 500	19 200	20 100	21 600	23 100	24 400
	EA20=100	68	69	71	76	78	77	76	79	81	83
Croatia	PPS	13 000	13 700	14 600	14 500	16 500	18 200	20 100	21 500	22 700	23 800
	EA20=100	62	63	66	69	73	73	76	78	80	81
Czech Republic	PPS	16 000	16 900	17 700	17 300	18 100	19 400	20 500	21 400	22 600	23 600
	EA20=100	76	78	80	82	80	78	77	78	79	80
Greece	PPS	15 400	15 800	16 400	15 500	16 800	19 400	20 700	21 300	22 300	23 200
	EA20=100	73	73	74	74	74	78	78	77	78	79
Estonia	PPS	14 500	15 500	16 200	16 200	17 500	19 200	20 000	20 700	21 400	22 400
	EA20=100	69	72	73	77	77	77	75	75	75	76
Slovakia	PPS	13 400	13 800	14 400	15 100	16 200	18 300	19 400	20 600	21 600	22 500
	EA20=100	63	63	65	72	72	73	73	75	76	77
Latvia	PPS	12 900	13 500	13 900	13 600	15 700	17 300	18 300	19 100	19 800	20 600
	EA20=100	61	62	63	65	69	69	69	70	70	70
Hungary	PPS	12 200	12 800	13 500	13 500	14 500	16 300	17 000	18 600	19 800	20 900
	EA20=100	58	59	61	64	64	65	64	68	69	71

Note: Countries are ranked by consumption level in 2024.
Source: AMECO, CZSO, Eurostat. Calculations and forecast of the MoF.