21. 4. 2017

Notification of government deficit and debt – 2016

Surplus was revised, debt remained unchanged

During the consultation with the Eurostat, the surplus in 2016 was revised downward by CZK 1.7 billion to **CZK** **27.6 billion** (compared to the figures published on 3 April 2017); expressed as a percentage of GDP, the surplus corresponds to **0.58 percent of GDP**. Besides, the deficit in 2015 was revised slightly to 0.64 percent of GDP. The level of indebtedness remained unchanged. The Eurostat raised no reservations towards the data on the government deficit and debt in the Czech Republic.

**Notification table of government deficit and debt, the Czech Republic, 2013-2016**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Unit | Year | | | |
| 2013 | 2014 | 2015 | 2016 |
| Net borrowing/lending of general government | CZK mill. | -51 129 | -83 063 | -28 961 | 27 557 |
| General government consolidated gross debt | CZK mill. | 1 840 412 | 1 819 098 | 1 836 255 | 1 754 899 |
| Gross domestic product (GDP) | CZK mill. | 4 098 128 | 4 313 789 | 4 554 615 | 4 715 061 |
| Net borrowing/lending of general government as % of GDP | % | -1.25 | -1.93 | -0.64 | 0.58 |
| General government consolidated gross debt as % of GDP | % | 44.91 | 42.17 | 40.32 | 37.22 |

The revisions in both years were caused by up-dated information from administrative data sources which concerned predominantly the expenditures on intermediate consumption.

Data for all EU Member States will be published on the Eurostat´s website on 24 October 2017 at 11:00.

Notification of government deficit and debt is compiled for past four years and submitted to the Eurostat by each Member State of the EU at the end of September and March each year under the terms of the Maastricht treaty, including a projection for the current year. Starting from September 2014, quantification of the aggregates is based on the methodology ESA 2010. Pursuant to the Maastricht Treaty, the reference value for fiscal indicators of deficit is set at the level of 3 percent of GDP and for debt at the level of 60 percent of GDP whereas GDP is valued at current market prices. The projection of government deficit and debt for the year 2015 is prepared by the Ministry of Finance of the Czech Republic.

Government surplus/deficit is represented by item B.9 “net borrowing (-) or net lending (+)” in national accounts. It refers to the ability of general government sector to finance other sectors (+) or the need of general government sector to be financed (-) by other economic sectors.

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

Notices:

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| *Coming News release:* | *4. 10. 2017* |

*This press release was not edited for language.*