October 23, 2017

Annual balance in surplus; government indebtedness declined

Notification of government deficit and debt – 2016

The consultation procedure with Eurostat within the context of the second EDP notification 2016 confirmed the size of surplus and indebtedness of the government sector as published in the Press release on October 4, 2017. At the end of 2016, the balance of the Czech government sector reached a surplus **CZK** **35.0 billion**, the government gross debt amounted to **36.77 percent of GDP**. 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 | 34 995 |
| General government consolidated gross debt  | CZK mill. | 1 840 412 | 1 819 098 | 1 836 255 | 1 754 883 |
| Gross domestic product (GDP) | CZK mill. | 4 098 128 | 4 313 789 | 4 595 783 | 4 773 240 |
| Net borrowing/lending of general government as % of GDP | % | -1.25 | -1.93 | -0.63 | 0.73 |
| General government consolidated gross debt as % of GDP  | % | 44.91 | 42.17 | 39.96 | 36.77 |

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 European Commission 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:

|  |  |
| --- | --- |
| *Responsible manager:* | *Vaclav Rybacek, Ph.D., tel.: 274 052 596, e-mail:* vaclav.rybacek@czso.cz  |
| *Contact person:* | *Jaroslav Kahoun, tel.: 274 054 232, e-mail:* jaroslav.kahoun@czso.cz  |
| *Coming News release:* | *23. 04. 2018* |

*This press release was not edited for language.*