23 April 2019

Indebtedness of the general government sector declined

Notification of government deficit and debt – 2018

**The consultation procedure with Eurostat within the context of the April EDP 2019 notification confirmed the size of surplus and indebtedness of the government sector in 2018. At the end of 2018, the balance of the Czech government sector reached a surplus CZK 47.4 billion; expressed as a percentage of GDP, the surplus corresponds to 0.89% of GDP. The government gross debt amounted to 32.71 percent of GDP.**

During the consultation with the Eurostat, the surplus in 2017 was revised downward by CZK 0.4 billion. The revision was caused by a change in recording of interests on claims. The balances of the general government sector in other years as well as the general government debt remained unchanged.

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, 2015–2018

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|  | Unit | Year |
| 2015 | 2016 | 2017 | 2018 |
| Net borrowing/lending of general government  | CZK mil. | −28 260 | 34 274 | 78 765 | 47 427 |
| General government consolidated gross debt  | CZK mil. | 1 836 255 | 1 754 883 | 1 749 532 | 1 735 076 |
| Gross domestic product (GDP), current prices | CZK mil. | 4 595 783 | 4 767 990 | 5 047 267 | 5 304 386 |
| Net borrowing/lending of general government as % of GDP | % | −0.61 | 0.72 | 1.56 | 0.89 |
| General government consolidated gross debt as % of GDP  | % | 39.96 | 36.81 | 34.66 | 32.71 |

Data for all EU Member States will be published on the Eurostat´s website on 23 April 2019 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 March and September 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 ESA 2010 methodology. 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 current year 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 of the economy (+) or the need of general government sector to be financed (−) by other 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.*

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*This press release was not edited for language.*