

Survey of macroeconomic forecasts

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Ministry of Finance of the Czech Republic
Letenska 15, 118 10 Prague 1

Tel.: +420 257 041 111

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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 58th Colloquium, which took place in November 2024, are based on the forecasts of 13 institutions (MoF; Ministry of Industry and Trade; Ministry of Labour and Social Affairs; Czech National Bank; AKCENTA CZ; CERGE-EI; Banka CREDITAS; Česká spořitelna; Deloitte; Generali Investments CEE; Institute of Economic Studies, Faculty of Social Sciences, Charles University; Komerční banka; Confederation of Industry of the Czech Republic). To make the survey more representative, forecasts of the European Commission (European Economic Forecast, November 2024), the International Monetary Fund (World Economic Outlook, October 2024) and the Organisation for Economic Co-operation and Development (Economic Outlook, December 2024) have been included.

Key trends for the years 2024 and 2025 that are envisaged in the latest forecast of the MoF (November 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 8 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 1.0% this year. Real household consumption could increase by 1.8% thanks to a significant reduction in inflation, developments on the labour market and strengthening consumer confidence. Government consumption growth should be similar to that in 2023, reflecting the consolidation of public finances, the ramp-up of current spending from EU instruments and the repair of flood damage. Investment growth is negatively affected by the weak economic performance of euro area countries and the transition to the EU's new multiannual financial perspective, and should slow to 0.5%. The change in inventories should continue to hold back economic growth (by 1.8pp), although not as strongly as in 2023. The positive contribution of the external trade balance should decrease to 0.9pp.
- Economic growth should accelerate to 2.2% in 2025, driven by an upswing in domestic demand. However, stronger domestic demand will also boost imports, so the external trade balance should dampen GDP growth slightly.
- On average, the participating institutions expect the inflation rate to fall significantly to 2.5% this year. In addition to the restrictive monetary and fiscal policy, the unwinding of the cost shock of previous years should also contribute to this. By contrast, the weakening of the koruna against the euro and the US dollar and nominal wage growth should have an inflationary effect. The average inflation rate should fall further to 2.3% in 2025. Easing inflationary pressures will allow the Czech National Bank to continue cutting interest rates.
- According to respondents, the unemployment rate should remain at very low levels, although it should rise slightly – to an average of 2.7% this year and 2.8% in 2025. Changes in employment (in the national accounts methodology) should be very small, with institutions expecting an average increase of 0.3% this year; in 2025, employment could increase by 0.2%.
- On average, respondents expect wages and salaries to increase by 6.5% this year, while growth in this highly significant budget indicator could slow to 5.8% in 2025.
- Thanks to the unwinding of unfavourable factors in the form of problems in supply chains and high energy commodity prices, the current account of the balance of payments should reach a surplus of around 1% of GDP this year. Next year, due to the recovery in trading partner countries and import-intensive domestic demand, it could fall to 0.6% 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	0.8	0.8	0.8	0.8	0.8	0.8	1.0	1.1	1.2	1.3	1.2
Crude oil Brent	<i>USD/barrel</i>	81	81	81	81	82	81	69	73	74	75	80	72
3M PRIBOR	<i>average in %</i>	3.9	5.0	4.9	5.0	5.0	5.0	3.1	3.2	3.4	3.6	3.7	3.5
YTM of 10Y gov. bonds	<i>average in %</i>	3.4	3.9	3.9	4.0	4.5	3.9	2.8	3.5	3.6	3.8	3.9	3.5
CZK/EUR exchange rate		25.1	25.1	25.1	25.1	25.2	25.1	24.5	24.9	25.1	25.3	25.4	24.9
USD/EUR exchange rate		1.08	1.08	1.09	1.09	1.10	1.09	1.03	1.06	1.09	1.10	1.16	1.09
<i>Main indicators</i>													
Gross domestic product	<i>real growth in %</i>	0.8	1.0	1.0	1.1	1.2	1.1	1.5	2.2	2.2	2.4	2.7	2.5
Contr. of change in inventories	<i>perc. points</i>	-4.0	-1.7	-1.8	-1.4	-1.1	-1.6	-0.3	-0.1	0.5	0.8	1.5	0.7
Contr. of foreign balance	<i>perc. points</i>	0.6	0.8	0.9	1.0	1.3	0.9	-1.3	-0.8	-0.3	-0.2	1.6	-1.3
Consumption of households	<i>real growth in %</i>	1.6	1.7	1.8	1.9	2.2	1.9	2.0	2.3	2.8	3.1	3.9	3.7
Consumption of government	<i>real growth in %</i>	2.6	3.2	3.4	3.6	4.0	3.7	-0.7	1.1	1.7	2.3	3.4	1.8
Gross fixed capital formation	<i>real growth in %</i>	-0.4	0.2	0.5	0.8	1.0	0.9	-0.8	1.9	2.3	3.2	3.6	3.6
GDP deflator	<i>growth in %</i>	2.7	3.9	3.9	4.2	4.2	3.7	1.5	2.3	2.4	2.7	2.8	2.7
Inflation rate (aop)	<i>in %</i>	2.3	2.5	2.5	2.5	2.6	2.4	1.8	2.1	2.3	2.6	2.8	2.3
Employment (national accounts)	<i>growth in %</i>	0.2	0.3	0.3	0.4	0.5	0.3	-0.1	0.2	0.2	0.2	0.4	0.2
Unemployment rate (LFS)	<i>in %</i>	2.6	2.6	2.7	2.7	2.8	2.6	2.5	2.6	2.8	2.9	3.2	2.5
Wages and salaries (dom. concept)	<i>nom. growth in %</i>	6.0	6.3	6.5	6.6	7.1	6.2	4.8	5.8	5.8	6.0	6.3	6.3
BoP – current account balance	<i>in % of GDP</i>	0.1	1.2	1.2	1.5	1.6	1.4	0.0	0.3	0.6	1.0	1.5	0.0

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	1.6	1.5	1.0	1.3	1.7	1.4
Crude oil Brent	<i>USD/barrel</i>	68	73	82	71	67	73	84	71
3M PRIBOR	<i>average in %</i>	2.5	3.1	3.4	3.4	2.0	3.0	3.4	3.4
YTM of 10Y gov. bonds	<i>average in %</i>	2.8	3.5	3.8	3.5	2.8	3.4	3.8	3.5
CZK/EUR exchange rate		23.7	24.8	25.5	24.5	23.3	24.1	24.5	24.0
USD/EUR exchange rate		1.02	1.10	1.19	1.11	1.01	1.12	1.21	1.13
<i>Main indicators</i>									
Gross domestic product	<i>real growth in %</i>	1.8	2.4	2.8	2.6	2.1	2.4	2.6	2.6
Contr. of change in inventories	<i>perc. points</i>	0.0	0.2	0.6	0.6	0.0	0.1	0.4	0.4
Contr. of foreign balance	<i>perc. points</i>	-0.6	0.0	0.5	-0.6	-0.3	0.2	0.5	-0.3
Consumption of households	<i>real growth in %</i>	2.6	3.0	3.4	3.1	2.0	2.5	2.9	2.5
Consumption of government	<i>real growth in %</i>	0.6	1.2	2.2	1.2	0.8	1.5	1.9	1.8
Gross fixed capital formation	<i>real growth in %</i>	-1.2	2.6	3.5	3.5	-0.4	2.2	3.3	3.3
GDP deflator	<i>growth in %</i>	0.4	2.0	2.5	2.3	0.5	1.8	2.2	2.2
Inflation rate (aop)	<i>in %</i>	1.6	2.1	2.4	2.1	1.7	2.0	2.2	2.0
Employment (national accounts)	<i>growth in %</i>	0.1	0.2	0.5	0.1	-0.2	-0.2	-0.2	-0.2
Unemployment rate (LFS)	<i>in %</i>	2.4	2.7	3.5	2.4	2.4	2.7	3.5	2.4
Wages and salaries (dom. concept)	<i>nom. growth in %</i>	4.9	5.3	6.3	5.2	4.7	5.0	5.3	4.7
BoP – current account balance	<i>in % of GDP</i>	-0.7	0.6	1.5	-0.7	-0.9	0.4	1.5	-0.9

Source: Survey respondents. Calculations of the MoF.

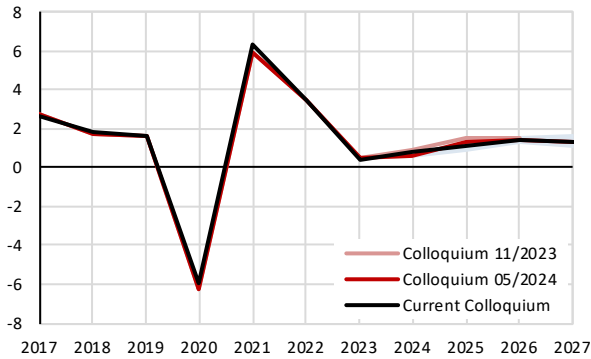
Overview of indicators

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 %

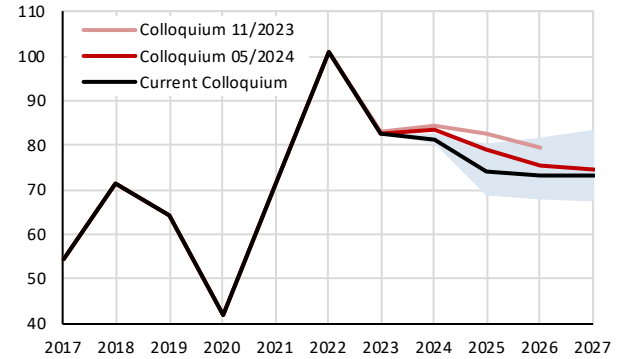
Gradual economic recovery in the euro area



Graph 2: Crude oil Brent

in USD/barrel

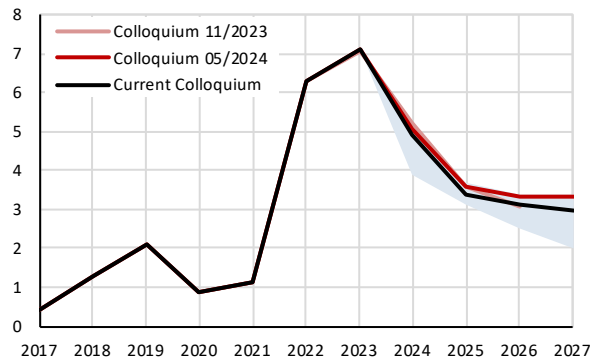
Decrease in the price of oil towards USD 70 per barrel



Graph 3: 3M PRIBOR

in %, average of period

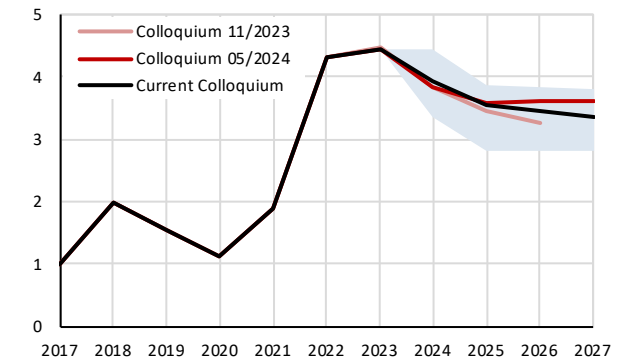
Monetary-policy rate cuts to continue in 2025



Graph 4: YTM of 10Y government bonds

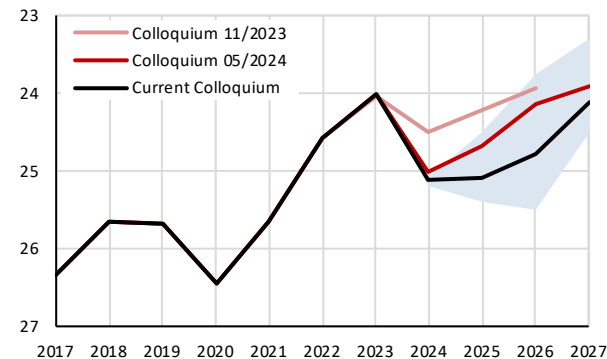
in %, average of period

Long-term rates to decrease moderately



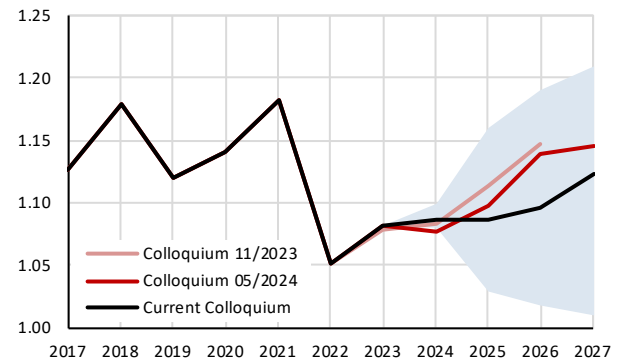
Graph 5: CZK/EUR exchange rate

The koruna-euro exchange rate stable next year, then appreciation



Graph 6: USD/EUR exchange rate

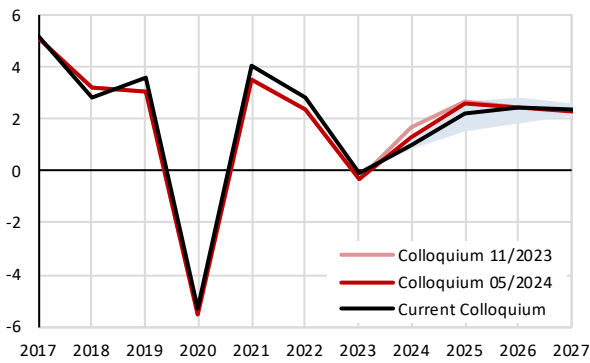
Strengthening of the EUR against USD expected only in the outlook



Graph 7: Gross domestic product

real growth in %

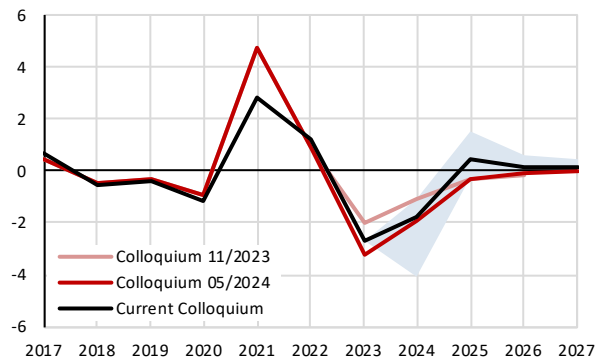
GDP growth of 1.0% in 2024, above 2% in the following years



Graph 8: Contribution of change in inventories

in percentage points

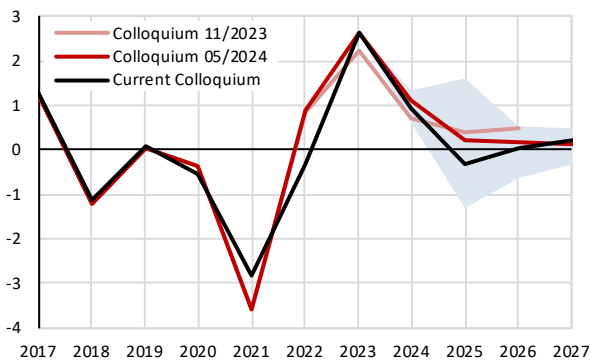
Gradual normalisation of inventories to typical levels



Graph 9: Contribution of net exports

in percentage points

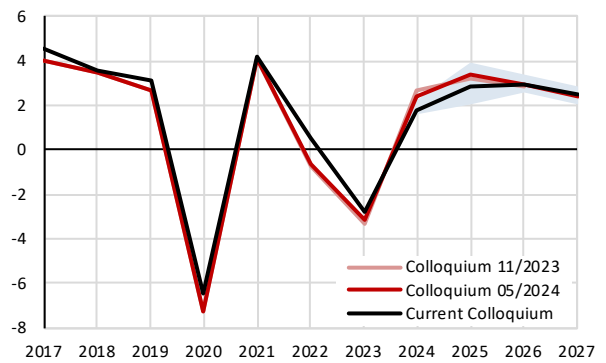
Stronger domestic demand will support import growth



Graph 10: Consumption of households

real growth in %

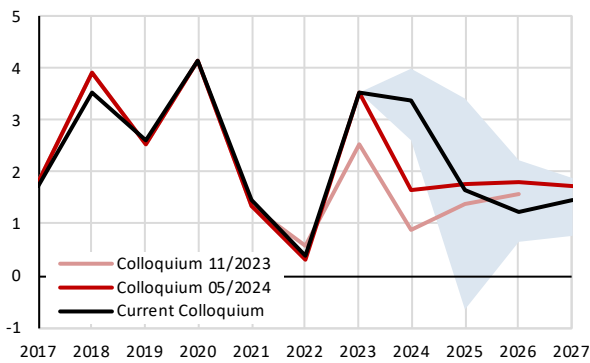
Real household consumption to grow again after a decline in 2023



Graph 11: Consumption of government

real growth in %

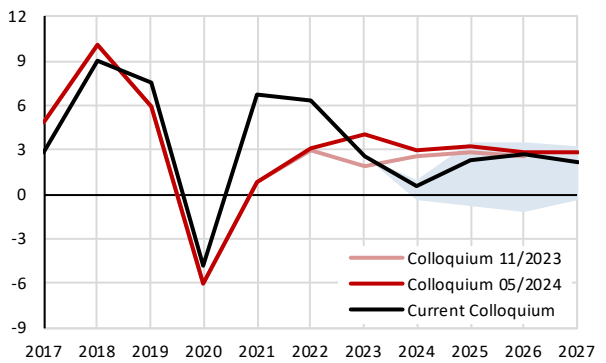
Government cons. growth will slow down considerably from 2025



Graph 12: Gross fixed capital formation

real growth in %

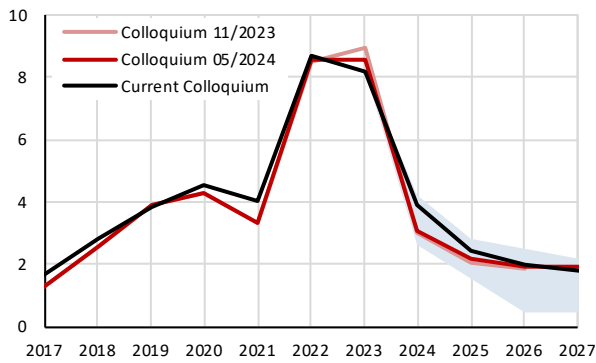
Investment growth of around 2.5% YoY from next year



Graph 13: GDP deflator

growth in %

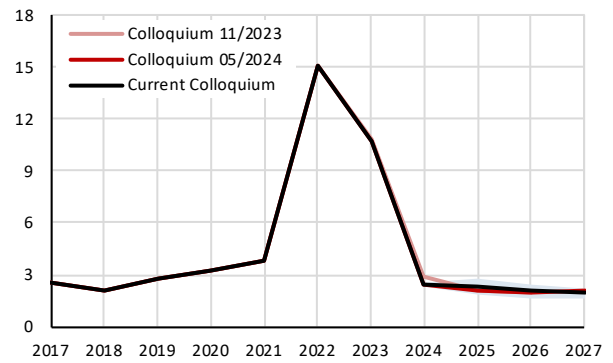
Sharp slowdown in growth of the price level



Graph 14: Average inflation rate

in %

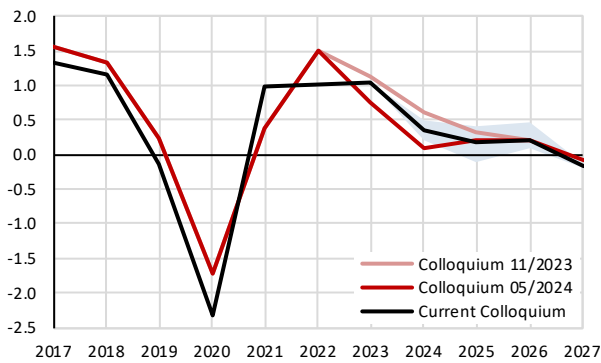
Return of inflation to the vicinity of the 2% target of the CNB



Graph 15: Employment (national accounts)

growth in %; LFS based employment in the Colloquium 11/2023

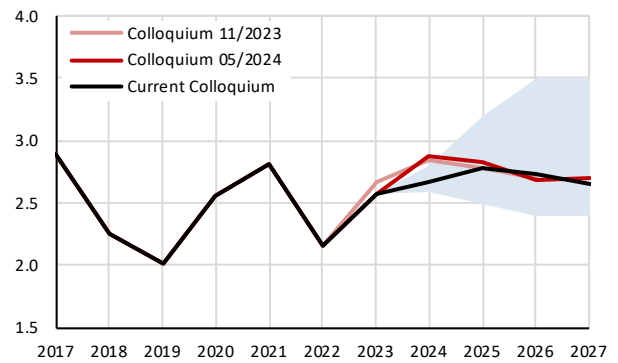
Employment will not change significantly



Graph 16: Unemployment rate (LFS)

in %

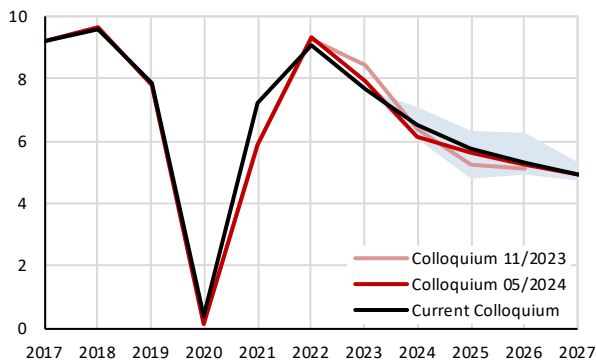
Unemployment rate below 3% despite increases in 2024 and 2025



Graph 17: Wages and salaries (domestic concept)

nominal growth in %

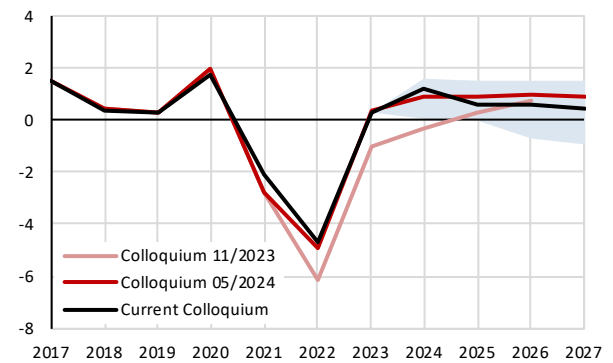
Growth of wages and salaries to slow down gradually



Graph 18: Balance of payments – current account

in % of GDP

Current account surplus will fall to around 0.5% of GDP





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Economic Policy Department
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118 10 Prague 1

<http://www.mfcr.cz/en>