

Survey of macroeconomic forecasts

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Tel.: +420 257 041 111

ISSN 2571-435X (on-line)

Issued twice a year, free distribution

Electronic archive:

<https://www.mfcr.cz/colloquium>

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The aim of the survey of macroeconomic forecasts (the so-called Colloquium), which is carried out by the Ministry of Finance of the Czech Republic (MoF), is to ascertain the opinion of relevant institutions on the future development of the Czech economy and to assess key trends the participating institutions envisage in their forecasts. The results of the 57th Colloquium, which took place in May 2024, are based on the forecasts of 16 institutions (Ministry of Finance; Ministry of Industry and Trade; Ministry of Labour and Social Affairs; Czech National Bank; AKCENTA CZ; Citibank; Banka CREDITAS; Czech Banking Association; Česká spořitelna; Deloitte; Generali Investments CEE; Czech Chamber of Commerce; Institute of Economic Studies, Faculty of Social Sciences, Charles University; Komerční banka; Confederation of Industry of the Czech Republic; UniCredit Bank). To make the survey more representative, forecasts of the European Commission (European Economic Forecast, May 2024), the International Monetary Fund (World Economic Outlook, April 2024) and the Organisation for Economic Co-operation and Development (Economic Outlook, May 2024) have been included.

Key trends for the years 2024 and 2025 that are envisaged in the latest forecast of the MoF (April 2024) are consistent with the forecasts of other institutions. However, the comparison of forecasts for the years 2026 and 2027, which are understood as an indicative outlook, is complicated by the fact that the forecasts of the participating institutions do not cover this period in many cases (the whole period 2024–2027 cover, at least for some indicators, forecasts of 10 institutions). The results of the survey and the latest forecast of the MoF are summarised in Tables 1 and 2.

Main macroeconomic trends expected in 2024 and 2025 can be summarised as follows:

- On average, respondents to the survey expect the Czech economy to grow by 1.3% this year. Real household consumption could rise by 2.4% after two years of decline, thanks to a significant reduction in inflation, developments on the labour market and a strengthening of consumer confidence at the start of the year. Reflecting the consolidation of public finances, the growth rate of government consumption should slow to 1.6%. The transition to the new EU multiannual financial framework should have a negative impact on investment growth, which is expected to slow to 2.9%. The change in inventories should continue to hold back economic growth (by 1.9pp), although not as strongly as in 2023. At the same time, the positive contribution of net exports should decrease (to 1.1pp).
- Economic growth should accelerate to 2.6% in 2025 thanks to more favourable developments in all components of domestic demand, especially household consumption. The combined effect of the change in inventories and the external trade balance on GDP growth could already be almost neutral.
- On average, the participating institutions expect the inflation rate to fall significantly to 2.5% this year. In addition to the restrictive effects of monetary and fiscal policy, the unwinding of the cost shock of previous years should also contribute to the decrease. By contrast, the weakening of the koruna against the euro and the US dollar and the higher price of oil should have a pro-inflationary effect. The average inflation rate should fall further to 2.1% in 2025. Easing inflationary pressures will allow the Czech National Bank to continue cutting interest rates.
- According to the respondents, the unemployment rate is expected to rise to 2.9% on average this year before declining slightly to 2.8% in 2025. Changes in employment should be very small, with institutions expecting an average increase of only 0.1% this year; in 2025, employment could increase by 0.2%.
- On average, respondents expect wages and salaries to increase by 6.2% this year, while growth in this highly significant budget indicator could slow to 5.6% in 2025.
- Thanks to the unwinding of adverse factors in the form of problems in supply chains and high energy commodity prices, the current account of the balance of payments should achieve a surplus this year and next, which, according to survey respondents, could be close to 1% of GDP.

Table 1: Results of the survey for the years 2024 and 2025

		2024						2025					
		min.	P25	average	P75	max.	MoF	min.	P25	average	P75	max.	MoF
<i>Assumptions</i>													
GDP of EA19	<i>real growth in %</i>	0.5	0.5	0.6	0.7	0.9	0.5	0.9	1.3	1.3	1.4	1.5	1.4
Crude oil Brent	<i>USD/barrel</i>	78	84	84	85	85	84	60	79	79	81	85	78
3M PRIBOR	<i>average in %</i>	4.8	5.0	5.1	5.2	5.3	5.1	3.3	3.4	3.6	3.7	4.2	3.3
YTM of 10Y gov. bonds	<i>average in %</i>	3.2	3.7	3.8	4.0	4.2	3.7	3.0	3.3	3.6	3.8	4.3	3.4
CZK/EUR exchange rate		24.8	24.9	25.0	25.1	25.2	25.1	23.9	24.5	24.7	24.9	25.3	24.7
USD/EUR exchange rate		1.06	1.07	1.08	1.08	1.09	1.09	1.06	1.09	1.10	1.11	1.12	1.11
<i>Main indicators</i>													
Gross domestic product	<i>real growth in %</i>	0.7	1.2	1.3	1.4	1.6	1.4	2.0	2.4	2.6	2.8	3.1	2.6
Contr. of change in inventories	<i>perc. points</i>	-5.0	-2.4	-1.9	-1.2	-0.3	-1.0	-1.2	-0.5	-0.4	0.0	0.2	-0.5
Contr. of foreign balance	<i>perc. points</i>	-0.9	0.6	1.1	1.3	3.7	0.2	-1.4	-0.1	0.2	0.5	2.1	0.4
Consumption of households	<i>real growth in %</i>	1.9	2.1	2.4	2.6	3.1	2.7	2.4	3.0	3.4	3.6	4.9	3.5
Consumption of government	<i>real growth in %</i>	0.7	1.4	1.6	2.0	2.3	1.6	0.8	1.2	1.8	2.2	2.9	2.2
Gross fixed capital formation	<i>real growth in %</i>	1.5	2.1	2.9	3.5	4.8	2.2	1.1	2.6	3.2	3.5	4.9	2.4
GDP deflator	<i>growth in %</i>	1.9	2.6	3.1	3.3	4.7	2.9	0.4	2.1	2.2	2.5	3.0	2.2
Inflation rate (aop)	<i>in %</i>	2.1	2.3	2.5	2.6	2.7	2.7	0.9	2.0	2.1	2.3	2.7	2.4
Employment (national accounts)	<i>growth in %</i>	-0.4	-0.2	0.1	0.3	0.4	0.4	0.1	0.1	0.2	0.2	0.6	0.2
Unemployment rate (LFS)	<i>in %</i>	2.6	2.8	2.9	2.9	3.4	2.8	2.4	2.7	2.8	2.9	3.9	2.7
Wages and salaries (dom. concept)	<i>nom. growth in %</i>	4.5	5.7	6.2	6.9	7.5	6.8	5.1	5.3	5.6	5.8	6.5	5.5
BoP – current account balance	<i>in % of GDP</i>	0.0	0.5	0.9	1.2	2.5	0.6	0.1	0.7	0.9	1.3	1.4	0.7

Note: The data in column P25 (P75) correspond to the 1st (3rd) quartile of the forecast sample.

Source: Survey respondents. Calculations of the MoF.

Table 2: Results of the survey for the years 2026 and 2027

		2026				2027			
		min.	average	max.	MoF	min.	average	max.	MoF
<i>Assumptions</i>									
GDP of EA19	<i>real growth in %</i>	1.2	1.4	1.4	1.4	0.9	1.3	1.5	1.3
Crude oil Brent	<i>USD/barrel</i>	63	75	82	75	66	75	84	72
3M PRIBOR	<i>average in %</i>	3.0	3.3	3.8	3.2	3.0	3.3	3.8	3.2
YTM of 10Y gov. bonds	<i>average in %</i>	3.0	3.6	4.3	3.4	3.0	3.6	4.3	3.4
CZK/EUR exchange rate		23.5	24.1	25.0	24.3	23.2	23.9	25.0	23.9
USD/EUR exchange rate		1.04	1.14	1.20	1.13	1.04	1.15	1.24	1.14
<i>Main indicators</i>									
Gross domestic product	<i>real growth in %</i>	2.0	2.5	3.0	2.4	1.1	2.3	2.8	2.5
Contr. of change in inventories	<i>perc. points</i>	-0.3	-0.1	0.2	-0.2	-0.1	0.0	0.2	0.0
Contr. of foreign balance	<i>perc. points</i>	-0.7	0.2	0.6	0.2	-0.9	0.1	0.5	0.3
Consumption of households	<i>real growth in %</i>	2.7	3.0	3.5	2.9	1.7	2.4	2.8	2.5
Consumption of government	<i>real growth in %</i>	1.0	1.8	2.8	2.0	1.0	1.7	2.2	1.6
Gross fixed capital formation	<i>real growth in %</i>	1.4	2.8	3.5	2.6	1.8	2.8	4.4	2.2
GDP deflator	<i>growth in %</i>	0.5	1.9	3.0	2.0	0.8	1.9	2.5	2.0
Inflation rate (aop)	<i>in %</i>	1.4	2.0	2.8	2.0	1.5	2.1	2.5	2.0
Employment (national accounts)	<i>growth in %</i>	0.1	0.2	0.5	0.1	-0.6	-0.1	0.4	-0.2
Unemployment rate (LFS)	<i>in %</i>	2.4	2.7	4.0	2.6	2.3	2.7	4.0	2.6
Wages and salaries (dom. concept)	<i>nom. growth in %</i>	4.7	5.2	5.9	4.7	4.6	4.9	5.3	4.6
BoP – current account balance	<i>in % of GDP</i>	0.5	1.0	1.4	0.7	0.5	0.9	1.6	0.8

Source: Survey respondents. Calculations of the MoF.

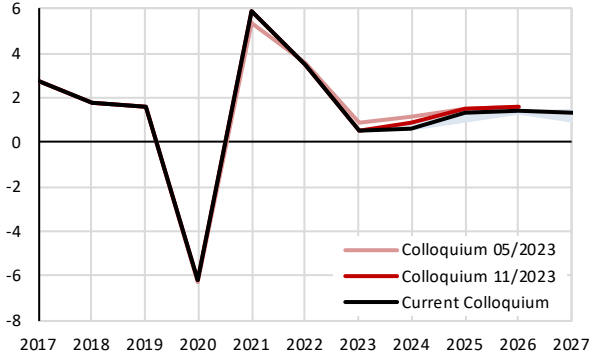
Overview of indicators

Graphs 1–18 show past and expected development of individual indicators. For comparison, consensus forecasts of two previous Colloquiums are also included. Extreme forecasts of indicators (min. and max. columns in the tables above) form the boundaries of the highlighted area.

Graph 1: Gross domestic product of the EA19

real growth in %

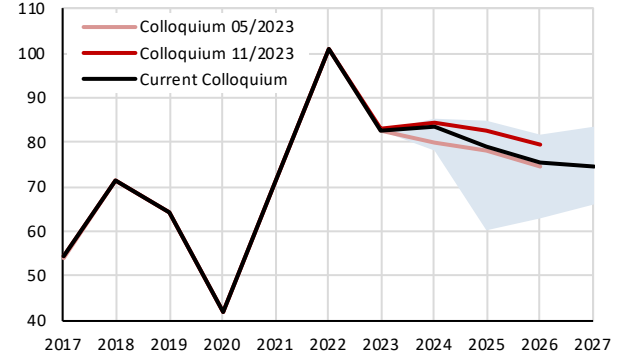
Weak GDP growth in the euro area also this year



Graph 2: Crude oil Brent

in USD/barrel

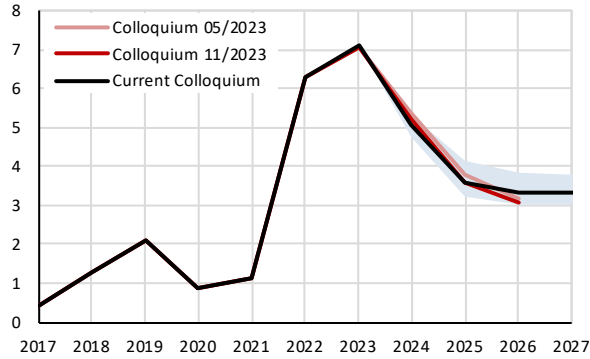
Decrease in the price of oil towards USD 75 per barrel



Graph 3: 3M PRIBOR

in %, average of period

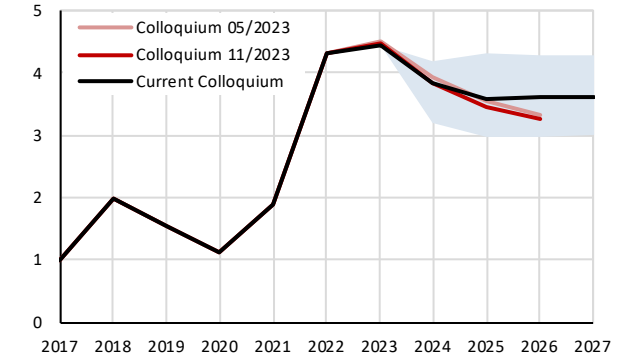
Considerable easing of monetary policy in 2024 and 2025



Graph 4: YTM of 10Y government bonds

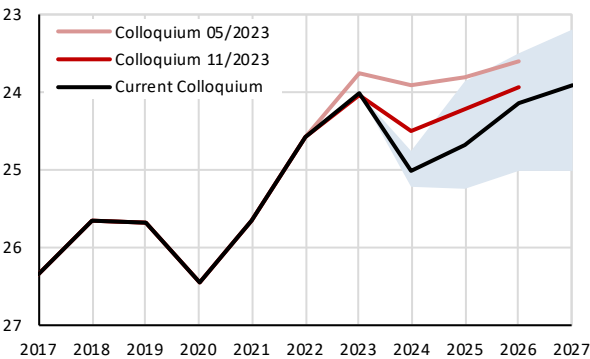
in %, average of period

Long-term rates to decrease moderately, but stay above 3.5%



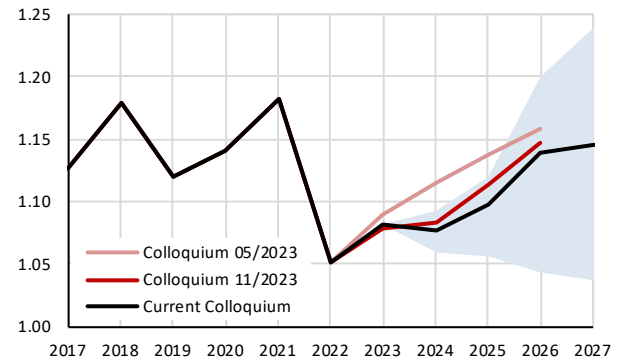
Graph 5: CZK/EUR exchange rate

Temporary weakening of the koruna-euro exchange rate



Graph 6: USD/EUR exchange rate

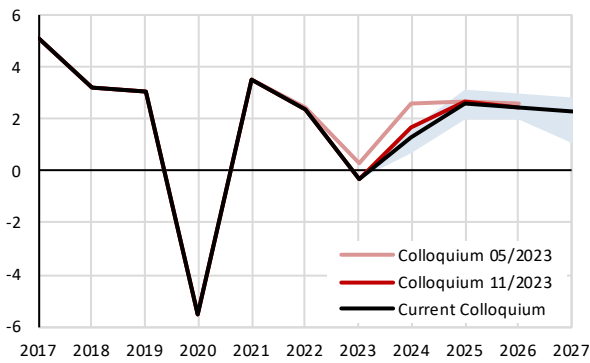
Depreciation of the dollar towards USD 1.15/EUR in 2027



Graph 7: Gross domestic product

real growth in %

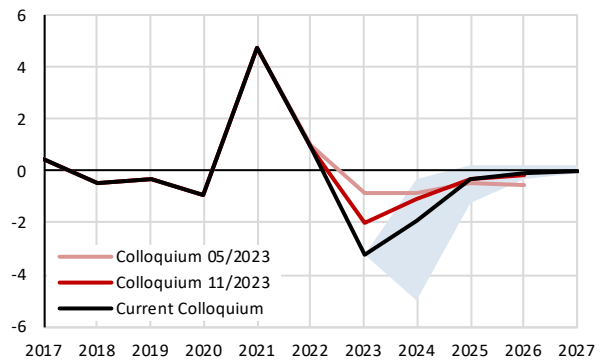
GDP growth of 1.3% this year and close to 2.5% in upcoming years



Graph 8: Contribution of change in inventories

in percentage points

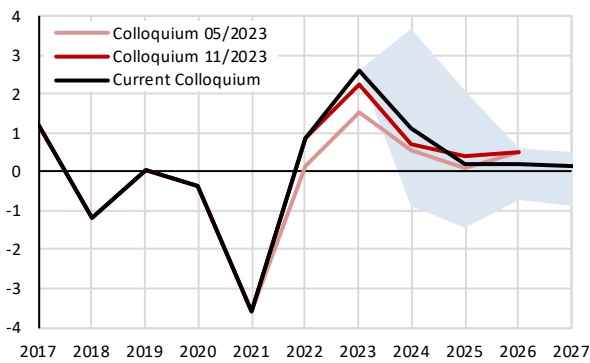
Gradual return of inventory accumulation to normal levels



Graph 9: Contribution of net exports

in percentage points

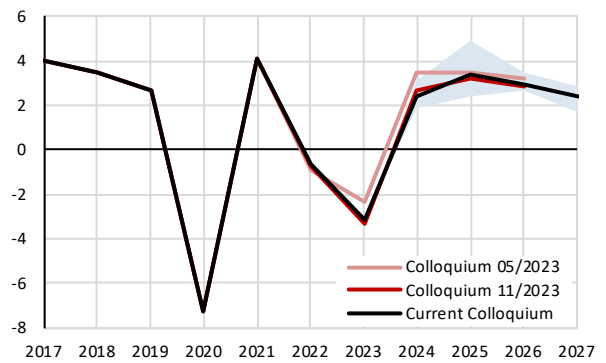
Positive contribution of net exports to GDP growth



Graph 10: Consumption of households

real growth in %

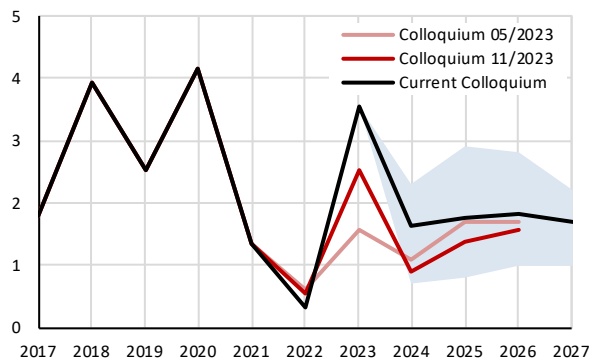
Private consumption will increase after a two-year decline



Graph 11: Consumption of government

real growth in %

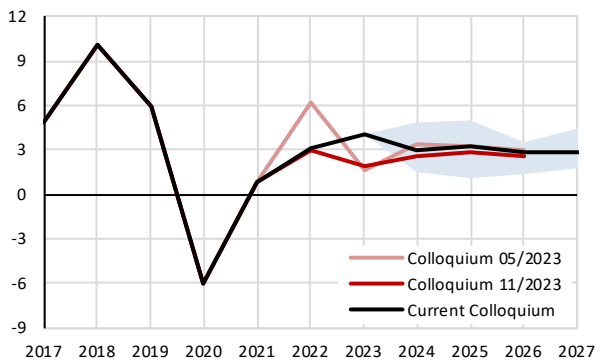
Moderate growth of public consumption over the forecast horizon



Graph 12: Gross fixed capital formation

real growth in %

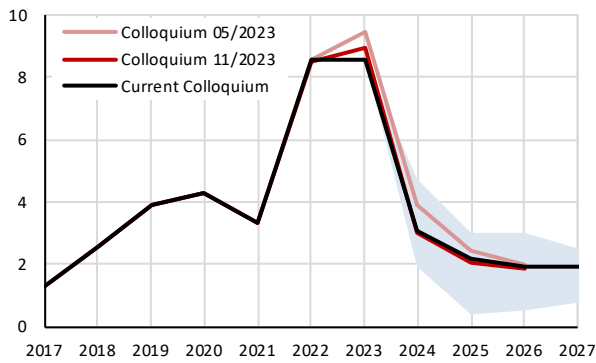
Stable investment growth of around 3% per year



Graph 13: GDP deflator

growth in %

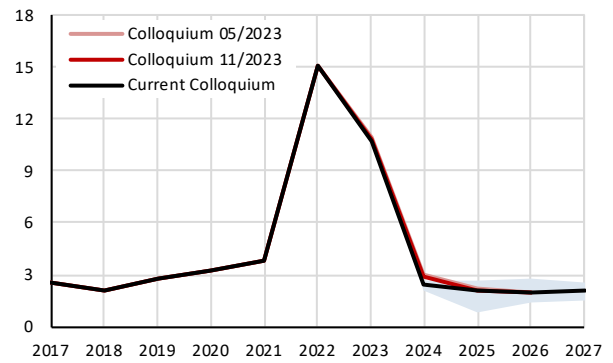
Sharp slowdown in growth of the price level



Graph 14: Average inflation rate

in %

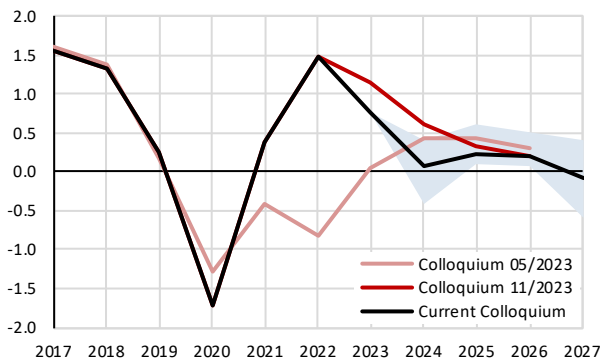
Return of inflation to the vicinity of the 2% target of the CNB



Graph 15: Employment (national accounts)

growth in %; LFS based employment until the last Colloquium

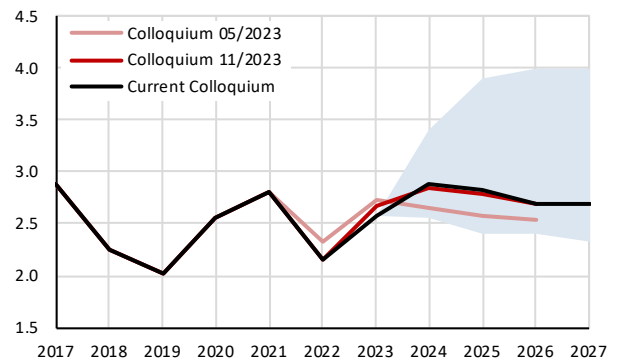
Forecasts do not envisage big changes in employment



Graph 16: Unemployment rate (LFS)

in %

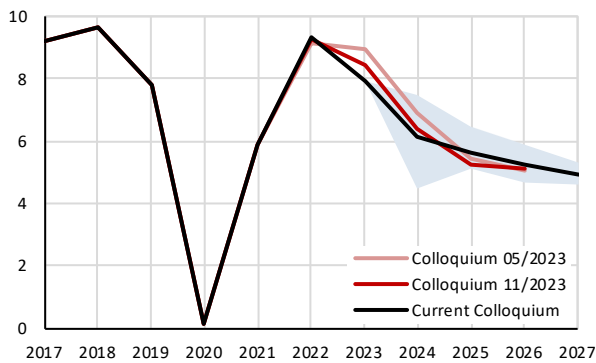
Unemployment rate below 3%, despite some increase in 2024



Graph 17: Wages and salaries (domestic concept)

nominal growth in %

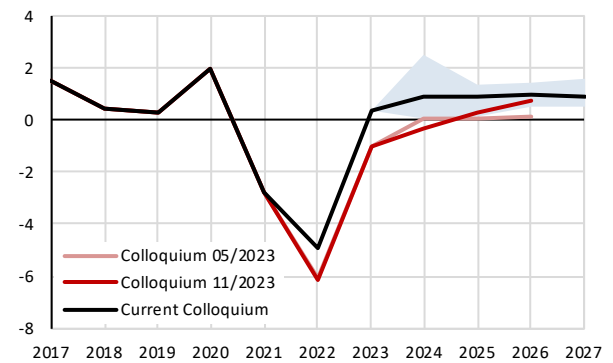
Growth of wages and salaries to slow down gradually



Graph 18: Balance of payments – current account

in % of GDP

Stable surplus of roughly 1% of GDP on the current account





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