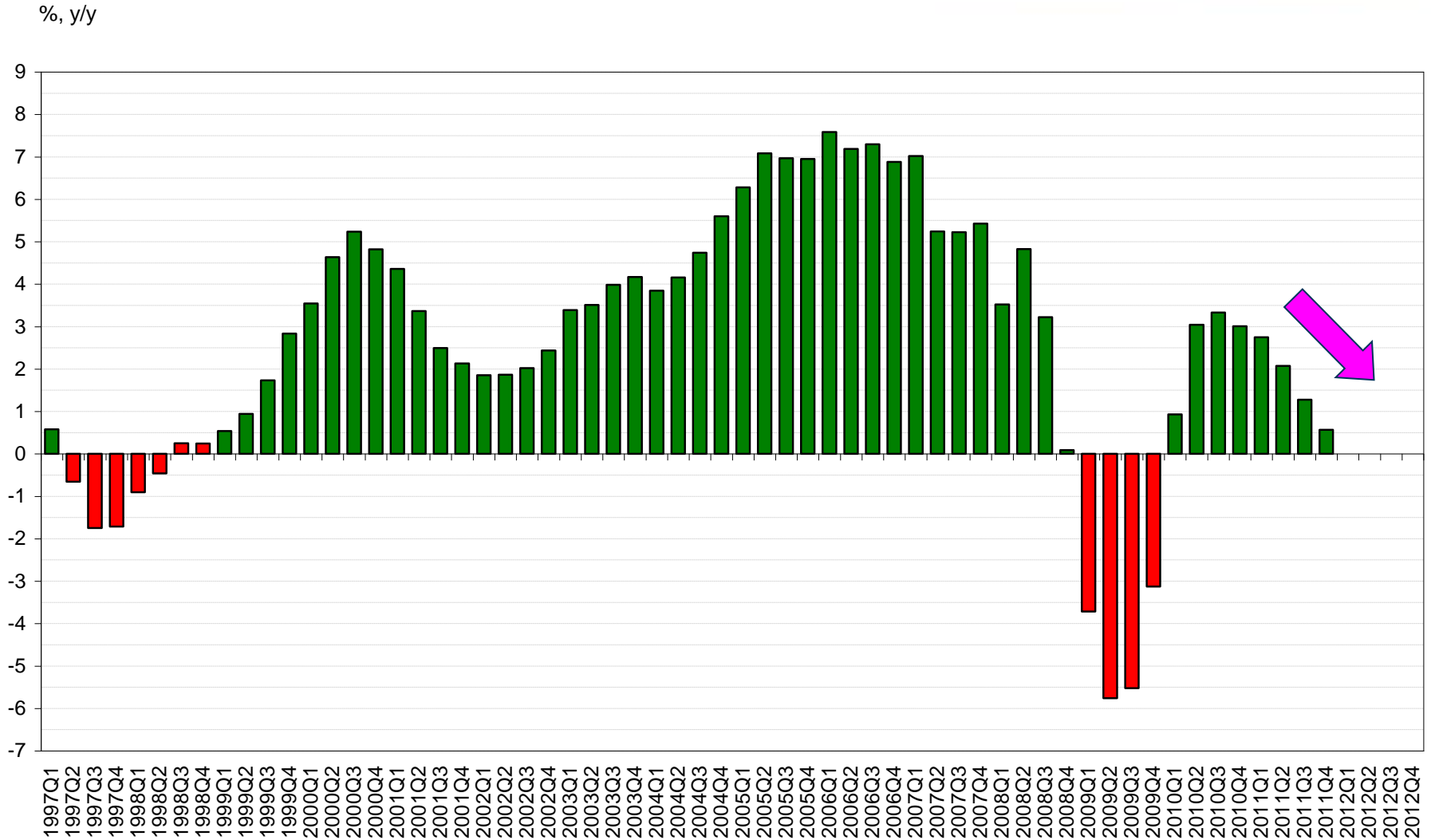


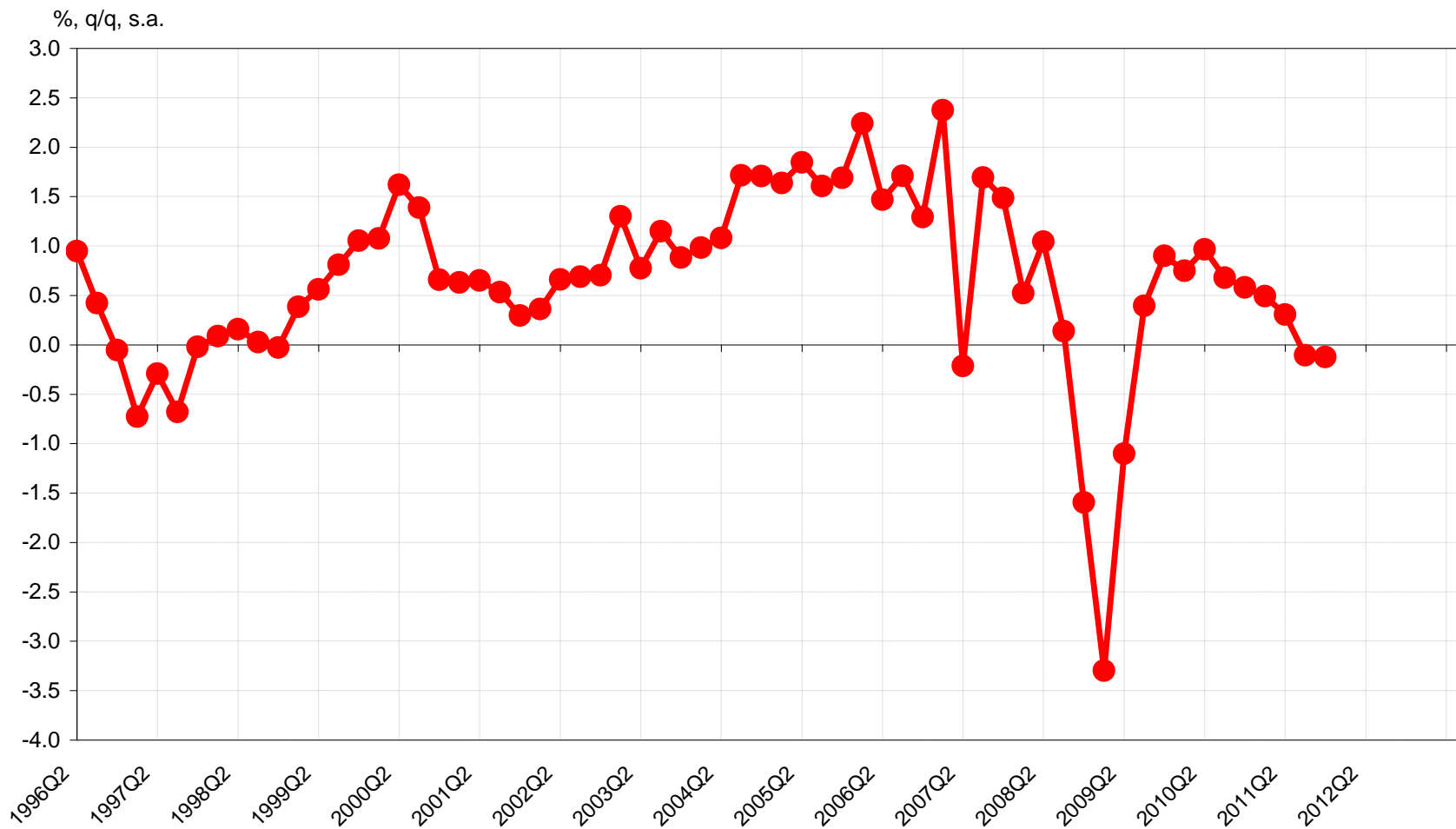
A photograph of a modern building with a large glass facade. The glass reflects the sky and clouds. A blue banner is overlaid on the right side of the image.

Je recese opravdu
u konce?

GDP: There and back again ...

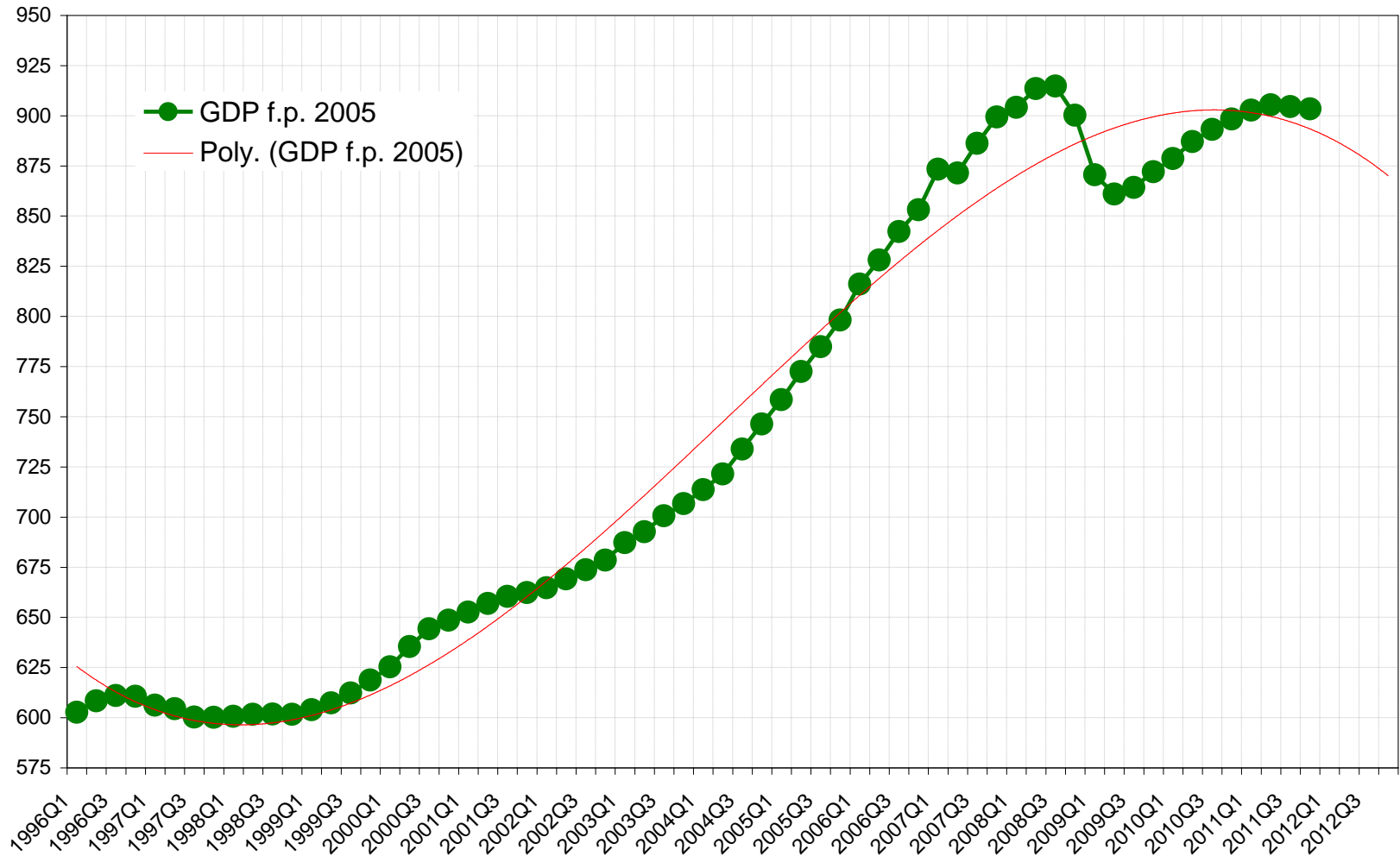


... into recession (?) ...

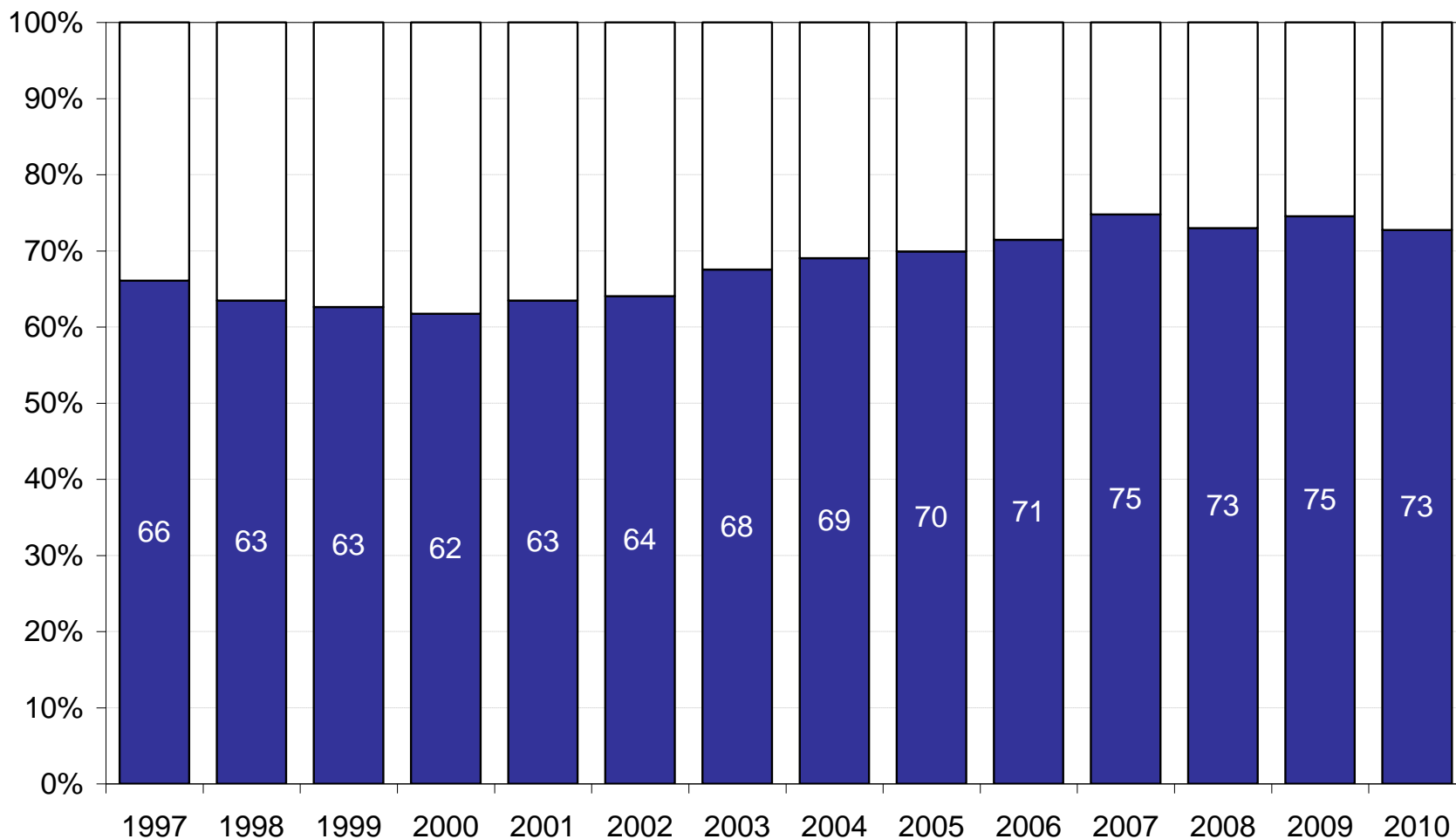


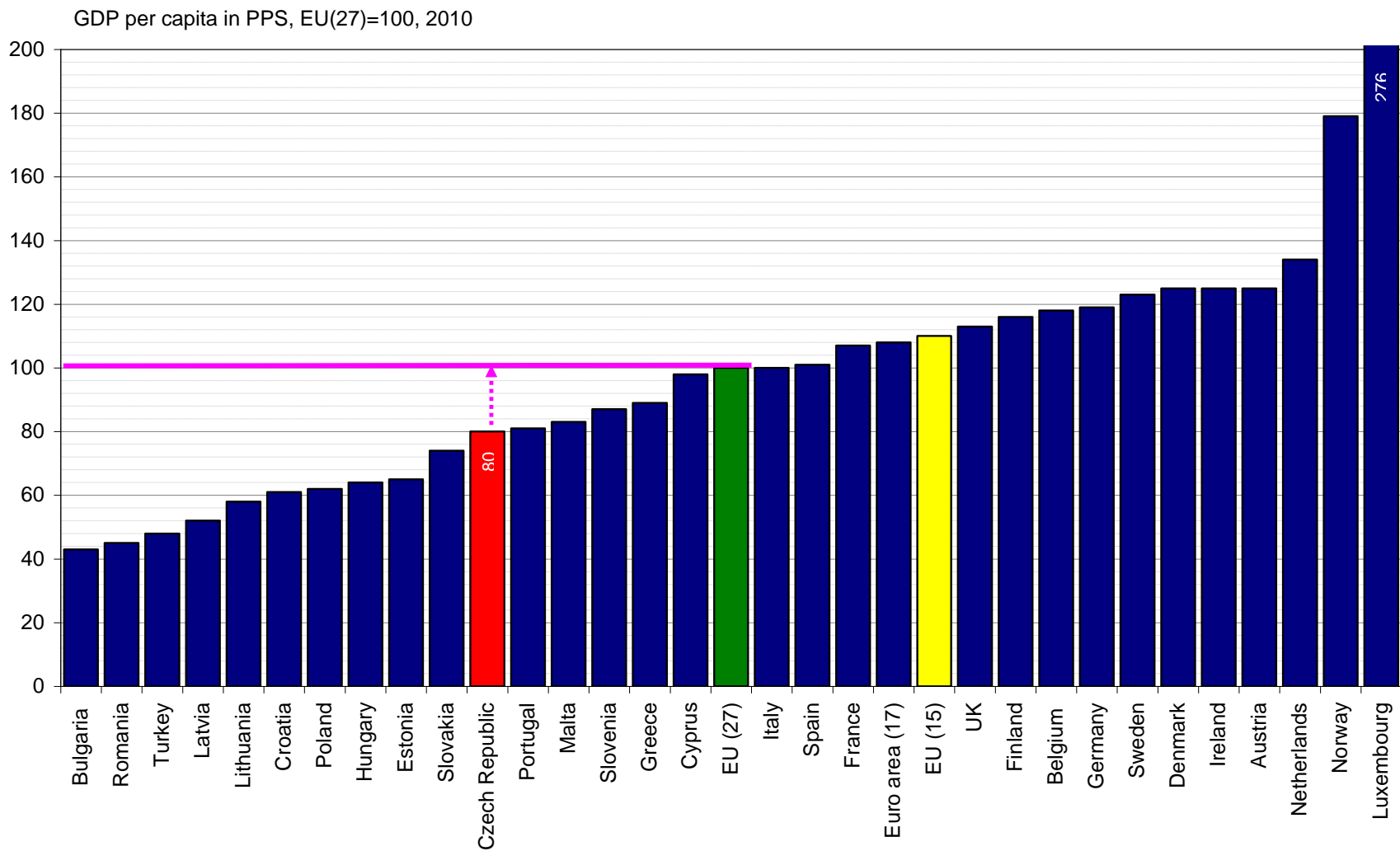
... without returning to the peak

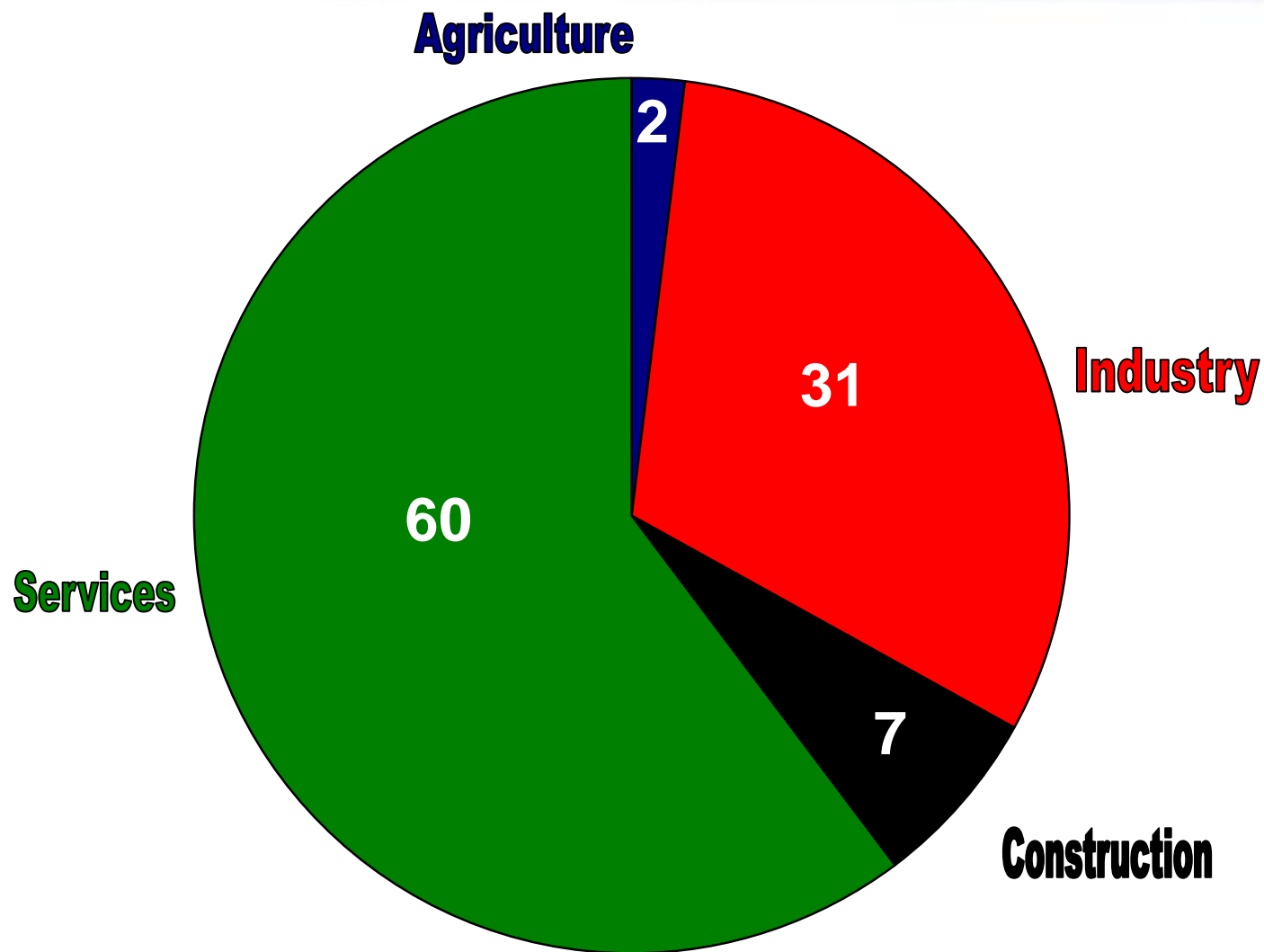
CZKbn, f.p. 2005, SA



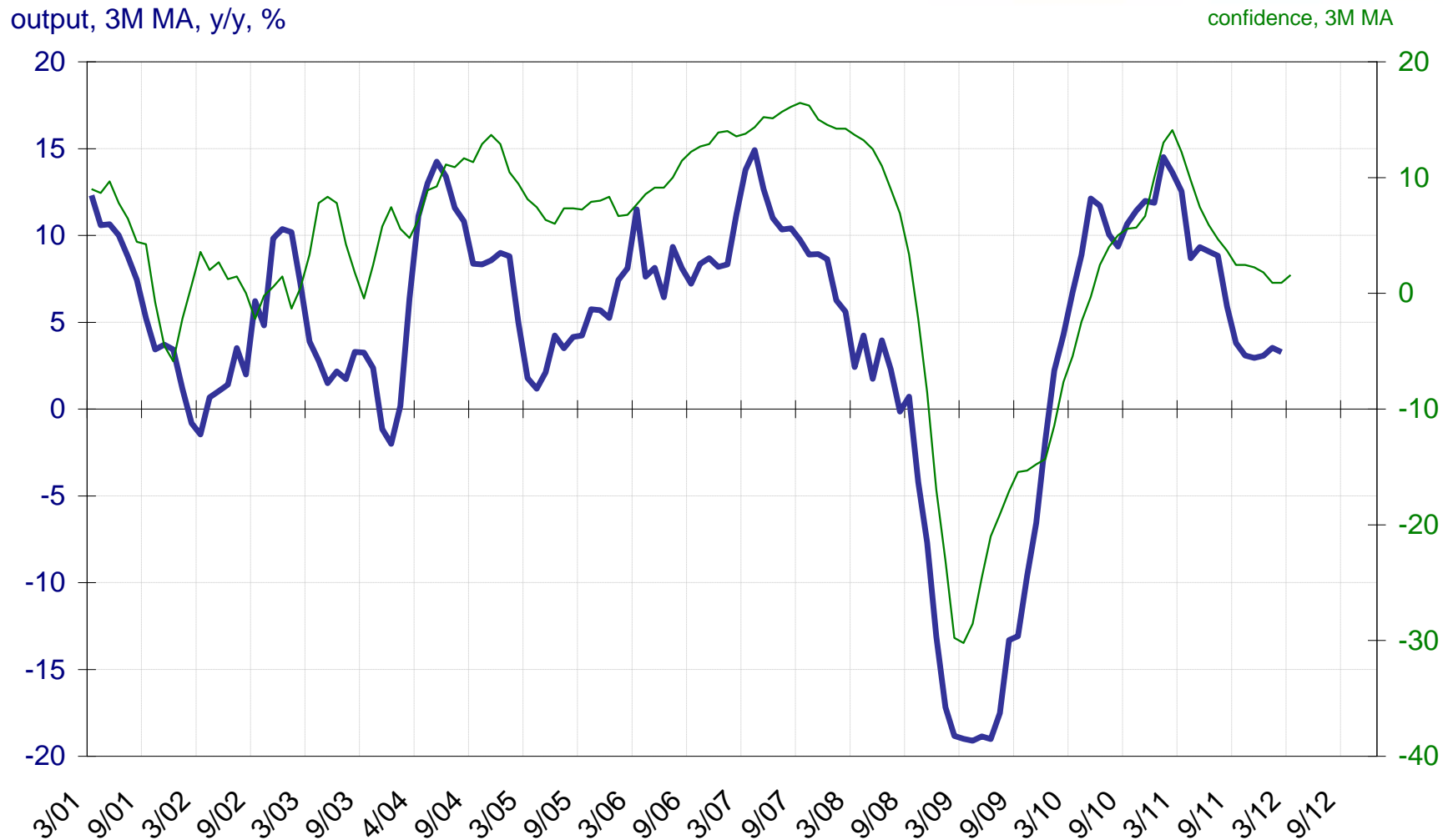
Czech GDP p.c. in PPS, EU15=100%





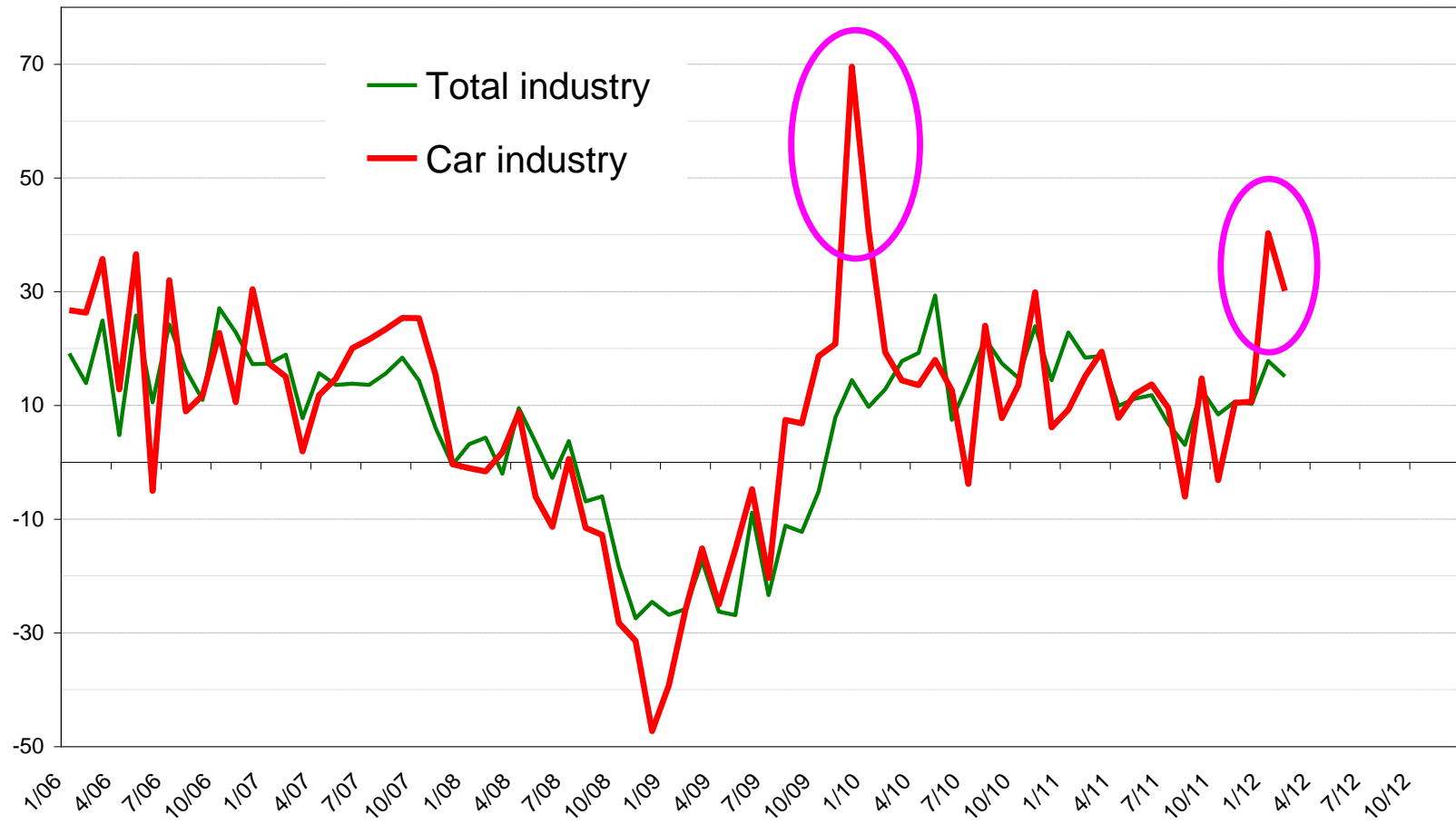


Industrial output and confidence

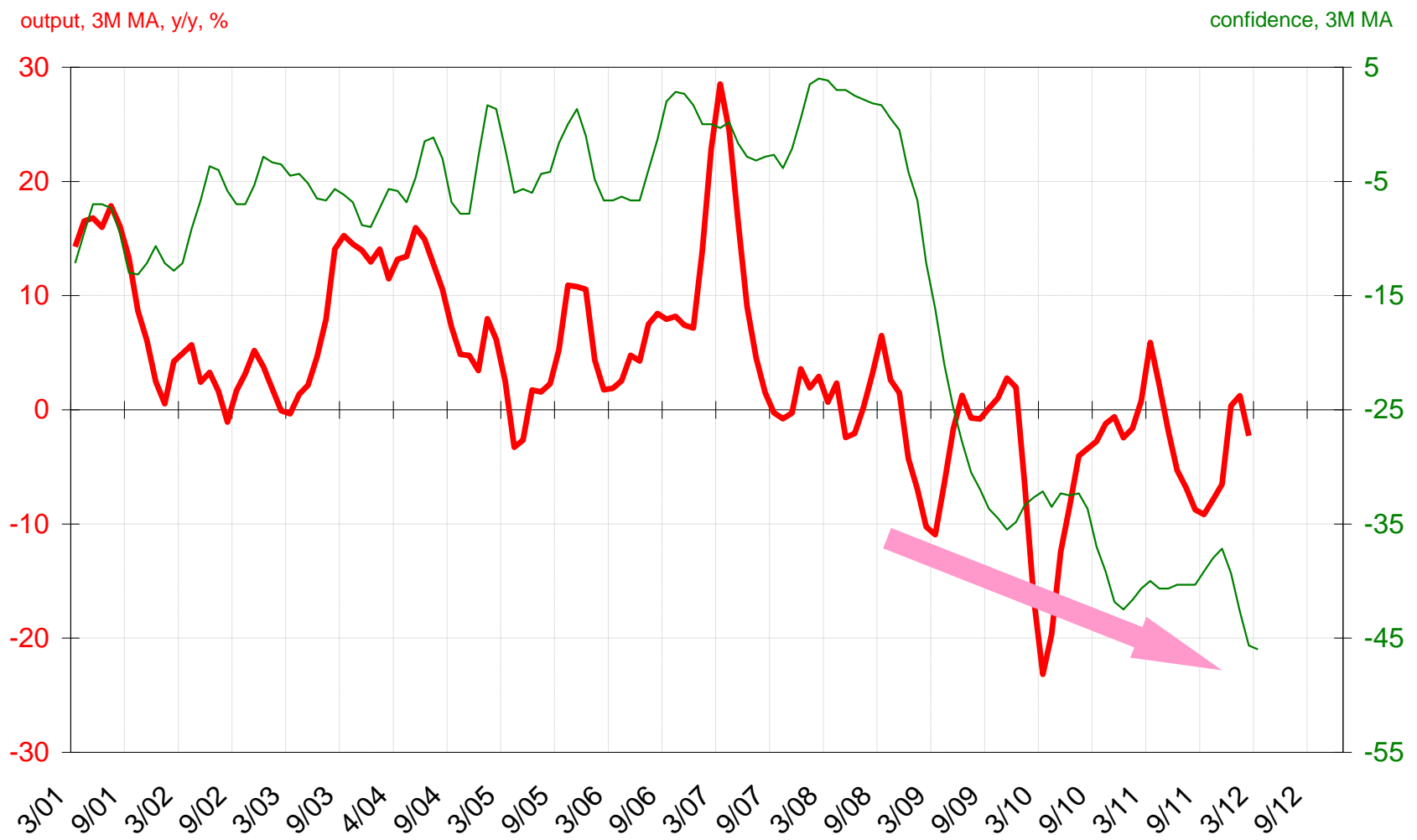


New industrial orders & car industry

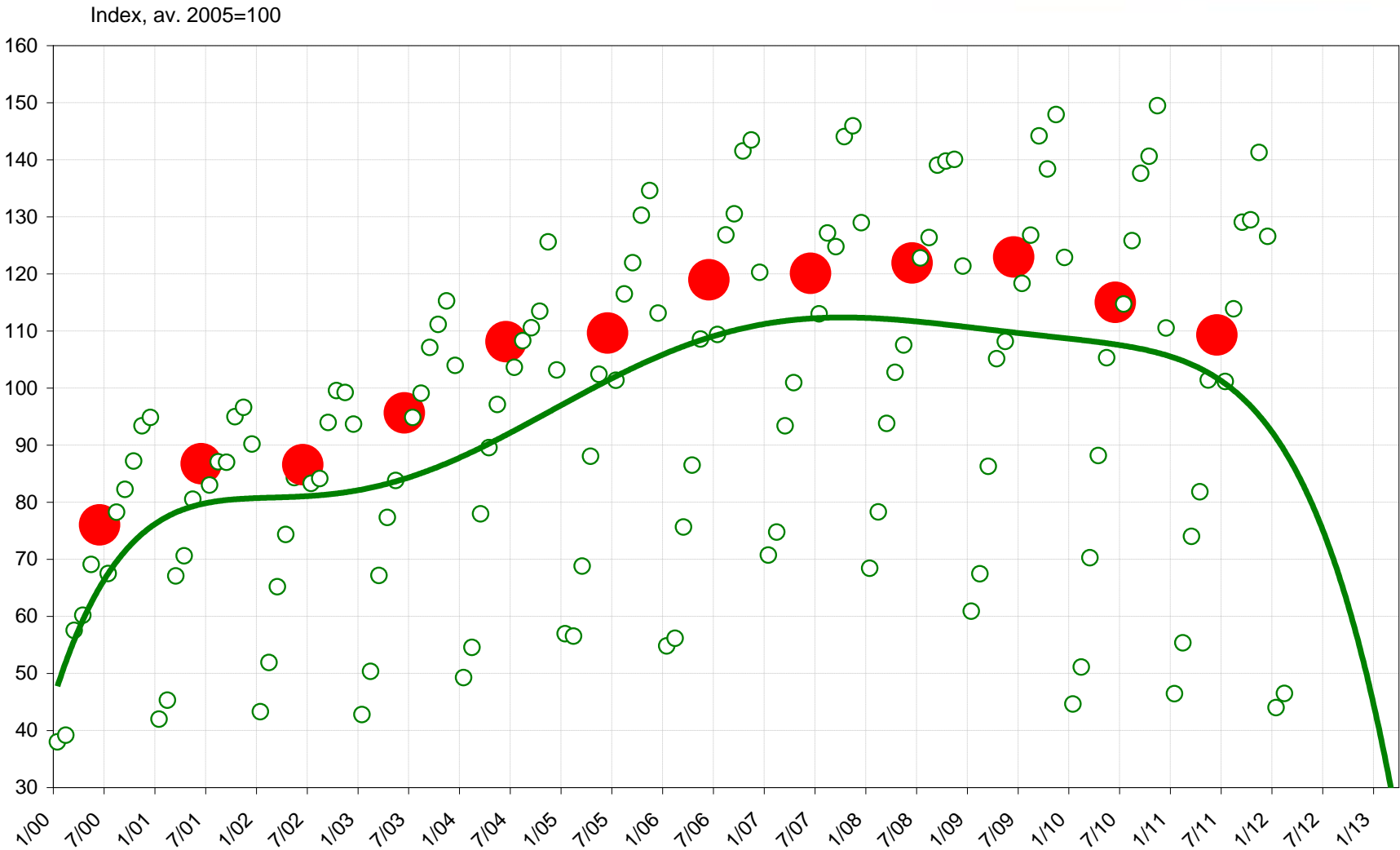
Index, %, y/y, c.p.



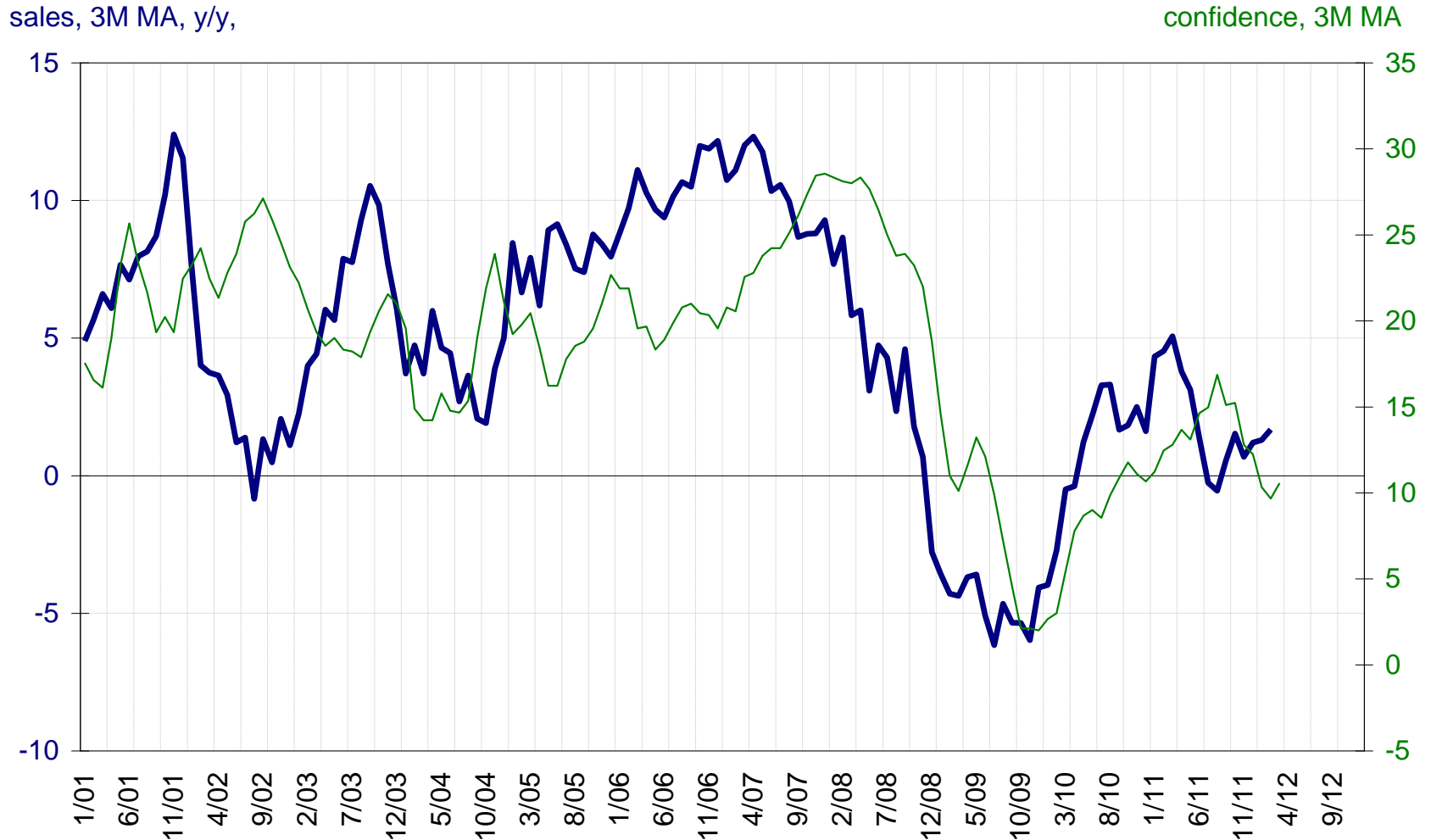
Construction seized by pessimism ...



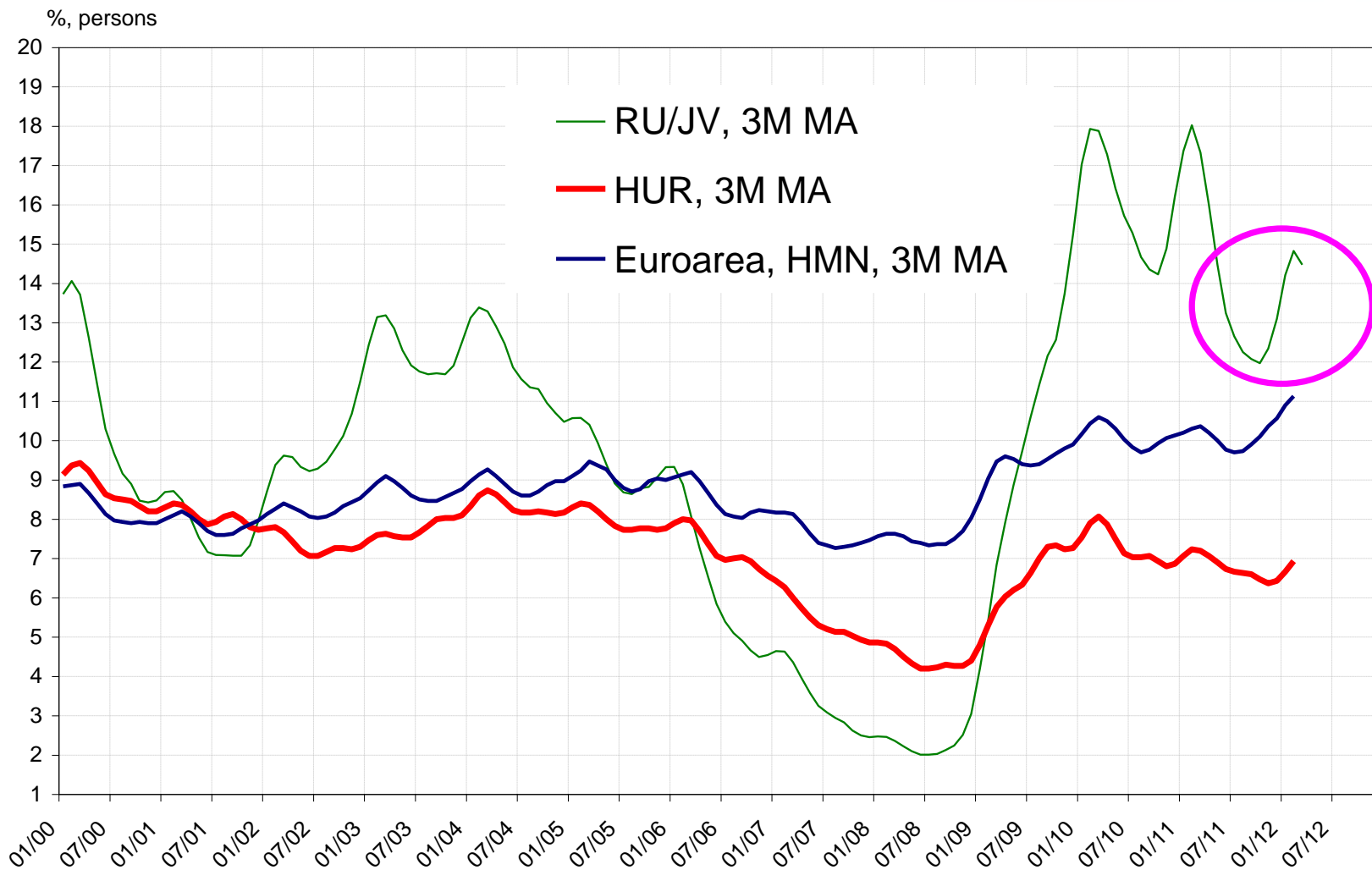
... due to absence of recovery



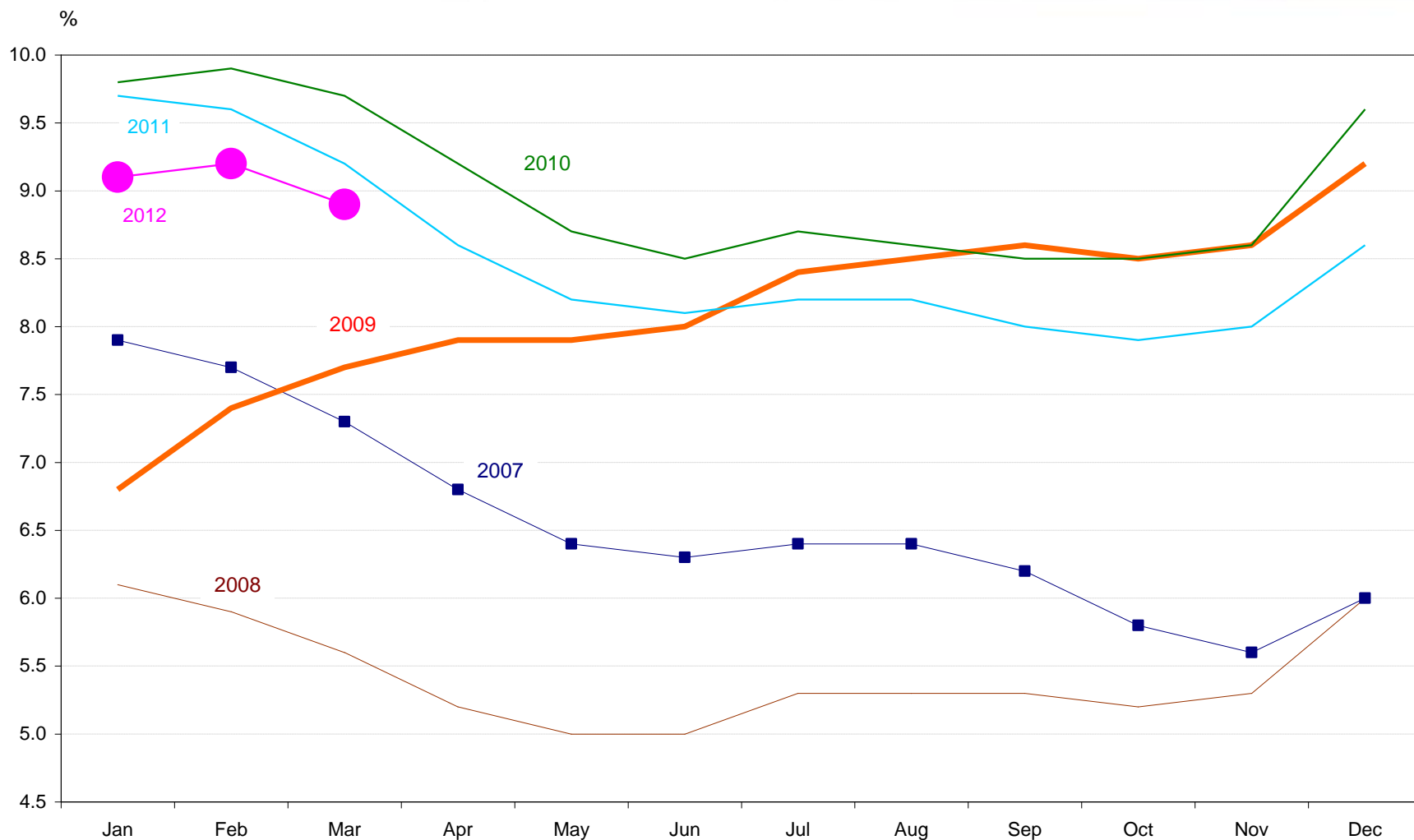
Retail sales: slowdown & fog ahead



Unemployment: good and bad news at the same time ...

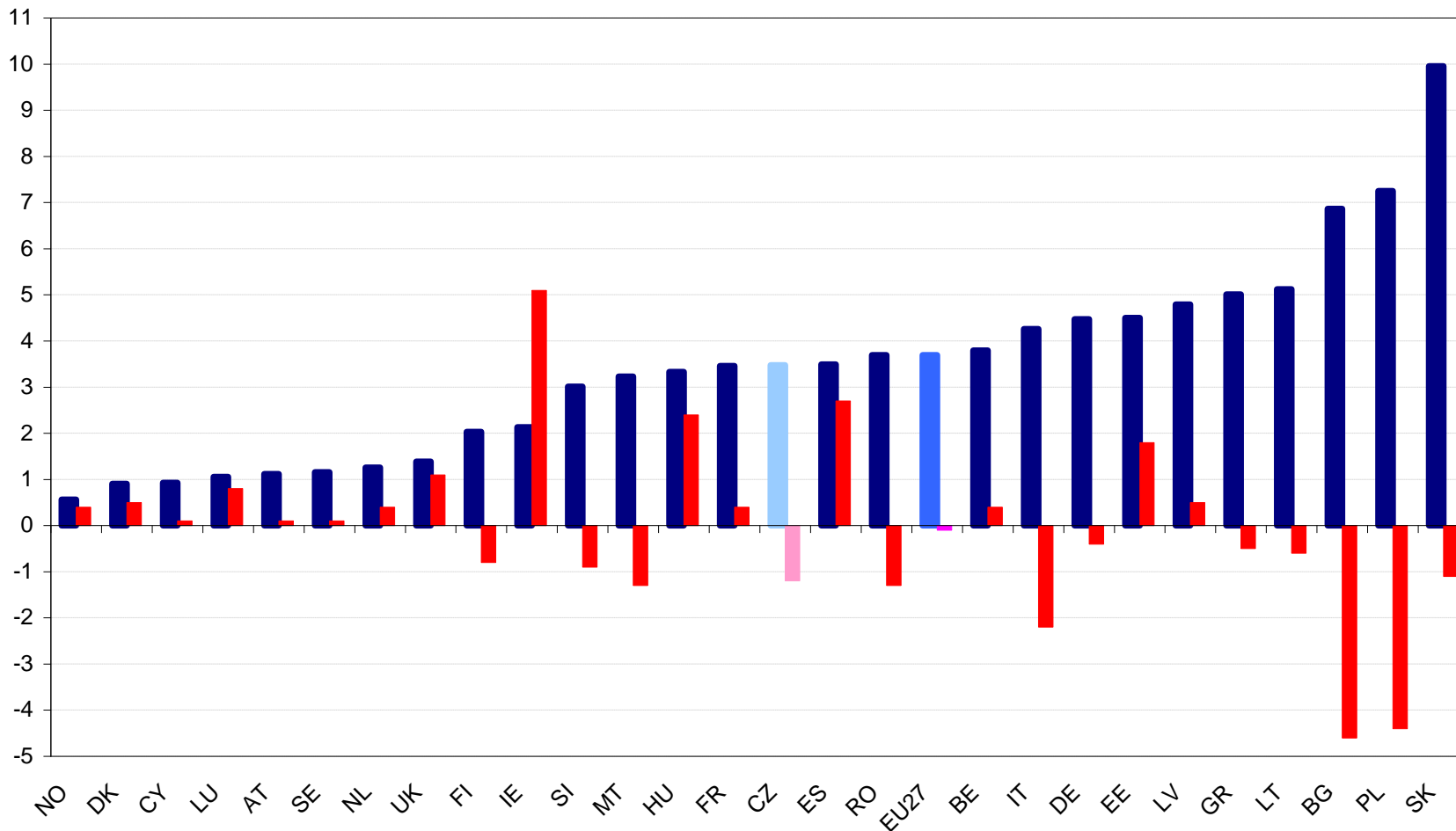


... while still following its typical seasonal pattern

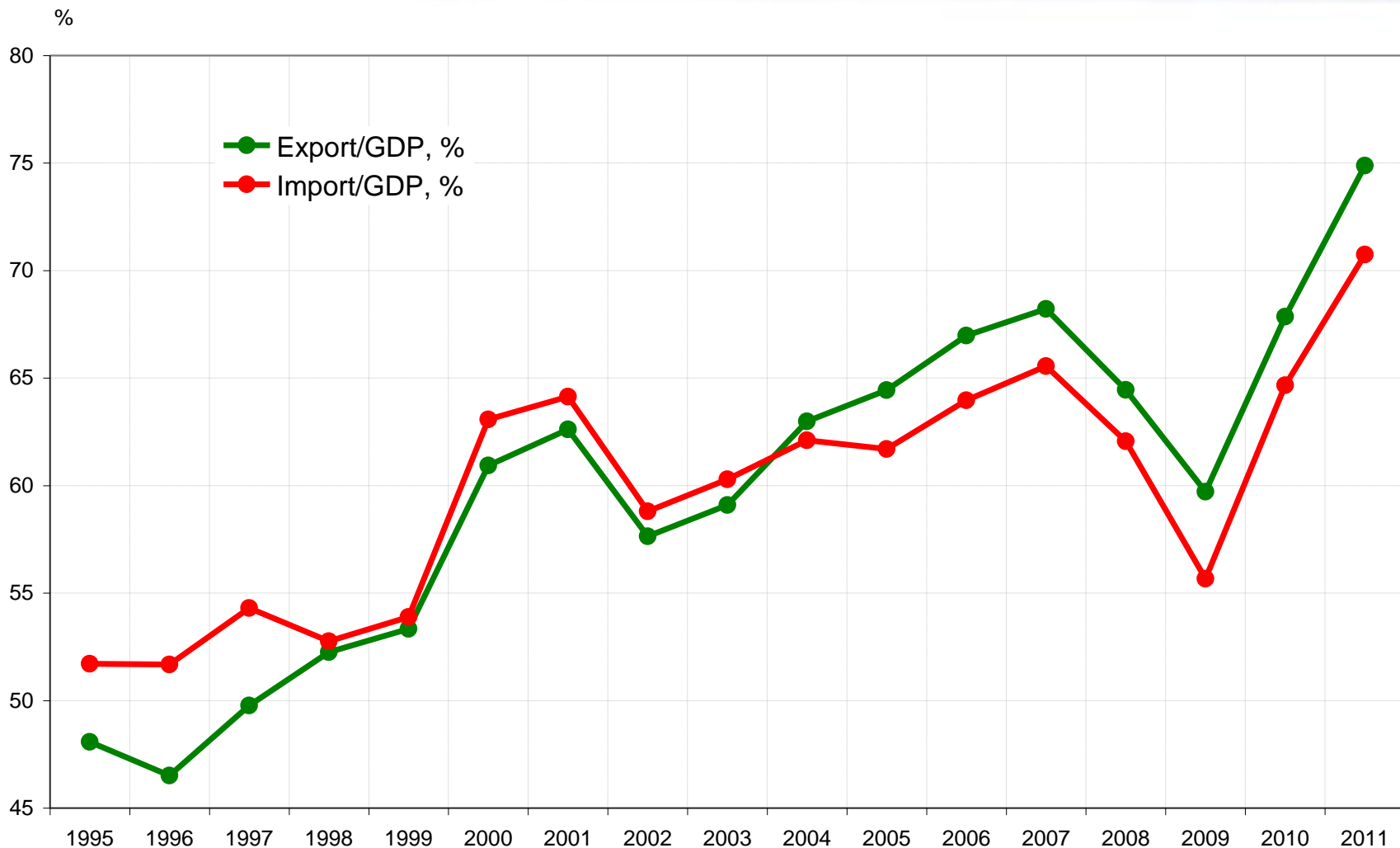


Long term unemployment

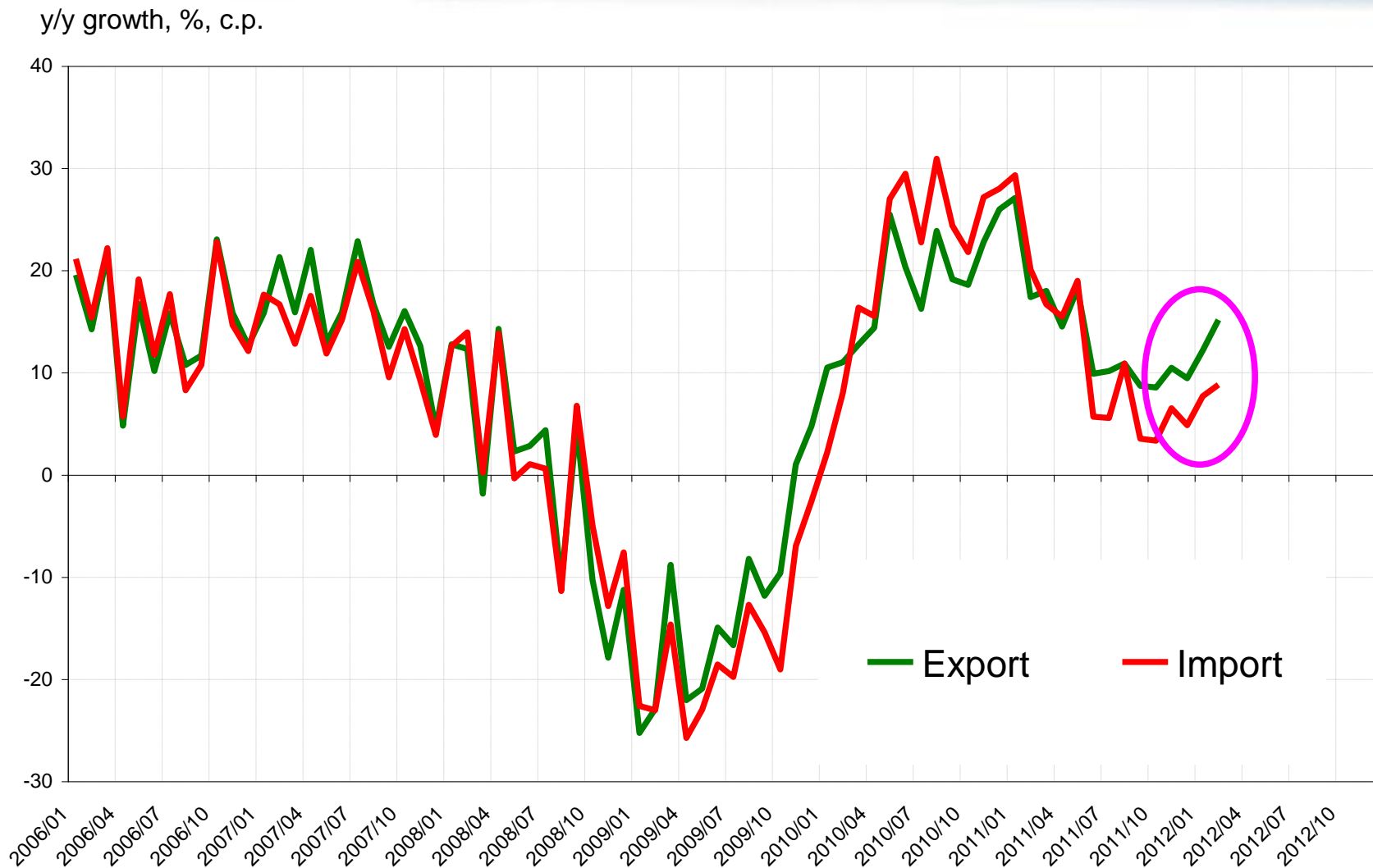
% of active population, avg. 2000-10 and chge 2010-00



Growing openness of the Czech economy ...



... and resilient trade flows



Most important Czech trading partners

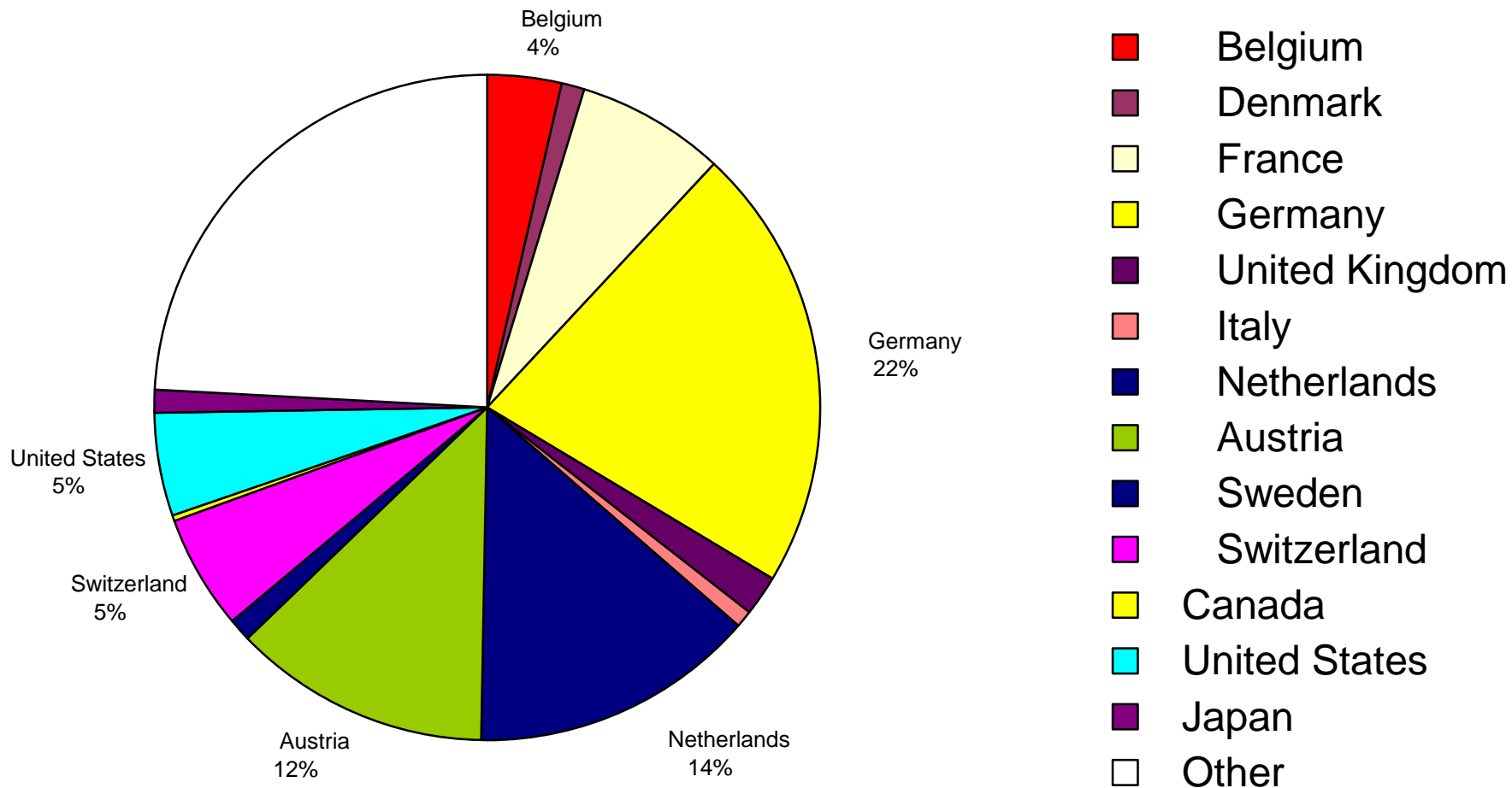
Country	EXPORTS			IMPORTS			BALANCE	
	1-9/2011		index 11/10	1-9/2011		index 11/10	1-9/10	1-9/11
	CZK mill.	%		CZK mill.	%		CZK mill.	CZK mill.
Germany	682,802	32.3	114.4	507,688	25.6	113.0	147,654	175,114
Slovakia	187,144	8.8	121.0	110,032	5.6	121.0	63,659	77,112
China	21,252	1.0	128.4	241,865	12.2	119.7	-185,582	-220,613
Poland	133,167	6.3	118.9	130,628	6.6	114.4	-2,161	2,539
France	117,313	5.5	115.9	65,897	3.3	110.3	41,505	51,416
Italy	89,296	4.2	105.3	77,550	3.9	111.4	15,182	11,746
Austria	98,707	4.7	111.2	65,335	3.3	110.8	29,788	33,372
Russian Federation	63,172	3.0	132.3	111,195	5.6	117.9	-46,580	-48,023
Netherlands	75,261	3.6	108.8	63,896	3.2	110.7	11,455	11,365
United Kingdom	97,428	4.6	106.2	37,308	1.9	105.6	56,441	60,120
Hungary	47,958	2.3	111.9	43,283	2.2	113.7	4,796	4,675
Belgium	51,198	2.4	109.9	35,656	1.8	109.3	13,948	15,542
Spain	46,245	2.2	102.3	32,724	1.7	105.1	14,076	13,521
USA	40,162	1.9	124.2	38,598	1.9	94.8	-8,383	1,564
Japan	7,218	0.3	94.9	40,577	2.0	93.7	-35,715	-33,359
Switzerland	36,613	1.7	121.5	21,144	1.1	113.2	11,451	15,469
Sweden	35,160	1.7	118.5	18,234	0.9	113.4	13,580	16,926
South Korea	5,682	0.3	150.6	31,814	1.6	111.6	-24,741	-26,132
Romania	23,703	1.1	118.9	14,111	0.7	128.9	8,991	9,592
Turkey	17,965	0.8	131.6	17,262	0.9	128.5	210	703
Ukraine	16,077	0.8	129.8	19,822	1.0	127.3	-3,194	-3,745
Denmark	16,346	0.8	108.5	11,302	0.6	104.3	4,231	5,044
Norway	11,224	0.5	120.0	15,910	0.8	105.8	-5,677	-4,686
Thailand	1,670	0.1	111.3	18,699	0.9	83.0	-21,032	-17,029
Finland	12,457	0.6	121.9	6,576	0.3	102.8	3,821	5,881

Notice: The most important partners by according to turnover of previous years

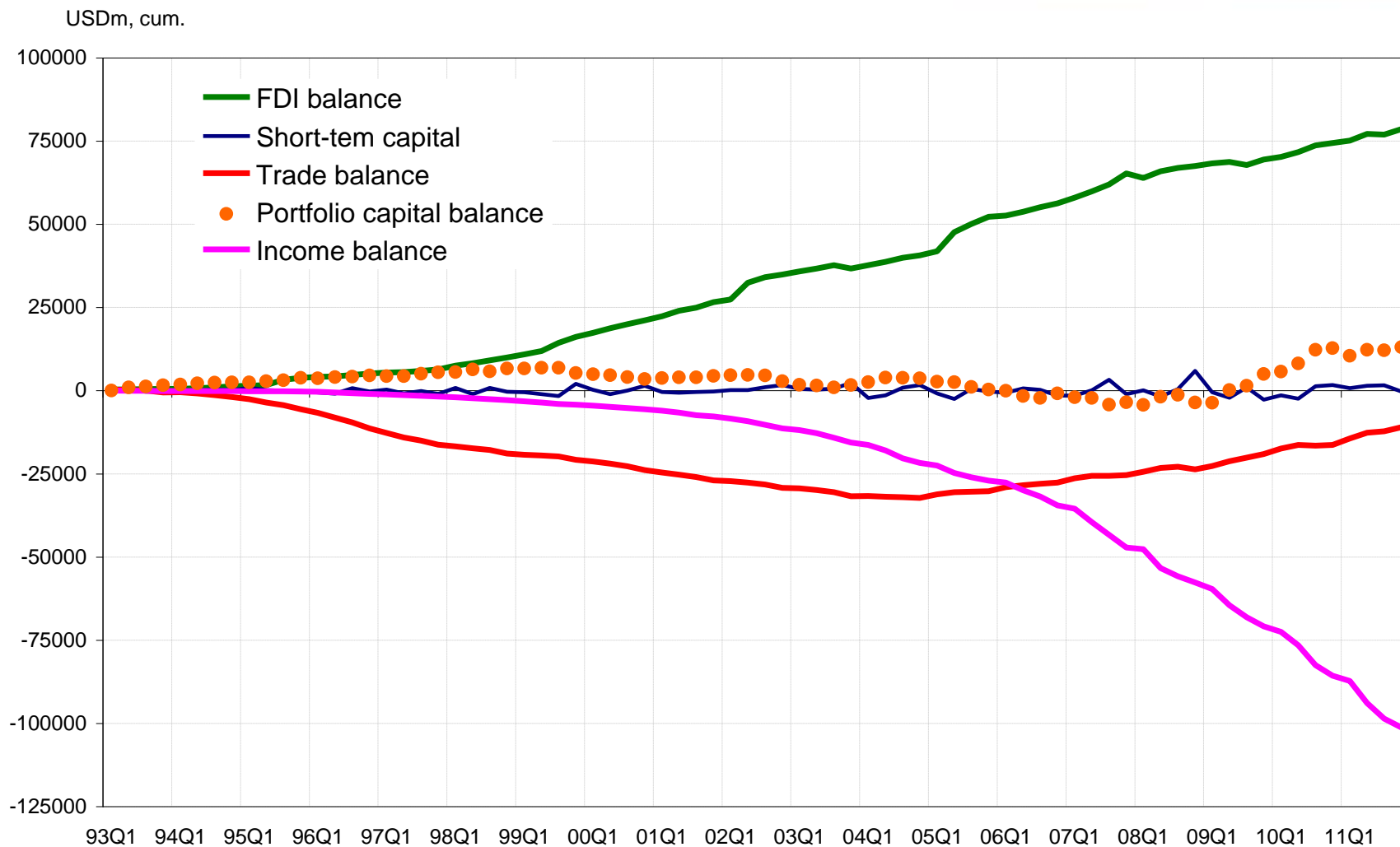
Ministry of Industry and Trade - Department

Data: Czech Statistical Office

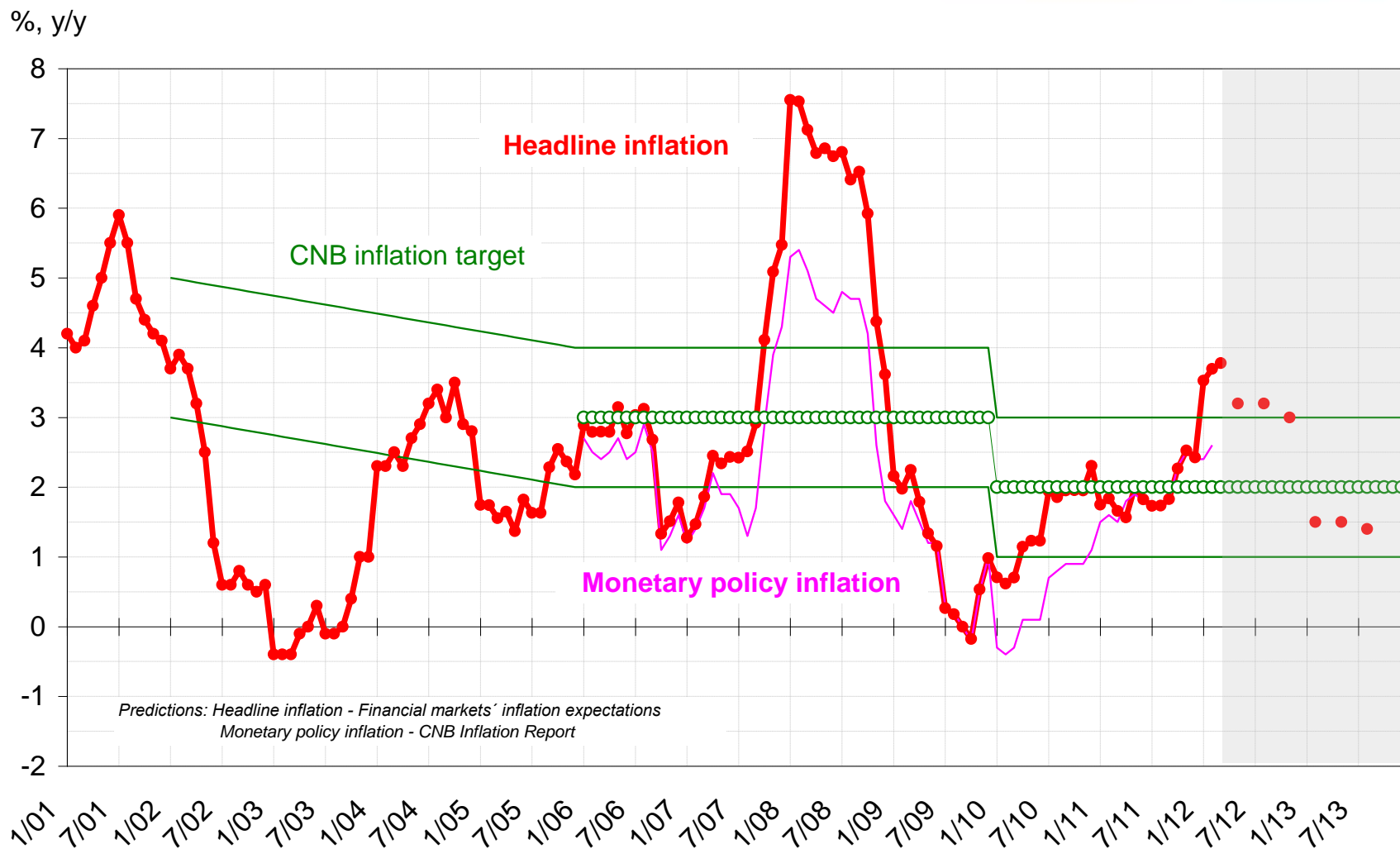
Major foreign direct investors to the CR



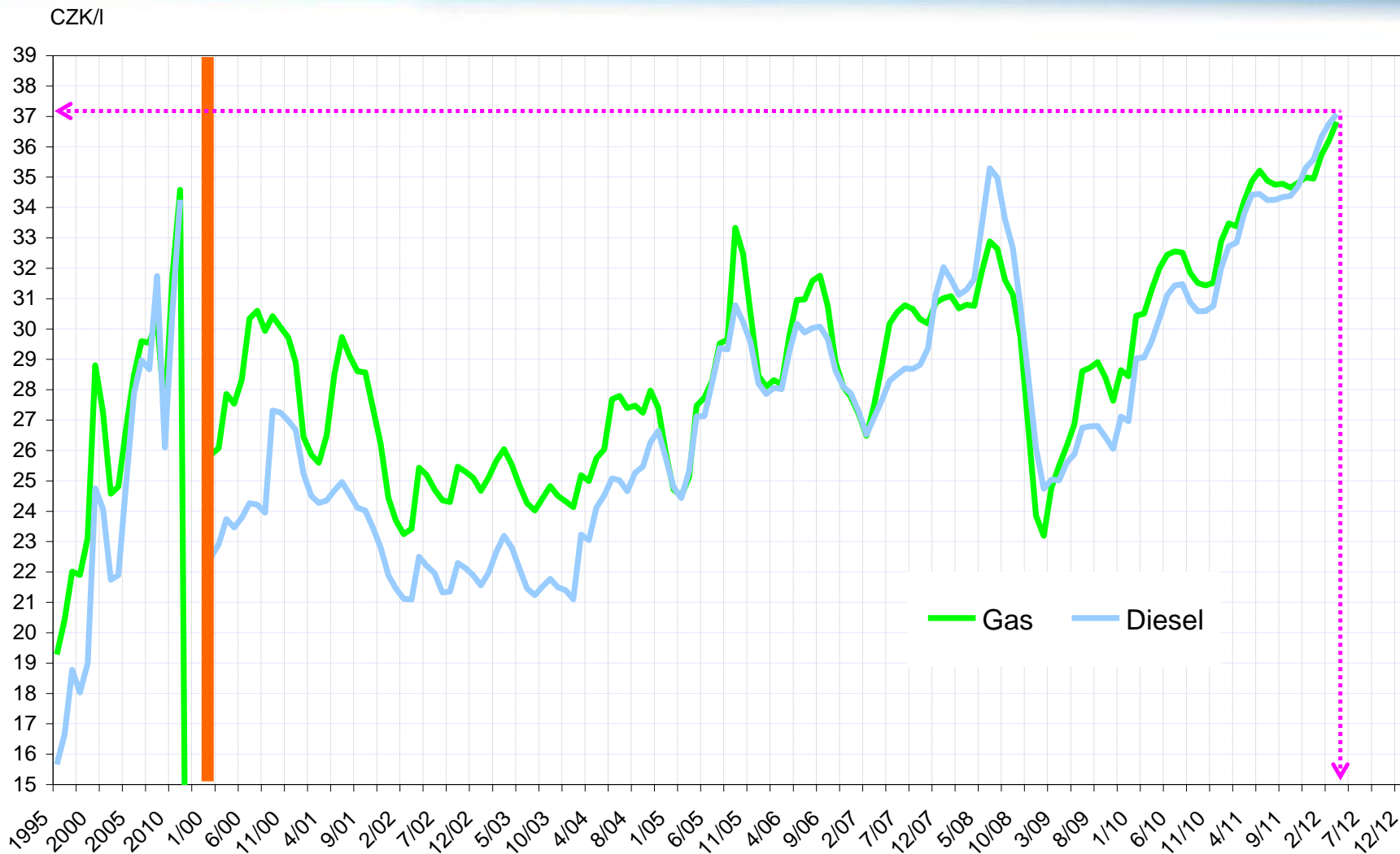
Positive trade balance reversal



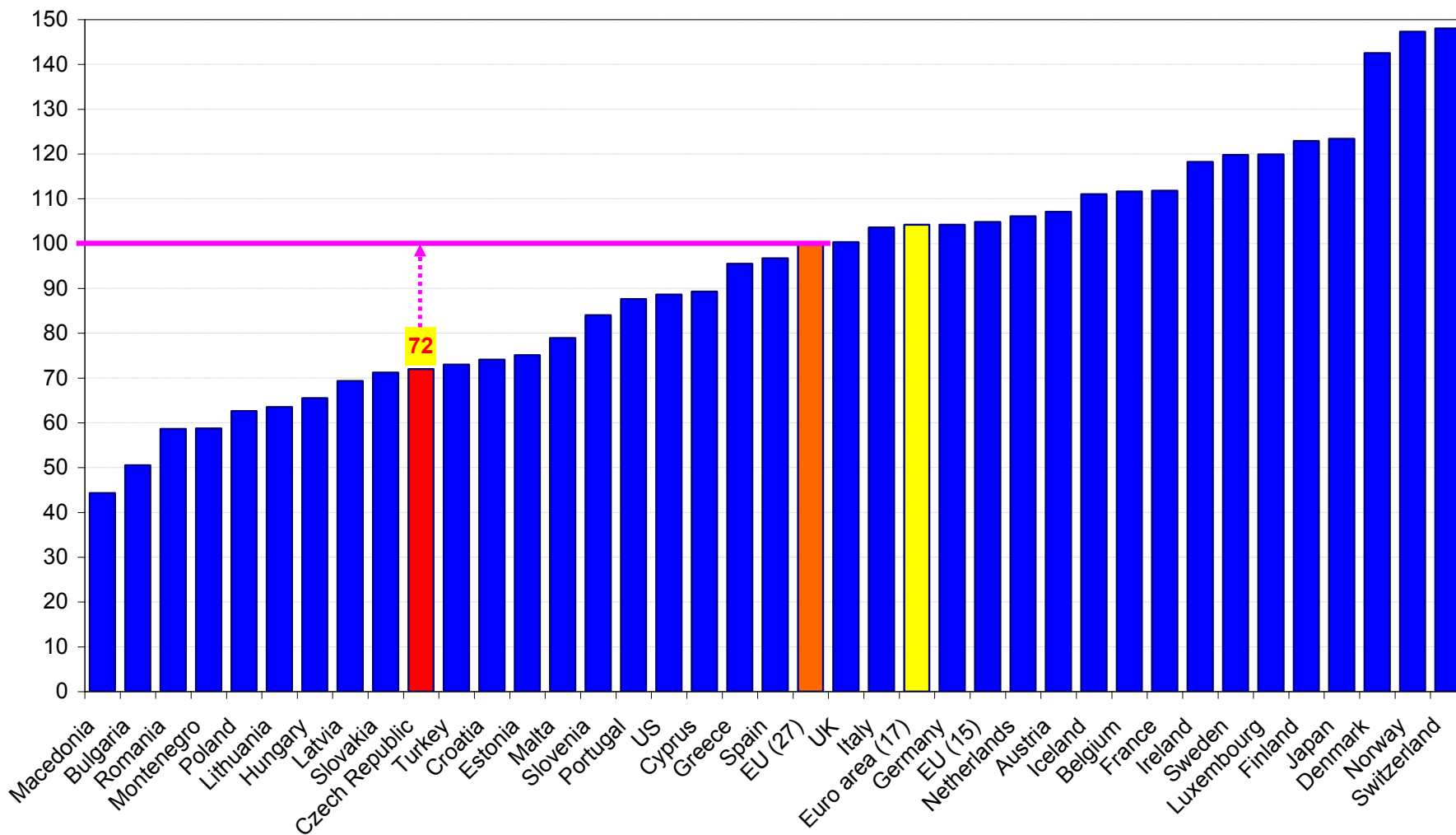
Consumer inflation: benign jump ...



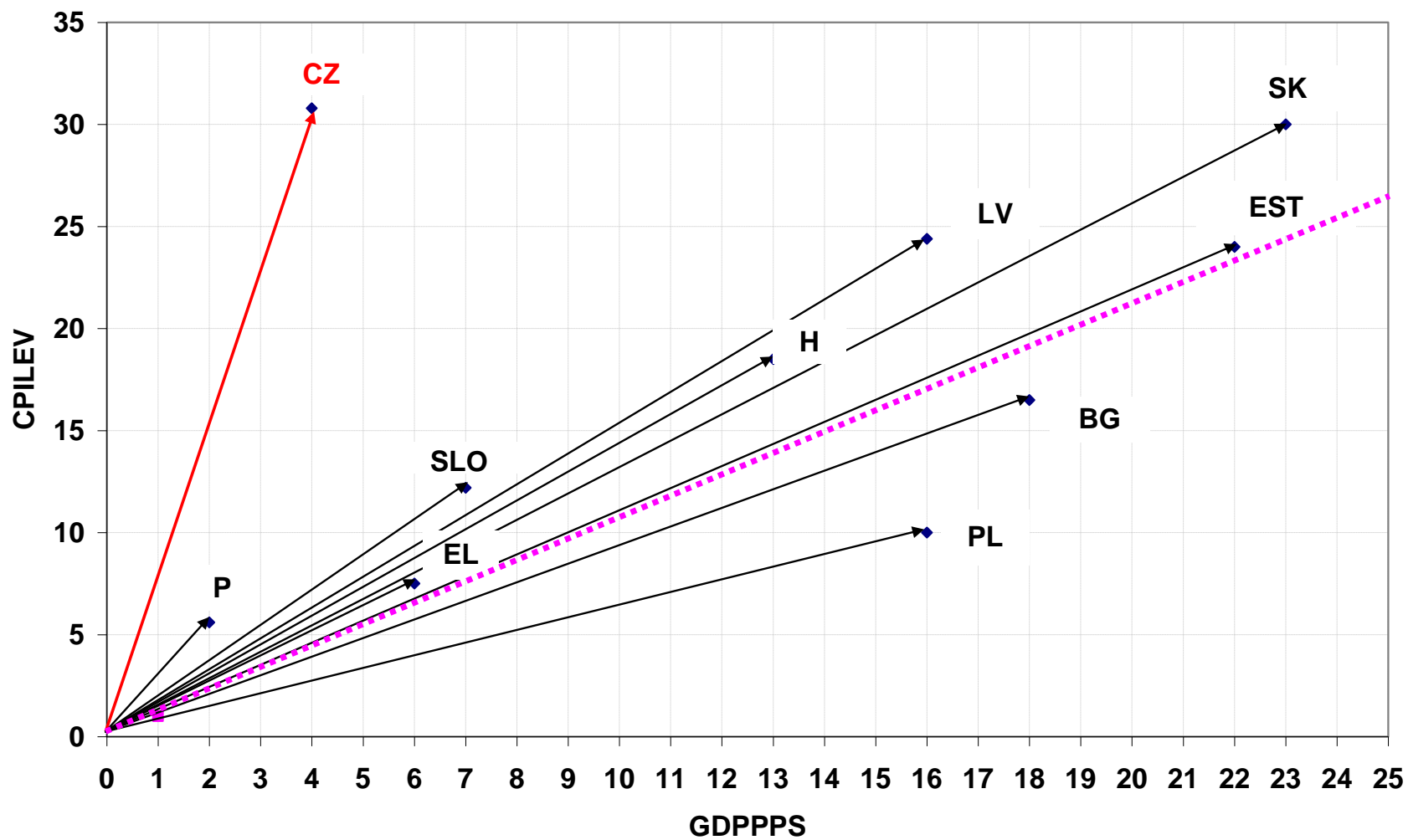
... but fuel prices on the rise



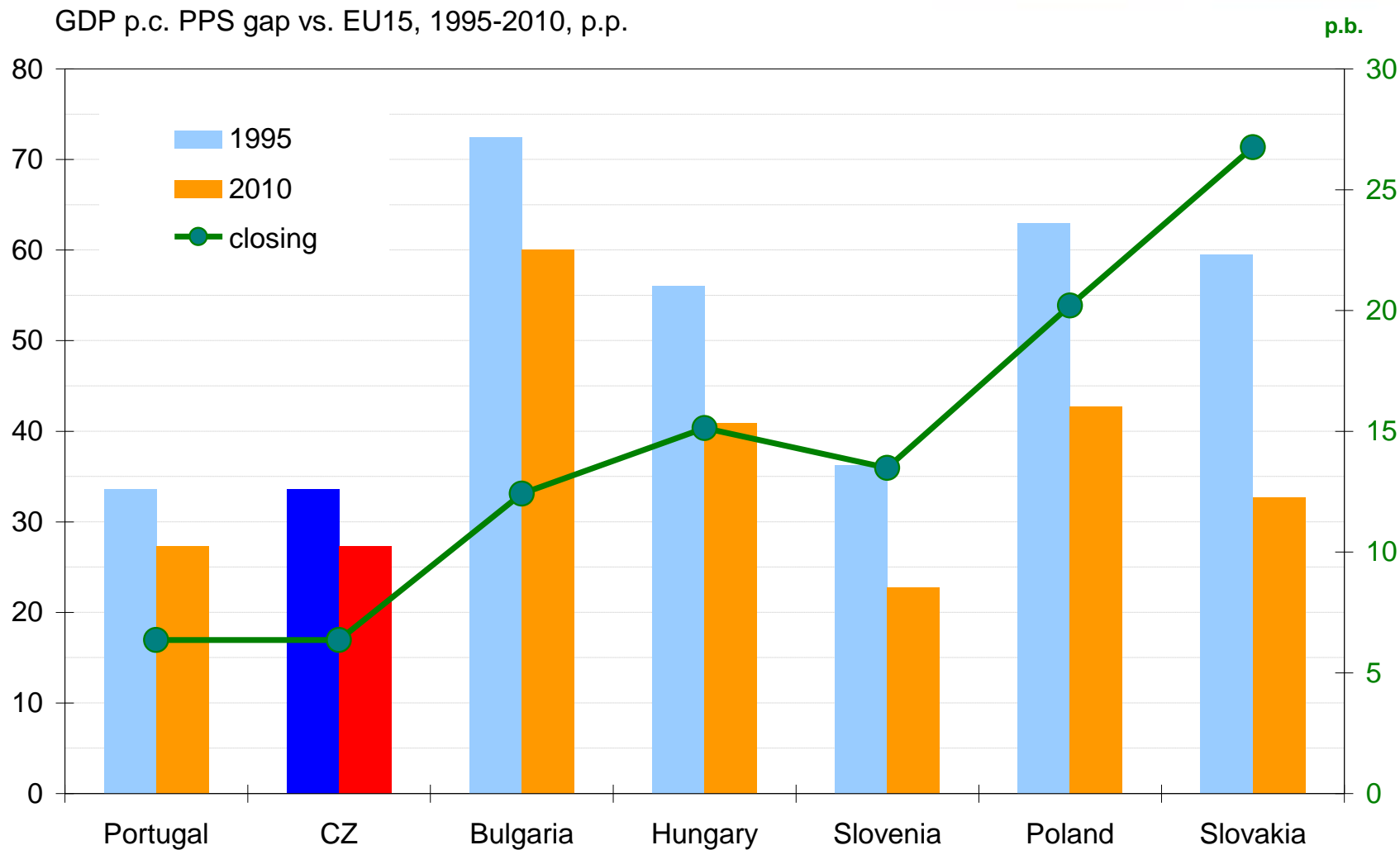
Price level index (2010), EU27=100



Convergence process 1997-2010

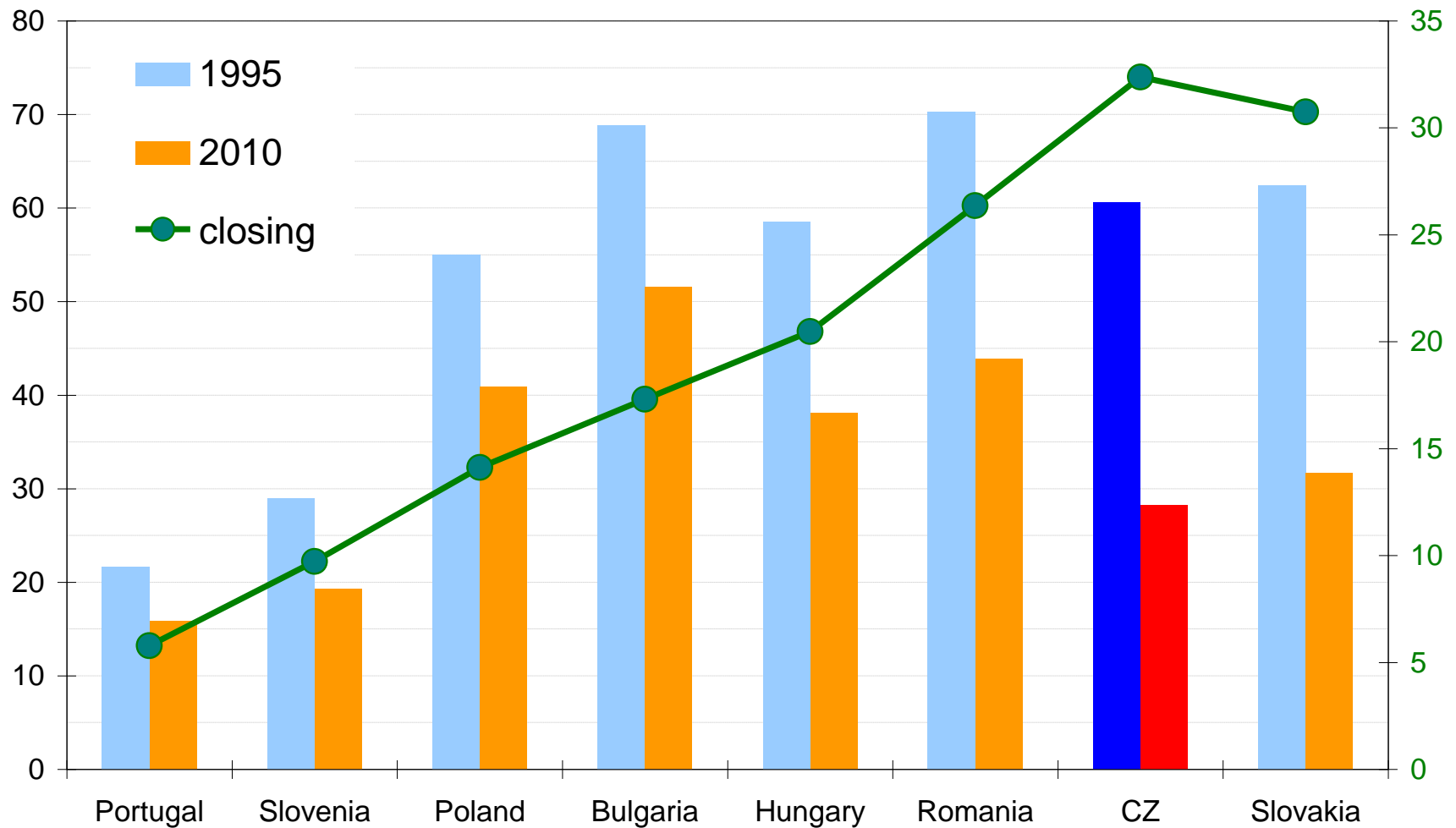


Convergence process - output

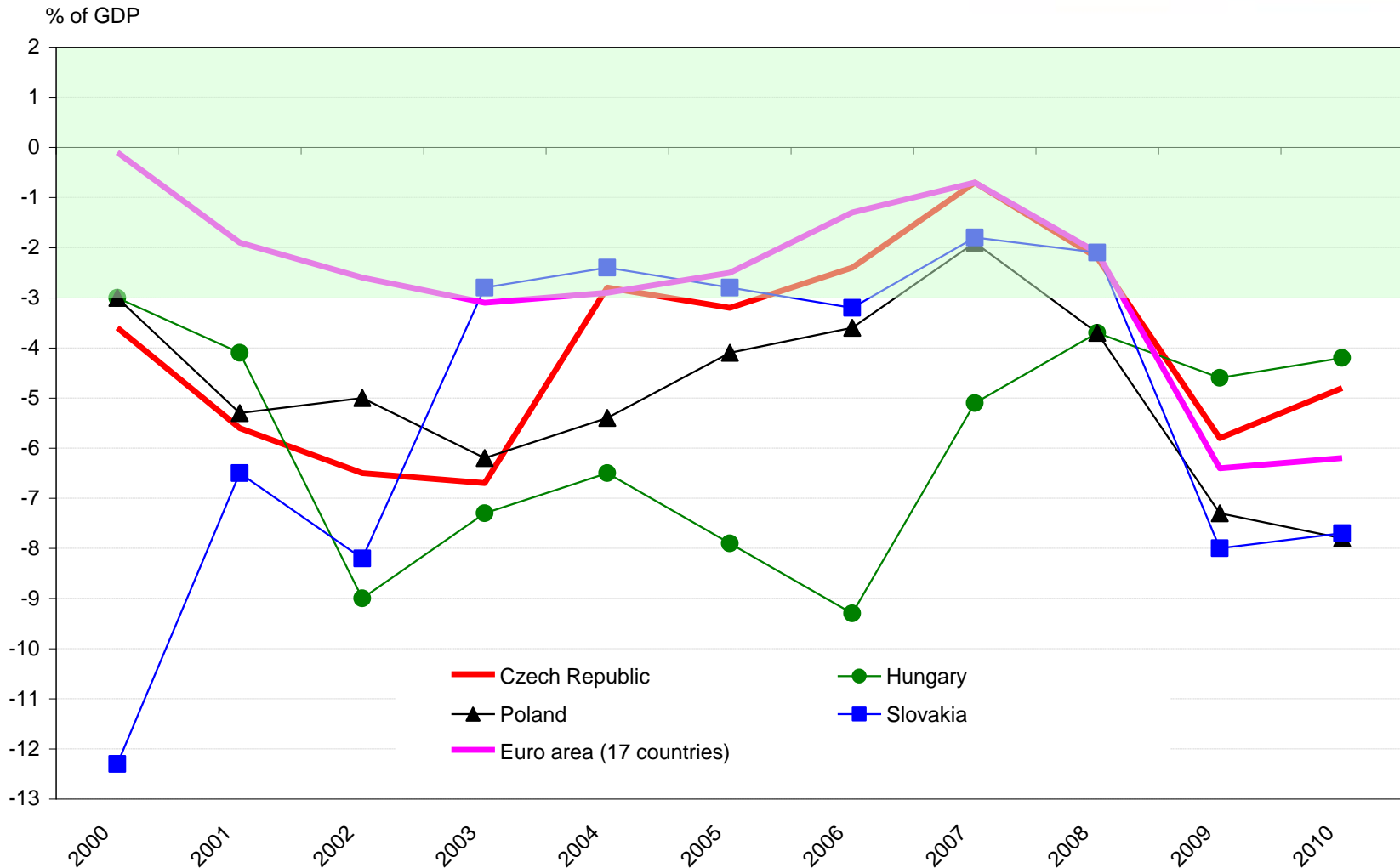


Convergence process - prices

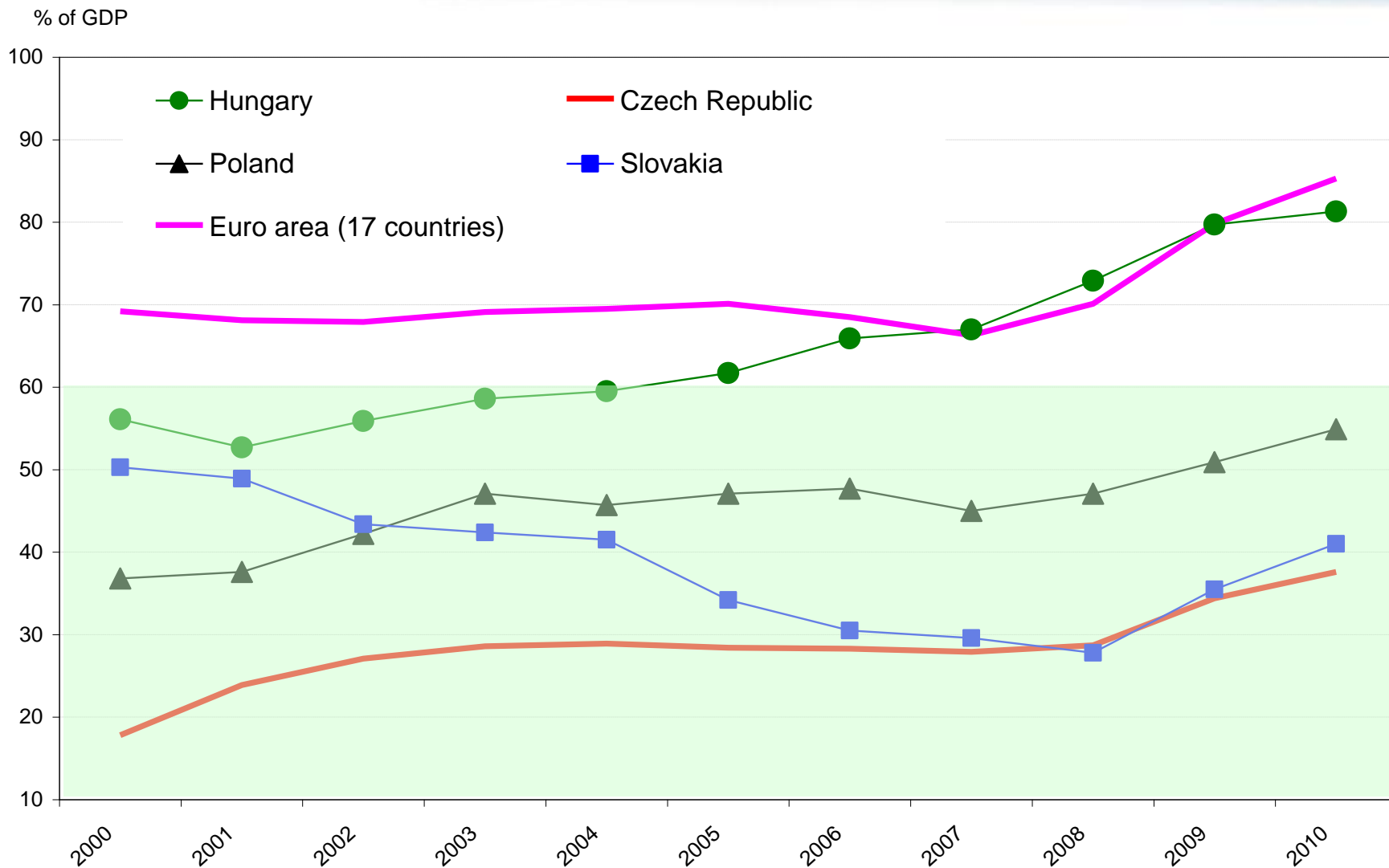
Price level gap vs. EU15, 1995-2010, p.p.



Budget deficit is set to shrink

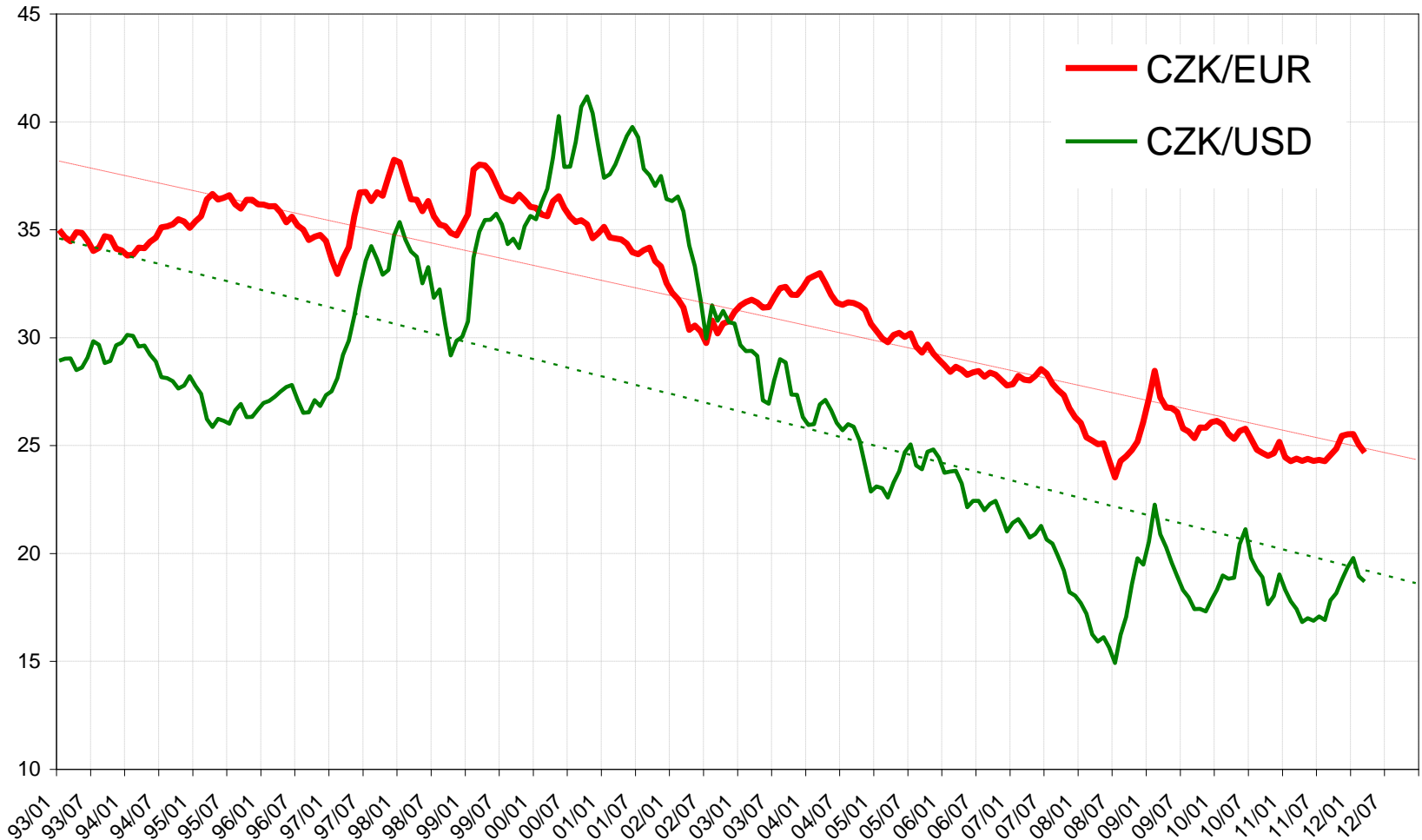


Public debt remains sustainably low

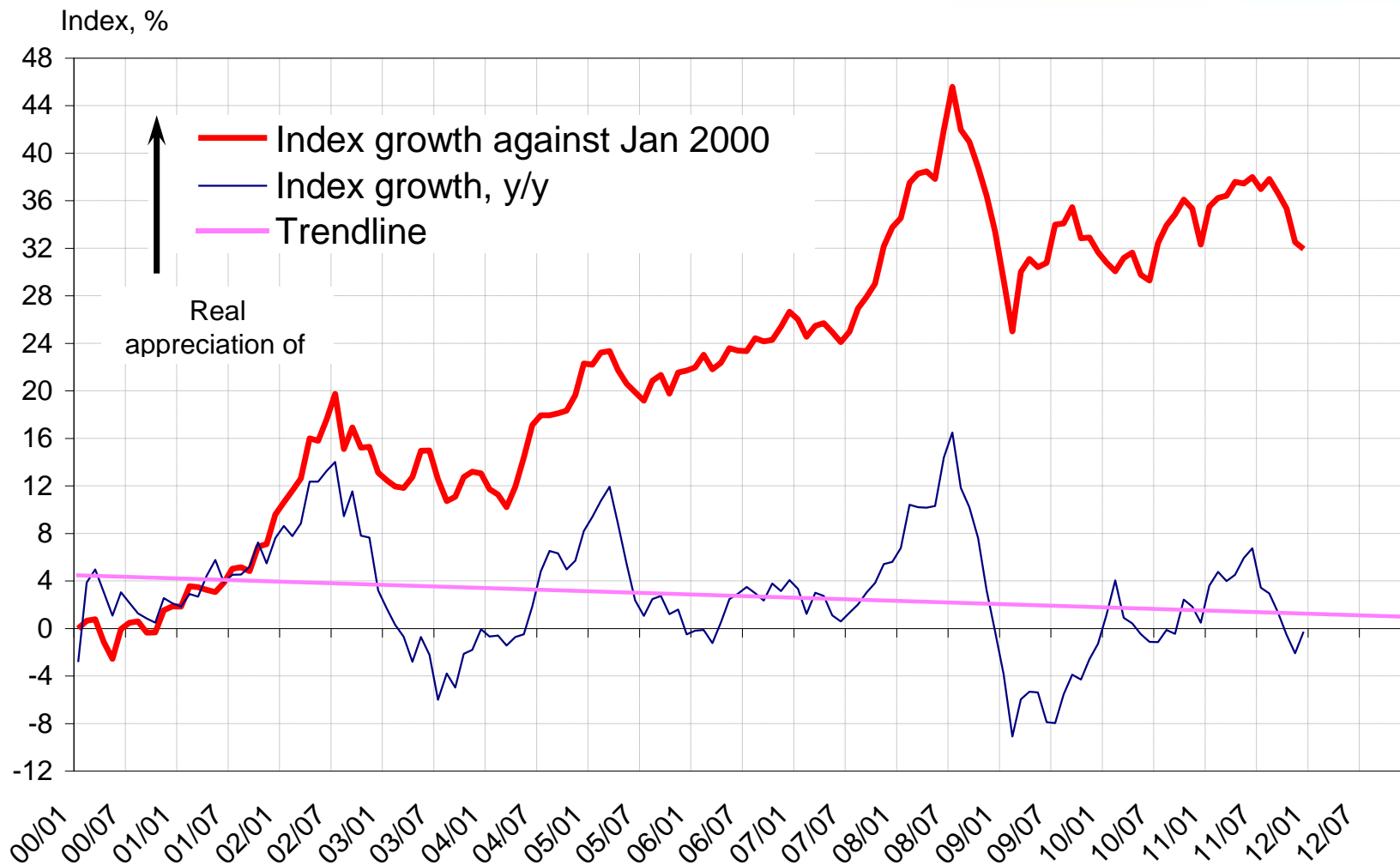


Czech crown has been strengthening ..

monthly average, CZK/LCY



... also in real terms



Outlook: risks are on the downside

		2008	2009	2010	Latest	2011f	2012f
GDP (real)	y/y, %	3.1	-4.7	2.7	0.6 2011Q4	1.7	0.5
Private consumption (real)	y/y, %	3.0	-0.4	0.6	-0.7 2011Q4	-0.5	-0.7
Investment (gross fixed capital formation, real)	y/y, %	1.2	3.8	0.6	-1.7 2011Q4	-1.4	-1.0
Industrial production	y/y, %	-1.8	-13.6	10.3	4.7 Feb-12	6.9	1.0
Industrial new orders	y/y, %	-2.7	-17.2	16.1	10.5 Feb-12	5.4	1.0
Construction output	y/y, %	0.0	-0.9	-7.1	-16.0 Feb-12	-3.5	-2.0
Retail sales	y/y, %	2.7	-4.7	1.3	1.6 Feb-12	1.9	-0.7
Consumer confidence	e-o-p	-21.0	-6.8	-9.3	-29.5 Mar-12	-29.8	-20.0
Inflation	average, y/y, %	6.3	1.0	1.5	2.2 ^y Feb-12	1.9	3.5
Current Account (annual basis)	% of GDP	-2.1	-2.4	-3.9	-2.9 2011Q4	-2.9	-2.7
Unemployment rate	e-o-p, %	6.0	9.2	9.6	9.2 Feb-12	8.6	9.0
CZK/EUR	average	24.94	26.45	25.29	24.68 Mar-12	24.59	25.00
2w CNB repo rate	e-o-p, %	2.25	1.00	0.75	0.75 Mar-12	0.75	0.75
3m PRIBOR	average, %	4.04	2.19	1.31	1.23 Mar-12	1.19	1.20
10y IRS	average, %	4.23	3.69	3.04	2.25 Mar-12	2.84	2.65
		2008	2009	2010	Latest	2011f	2012f
GDP per capita	euroarea=100	75	76	74	x	74	75
Price level	euroarea=100	70	66	69	x	68	66
HICP	average, %	6.3	0.6	1.2	4 ^y Feb-12	2.1	3.2
Public budgets (ESA-95)	% of GDP	-2.2	-5.8	-4.8	x	-3.1	-3.3
Public debt (ESA-95)	% of GDP	28.7	34.4	38.0	x	41.2	43.6
Long term interest rate	spread in bps	65	162	114	127 Feb-12	110	115



Thank you for your
attention.

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24.4.2012