22 April 2024

Balance of general government sector ended up with a deficit

Notification of government deficit and debt – 2023

**For the year 2023, the balance of the general government sector ended up with a deficit corresponding to 3.7% of GDP. The general government sector debt in the end of the year 2023 reached 44.0% of GDP. The data on the general government sector balance and the general government debt were validated by Eurostat.**

*“Sector of general government ended up with the deficit in the amount of 3.7% of the GDP and its debt ratio ended up in the amount 44.0% GDP,”* Helena Houžvičková, Director of the Government and Financial Accounts Department of the Czech Statistical Office (CZSO), stated.

Based on regular consultations, Eurostat concluded that part of property incomes are not income according to the international methodology, but financial transaction. Based on Eurostat opinion, the change was made, and as a result, the balance of the Czech general government get worse by CZK 28.7 billion (for more detail see attached notes).

Notification table of government deficit and debt, the Czech Republic, 2020–2023

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Unit | Year | | | |
| 2020 | 2021 | 2022 | 2023 |
| Net borrowing/lending of general government | CZK mil. | -329 216 | -312 329 | -215 355 | -268 401 |
| General government consolidated gross debt | CZK mil. | 2 149 822 | 2 566 731 | 2 997 615 | 3 228 369 |
| Net borrowing/lending of general government as % of the GDP | % | -5.8 | -5.1 | -3.2 | -3.7 |
| General government consolidated gross debt as % of the GDP | % | 37.7 | 42.0 | 44.2 | 44.0 |

Based on verification cycle there was also changed the balance of general government for the 2021. Also in this case the property incomes were reduced by CZK 1.7 billion, which simultaneously worse the balance of general government sector.

Data for all EU Member States will be published on the Eurostat´s website on 22 April 2024 at 11:00 a.m.

*Notes:*

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

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

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

|  |  |
| --- | --- |
| *Responsible head at the CZSO:* | *Helena Houžvičková, Director of the Government and Financial Accounts Department, phone: (+420) 704 688 734, e-mail:* [helena.houzvickova@czso.cz](mailto:helena.houzvickova@czso.cz) |
| *Contact person:* | *Helena Houžvičková, Director of the Government and Financial Accounts Department, phone: (+420) 704 688 734, e-mail:* [helena.houzvickova@czso.cz](mailto:helena.houzvickova@czso.cz) |
| *Next News Release will be published on:* | *2 April 2024* |

*This press release was not edited for language.*