



BALANCE
OF
PAYMENTS
2003

CONTENTS

A. EXECUTIVE SUMMARY	1
B. FULL REPORT	4
1. THE CURRENT ACCOUNT	4
1.1. GOODS	4
1.1.1. Terms of trade	5
1.1.2. Foreign trade by territory	7
1.1.3. Foreign trade by commodity	9
1.1.4. Inward and outward processing	12
1.1.5. High-technology trade	12
1.2. SERVICES	13
1.3. INCOME	16
1.4. CURRENT TRANSFERS	17
2. THE CAPITAL ACCOUNT	18
3. THE FINANCIAL ACCOUNT	18
3.1. FOREIGN DIRECT INVESTMENT	18
3.1.1. Czech direct investment abroad	18
3.1.2. Foreign direct investment in the Czech Republic	19
3.1.3. Foreign direct investment income	21
3.2. PORTFOLIO INVESTMENT	22
3.3. FINANCIAL DERIVATIVES	23
3.4. OTHER INVESTMENT	23
4. CNB INTERNATIONAL RESERVES	24
5. THE INTERNATIONAL INVESTMENT POSITION, EXTERNAL DEBT AND DEBT SERVICE	24
5.1. THE INTERNATIONAL INVESTMENT POSITION	24
5.2. EXTERNAL DEBT	26
5.3. DEBT SERVICE	28
C. ANNEXES	
ANNEX 1 FOREIGN TRADE STATISTICS FOLLOWING THE CZECH REPUBLIC'S ACCESSION TO THE EU	
ANNEX 2 THE INTERBANK FOREIGN EXCHANGE MARKET AND THE KORUNA EXCHANGE RATE	
ANNEX 3 EXTERNAL DEBT RATIOS	
ANNEX 4 ECONOMIC GLOBALISATION INDICATORS FOR FOREIGN DIRECT INVESTMENT	
ANNEX 5 BALANCE OF PAYMENTS for January to December 2003	
ANNEX 6 BALANCE OF PAYMENTS for January to December 2003 (detailed data)	
ANNEX 7 EXTERNAL INVESTMENT POSITION	
ANNEX 8 EXTERNAL DEBT	
ANNEX 9 AMORTISATION SCHEDULE OF LONG-TERM DEBT	
ANNEX 10 FOREIGN DIRECT INVESTMENT	
ANNEX 11 PORTFOLIO INVESTMENT	

A. EXECUTIVE SUMMARY

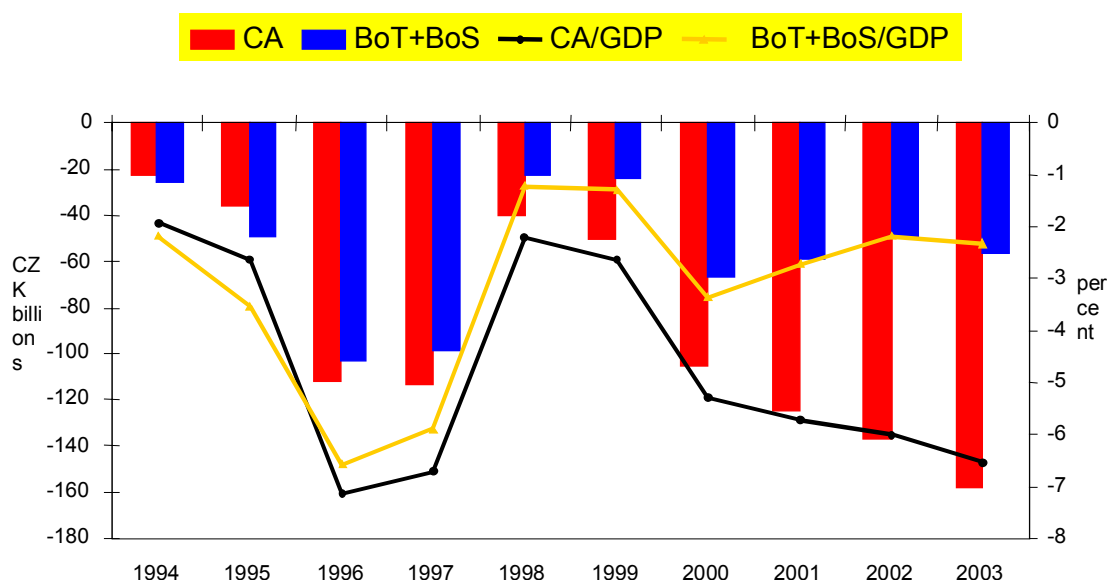
MAIN TRENDS

The current account of the Czech Republic's balance of payments showed a deficit of CZK 157.2 billion (EUR 4.9 billion) in 2003. The financial account recorded a net inflow of foreign capital of CZK 163.9 billion (EUR 5.1 billion). CNB international reserves (exchange rate changes excluded) increased by CZK 12.9 billion (EUR 0.4 billion).

CURRENT ACCOUNT

As a percentage of GDP the current account deficit reached 6.5%. The deficit on goods and services was more favourable and amounted to only 2.3% of GDP. The difference is attributable to the year-on-year decline in the current transfers balance and the deficit on the income balance.

Current account and trade balance 1994-2003



Source: CNB, CZSO

The year-on-year improvement in the trade balance was due to the increase in foreign demand for Czech production and better terms of trade. Export possibilities for machine production (motor vehicles, electrical machinery) and manufactured articles of Czech producers expanded on the advanced markets of EU countries. The long-term widening of the trade deficit continued, particularly with regard to China (where the deficit was larger than that with Russia) and some of the newly industrialised countries of South-East Asia (Malaysia, the Philippines, Thailand, Taiwan) and Japan. The growing deficit with these countries is chiefly due to the increase in the import of a wide range of products, including machine production, computer technology, electronic components and consumer goods.

The rise in exports was grounded partly on the greater price competitiveness of domestic production on foreign markets (increase of 0.9% in export prices) against a fall in import prices of 0.3%, including exchange rate effects. Favourable terms of trade (year-on-year improvement of 1.2%) helped reduce the trade balance deficit by around CZK 17 billion.

Greater interest on the part of foreign visitors in the Czech Republic resulted in a year-on-year increase in revenues from foreign tourism. Reduced foreign demand was reflected in a fall in revenue from other export services, and with it a fall in the aggregate services surplus. A sharp fall in revenue was registered particularly for sales of computer technology, telecommunications, legal and financial services, research and development services and services provided in the fields of culture, leisure, recreation and sport.

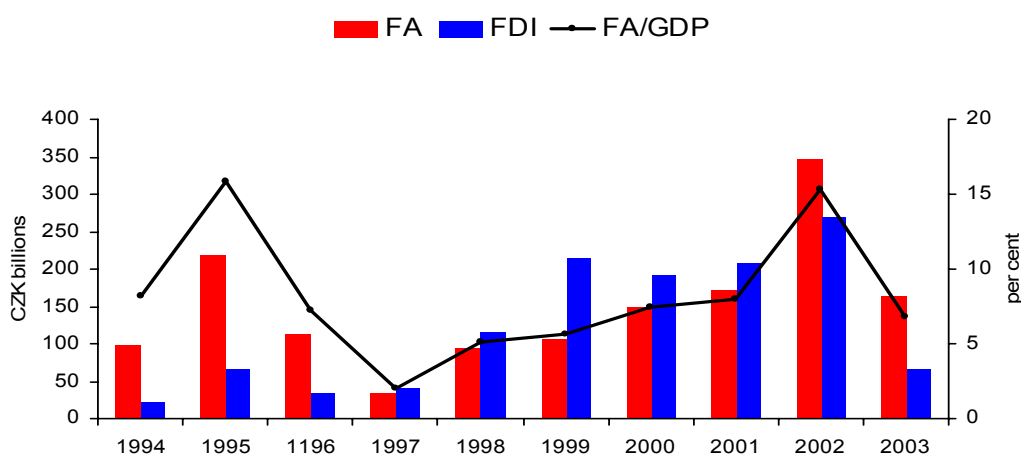
The deficit on the income balance significantly exceeded that on the trade balance. The volume of dividends paid to foreign investors grew year-on-year and at the same time a slight fall is forecast in the volume of re-invested earnings. The interest balance recorded stronger results, registering an increase in interest collected on foreign securities held by residents and corporate loans granted abroad. The rise in the number of Czech nationals working abroad led to an increase in income from salaries paid.

The fall in the current transfers balance surplus reflected the higher costs relating to the transfer of funds from the government's account to the company CME as a result of international arbitration, tax and social insurance transfers on salaries and wages of Czech nationals employed abroad, and payments of contributions to international institutions. On the income side the year-on-year fall in extraordinary receipts from reinsurance to cover flood damage and private transfers (transfers to the population and non-profit organisations) was offset by increased subsidies from EU funds.

FINANCIAL ACCOUNT

The inflow of foreign funds on the financial account fell year-on-year by more than one half. The surplus on the financial account as a ratio of GDP fell to 6.8%.

Financial account and FDI 1994-2003



Source: CNB, CZSO

The slowdown in the inflow of foreign direct investment stemmed from the fall in privatisation revenue and extraordinary transactions with Eurotel and Czech Telecom shares, which resulted in a reduction in direct foreign investment through the foreign investor's departure from these companies. Since the government intends to sell Czech Telecom, including its subsidiary, to a foreign strategic investor this is a temporary phenomenon. Direct investment continued in the manufacturing industry and the services sector. The outflow of Czech direct investment abroad is not significant.

Lower returns on domestic securities meant that portfolio investment was influenced chiefly by the purchase of foreign bonds by domestic investors. The sale of foreign shares heavily outweighed their purchase. Demand for shares on the domestic market centred chiefly on the sale of Czech Telecom shares to a direct foreign investor. These were bought by institutional investors primarily from the USA and Great Britain. Investors also showed interest in other domestic titles, which led to a rise in prices on the domestic market. Foreign demand for domestic bonds, however, fell year-on-year.

Other investment income recorded a net inflow as a result of the reduction in the short-term foreign assets of commercial banks. The free funds were used to finance the current account deficit and to purchase foreign bonds. A similar trend (increase in foreign liabilities against a fall in assets) was evident in the corporate sector. A significant instance was Czech Telecom's drawing of foreign credit to purchase Eurotel shares.

In the government sector foreign credits from the European Investment Bank were used to implement anti-flood measures and for the construction of transport infrastructure. The fall in government assets was due to de-blocking operations and repayments of previous government loans.

INTERNATIONAL RESERVES AND EXTERNAL DEBT

International reserves increased (excluding exchange rate effects) by CZK 12.9 billion. The income side covers returns from CNB international reserves while debits include the sale of international reserves relating to government debt service and the payment of penalty fees (CME arbitration and cancellation of the contract to build a motorway to Ostrava). The volume of international reserves covered more than five months' worth of imports of goods and services.

The international investment position recorded an increased deficit due to the net inflow of foreign capital and exchange rate effects. The investment position deficit amounts to 25% of GDP. The Czech Republic's external debt rose to 37% of GDP.

External debt indicators stabilised in 2003 and did not signal any increased risk for the further development of external economic relations. The reduced inflow of direct foreign investment led to the increased use of debt instruments to finance the current account deficit and thereby to a rise in foreign debt. These factors affected the Czech Republic's perception by foreign investors, particularly at the year-end, which also influenced sentiment regarding the koruna's position on the foreign exchange market.

B. FULL REPORT

1. THE CURRENT ACCOUNT

1.1.GOODS

The trade balance ended 2003 in a deficit of CZK 69.4 billion, an improvement of CZK 1.9 billion year-on-year. Exports in current prices rose 9.4% due to the 8.4% increase in the physical volume of exports. Export prices rose 0.9%. Imports in current prices rose 8.7%, pushed up by the 9.0% increase in the physical volume of imports. Average import prices for the year fell 0.3%. The trade balance benefited from favourable terms of trade.

By territory, the Czech Republic enjoyed its largest trade surplus with EU countries. The deficit with other market economy states (particularly Japan) deteriorated, and larger deficits were also recorded with developing countries and non-European countries with transition and state economies (affected by the dynamic widening of the deficit with China). There was a reduction in the surplus with European countries with a transition and state economy, caused chiefly by the higher deficit with Russia. The commodity structure registered an increased surplus in the machinery and transport equipment category and for manufactured goods. Higher deficits were recorded chiefly with regard to the chemical industry (notably the import of medicinal products and pharmaceuticals) and the fuel category, which was affected by higher import prices on natural gas and oil.

Commodity structure according to IMF balance of payments methodology

in CZK billions

INDICATOR		2002	2003	y-o-y change
EXPORTS	total	1 254,4	1 371,8	117,4
	general merchandise	879,1	993,7	114,6
	goods for processing	373,5	376,4	2,9
	non-monetary gold	1,8	1,7	-0,1
IMPORTS	total	1 325,7	1 441,2	115,5
	general merchandise	1 051,8	1 161,0	109,2
	goods for processing	273,7	279,9	6,2
	non-monetary gold	0,2	0,3	0,1
BALANCE	total	-71,3	-69,4	1,9
	general merchandise	-172,7	-167,3	5,4
	goods for processing	99,8	96,5	-3,3
	non-monetary gold	1,6	1,4	-0,2

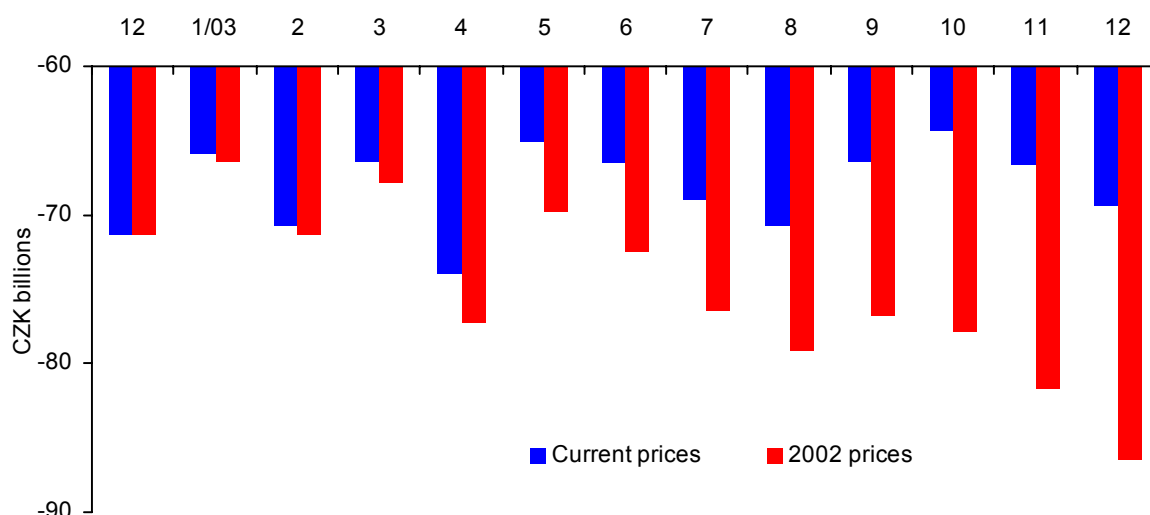
Notes: 1) The export and import data are based on the foreign trade statistics methodology in force as of 1 July 2000. The data on processing do not include the actual value of aircrafts and boats, only the value added upon processing. Also not included are temporary exportation and re-importation of goods (e.g. export and re-import of exhibits) and trade in monetary gold.

2) Goods procured in ports are recorded under general merchandise. Repairs of goods are recorded under goods for processing.

Source: CZSO; CNB calculation

The trade balance deficit in current prices measured in aggregate over the previous 12 months fell in 2003 as a result of price and exchange rate developments. In constant prices the deficit deteriorated due to the increase in the physical volume of imports.

Trade balance – aggregate for the last 12 months



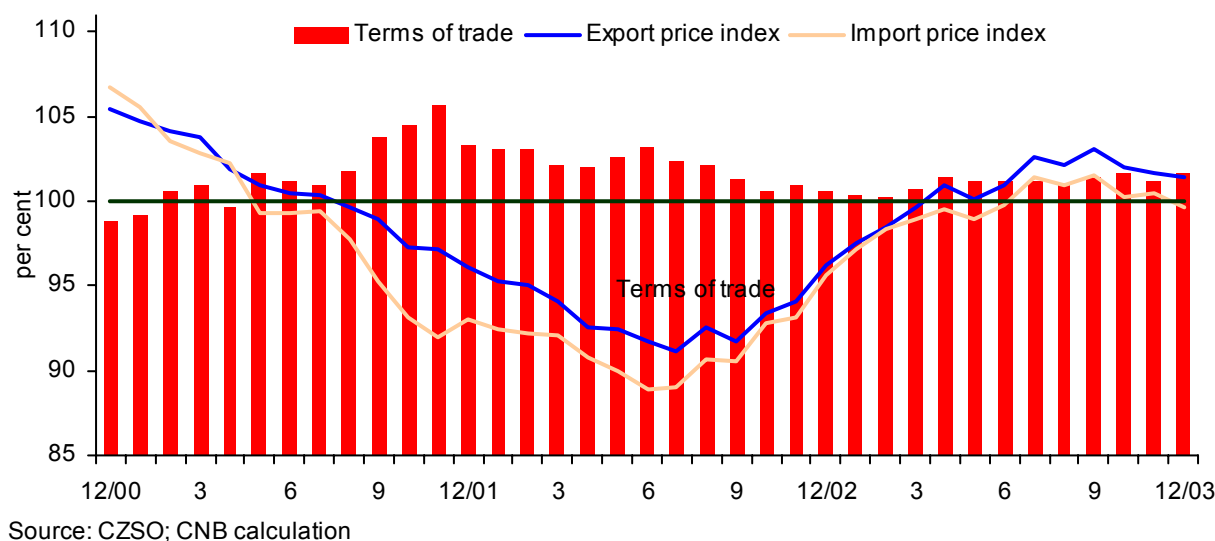
Source: CZSO; CNB calculation

1.1.1. Terms of trade

The trade balance expressed in current prices was positively affected by improved terms of trade. Export prices rose 0.9% against 2002 and import prices fell 0.3%. Improved terms of trade were felt in the following categories: miscellaneous manufactured articles, machinery and transport equipment and chemicals. Slightly deteriorated terms of trade were felt in fuels and manufactured goods. The annual average for terms of trade rose from 100.3 in January to 101.7 percentage points in December. Higher prices for power-generating raw materials on the world market were partially offset in import prices by the koruna's appreciation against the US dollar.

Terms of trade for machinery and transport equipment continue to develop positively. Regardless of price fluctuations on foreign markets, in recent years this category, the most important in terms of volume, has recorded ever-improving terms of trade. The higher dynamic in export prices against import prices can be ascribed to increased competitiveness among machinery sectors on the foreign markets.

Terms of trade (same period last year =100, monthly data)



The favourable terms-of-trade level was maintained throughout all four quarters. The highest level was recorded in Q4, with fuel import prices responding to an easing in the rise of natural gas prices.

Terms of trade according to CZSO price indices;
(same period last year = 100)

SITC GROUPS	Export price indices in 2003				Import price indices in 2003				Terms of trade in 2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
0 Food	91,5	95,1	100,3	102,3	94,5	94,7	98,6	101,3	96,8	100,4	101,7	101,0
1 Beverages and tobacco	113,9	110,6	108,5	94,4	95,8	97,5	102,8	104,5	118,9	113,4	105,5	90,3
2 Raw materials	99,8	102,0	100,9	103,0	95,5	100,1	104,5	104,4	104,5	101,9	96,6	98,7
3 Fuels	105,0	102,1	109,2	105,9	113,0	103,7	108,0	99,0	92,9	98,5	101,1	107,0
4 Fats and oils	98,6	100,1	99,8	102,5	105,9	108,3	104,8	98,5	93,1	92,4	95,2	104,1
5 Chemicals	102,4	101,6	98,1	100,1	98,0	99,7	100,4	100,4	104,5	101,9	97,7	99,7
6 Manufactured goods, class. by material	98,1	101,3	103,5	102,1	97,9	101,9	103,8	102,6	100,2	99,4	99,7	99,5
7 Machinery and transport equipment	97,4	100,0	102,4	101,3	95,7	97,7	99,5	98,7	101,8	102,4	102,9	102,6
8 Miscellaneous manufactured articles	98,9	100,9	102,7	101,9	97,1	98,4	98,9	99,0	101,9	102,5	103,8	102,9
Total	98,6	100,7	102,6	101,7	98,1	99,4	101,3	100,2	100,5	101,3	101,3	101,5

Source: CZSO; CNB calculation

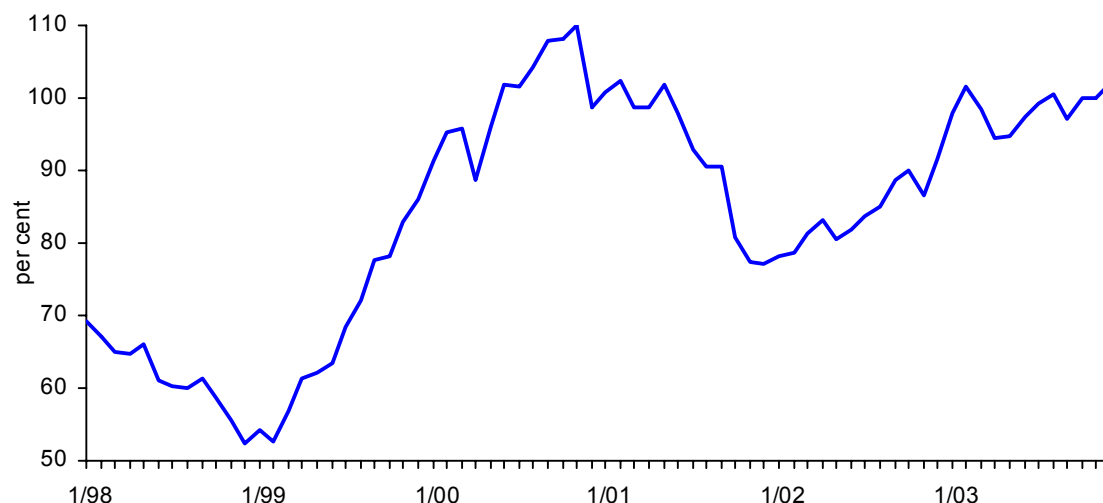
Export and import prices were affected not only by price developments on foreign markets but also by changes in the koruna's nominal exchange rate. Despite marked increases in prices on world markets for industrial raw materials and food, the koruna price of imports remained around the level of the previous year, aided by the koruna's appreciation against the US dollar. In 2003, the koruna's nominal exchange rate against the EUR fell by more than 3%, while against the US dollar it strengthened by almost 16%. In all, industrial raw materials and food made up 24.7% of Czech foreign trade turnover. Finished manufactured articles, on which the effect of the year-on-year price fluctuations was less marked, comprised a larger part of trade turnover. This can be seen in the development of average industrial producer prices on EU markets, which rose by only 1.4%.¹⁾

Prices of industrial raw materials and food rose year-on-year on world markets. The CZSO's commodity index for 2003 rose year-on-year on aggregate by 17.3%. The index's development was mixed. Power-generating raw materials were the prime factor in driving the index up, with a more than 69% share of the aggregate index (price increase of 19.7%, of

¹⁾ Source : EIU: <http://countrydata.bvdep.com/>

which Brent crude oil rose 13.7% and natural gas 26.4%), while rubber rose 34.2%, textiles 19.9%, metals 9.1% and wood 6.1%. The leather, food and oils categories recorded lower increases.

Monthly indices of world prices of industrial raw materials and food - aggregate (year 2000 = 100)



Source: CZSO

World oil prices rose year-on-year, influenced by ethnic unrest in Nigeria (the seventh-largest world exporter of oil), a fall in oil production in Venezuela, the military intervention in Iraq and concerns about the subsequent destabilisation of the situation in the Middle East. The price of Ural crude oil on the European market rose on average by 14% and Brent crude oil by around 15%. Ural crude oil recorded its highest monthly levels in February, at around USD 32 a barrel, falling back to an average of USD 28 a barrel in December. Although oil prices rose year-on-year, the koruna's appreciation against the US dollar meant that oil import prices in koruna increased by only about 5% on average. The US dollar price of natural gas supplies recorded a year-on-year rise as the highest monthly increases in oil prices fed through into heating oil prices on world markets (which, with a several-month lag, provide the benchmark for natural gas prices). Natural gas imports in koruna thus rose by around 10% despite a fall of 0.7% in actual imports and the koruna's appreciation against the dollar.

1.1.2. Foreign trade by territory

Geographically, the dominant share of trade is with the developed market economies, and chiefly EU countries. Export growth led to a record trade surplus with EU countries, but it was almost fully offset by the rising deficit with other territories (increased imports).

Geographical structure of foreign trade

COUNTRY GROUP	Share in exports in per cent		Share in imports in per cent		Trade balance in CZK billions	
	2002	2003	2002	2003	2002	2003
Market economies	75,3	76,0	69,5	68,6	23,4	53,6
EU states	68,4	69,8	60,2	59,3	60,0	104,0
other developed market economies	6,9	6,2	9,3	9,3	-36,5	-50,4
Transition/state trading system economies	21,2	21,2	23,3	24,0	-41,9	-56,5
European countries ¹⁾	20,8	20,6	18,5	18,7	15,6	12,7
non-European countries ²⁾	0,4	0,6	4,8	5,3	-57,5	-69,2
Developing countries	3,5	2,8	7,2	7,4	-52,8	-66,5
Total	100,0	100,0	100,0	100,0	-71,3	-69,4

Note: Unspecified figures are included in the group *Other developed market economies*

¹⁾ Including the Community of Independent States

²⁾ China, North Korea, Cuba, Laos, Mongolia, Vietnam

Source: CZSO; CNB calculation

The trade balance with developed market economies recorded a surplus (improvement of CZK 30.2 billion), with trade from EU countries accounting for CZK 44.0 billion of the improvement. The chief factors behind this development were increased exports to Austria, Germany and the Netherlands, despite the downturn in economic growth in these countries. Exports to EU countries rose by 11.6% against an increase in imports of 7%. Nevertheless, the deficit with other developed market economies worsened by CZK 13.9 billion due to unfavourable trading results with the USA (fall in exports), Japan (rise of 19.6% in imports, chiefly metalworking machinery, electrical technology and computer technology, including assembly parts for Japanese companies doing business in the Czech Republic), Switzerland (export stagnation) and Norway (increase in the price of natural gas).

The trade deficit with transition economies and economies with a state trading system increased year-on-year by CZK 14.6 billion, due in large part to a rising deficit with non-European countries and a fall in the surplus with European countries. Surplus trade with transition economies in Europe fell by CZK 2.9 billion, mainly as a result of the deficit with Russia rising by around CZK 6 billion to CZK 49.2 billion in reaction to import prices for power-generating raw materials and the reduction in the surplus with Hungary (by CZK 3.1 billion) due to export stagnation. The deficit with non-European transition and state economies deteriorated by CZK 11.7 billion due to the trade deficit with China rising by CZK 12 billion. The Czech Republic's deficit with China of CZK 68.5 billion was higher than that with Russia. As in 2002, rising imports from China chiefly comprised computer technology, telecommunications and electrical equipment, although imports of clothes and shoemaking goods dropped.

The trade deficit with developing countries continued to widen, recording its highest ever figure of CZK 66.5 billion (a year-on-year deterioration of CZK 13.7 billion). This was attributable to the growing imbalance in trade with Asian countries (Malaysia, the Philippines, Thailand and Taiwan). Rising imports from these countries chiefly comprised parts for radio and communications equipment, office machinery, automatic data processing and electrical machinery.

The geographical structure of foreign trade can be seen in relation to the activity of foreign-owned companies in the Czech Republic. Their demand for imports is to a significant extent met by countries in South East Asia. Finished production then goes on from the Czech Republic to the markets of EU countries.

1.1.3. Foreign trade by commodity

In 2003, the export commodity structure saw an increase of 50.1% in the share of machinery and transport equipment. Growth in current prices was fostered chiefly by the increase in the physical volume of exports (rise in constant prices of 10.2%).

Export commodity structure

SITC GROUPS	Exports in CZK billions		Index in per cent 2003/2002	Percentage of total		Difference in CZK billions
	2002	2003		2002	2003	
0 Food	31,1	36,4	117,2	2,5	2,7	5,3
1 Beverages and tobacco	8,6	8,2	95,8	0,7	0,6	-0,4
2 Raw materials	35,1	38,5	109,8	2,8	2,8	3,4
3 Fuels	35,9	39,4	109,7	2,9	2,9	3,5
4 Fats and oils	1,0	1,0	102,9	0,1	0,1	0,0
5 Chemicals	74,7	80,6	108,0	6,0	5,9	5,9
6 Manufactured goods, class. by material	293,7	316,6	107,8	23,4	23,1	22,9
7 Machinery and transport equipment	623,0	687,6	110,4	49,7	50,1	64,6
8 Miscellaneous manufactured articles	149,4	161,6	108,2	11,9	11,8	12,2
9 Commodities not elsewhere classified	1,9	1,8	93,6	0,2	0,1	-0,1
Total	1 254,4	1 371,8	109,4	100,0	100,0	117,4

Source: CZSO; CNB calculation

Increased exports in the machinery category were attributable chiefly to general industrial machinery and equipment (rise of CZK 15.1 billion), followed by electronics and electrical technology (increase of CZK 13.2 billion) and auto industry production (increase of CZK 10.6 billion) concentrated in parts and accessories for motor vehicles (against a fall of CZK 3.1 billion in passenger car exports). Exports of office equipment and computer technology also rose (by CZK 9.1 billion), mainly with regard to automatic data processing equipment, including digital peripheral units within inward processing. The export of power-generating machinery and equipment increased by CZK 5.2 billion (index: 113.3), and there was growth of CZK 4.8 billion in supplies of machinery and equipment for specific industrial sectors. The rise of CZK 4.0 billion in export activity for telecommunications and sound reproduction equipment was driven mainly by telecommunications equipment (increase of CZK 6.6 billion) as exports of television receivers produced primarily by inward processing fell year-on-year by CZK 5.5 billion.

SITC 7 exports – machinery and transport equipment

SITC 7 SUBCATEGORIES	Exports in CZK billions		Index in per cent 2003/2002	Percentage of total		Difference in CZK billions
	2002	2003		2002	2003	
Power generating machinery and equipment	38,0	43,2	113,7	3,0	3,2	5,2
Machinery specialised for particular industries	41,2	46,0	111,7	3,3	3,4	4,8
Metalworking machinery	14,9	14,0	94,0	1,2	1,0	-0,9
General industrial machinery and equipment	77,2	92,3	119,6	6,2	6,7	15,1
Office machines and automatic data processing machines	77,9	87,0	111,7	6,2	6,3	9,1
Telecoms and sound recording and reproducing apparatuses and equipment	38,7	42,7	110,3	3,1	3,1	4,0
Electrical machinery, apparatuses and appliances, n.e.c.	125,4	138,6	110,5	10,0	10,1	13,2
Road vehicles	198,7	209,3	105,3	15,8	15,2	10,6
Transport equipment, n.e.c.	11,0	14,5	131,8	0,9	1,1	3,5
Total	623,0	687,6	110,4	49,7	50,1	64,6

Source: CZSO; CNB calculation

With the exception of beverages and tobacco, the other commodity groups, which account for 49.9% of exports, rose in both current and constant prices. The year-on-year increase in total exports was attributable not only to machinery but to manufactured goods (iron and steel and metal products), miscellaneous manufactured articles (various goods and scientific instruments), chemicals (polymers, plastics and pharmaceuticals) and food (mainly wheat exports).

The commodity structure for imports and exports is highly inter-linked due to the need of Czech exports for imported components and raw materials. In 2003, the share of machinery and transport equipment in the imports commodity structure rose slightly to 42.8%.

Import commodity structure

SITC GROUPS	Imports in CZK billions		Index in per cent 2003/2002	Percentage of total		Difference in CZK billions
	2002	2003		2002	2003	
0 Food	54,2	57,1	105,4	4,1	4,0	2,9
1 Beverages and tobacco	6,6	7,5	114,4	0,5	0,5	0,9
2 Raw materials	38,2	41,0	107,3	2,9	2,8	2,8
3 Fuels	100,2	107,9	107,6	7,6	7,5	7,6
4 Fats and oils	3,0	3,8	124,3	0,2	0,3	0,7
5 Chemicals	148,4	164,5	110,8	11,1	11,4	16,1
6 Manufactured goods, class. by material	273,0	289,8	106,2	20,6	20,1	16,8
7 Machinery and transport equipment	561,8	616,3	109,7	42,4	42,8	54,5
8 Miscellaneous manufactured articles	140,0	153,0	109,2	10,6	10,6	12,9
9 Commodities not elsewhere classified	0,3	0,4	132,0	0,0	0,0	0,1
Total	1 325,7	1 441,2	108,7	100,0	100,0	115,5

Source: CZSO; CNB calculation

The year-on-year increase in machinery imports was attributable chiefly to rising imports of industrial machinery and equipment (pumps, transmission shafts, compressors including parts), followed by metalworking machinery and specialised machinery for particular industries (total increase of CZK 14.9 billion). A sharp rise in domestic demand was recorded for electrical equipment, apparatus and appliances, e.g. electrical conductors, parts for switching or protecting electrical circuits, batteries, electric accumulators and capacitors (increase of CZK 11.8 billion) as well as for telecommunications and sound recording and reproducing apparatus and equipment (increase of CZK 7.1 billion) intended for assembly by inward processing. Imports of power-generating machinery and equipment also grew. Increased imports of road vehicles (by CZK 10 billion) can be attributed to higher imports of vehicle parts and accessories (one-third) and imports of passenger cars and freight transport vehicles (two-thirds). The modernisation and expansion of the air fleet (imports of aeroplanes rose by CZK 5.2 billion) and the purchase of the Pendolino express train (increase of CZK 2.0 billion) were responsible for the growth of imports of other transport equipment.

SITC 7 imports – machinery and transport equipment

SITC 7 SUBCATEGORIES	Imports in CZK billions		Index in per cent 2003/2002	Percentage of total		Difference in CZK billions
	2002	2003		2002	2003	
Power generating machinery and equipment	34,5	39,7	115,1	2,6	2,8	5,2
Machinery specialised for particular industries	44,0	46,7	106,1	3,3	3,2	2,7
Metalworking machinery	16,1	18,7	116,1	1,2	1,3	2,6
General industrial machinery and equipment	75,5	85,1	112,7	5,7	5,9	9,6
Office machines and automatic data processing machines	71,2	69,5	97,6	5,4	4,8	-1,7
Telecoms and sound recording and reproducing apparatuses and equipment	38,6	45,7	118,4	2,9	3,2	7,1
Electrical machinery, apparatuses and appliances, n.e.c.	158,0	169,8	107,5	11,9	11,8	11,8
Road vehicles	115,5	125,5	108,7	8,7	8,7	10,0
Transport equipment, n.e.c.	8,4	15,6	185,7	0,6	1,1	7,2
Total	561,8	616,3	109,7	42,4	42,8	54,5

Source: CZSO; CNB calculation

Of the machinery sub-categories, only imports of office machines and computer technology recorded a fall (of CZK 1.7 billion – index 97.6), including imports for processing.

In addition to the machinery category, total imports were also boosted by manufactured goods (iron and steel, metal products, paper and cardboard and rubber products) and chemicals (enormous increase of CZK 6 billion in imports of medicinal and pharmaceutical products, followed by plastics and plastic materials). Demand also grew for miscellaneous manufactured articles (items made of plastic, various consumer goods, scientific instruments and furniture). Fuel imports also rose (by CZK 7.6 billion) due to the rise in the price of oil, oil products and natural gas. Growing demand was also reflected in food imports (cereals, vegetables and fruit, coffee, tea, cocoa), raw materials (rubber and iron ore) and to a lesser extent also beverages and tobacco.

With regard to the purpose of use of the imported goods, there was an increase in imports in all three categories. The rise was attributable to the relatively dynamic growth of domestic demand and the high import demands of Czech exports.

Imports for investment purposes (index: 110.7) were chiefly channelled into the auto industry (outfitting new operations and modernising factories for final assembly and their suppliers, including investment in new products and technology), followed by transport, both air, including freight (purchase of planes to expand the air fleet, construction of a Czech Airlines cargo terminal), and rail (purchase of an express train). Part of the investment went into expanding the central oil stock. Investment in industrial zones, where investors are primarily multinational corporations, also created demand for imports, including infrastructure equipment. Other imports went into the construction and equipping of new buildings in the tertiary sector (e.g. investment in social and sports centres, warehouses).

Imports for personal consumption (index: 110.6) chiefly reflected an increase in the import of medicinal and pharmaceutical products. Imports also rose of passenger vehicles and miscellaneous manufactured articles (office needs equipment for households and a variety of recreational activities). Demand also resulted in an increase in imports of selected food and beverages.

Imports for intermediate consumption (index: 107.1) recorded increases mainly in the power-generation and chemicals categories, for iron and steel, textile yarn and fabrics, assembly parts and accessories including supplies for the auto industry.

The aggregate balance on trade in goods, which showed a year-on-year improvement of CZK 1.9 billion, was influenced chiefly by results in the two main commodity groups – machinery and transport equipment and manufactured articles. Surpluses in food and raw materials also helped improve the deficit's result. Chemicals and fuels, however, both recorded increased deficits, in the case of chemicals due to increased imports (e.g. the balance of medicinal and pharmaceutical products worsened by around CZK 5 billion) and for fuels due to price developments on world markets.

Trade balance commodity structure

SITC GROUPS	Trade balance in CZK billions		Difference in CZK billions
	2002	2003	
0 Food	-23,1	-20,7	2,4
1 Beverages and tobacco	2,0	0,7	-1,3
2 Raw materials	-3,1	-2,5	0,6
3 Fuels	-64,3	-68,4	-4,1
4 Fats and oils	-2,1	-2,8	-0,7
5 Chemicals	-73,7	-83,9	-10,2
6 Manufactured goods, class. by material	20,8	26,8	6,0
7 Machinery and transport equipment	61,2	71,3	10,1
8 Miscellaneous manufactured articles	9,4	8,7	-0,7
9 Commodities not elsewhere classified	1,6	1,4	-0,2
Total	-71,3	-69,4	1,9

Source: CZSO; CNB calculation

1.1.4. Inward and outward processing

Foreign trade in the processing area had around a 23% share of total foreign trade turnover in 2003, down from around 25% in 2002.

The processing surplus stood at CZK 96.5 billion, a year-on-year decline of CZK 3.3 billion. The processing operations were associated chiefly with machinery commodities, office equipment and computer technology and transport equipment. The most significant trading partners in terms of export volume were Germany, Great Britain and the Netherlands. In terms of import volume Germany, China and Malaysia.

Exports of goods following inward processing accounted for 26.9% of total exports (compared to 29.2% in 2002). Their total volume recorded only a small increase (index: 100.9). Value added during inward processing amounted to around CZK 102.0 billion. While certain items recorded falling exports (fabricated metal, radio, television and communications equipment and electrical machinery), exports of the major processing category – office equipment and computer technology – grew (by CZK 8.5 billion). Higher exports were also recorded for motor vehicles (increase of CZK 3.8 billion) and other machinery (increase of CZK 3.3 billion).

Imports of goods for inward processing accounted for 18.5% of total imports. In the structure of imported goods a year-on-year increase was recorded only for radio, television and communication equipment (of CZK 4.6 billion), motor vehicles and other machinery. Falls

were registered by office machinery and computers, miscellaneous manufactured articles and electrical machinery. Geographically, imports from China and other Asian countries posted the biggest increase in imports.

The year-on-year change in the balance on goods for inward processing was due in part to structural movements in specific groups. Chief among these was the increase of CZK 12.2 billion in the deficit for part of the electronics item (radio, television and communication equipment) as a result of a decline in exports for final assembly. This was partially offset by an increase in the surplus for office machinery (of CZK 9.6 billion) and motor vehicles.

Inward processing

INWARD PROCESSING (IP) CATEGORIES	Percentage of IP exports		Percentage of IP imports		Trade balance in CZK billions		Difference in CZK billions
	2002	2003	2002	2003	2002	2003	
Miscellaneous products	33	31	38	37	18,6	17,2	-1,5
agric. products + mining/quarrying products	0	0	1	1	-2,8	-2,8	0,0
misc. manufactured goods	26	25	27	26	22,1	21,9	-0,2
fabricated metal products	7	6	10	10	-0,7	-2,0	-1,3
Machinery, electronics, transport equipment	67	69	62	63	84,0	84,6	0,6
office machinery, computers	20	22	14	13	36,5	46,1	9,6
electrical machinery	14	14	14	13	16,7	16,3	-0,4
radio, television and comm. equipment	15	12	23	25	-7,4	-19,6	-12,2
motor vehicles and other transp. equipment	8	8	5	5	16,2	18,8	2,6
other machinery and equipment	10	11	6	7	22,0	23,0	1,0
Total IP	100	100	100	100	102,6	101,7	-0,9

Source: CZSO; CNB calculation

1.1.5. High-technology trade

The share of high-technology products (index: 109.5) retained its 12.3% share of total exports. Computer technology (50%) and electronics and telecommunications (25%) were the dominant items in its structure. Increased exports were also recorded for aviation technology and scientific instruments. Conversely, a downturn was recorded for electrical technology and pharmaceuticals.

High-technology products (index: 107.7) had a 15.7% share in total imports. Electronics, telecommunications and computer technology made up around 70% of imports.

The high-technology deficit reached almost CZK 58.0 billion, a year-on-year increase of CZK 1.4 billion. The strong improvement on the computer technology balance was neutralised by the rising deficit for all other groups, particularly aviation technology and electronics, including telecommunications.

1.2. SERVICES

In 2003, the surplus on the services account amounted to CZK 13.2 billion (EUR 0.4 billion). Credits fell by CZK 12.0 billion and payments for services purchased abroad fell by CZK 3.4 billion. The surplus on services against the previous year fell by CZK 8.6 billion.

Travel contributed CZK 45.9 billion to the total services surplus, and in the case of transport services credits exceeded debits by CZK 26.8 billion, which represents little change year-on-year. Conversely, the deficit on other business and non-business services amounted to CZK 59.5 billion, an increase of CZK 9.4 billion.

Services

	in CZK billions		
	2002	2003	CHANGE
SERVICES BALANCE	21,8	13,2	-8,6
of which:			
Credit	231,1	219,1	-12,0
Transport	56,5	60,5	4,0
Travel	96,3	100,3	4,0
Other services	78,3	58,3	-20,0
Debit	209,3	205,9	-3,4
Transport	29,3	33,7	4,4
Travel	51,6	54,4	2,8
Other services	128,4	117,8	-10,6

Credits from international freight and passenger transport exceeded CZK 60.5 billion (a year-on-year increase of CZK 4.0 billion). Debits rose by CZK 4.4 billion to CZK 33.7 billion, meaning that the resultant transport surplus recorded on the services balance fell by CZK 0.4 billion.

Pipeline transport contributed CZK 3.7 billion to the transport surplus (CZK 0.5 billion less than in 2002). The transport of natural gas to Western Europe raised CZK 7.4 billion, of which payments by German customers rose by CZK 0.1 billion year-on-year (to CZK 3.1 billion). The koruna's appreciation against the US dollar meant that the transit fee covered by gas supplies from Russia fell by CZK 0.7 billion to CZK 4.3 billion (identical monthly amounts in USD in both years). Total payment for use of the Ingolstadt pipeline and for oil and gas transport through Slovakia (including storage fee) totalled CZK 3.8 billion, a fall of CZK 0.1 billion.

Costs for the transport of goods to foreign customers (where transportation is organised by domestic exporters and included in the price of the exported goods) rose by CZK 2.3 billion to CZK 26.1 billion.

Credits for other transport services (air, road, rail, sea and inland waterway transport etc.), including transport-related services, increased by CZK 2.3 billion to CZK 27.0 billion, while debits rose CZK 4.5 billion to CZK 29.9 billion. The result was a widening of the deficit by CZK 2.2 billion.

Foreign-exchange receipts from travel rose by 4.2 % to CZK 100.3 billion (EUR 3.1 billion), a year-on-year increase of 0.8 % when taking into account the development of the EUR exchange rate. The lingering effects of the flood damage and the uncertain world security situation resulted in lower receipts for foreign travel to the Czech Republic in the first half of the year, although the second half saw a year-on-year rise. This can be attributed to the calmer political situation in the world, a weaker koruna against the EUR, which acted as an incentive for foreign tourists, and favourable climatic conditions in the winter season.

According to CZSO data, in 2003 on average 2.7% fewer foreign visitors travelled to the Czech Republic. A mild fall was recorded on the border with Austria (1.9%), and a much larger one on the Polish border (21.8%), which indicates the lower number of single-day visits. Nevertheless, increases in the number of foreign visitors were registered on the German border (2.9%) and Slovakia (6.9%). Air travel was used by 28% more visitors, who preferred the greater comfort and speed than that offered by road travel (fall of 3.3%) and rail travel (fall of 7.5%). The growing preference for air travel was also encouraged by the rising offer of cheaper air tickets.

The number of foreign visitors using accommodation facilities rose 7% (5.1 million). The average duration of their stay was 4.3 days. The increased interest of foreign visitors against 2002 was recorded by all categories of accommodation facility, e.g. five-star hotels say their visitor numbers rise by 15.7%, while other accommodation facilities registered an increase of 37.8%. Year-on-year falls were recorded in visitors from Israel (33%) and Japan (7.4%). Conversely, numbers increased from Canada (37.4%), the United Kingdom (34.9%), the USA (16.3%) and Slovakia (11.9%).

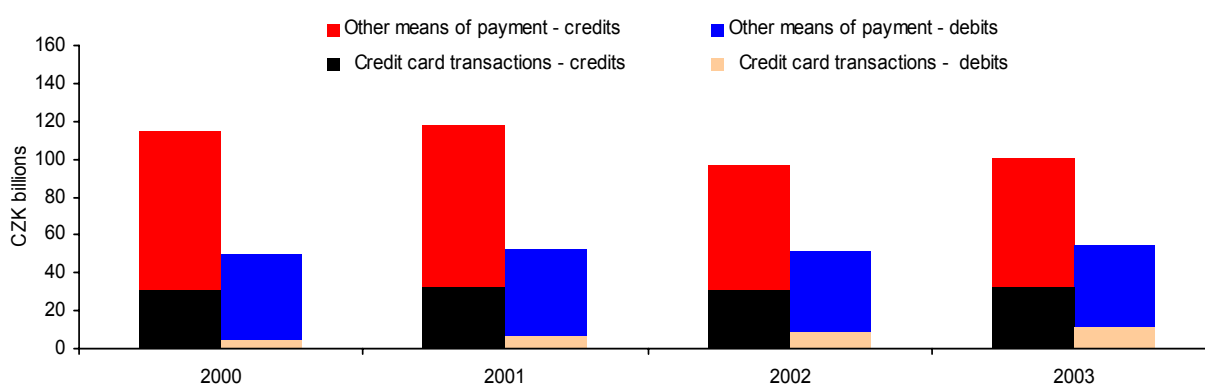
The expenditure of Czech nationals on foreign travel increased year-on-year by 5.6% to CZK 54.4 billion (EUR 1.7 billion). Expenditure in EUR rose year-on-year by 2.1%.

The number of Czech nationals travelling abroad rose on average by 5.2%. There was a slight fall in numbers crossing the German border (1.6%), although other national border crossings all saw rises: Austria 11.5%, Poland 6%, Slovakia 4.5%. The largest increase in the number of persons registered for departure was at airports (20.6%).

Foreign travel by Czech nationals during 2003 was influenced by the wide range of inexpensive and quality trips to Asia and Africa, increased interest in holidays in Slovakia and the development of cross-border shopping, particularly in Poland. Our citizens are also opting for higher quality services in recreational facilities and are discovering new target countries.

The use of payment cards is becoming more widespread in foreign travel financial transactions. The trend reflects the ever-increasing number of payment cards issued in the Czech Republic and the expanding network of ATMs and sales points that accept payment cards. In 2003, payment cards held a 32.6% share (CZK 32.7 billion) in receipts from foreign travel (increase of 2.4%). Increase in the use of payment cards is also rising among Czech nationals. Abroad they used payment cards in transactions totalling CZK 11.7 billion with a 21.5% share in expenditure on foreign travel (increase of 2.7%).

Structure of means of payment in travel credits and debits



The deficit on other business and non-business services deteriorated by CZK 9.4 billion to CZK 59.5 billion. Receipts for services provided fell by CZK 20 billion year on year (to CZK 58.3 billion). Payments abroad fell by almost one half to CZK 117.8 billion.

A comparison with 2002 shows that receipts fell for almost all other services. The largest fall was for computer technology services and telecommunications, where reduced revenue was accompanied by a slight rise in debits, causing the deficit to deteriorate by more than CZK 2.6 billion. The impact of falling receipts and higher payments abroad was felt in the widening deficit for construction work (CZK 3.3 billion), consultancy services (CZK 1.8 billion), business mediation and licensing services (in both cases CZK 1.1 billion). The marked reduction in payments was partially offset by the fall in receipts for financial services, with the final deficit falling year-on-year by CZK 2.9 billion. Research and development services recorded a similar trend, with their deficit being reduced by CZK 2.6 billion. Conversely, for legal and technical services, and cultural, educational, health and other services, the reduction in receipts resulted in deficit growth (of CZK 0.8 billion).

In 2003, the insurance industry was subject to conflicting trends. Domestic insurers recorded a relatively successful year, with total premiums up 17% and no major damages for disasters. This led to larger sums being transferred to foreign reinsurers. At the same time they paid the remaining payments on insurance incidents from the 2002 floods. Insurers in the Czech Republic covered 50% of the flood damages, which totalled CZK 70 billion. The burden of damages borne by foreign reinsurers meant, however, a marked increase in the price of reinsurance. Transfers of commissions from foreign reinsurers thus fell sharply year-on-year. Harsher reinsurance conditions have been ensued not only as a result of the disasters experienced in recent years but also the unfavourable business results of some leading international reinsurers due to lower appreciations of their financial portfolios. In 2003, transfers from foreign reinsurers totalled CZK 14.4 billion, whereas amounts transferred in their benefit amounted to CZK 8.3 billion. Of this the services balance records a debit of CZK 4.1 billion and in current transfers a credit of CZK 10.2 billion.

1.3. INCOME

The income deficit in 2003 was CZK 116.6 billion (EUR 3.7 billion), a deterioration of CZK 1.0 billion relative to 2002. Credits rose by CZK 7.6 billion and debits by CZK 8.6 billion.

Income balance

	in CZK billions		
	2002	2003	CHANGE
INCOME BALANCE	-115,6	-116,6	-1,0
of which:			
Credit	66,8	74,4	7,6
Compensation of employees	10,7	13,9	3,2
Investment income	56,1	60,5	4,4
dividends	0,4	0,7	0,3
reinvested earnings	-2,5	-2,2	0,3
interest	58,2	62,0	3,8
Debit	182,4	191,0	8,6
Compensation of employees	29,0	30,3	1,3
Investment income	153,4	160,7	7,3
dividends	34,8	47,4	12,6
reinvested earnings	64,3	62,2	-2,1
interest	54,3	51,1	-3,2

Note: Reinvested earnings for 2003 are estimated and will be updated

According to CZSO data, Czech nationals engaged in short-term working stays abroad earned CZK 13.9 billion during 2003. An increase of roughly 30% in earnings corresponds to the rising number of Czechs working abroad. At the end of 2003, the number of foreigners working on the Czech market was in excess of 143 thousand and compensation of foreign employees totalled CZK 30.3 billion, up CZK 1.4 billion on 2002 (5% increase).

Investments in foreign equity securities brought domestic investors dividends of CZK 0.7 billion, which was CZK 0.3 billion more than in 2002. Dividends paid abroad rose CZK 12.6 billion and exceeded CZK 47.4 billion. Of this amount, CZK 4.1 billion went to portfolio investors, more than twice the figure for the previous year. According to the annual survey of the results of foreign-owned companies for 2002 (also including information on dividends to be paid in 2003), foreign owners received dividends of CZK 43.3 billion, which was CZK 10.6 billion more than the previous year.

Massive investment in foreign bonds (whose holding rose by almost CZK 109.0 billion during 2003) resulted in profits of CZK 14.6 billion for domestic investors, double the amount in 2002. Foreigners earned CZK 7.5 billion from the purchase of domestic bonds, markedly down on the figure for 2002 (by CZK 3.1 billion).

According to an updated estimate, foreign owners can be expected to retain CZK 62.2 billion of earnings generated in 2003 for the further development of domestic companies. Surveys of companies showed that reinvested earnings totalled CZK 64.3 billion.

Income on the CNB's reserve assets fell year-on-year by CZK 2.6 billion to CZK 18.7 billion. Interest costs associated with collateral transactions and a loan from the European Investment Bank remained essentially unchanged (CZK 0.2 billion).

The development of interest rates on foreign and domestic financial markets and the development of deposits in foreign banks and loans to non-residents were the primary factors behind the fall of CZK 3.1 billion in commercial banks' interest income. Costs associated with drawing on loans and receipt of deposits from foreign banks and clients fell by CZK 1.3 billion, which meant that the net interest income of commercial banks relative to 2002 fell CZK 1.8 billion to CZK 2.6 billion.

Inter-governmental loans provided in the past generated interest income of CZK 0.2 billion. Interest payments of CZK 0.3 billion were made to the EIB relating to loans to remedy flood damage, for the construction of a by-pass around Pilsen and for the capital city of Prague. The final interest costs associated with the early repayment of loans from the World Bank and Japan within the framework of the G24 totalled CZK 0.3 billion.

Interest income balance for the corporate sector rose by CZK 1.1 billion against 2002, of which trade credits made up CZK 0.3 billion and financial loans drawn by domestic companies from foreign banks or direct investors to cover investment or operational needs comprised CZK 0.8 billion.

1.4. CURRENT TRANSFERS

The surplus on current transfers for 2003 of CZK 15.6 billion (EUR 0.5 billion) was CZK 13.1 billion lower than in 2002. While credits remained essentially the same, debits increased by CZK 13.2 billion.

Current transfers

	in CZK billions		
	2002	2003	CHANGE
Current transfers balance	28,7	15,6	-13,1
of which:			
Credit	46,7	46,8	0,1
government	14,7	23,9	9,2
private	32,0	22,9	-9,1
Debit	18,0	31,2	13,2
government	4,5	16,2	11,7
private	13,5	15,0	1,5

In the case of private transfers, debits rose year-on-year by CZK 1.5 billion, chiefly due to higher tax transfers and social security contributions for Czech nationals working abroad. Credits also fell by CZK 9.1 billion, of which CZK 5.1 billion were for transfers of funds from abroad for the population and non-profit institutions. In comparison with 2002, the amount transferred to domestic insurers from foreign reinsurers as settlement for remaining flood-damage claims fell by CZK 4.0 billion.

In the case of general government transfers, subsidies from structural and regional EU funds increased several times compared with 2002, their total amount exceeding CZK 10.5 billion. Of this figure, CZK 4.0 billion came from the Solidarity Fund in January to help remedy the consequences of the floods.

With the exception of higher tax transfer and social security contributions for foreigners working in the Czech Republic, which rose year-on-year by CZK 0.4 billion to CZK 11.5 billion, other items in government credits remained substantially the same as in 2002.

Government debits were exacerbated by the sum of CZK 11.3 billion that the government transferred abroad as the result of international arbitration with the company CME and its withdrawal from a contract for the construction of a motorway to North Moravia. Government contributions to international organisations rose CZK 0.6 billion against 2002 to CZK 2.8 billion.

2. THE CAPITAL ACCOUNT

The capital account, whose volume of transactions is of slight importance to the balance of payments, ended 2003 with a deficit of CZK 82.2 million (EUR 2.6 million), a fall of CZK 37.2 million on 2002. This item monitors transactions associated with patents, licenses, trademarks, copyrights and migrants' transfers.

The capital account

in CZK millions			
	2002	2003	CHANGE
Capital account	-119,4	-82,2	37,2

3. THE FINANCIAL ACCOUNT

The financial account for 2003 recorded a net inflow of foreign capital of CZK 163.9 billion (EUR 5.1 billion), a fall of CZK 183.9 billion on 2002. The fall was caused by the reduced surplus from direct foreign investment (a year-on-year fall of CZK 204.5 billion). Conversely, the outflow of portfolio investment abroad fell. Other investments and transactions with financial derivatives recorded an increase in the inflow of foreign capital of approximately CZK 11.7 billion. The inflow of foreign funds as a percentage of GDP reached around 6.8%.

	in CZK billions		
	2002	2003	CHANGE
FINANCIAL ACCOUNT	347,8	163,9	-183,9
Direct investment	270,9	66,4	-204,5
Czech abroad	-6,8	-6,5	0,3
foreign in Czech Rep.	277,7	72,9	-204,8
Portfolio investment	-46,7	-37,7	9
Czech abroad	-75,6	-85,9	-10,3
foreign in Czech Rep.	28,9	48,2	19,3
Financial derivatives	-4,3	3,9	8,2
assets	-15,5	7,1	22,6
liabilities	11,2	-3,2	-14,4
Other investment	127,9	131,4	3,5
1. Long-term investment	31,6	22,5	-9,1
loans granted abroad	28,7	1,1	-27,6
loans received from abroad	2,9	21,4	18,5
2. Short-term investment	96,3	108,9	12,6

3.1. FOREIGN DIRECT INVESTMENT

According to preliminary data, in 2003 the balance of foreign direct investment in the Czech Republic was CZK 66.4 billion, i.e. a year-on-year fall of CZK 204.8 billion.

3.1.1. Czech direct investment abroad

In 2003, the outflow of direct investment abroad from the Czech Republic remained at roughly the same level of the previous two years. In absolute terms it amounted to CZK 6.5 billion (EUR 0.2 billion). Of this figure, CZK 2.5 billion were invested in equity capital, reinvested profits were estimated to have fallen by CZK 2.2 billion and loans were CZK 6.2 billion.

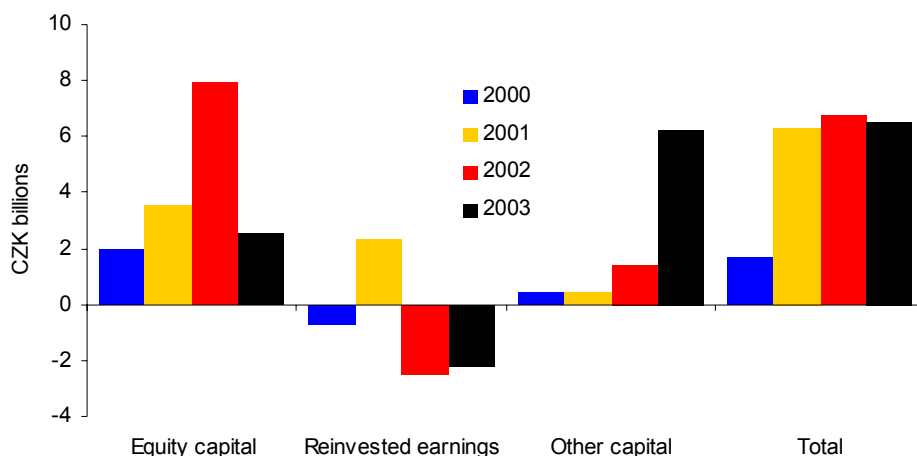
The CNB has found that Czech direct investment abroad has a positive impact on sales of domestic products abroad. Exports of Czech goods and services via these companies totalled CZK 67.5 billion in 2002.

By economic activity, the largest volume of investment went into real estate and business activities (76.1%), mining and quarrying (13.8%), financial intermediation (5.7%) and the production of food and beverages (3.7%).

By sector, direct investment in services remained relatively high (78.3%), despite a year-on-year fall that was partially offset by an increase in direct investment in manufacturing and production, whose share in 2003 rose 6.9%. Against 2002 the primary production sphere saw greater direct investment in mining and quarrying, whose share of total direct investment abroad reached 13.8%.

By territory, the largest volume of direct investment was in Portugal, influenced largely by the transactions of a company in the Czech Republic that invested funds from Austria in the form of a direct investment in the country. Other direct investments went into Great Britain, the United States, Liechtenstein and the British Virgin Islands.

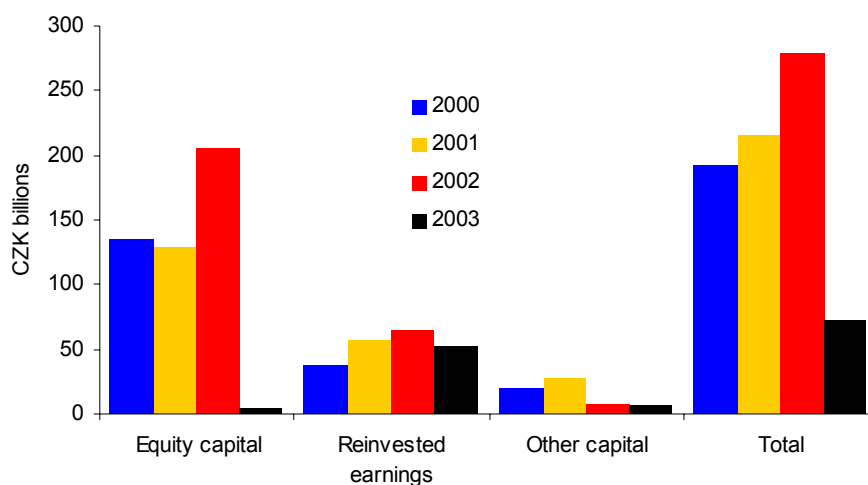
Outflow of direct investment from the Czech Republic



3.1.2. Foreign direct investment in the Czech Republic

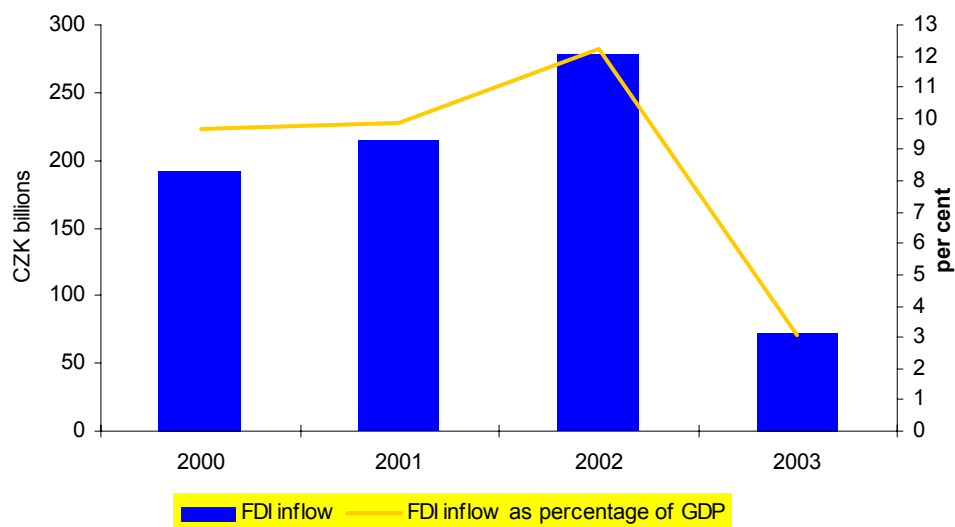
Preliminary data show that in 2003 there was a slowdown in the inflow of capital in the form of foreign direct investment in the Czech Republic. The year-on-year fall of 73.7% was largely attributable to the high comparison base in 2002, which contained the highest-ever inflow of direct investment due to the privatisation of Transgas. Another factor was the repurchase of Eurotel shares in 2003 from the foreign investor and the sale of Czech Telecom shares by a direct foreign investor to a portfolio of institutional investors, mainly from the USA and Great Britain. Telecommunications operations amounting to CZK 47.2 billion resulted in a marked reduction in the inflow of direct foreign investment in equity capital, which fell to CZK 4.6 billion. The situation, however, is temporary pending the state privatisation of Czech Telecom and its sale to a foreign strategic investor. The absence of any major privatisation of state-owned companies also influenced this area.

Inflow of foreign direct investment into the Czech Republic



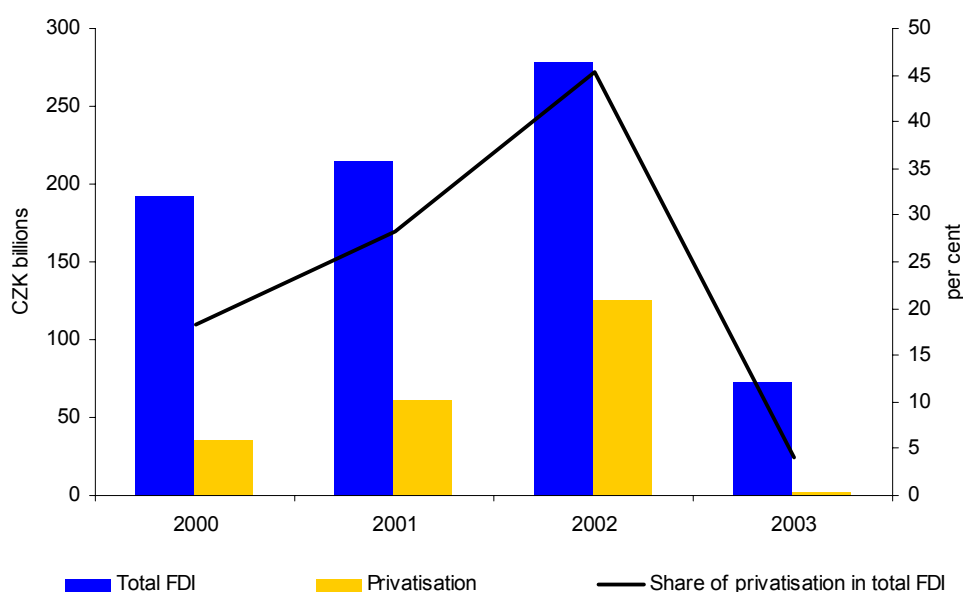
In 2003, total direct investment amounted to CZK 72.9 billion (EUR 2.3 billion), of which CZK 4.6 billion were in equity capital, while loans totalled CZK 6.1 billion and reinvested earnings were around CZK 62.2 billion, according to preliminary estimates. The effect of the aforementioned telecommunications transaction meant that the ratio of FDI to GDP fell to 3%, in comparison with previous years when it was around the 10% mark.

Inflow of foreign direct investment relative to GDP at current prices



In comparison with previous years the volume of privatisation fell to around CZK 3 billion. The largest transactions included the sale of the remaining Transgas shares and the sale of Podnik výpočetní techniky (Computer Technology Company). Private sales, realised primarily through the Securities Centre, were of minor significance in 2003.

Share of privatisation in total FDI



As regards economic activity, the largest volume of investment went into manufacturing, real estate and business activities. The largest fall was recorded by transport and telecommunications as a result of the aforementioned transactions.

The largest share of reinvested earnings in manufacturing industry is expected to be channelled into manufacturing, financial intermediation, wholesale and retail trade and repair. The largest inflow of other capital was in real estate and business activities.

By territory, the largest share of total investment inflow came from Germany, Austria and France. Other leading investors were the Netherlands Antilles, Great Britain, Switzerland and Japan. The biggest fall in investment was recorded by the Netherlands due to transactions in the telecommunications sphere.

CNB research shows that foreign-owned corporations in the Czech Republic increased revenues from CZK 1,933 billion in 2001 to CZK 2,053 billion in 2002, exports rose from CZK 646 billion to CZK 663.2 billion and imports from CZK 628 billion to CZK 659 billion. Production increased against a fall in employee numbers.

3.1.3. Foreign direct investment income

Foreign direct investment income comprises the following items: dividends, reinvested earnings and interest. Income from invested capital in the form of direct investment is around 9% and is expected to rise, albeit moderately. In time, however, the profit distribution structure will change in favour of dividends and the share of reinvested earnings will fall. Dividends in 2003 reflect both the investment life cycle and the extraordinary payment of dividends associated with the termination of some foreign-owned corporations' activities, or the payment of dividends from profit accumulated in previous years. Despite its growing importance as a component of foreign direct investment, interest remained stable due to the slight fall in interest rates and the non-interest bearing part of loan transactions with foreign investors. The slight year-on-year increase in foreign direct investment income was attributable to a slowdown in the inflow of FDI and the termination of certain investments in the Czech Republic. Eurotel and Telecom's removal from direct investments is only temporary pending their sale to a strategic foreign investor. In 2002, reinvested earnings totalled CZK 64.3 billion, in 2003 according to preliminary data only CZK 62.2 billion. Nevertheless, real income payments from FDI in the form of dividends from 2001 to 2003 rose from CZK 16.4 billion to CZK 43.3 billion and could have been one of the factors influencing the koruna's exchange rate during the second half of 2003.

3. 2. PORTFOLIO INVESTMENT

Portfolio investment recorded a net outflow of around CZK 37.7 billion (EUR 1.2 billion), a fall of around CZK 9 billion against 2002.

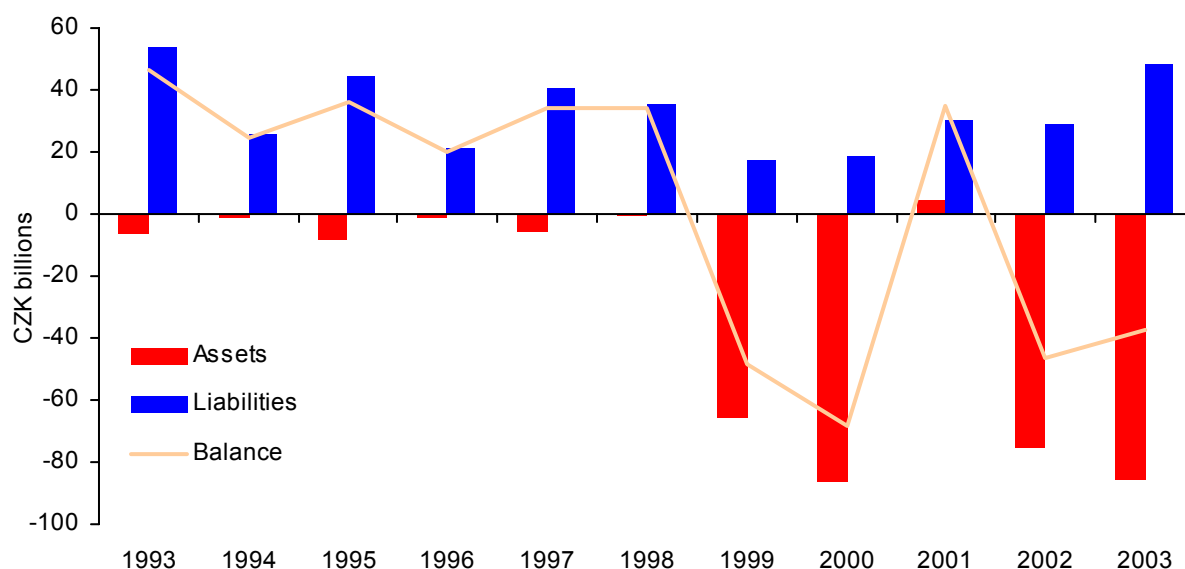
In 2003, the portfolio investments of domestic entities totalled CZK 85.9 billion, a rise of around CZK 10.3 billion on 2002. Investors, chiefly banks and non-banking financial institutions, invested primarily in foreign long-term bonds, resulting in a net outflow of around CZK 85.8 billion. Sales of foreign shares exceeded their purchase by around CZK 5.6

billion, chiefly as a result of transactions associated with the sale of mutual fund shares owned by the former Investiční a Poštovní banka.

Non-residents invested on balance CZK 48.2 billion in Czech securities. Demand on the domestic capital market saw a marked upturn in Q4 as a result of the sale of Czech Telecom shares. These capital market transactions were a counterpart on the financial account to the fall in direct investment. Telecom shares offered to direct investors were purchased primarily by institutional investors from the United States and Great Britain. In comparison with 2002, capital inflow in the form of portfolio investment rose by around CZK 19.3 billion. Non-residents were particularly attracted to share purchases in certain Czech corporations. Interest in bonds waned in comparison with 2002.

Two issues of domestic securities totalling CZK 9.4 billion were realised on foreign markets during 2003. The City of Prague issued long-term bonds amounting to EUR 170 million in Q1, and in Q4 the Czech Export Bank issued bonds with a value of USD 150 million. At the end of 2003, the stock of Czech bonds issued on international capital markets in foreign currencies rose to CZK 36.9 billion, an increase of CZK 7.3 billion on 2002.

Balance of financial flows in portfolio investment areas



3. 3. FINANCIAL DERIVATIVES

Financial derivatives recorded a net capital inflow of CZK 3.9 billion (EUR 121.2 million) in the positions of commercial banks. In 2002, these transactions recorded a deficit of around CZK 4.3 billion. In terms of volume, however, they are of little importance to the financial account.

3. 4. OTHER INVESTMENT

Other investment showed a net inflow of funds of CZK 131.4 billion (EUR 4.1 billion), a year-on-year increase of only around CZK 3.4 billion.

Apart from Q2, the inflow of capital into the Czech Republic was apparent throughout the year, with the largest increase occurring in Q4. This came in connection with Telecom's drawing of a loan to purchase 49% of Eurotel shares from a foreign investor, and loans from the EIB to the government sector.

Banks were the largest single recipient of this inflow (CZK 80.2 billion). The banking sector obtained foreign capital both through the increase in short-term foreign currency deposits from non-residents (total increase in liabilities of CZK 36.2 billion) and through the reduction of its own foreign currency and koruna deposits abroad (fall in foreign assets of CZK 44 billion). The funds were used to increase domestic banks' foreign credit exposure and to invest in foreign bonds.

The government sector accounted for CZK 18.2 billion on balance of the total capital inflow. On the liabilities side (increase of CZK 10.3 billion) this inflow was due in particular to foreign loans (chiefly from the EIB) drawn at both a central and municipal level for the construction of transport infrastructure and anti-flood measures. On the assets side (fall of CZK 7.9 billion) the main factors were deblocking operations and the repayment of loans provided in the past.

The corporate sector also accounted for a significant inflow of foreign capital (CZK 33.0 billion, including the Telecom loan to buy Eurotel shares). It increased its drawing of short and long-term financial credits from abroad and also increased its import liabilities. In all, corporations' net liabilities rose by around CZK 17.8 billion during 2003. On the assets side, there was a capital inflow of around CZK 15.2 billion, due mainly to the reduction in export short-term receivables.

4. CNB INTERNATIONAL RESERVES

The financial account surplus of CZK 163.9 billion exceeded the current account deficit by CZK 6.7 billion. Excluding valuation change effects, CNB international reserves rose by CZK 12.9 billion (EUR 405 million), mainly through income from their administration. They were decreased, however, by the government's transfer to CME and the sale of foreign exchange to the government for the early repayment of loans from G24 countries and the World Bank. Exchange rate changes also resulted in a year-on-year fall of CZK 23.1 billion in reserves expressed in koruna. At the end of 2003, international reserves totalled CZK 691.5 billion (EUR 21.3 billion), sufficient to cover around five months' worth of imports of goods and services.

CNB international reserves

	2002	2003	CHANGE
CNB international reserves in CZK billions	714,6	691,5	-23,1
Coverage of goods and services imports in months	5,6	5	-0,6

5. THE INTERNATIONAL INVESTMENT POSITION, EXTERNAL DEBT AND DEBT SERVICE

5. 1. THE INTERNATIONAL INVESTMENT POSITION

At the end of 2003, the international investment position of the Czech Republic showed a deficit of CZK 615.7 billion (EUR 19 billion). Compared with a year earlier, the debtor position of the state was up by CZK 218.4 billion. Underlying this figure was a rise in liabilities of CZK 166.2 billion and a fall in assets of CZK 52.2 billion. The international investment position was affected not only by developments in the balance of payments but also by exchange rate changes.

International investment position

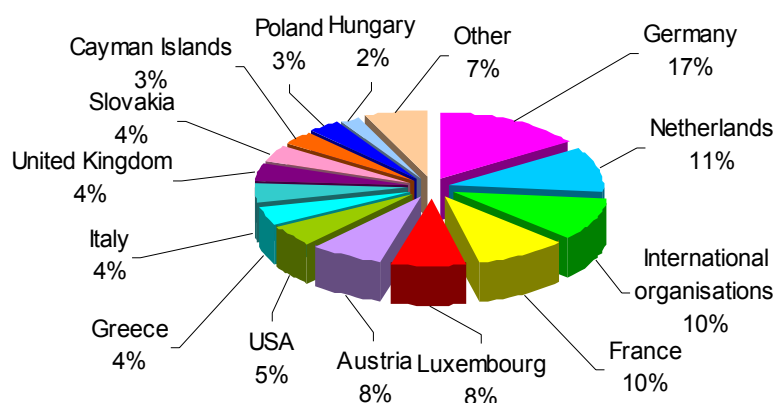
	2002	2003	CHANGE
Assets	1 579,9	1 527,7	-52,2
Liabilities	-1 977,2	-2 143,4	-166,2
Balance	-397,3	-615,7	-218,4

Note: Under liabilities, unlike for gross debt, foreign direct investment includes equity capital in to credit transactions, and portfolio investment includes equity securities in addition to debt securities.

The following contributed to the deficit in the international investment position:

- The growth in debtor position recorded in the area of foreign direct investment (CZK 1,170.2 billion). Against the previous year the net debtor position rose by only CZK 49.1 billion, the lowest rise in direct investment ever recorded. The chief factors behind this result were the lower volume of privatisation and the departure of a major foreign investor from Eurotel and Telecom.
- A surplus of CZK 95.1 billion in portfolio investment, which represented a net increase in the creditor position of CZK 21.8 billion year-on-year. At the end of 2003, residents' investment in foreign securities (assets) totalled CZK 343.9 billion, while foreign investors held domestic securities in their portfolio (liabilities) totalling CZK 248.8 billion. Domestic investors invested their capital chiefly in long-term securities (86%), whereas investments in equity securities (14%) fell sharply, mainly as a result of the sale of mutual fund shares allocated in the Cayman Islands. By territory, the portfolio of domestic investors is heavily weighted towards securities issued in EU countries, in Poland, Slovakia and Hungary. US securities had a share of around 5% and bonds issued by international organisations (chiefly the EIB) amounted to around 10%.

Foreign securities held by residents as at 31 December 2003 by territory



The stock of domestic koruna securities held by non-residents totalled CZK 211.9 billion at the end of 2003, an increase of CZK 40.4 billion in foreign portfolio investment on the previous year. Non-residents invested mainly in financial intermediation and insurance (38.1%), transport and telecommunications (24% - including the purchase of Telecom shares from a foreign investor by institutional investors), power generation (16%) and services (15%). By territory, most investment came from the Netherlands (21%), the USA (19%), Great Britain (17%), Germany (13%) and Luxembourg (10%). Investment in government koruna bonds rose by CZK 2.5 billion to CZK 30.6 billion. Non-residents' investment in domestic securities issued abroad totalled CZK 36.9 billion, an increase of around CZK 7.3 billion on 2002.

- The net surplus in financial derivatives of CZK 4.7 billion, representing a fall in the creditor position of CZK 4.2 billion against the previous year.
- The CNB's surplus of CZK 692 billion, giving it the largest international creditor position. Year-on-year, however, this represents a fall of around CZK 23.1 billion, caused by a reduction in the amount of international reserves. In addition to exchange rate changes in 2003, foreign exchange was sold to the government for the early repayment of government loans and to pay costs resulting from arbitration in the case of the Czech Republic against CME concerning TV NOVA.
- The investor position of commercial banks, which recorded a net deficit of CZK 42.7 billion, a reduction of almost CZK 85 billion year-on-year (excluding portfolio investments). The change was brought about by a fall in short-term assets (deposits abroad) of around CZK 53 billion and an increase of CZK 32 billion in short-term liabilities (liabilities to foreign banks and clients). The assets structure of commercial banks changed, with funds from foreign deposits being used to purchase foreign bonds.
- The government's creditor position of CZK 57.2 billion, which fell year-on-year by CZK 32.8 billion. On the assets side this was caused by deblocking operations and repayments of loans provided in previous years (annual change of around CZK 20 billion), and on the liabilities side there was an increase of around CZK 13 billion in loan liabilities. The government sector at both a central and municipal level drew loans from the European Investment Bank to remedy flood damage and for transport infrastructure.
- The debtor position of the corporate sector, which recorded a deficit of CZK 251.7 billion, an increase of around CZK 46.3 billion on 2002. On the assets side, there was a fall of around CZK 21.7 billion, owing chiefly to the fall in export credits. On the liabilities side short and long-term liabilities rose by around CZK 24.7 billion. In order to finance their activities corporations drew loans both from parent companies and foreign banks.

International investment position

	in CZK billions		
	2002	2003	CHANGE
Direct investment	-1 121,1	-1 170,2	-49,1
Portfolio investment	73,2	95,1	21,8
Financial derivatives	8,9	4,7	-4,2
CNB	715,1	692,0	-23,1
Commercial banks	42,0	-42,7	-84,8
Government	90,0	57,2	-32,8
Businesses	-205,5	-251,7	-46,3
Total international investment pos	-397,3	-615,7	-218,4

5. 2. EXTERNAL DEBT

The total external debt of the Czech Republic expressed in koruna stood at CZK 894.3 billion (EUR 27.6 billion). Koruna-denominated debt accounted for around 28% of this figure, rising by CZK 26.4 billion to CZK 247 billion. Year-on-year, external debt rose by CZK 81 billion, caused in roughly equal part by long-term debt (liabilities with maturity over one year) and short-term debt. Short-term debt reached around 40% of total debt, a small rise on 2002.

External debt

	in CZK billions		
	2002	2003	CHANGE
External debt, total	813,3	894,3	81,0
short-term	314,5	355,7	41,2
long-term	498,8	538,6	39,8
Share of short-term debt	38,7%	39,8%	1,1
Share of debt in koruna instruments	27,9%	28,0%	0,1

Long-term liabilities totalled CZK 538.6 billion at the end of 2003. Of this figure, the external debt of the public sector (government-sector liabilities plus liabilities guaranteed by the government plus liabilities of entities majority-owned by the state) amounted to CZK 222.1 billion. The public sector's share of long-term external debt is thus around 41%. The private sector's contribution fell year-on-year.

As regards debtors, the government sector (the government and municipalities) accounted for the larger share of the increase in long-term debt with an increase of around CZK 21.3 billion in liabilities. The government sector accounted for around 12.8% of total long-term debt. The government sector's external debt increased due to the drawing of loans from the EIB for the construction of anti-flood measures and transport infrastructure, as well as for regional development purposes. A similar increase (CZK 21.8 billion) was recorded for long-term liabilities in the corporate sector, whose share of long-term debt totals around 73%. Nominal debt in the banking sector fell by around CZK 3.4 billion.

Commercial banks recorded an increase of CZK 32.5 billion in short-term liabilities, bringing their share of short-term debt up to 59%. The corporate sector recorded a rise of CZK 8.8 billion, although year-on-year its share of short-term debt fell to 40.8%. In terms of total short-term liabilities, the short-term debt position of the government (CZK 710 million) and the central bank (CZK 23 million) is not significant.

The largest creditors are foreign banks (52%), followed by suppliers and direct investors (24%) and other investors (14%). Multilateral institutions contributed around 10% to the financing of the Czech Republic's total debt. All financial debts owing to government institutions had been settled at the end of 2003.

External debt broken down by instrument

	in CZK billions		
	2002	2003	CHANGE
Money market instruments	2,0	2,2	0,2
Bonds and notes	71,0	80,6	9,6
Loans	328,0	368,0	40,0
Deposits	171,7	203,3	31,6
Trade credits	78,7	62,5	-16,2
Other liabilities	9,5	22,1	12,6
Intercompany FDI loans	152,4	155,6	3,2
Total external debt	813,3	894,3	81,0

With regard to the instruments used in the external debt structure, bank loans contributed the highest share (around 41%). Bank deposits made up around 23% of total debt. Direct investment loans had a share of around 17% and investment in domestic bonds represented a 9% share. The share of corporate-sector trade credits was around 7%. Other instruments have a negligible share in terms of volume.

The ratio of total external debt to GDP rose by 1.4 percentage points to 37.1% against the end of 2002. The Czech Republic's debt is under the 40% level acknowledged internationally as sensitive.

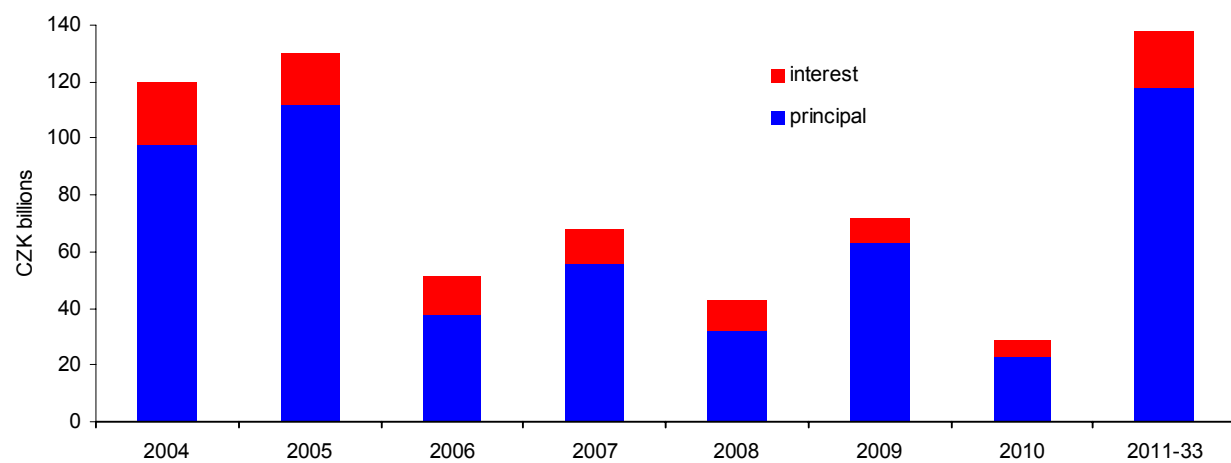
5. 3. DEBT SERVICE

Debt service on long-term liabilities in convertible currencies amounted to CZK 128.7 billion (around EUR 4 billion) in 2003. A total of CZK 100.2 billion was paid in principal and CZK 28.5 billion in interests. Debt service costs were around CZK 6.1 billion lower in comparison with the previous year. Debt-service financing represented 8.1% of exports of goods and services for 2003.

The largest amount of principal (CZK 63.1 billion) was repaid by the corporate sector, which was paying off primarily credits from foreign banks and direct investors, as well as import liabilities. Commercial banks repaid a total of around CZK 18 billion of their long-term external liabilities. Repayments by the government sector, including municipalities, amounted to CZK 5.3 billion, including the early repayment of loans from the G24 countries and the World Bank. The central bank made an annual repayment of CZK 20.4 million on a loan drawn from the EIB.

A breakdown of debt service on medium-term credits as at 31 December 2003 shows that the largest volume of repayments is accumulating for years 2004 and 2005. Also apparent are the longer maturities of some new long-term credits, where repayment can be up to thirty years.

Debt service breakdown



FOREIGN TRADE STATISTICS FOLLOWING THE CZECH REPUBLIC'S ACCESSION TO THE EUROPEAN UNION

On its accession to the European Union the Czech Republic will become part of a single internal market with no tariff and non-tariff barriers in internal Union trade. One practical consequence will be the disappearance of the traditional administrative sources used to compile foreign trade statistics for trade between member countries – Uniform Customs Declarations. The Czech Republic was thus faced with the task of developing a new data collection system in this field. As in existing member countries, the system employed will be Intrastat, which monitors statistics for exporters and importers through documents of dispatching and arrival of goods. This year will therefore see a fundamental change in the way foreign trade statistics are compiled. As of 1 January 2004, the management of data processing, including reports, passed from the General Directorate of Customs (GDC) to the Czech Statistical Office (CZSO). Until April the former system will apply whereby documents (uniform customs declarations) are completed and sent to customs and excise offices. From 1 May, foreign trade statistics will be gathered exclusively from exporters and importers, as outlined above. For foreign trade with third countries (outside the European Union) the previous system will be retained, with data being gathered from administrative sources (using documents with the new title “Single Administrative Document” instead of “Uniform Customs Declaration”).

1. New management for foreign trade data processing

The transfer of competence for data processing from the GDC to the CZSO has been in preparation for several years both in anticipation of the Czech Republic's accession to the EU and in recognition of the different uses for customs and foreign trade statistics. The “Technical Project for the Collection, Processing and Presentation of Foreign Trade” was compiled in 2001. This had as its aim the transfer of the entire foreign trade data processing from the GDC to the CZSO so that the procedure should be wholly under the control of the CZSO. From August 2003, the CZSO ran a pilot program of monthly data collections and statistical reports, which was compared with the results of the GDC. Differences (e.g. in data according to customs procedures, data for specific countries etc.) were gradually eliminated. By the end of 2003, data collection, its control, processing and the statistical reports of the GDC had been incorporated into the methodological requirements of the CZSO. From 1 January 2004, the CZSO assumed responsibility for data collection and statistical reports, including their publication. The GDC remained in charge of the collection of primary data and their basic processing. On 24 February 2004, the CeSta application (foreign trade data inquiry system) on the Ministry of Finance – GDC website was closed down and from 25 February 2004 a presentation system for foreign trade statistics started up on the CZSO website. The Czech Statistical Office became the sole provider of information on foreign trade statistical data.

2. Legal framework for changes valid from 1 May 2004

On the date of the Czech Republic's accession to the EU legal norms come into force concerning statistics of trade between EU member states (Intrastat). Other EU regulations will cover trade with third countries. The Community Customs Code, issued by EEC Council Regulation No. 2913/92 of 12 October 1992, replaced parts of Customs Law No. 13/1993

Coll., as amended. As of the accession date, the Czech Republic will employ TARIC (Integrated Tariff of the European Communities), which applies to all imports from third countries to EU countries. Before the Czech Republic's accession date, the EU amended the Council Regulation (EEC) on Customs and Statistical Nomenclature and on a Common Customs Tariff. The Commission Regulation (EC) on the Nomenclature of Countries and Territories for the Statistics of the Community's Foreign Trade and Trade between Member States has already been employed in our customs statistics for several years, including annual revisions by the EU. Changes to EU regulations led to the amendment of the Customs Law in the Czech Republic. Act No. 187/2004 Coll., of 1 April 2004, which replaces Act No. 13/1993 Coll., the Customs Law as amended, came into force on 1 May 2004. The amendment gave rise to executive Decree No. 200/2004 Coll., on the Statistics of Exported and Imported Goods and the Means by which Data on Trade Are Disseminated between the Czech Republic and other EU States. The CZSO and Ministry of Finance Decree covers in detail the procedures used in compiling data for Intrastat and specifies the scope of data for statistical purposes with third countries. Its annexes include instructions on how to complete the Uniform Administrative Document (for trade with third countries), specimen statement forms for the dispatching and arrival of goods as part of Intrastat, and instructions on how to enter data in the forms. The Ministry of Finance has also drafted its own Decree No. 199/2004 Coll., which shall contain instructions on entering data in the Uniform Administrative Document used to gather data on trade with third countries for customs purposes. The decrees came into force on the date of the Czech Republic's accession to the European Union.

The CZSO held regular discussions with experts from Eurostat on the matter of Intrastat's introduction, the distribution of responsibilities and the competencies of the institutions involved. It also sought out consultations with national statistics offices of other countries, including the study of relevant documents. The CZSO has gradually transformed foreign trade statistics so that they now comply with EU standards. An inter-departmental working group for foreign trade statistics, headed by CZSO staff and including the participation of experts from the GDC, Ministry of Trade and Industry and the CNB, was kept informed where necessary of the CZSO's progress. Over recent years the group has met to resolve and co-ordinate methodological questions relating to foreign trade statistics, and continues to do so today.

3. Statistics procedures following accession to the European Union

From the first day of EU membership, the primary forms of data collection, data processing and reports for the purposes of foreign trade statistics were all changed in respect to their treatment by the GDC and CZSO. The Czech Republic's customs and excise offices ceased their regular monitoring of goods that pass across borders with other EU states. They levy duty on goods from third countries and implement the new excise administration system in accordance with EU standards. Within Intrastat they will perform tasks related to company statements on the dispatching and arrival of goods. Revenue from import and excise duty will decrease significantly. For 2003 it amounted to CZK 9.7 billion, for 2004 the figure is expected to be around CZK 4 billion and following accession to the EU it is expected to be around CZK 1 billion a year. Of the duty assessed, 75% will be transferred to the EU's common budget. As the Czech Republic will not have a border with a non-EU state, regular controls on the movement of goods across the state border for customs and excise purposes will be retained only at the international airport in Prague. Internal Union trade will not be

subject to regular customs controls and will not be subject to duties and other fees levied in relation to the import and export of goods.

From 1 May 2004, the CZSO will record foreign trade by means of a new administration procedure known as Intrastat, which uses documents on the dispatching and arrival of goods in the EU. Intrastat covers trade between companies with a registered office in the Czech Republic and business partners in EU member states (around 86% of exports and 71% of imports to the Czech Republic). Trade with other countries (around 14% of exports and 29% of imports to the Czech Republic) is monitored via the Uniform Administrative Document in the same manner that prevailed up to 30 April 2004.

Czech foreign trade with EU countries and other countries in 2003

2003	Shares in %		Volume in CZK billions		
	Exports	Imports	Exports	Imports	Balance
EU 15	69.8	59.3	958	854	104
9 countries acceding as of 1 May 2004	16.5	12.1	226	175	51
EU total	86.3	71.4	1 184	1 029	155
Other countries	13.7	28.6	188	412	-224
Czech Republic total	100.0	100.0	1 372	1 441	-69

3.1. EU foreign trade statistics – Intrastat

Intrastat collects and records data for the statistics of trade between EU member states. The system is obligatory for all member states, although it is not uniform in the collection of primary data (e.g. the manner by which these are recorded, organisational ensuring etc.). Data are obtained from companies via the GDC. Customs authorities receive and process statements of the dispatching and arrival of goods from EU member countries and will check that these are complete and accurate. The reference period for providing data on imports and exports is a calendar month.

Companies send the statements to the customs and excise office from their registered office in electronic or paper form within twelve business days of the monitored month. The statements are subsequently used to process the statistics of trade between EU member states. Intrastat statements are only completed by companies whose invoiced trade value for dispatched goods exceeds CZK 4 million and for goods arrived CZK 2 million (assimilation threshold). These limits represent the aggregate of accumulated invoiced amounts for one year. The statistical value, delivery conditions and type of transport do not have to be recorded for values up to CZK 100 million (specific threshold). A company that in a given month does not realise any trade shall send the customs authority a so-called negative report. The customs and excise offices send data obtained from companies to the GDC's IT department, which send the primary, non-aggregated trade data for the previous month to the CZSO. The CZSO will process the data and where necessary also calculate missing statistical values (for companies that have not delivered statements and companies below the specific threshold). Regular checks will be run on the topical relevancy of the recording companies and the accuracy of their data on dispatching and arrival using the register of VAT payers. This will be administered by the Ministry of Finance – Central Tax and Financial Directorate, and sent quarterly to the CZSO in accordance with a prepared agreement.

Information materials on Intrastat are available on the CZSO website. At the end of 2003, the CZSO and GDC began training the customs and excise offices' relevant employees in how to enter data in Intrastat statements. Respondents' opinions on the same matter, which were obtained from the first pilot project among 150 organisations last year, have also been used. The second pilot project, which got under way on 1 January 2004, has run practical tests on the system's preparedness, from filling in the statements and the collection of data to their processing by the CZSO. The selection of the 150 companies represented (small, medium-sized and large companies) was made by the Ministry of Finance-GDC, which also contacted them regarding the completion of statements for January 2004. The project was evaluated during March 2004.

3.2. Statistical treatment of data from foreign trade with third countries

The statistical treatment of data from foreign trade with third countries will retain its primary data collection system. Companies trading outside the EU will complete a Uniform Administrative Document form and as previously will send this to a customs authority. The GDC shall send primary data processed from the document to the CZSO on a monthly basis. The CZSO will then process the data further.

4. Publication of foreign trade data

System prior to the Czech Republic's accession to the EU

The CZSO publishes statistical data on the 16th business day following the monitored month. Data for the specific months of the relevant quarter remain unchanged throughout the quarter. Data from the previous quarter are always reviewed in the second month of the following quarter. Data for the whole of 2003 are reviewed in February, then May, before the definitive data are published in August 2004.

The system following accession

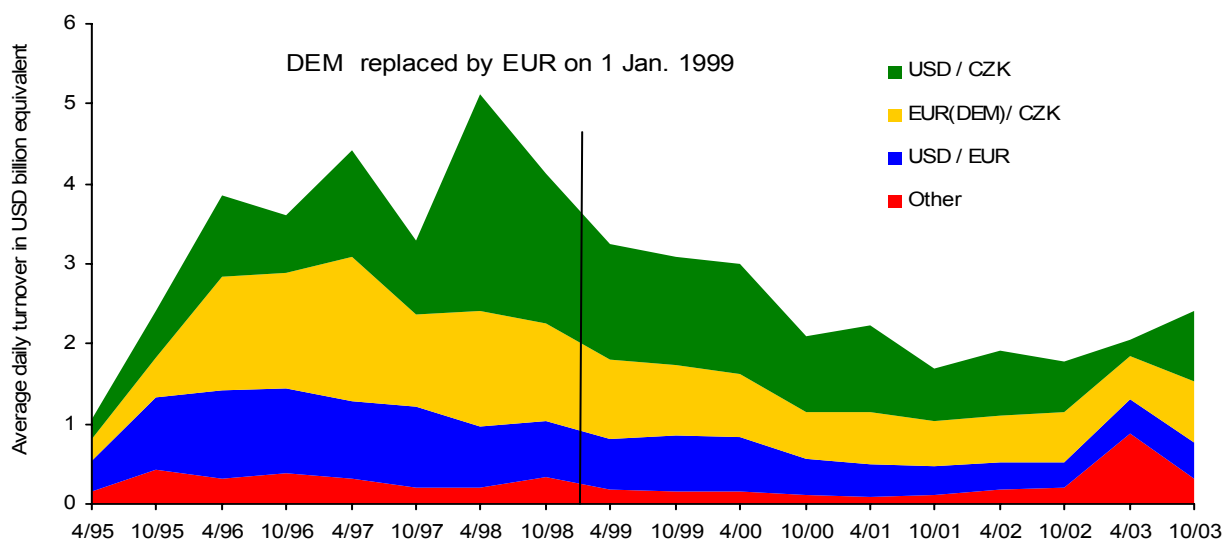
Following accession to the EU, statistical data, including the geographical and goods structure, will be published on the 25th business day following the monitored month. This means that the CZSO will publish the first monthly data for May 2004 on 7 July 2004 (in accordance with the schedule on the website). The switch in publication does not breach the deadlines for sending data to international institutions, including related macro-economic aggregates (balance of payments, gross domestic product etc.). The time gap between the reported period and the publication of foreign trade data will be one of the shortest in the EU.

THE INTERBANK FOREIGN EXCHANGE MARKET AND THE KORUNA EXCHANGE RATE

1. The interbank foreign exchange market

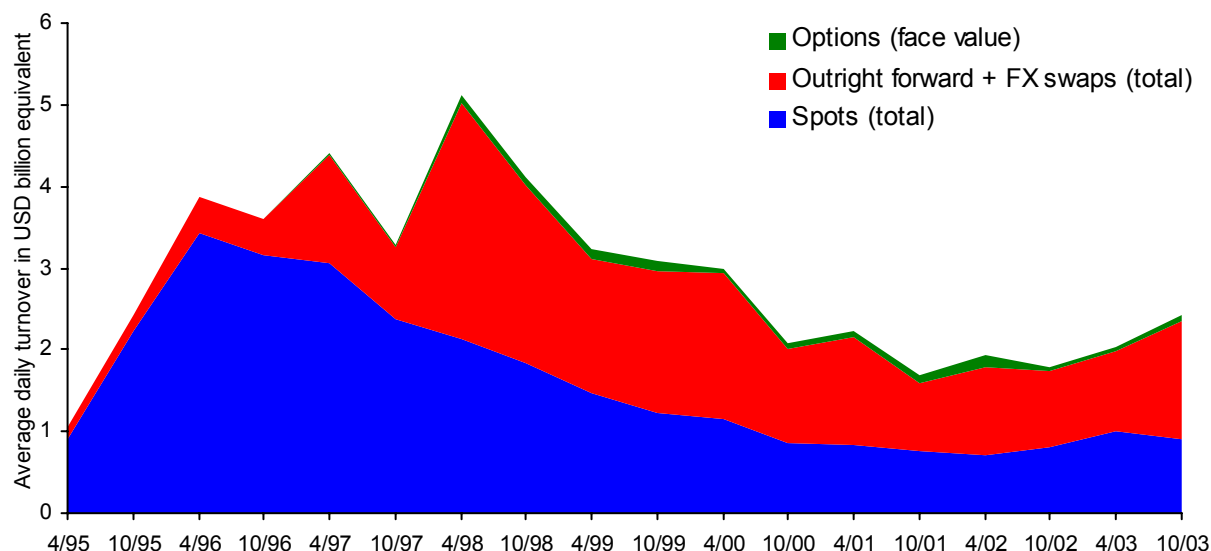
According to the October 2003 survey, the average daily volume of trading on the interbank foreign exchange market rose USD 0.4 billion against April 2003. Compared to the data for October 2002 the total level of trading rose by USD 0.6 billion.

Turnover on the Czech foreign exchange market (by currency pair)



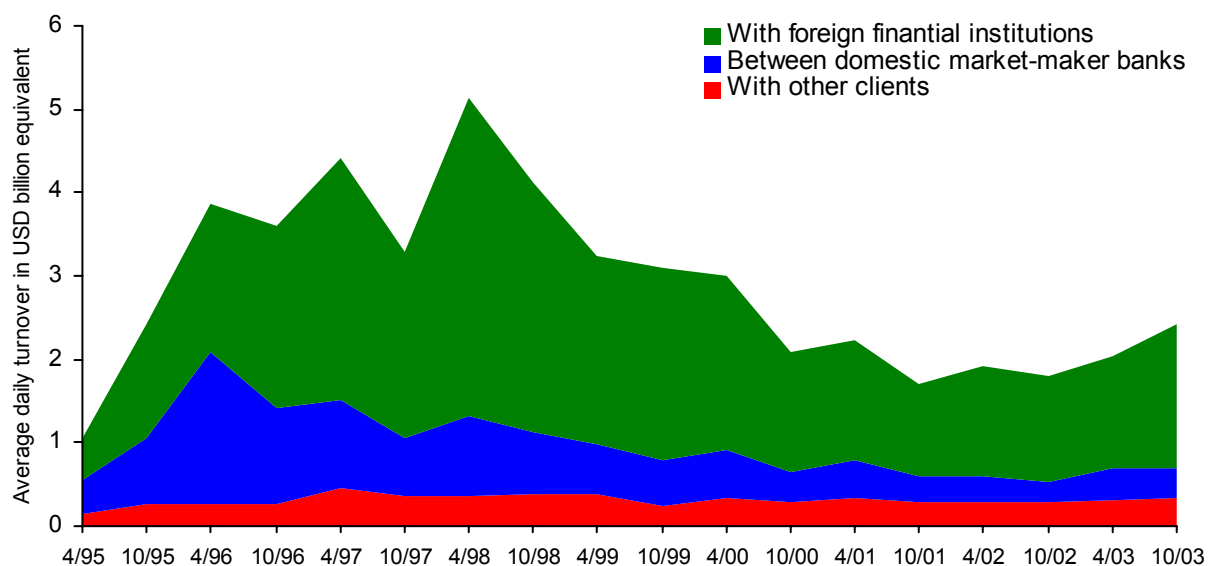
The average daily turnover in trading increased for all three monitored currency pairs compared to the previous survey. USD/CZK trading recorded a rise of USD 0.7 billion, EUR/CZK of USD 0.2 billion, and USD/EUR saw a more negligible increase. Operations in other currencies fell by almost USD 0.6 billion.

Turnover on the Czech foreign exchange market (by instrument type)



Turning to instrument type, the average daily turnover of spot operations fell by USD 0.1 billion. Forwards registered a sharp increase of USD 0.5 billion, rising to almost a 60% share in total operations. Options remained at roughly the same level, rising only by USD 0.01 billion.

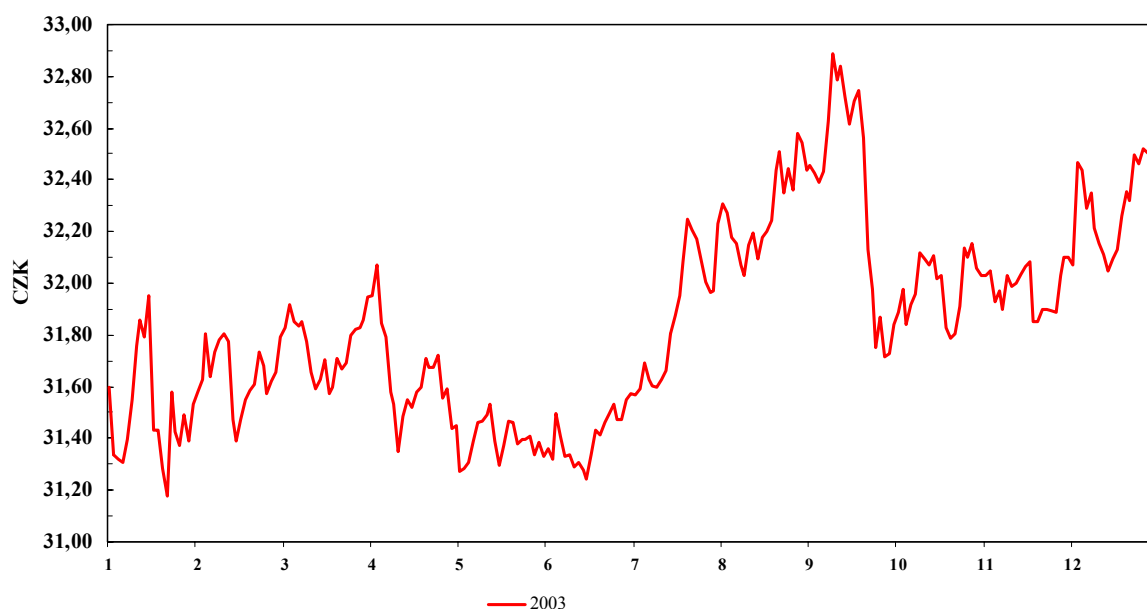
Turnover on the Czech foreign exchange market (by counterparty type)



Average daily turnover of trading by counter party recorded a substantial increase in transactions with foreign financial institutions. The rise of USD 0.4 billion also meant that the share of transactions with foreign financial institutions in total operations rose to 71%. Trading between domestic market-maker banks again fell slightly against the previous survey and dropped to 15% of total operations. This is only 0.9 percentage point more than trading with other clients, which has remained stable for several years.

2. Nominal exchange rate of the koruna

CZK/EUR exchange rate (2003)



The koruna's downward course against the euro was halted at the beginning of the year. An important factor was the CZSO's surprising revision of the balance of trade, which eased concerns over foreign trade deficits. The revision showed that the state of the domestic economy was not as poor as the original statistics had indicated. During Q1, the koruna essentially remained stable within the 31.350 – 31.850 band. At the end of March it attacked the 32.000 level but failed to get far beyond it (maximum 32.100). During this period the koruna did not react overmuch to domestic macro-economic data and apart from technical factors was influenced rather by the situation on world financial markets, which were strongly affected by the war in Iraq. The conclusion of military operations in Iraq at the beginning of April and the relatively quick and straightforward victory of the coalition forces meant the elimination of a large part of the risks associated with the conflict. The koruna failed to get far beyond 32.000 and a correction saw it slip back to 31.450. In the following months the exchange rate did not register any significant fluctuations and remained in a relatively tight band of 31.200 – 31.700.

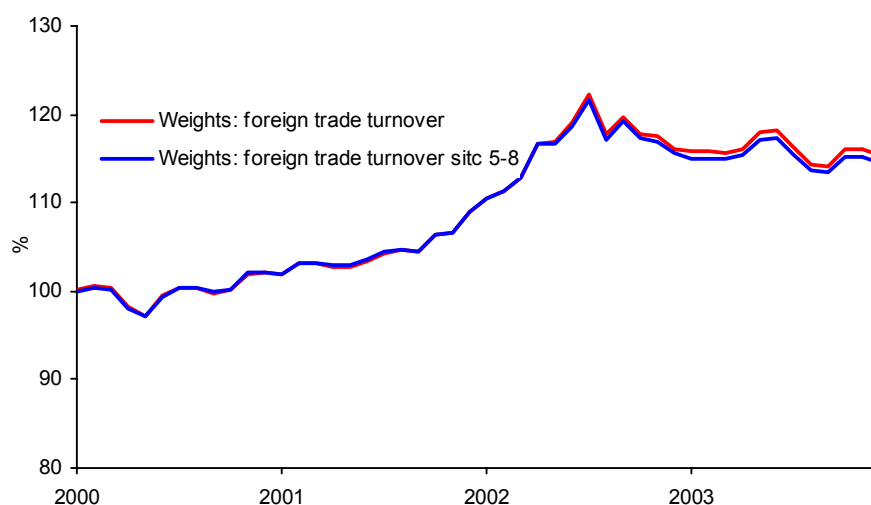
The second half of the year witnessed the koruna on a downward course. The main reason given for the negative sentiment was the increase in domestic political risk associated with

the reform of public finances. The preparation of a vote of no confidence in the government and the uncertainty surrounding legislation relating to the reform of public finances forced the koruna just below 33.000, its weakest level since December 2001. In the second half of September, however, it corrected its losses and moved back under 32.000, assisted by the government's success in the voting in the House of Deputies. Thereafter the koruna remained in the narrow band of 31.700 – 32.200. There was only a mild response to domestic political events, specifically the passing of the state budget, and the koruna was influenced chiefly by technical factors. Trading in December was influenced largely by client purchases (particularly by institutional investors from the US) and sales of foreign exchange before the year's end. Low liquidity also played a prominent role. Over the Christmas period the koruna first weakened, falling below 32.700, before strengthening again and returning to just under 32.300. The sharp fall in the dollar against the euro meant that by the end of December the koruna had reached a historical high of USD/CZK 25.300.

3. Nominal effective exchange rate of the koruna

The nominal effective exchange rate (NEER), expressed as an index, shows the appreciation (index > 100) or depreciation (index < 100) of the national currency against a basket of selected currencies for a certain period relative to a base period (2000). The NEER index was calculated as the geometric weighted average of nominal exchange rates in two alternatives by weighting the exchange rates with the shares in trading turnover of 23 countries covering approximately 90% of Czech foreign trade. Alternative I uses the weights of the total exports and imports of these countries, whereas Alternative II uses the weights of the exports and imports of these countries in SITC (Standard International Trade Classification) commodity groups 5 - 8. The NEER is calculated in a time series as the monthly average and yearly average on the 2000 base for 12 currency areas. The eurozone countries' exports and imports are recorded as a single weight using the CZK/EUR rate.

Nominal effective exchange rate of the koruna – monthly figures (2000 = 100)



Source: CNB

The koruna's monthly NEER weakened slightly in Q1. In Q2 it began to appreciate and peaked in June at 118.2% (Alternative I) and 117.3% (Alternative II) relative to the 2000 base. In Q3 it registered a gradual falling back from this position, before strengthening again in Q4 and approaching its level from the beginning of the year.

The average annual NEER index weakened by 0.4% compared to the previous year. Its development is attributable chiefly to the koruna's decline against the euro, which is the decisive weighted exchange rate in the index.

Nominal effective exchange rate of the koruna (2000 = 100)

%	2003											
	1	2	3	4	5	6	7	8	9	10	11	12
Weights: foreign trade turnover	115,82	115,79	115,67	116,04	117,98	118,23	116,25	114,40	114,19	116,03	116,00	115,49
Weights: foreign trade turnover SITC 5-8	115,08	115,00	114,90	115,32	117,10	117,33	115,45	113,68	113,42	115,15	115,16	114,56

appreciation > 100; depreciation < 100;

Source: CNB

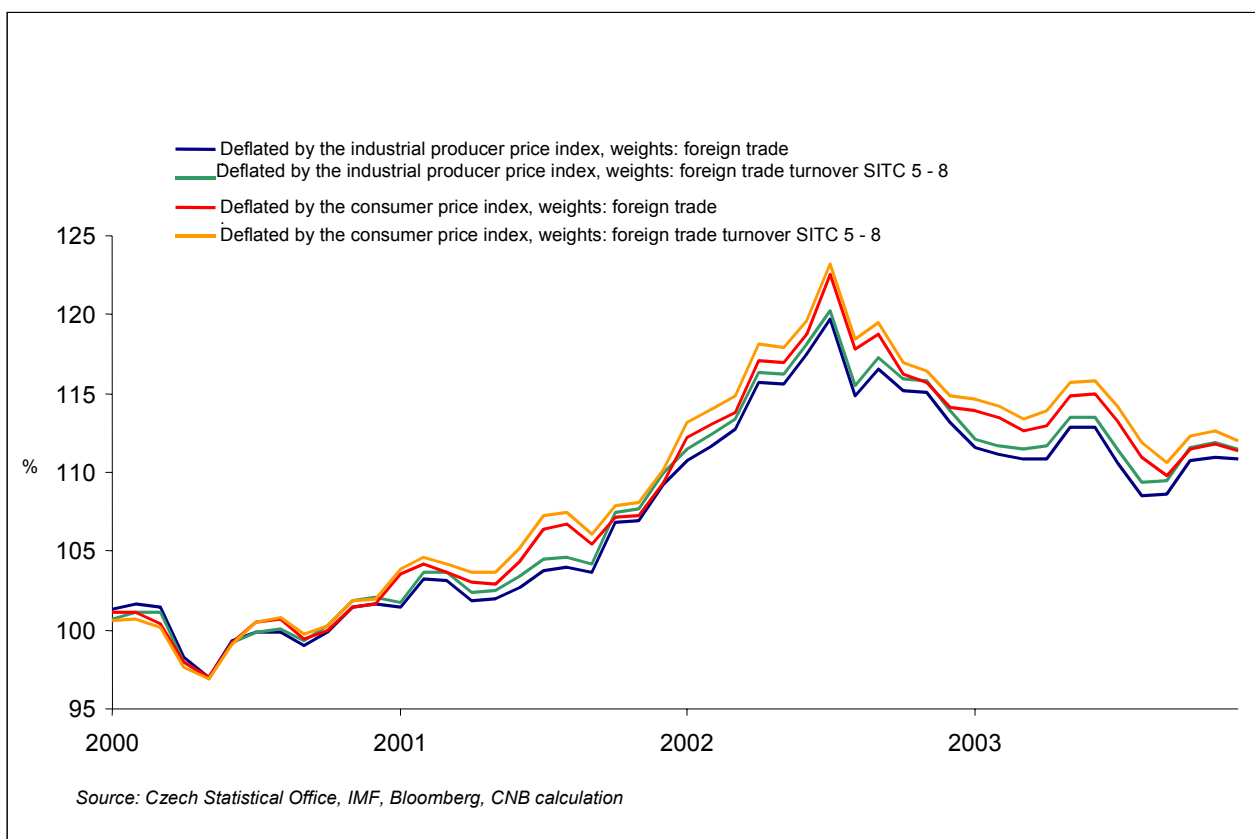
4. The real effective exchange rate of the koruna

The real effective exchange rate of the koruna (REER) is one of the indicators of the international competitiveness of a country and in general represents differences between foreign and domestic relative prices or costs expressed in a particular currency.

The REER is calculated as the geometric weighted average of the koruna's nominal effective exchange rate indices adjusted for the price differential (the ratio of foreign price indices to domestic price indices). The weights applied are the shares of the Czech Republic's major trading partners in overall trade turnover. It follows from the nature of REER calculation that the REER trend depends on the nominal exchange rate of the koruna against the selected currencies and is corrected by the price differential.

To construct the REER, the consumer and industrial producer prices of 23 countries were used. For calculation purposes the eurozone countries are given as one area. The structure of the countries and their weights are identical to those used for calculating the NEER. In Alternative I, the weights relate to the entire trading turnover, whereas in Alternative II they only relate to SITC commodity groups 5 – 8.

Real effective exchange rate of the koruna (year 2000 = 100)



In 2003, the REER followed the trend of the koruna to the euro, and extremely closely in the case of the real exchange rate expressed in consumer prices. According to annual data, in Alternative I (trading turnover) the index fell by 4% in industrial producer prices and 3.8% in consumer prices relative to 2002. In Alternative II (trading turnover of SITC commodity groups 5 - 8) the reduction was identical – 4% in industrial producer prices and 3.8% in consumer prices, representing an easing of conditions for exporters. The REER was significantly affected by the koruna's depreciation against the previous year.

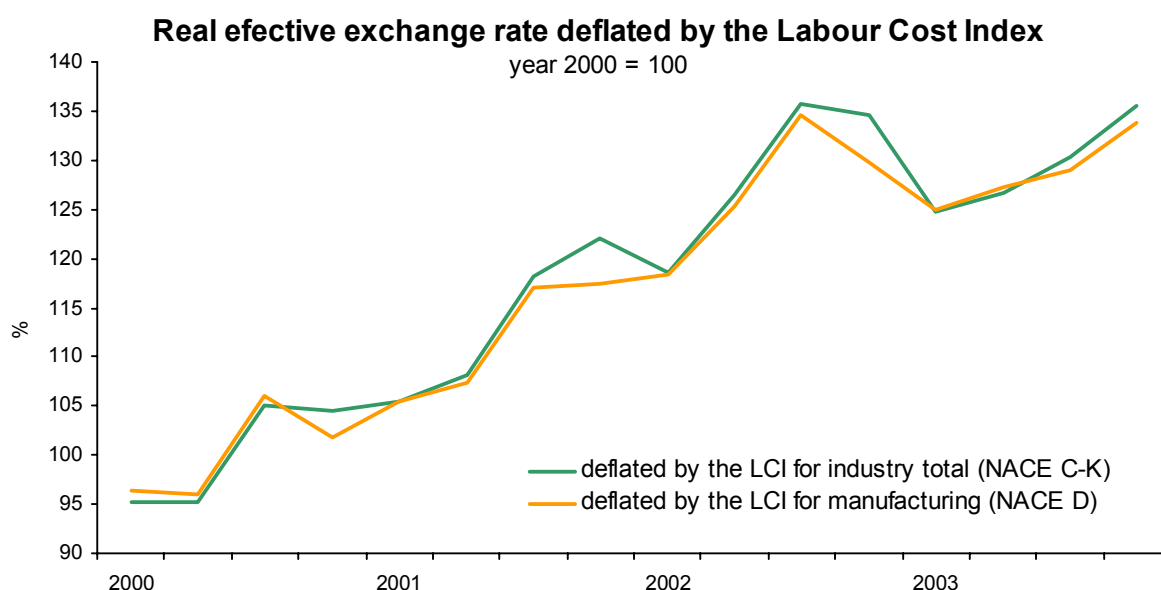
Real effective exchange rate of the koruna – monthly figures - weights: foreign trade turnover for 2000

REER in % year 2000 = 100	2003											
	1	2	3	4	5	6	7	8	9	10	11	12
Weights: foreign trade turnover												
based on PPI	111,56	111,11	110,85	110,89	112,83	112,81	110,53	108,51	108,58	110,74	110,95	110,83
based on CPI	113,90	113,50	112,59	113,00	114,89	114,98	113,22	110,97	109,82	111,47	111,78	111,35
Weights: foreign trade turnover SITC 5-8												
based on PPI	112,14	111,71	111,49	111,65	113,46	113,46	111,32	109,39	109,45	111,58	111,85	111,52
based on CPI	114,66	114,26	113,38	113,86	115,66	115,76	114,10	111,88	110,67	112,28	112,66	112,02

Source: Czech Statistical Office, IMF, Bloomberg, CNB calculation

5. The real exchange rate of the koruna deflated by the Labour Cost Index (LCI)

Real effective exchange rate of the koruna – LCI deflator (2000 = 100)



Source: Czech Statistical office, EUROSTAT, CNB calculation

REAL EFFECTIVE EXCHANGE RATE OF KORUNA (%) YEAR 2000=100	2002				2003			
	I.Q	II.Q	III.Q	IV.Q	I.Q	II.Q	III.Q	IV.Q
Deflated by the LCI for industry - total (NACE C-K), weights: foreign trade turnover	118,6	126,4	135,8	134,5	124,8	126,6	130,4	135,6
Deflated by the LCI for manufacturing - total (NACE D), weights: foreign trade turnover	118,4	125,3	134,6	129,8	125,0	127,2	129,0	133,7

The LCI is monitored in compliance with EC Regulations No. 450/2003 and No. 1216/2003 and is derived from hourly, not monthly, labour costs.

The LCI is monitored in the A – O categories of economic activity as defined by the NACE Rev. 1 classification. Labour costs comprise wages and salaries, including compensation for time not worked, mandatory social contributions and other costs independent of wages and salaries. It does not cover contributions for transport, re-training, clothing etc.

The real exchange rate of the koruna deflated by labour costs is calculated as the geometric weighted average of the koruna's nominal effective exchange rate indices adjusted for the labour cost differential. The weights applied are the shares of the 19 major trading partners in overall trading turnover. The real effective exchange rate of the koruna deflated by labour costs was constructed from the basic labour cost indices in industry as a whole (NACE C-K) and manufacturing industry (NACE D), where the year 2000 = 100.

EU countries have the largest share in weighted overall trading turnover. The appreciation of the real exchange rate is thus affected by LCI trends in EU countries. The real effective

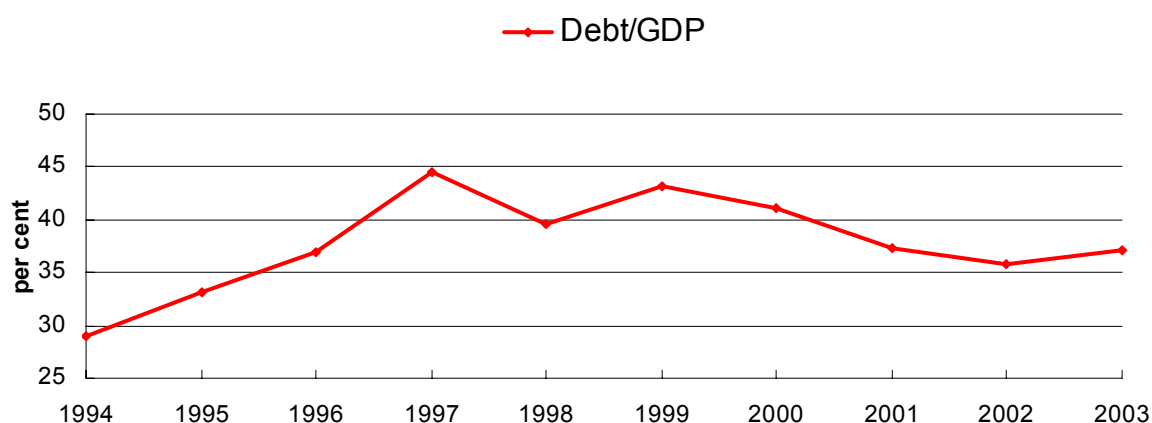
exchange rate of the koruna was due to two factors: the nominal exchange rate of the koruna against the euro in 2003 and fluctuations in the labour cost index. The LCI in industry and services as a whole (NACE C-K) showed a fall of 3.1% relative to 2002 in EU countries, while the fall in the Czech Republic was around 7.0%. In Q2, 3 and 4 of 2003 the LCI in industry as a whole (NACE C-K) rose again in almost all countries included in the composition of weights. An exception was the EU-12 countries in Q3, which experienced a fall of 2.6%. In Q4 these countries saw a rise of 5.4% in the LCI. At 10.8%, the rate of growth of the LCI in the Czech Republic during Q4 was double that of the EU-12.

EXTERNAL DEBT RATIOS

1. *External debt/GDP*

In 2003, the external debt/GDP ratio rose slightly to 37%. By international standards external debt is at an acceptable level.

External debt/GDP (in %, annual figures)

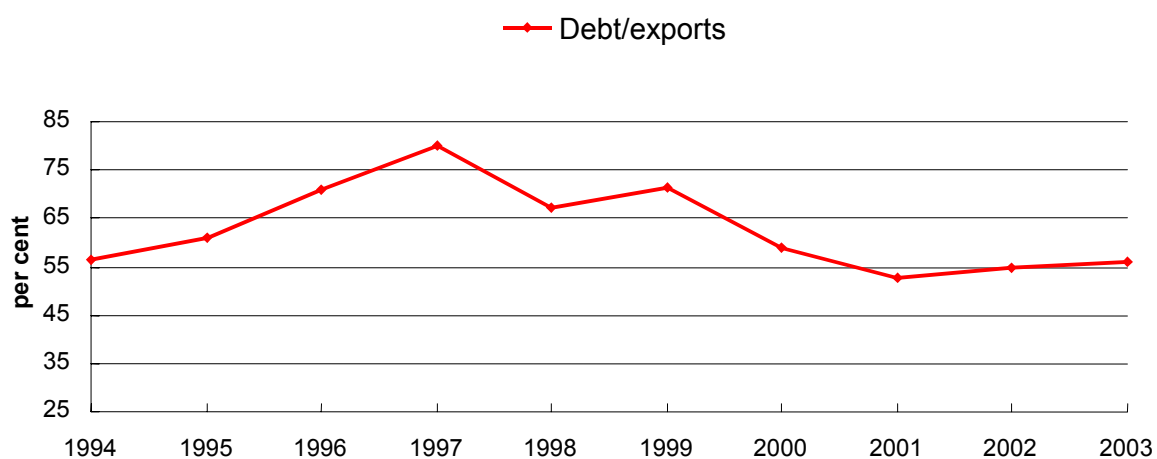


Source: CNB, CZSO

2. *External debt/exports*

The ability of the economy to pay off external debt through exports of goods and services was favourable in 2003. Despite the small rise in debt, 56% of annual exports are sufficient to pay off external debt.

External debt/exports (in %, annual figures)

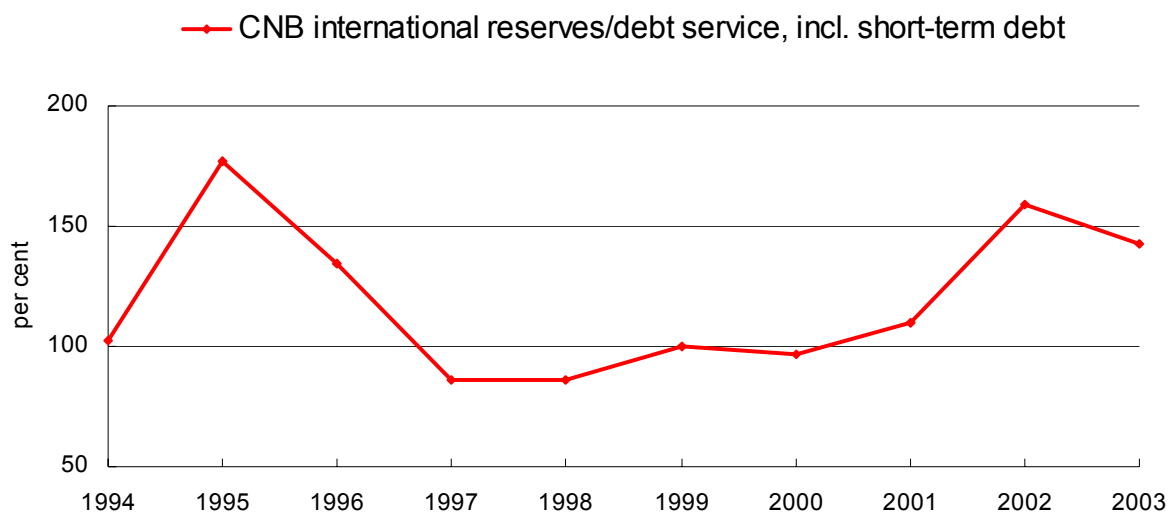


Source: CNB, CZSO

3. CNB international reserves/short-term debt

At the end of 2003, the CNB's international reserves were 42% higher than short-term external debt (short-term liabilities, including due-debt service on long-term debt in the corresponding year). This level can be considered more than sufficient.

CNB international reserves/short-term debt (in %, annual figures)

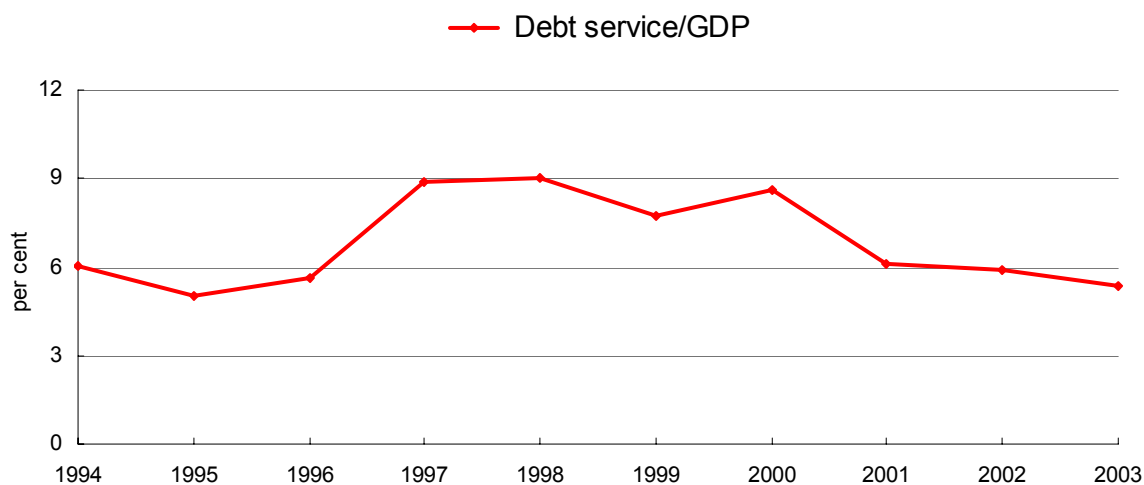


Source: CNB

4. Debt service/GDP

The favourable development of previous years in the indicator continued in 2003. Debt service on long-term liabilities as a ratio of GDP approached the 5% mark.

Debt service/GDP (in %, annual figures)

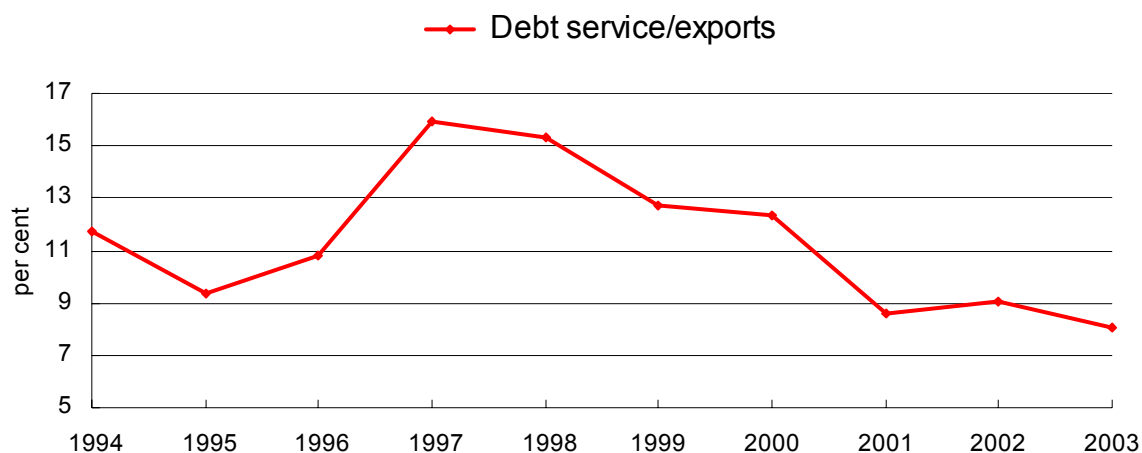


Source: CNB, CZSO

5. Debt service/exports

Debt service on medium-term and long-term liabilities fell to 8% of revenue from annual exports of goods and services. By international standards this level is regarded as favourable.

Debt service/exports (in %, annual figures)



Source: CNB, CZSO

Conclusion:

The country's rising debt in the second half of the year chiefly affected the relative indicators for overall debt and short-term debt and its coverage with CNB international reserves. The economy's ability to pay off liabilities remained at an acceptable level. None of the indicators touched critical values that would indicate an increase in external imbalance over an acceptable level.

ECONOMIC GLOBALISATION INDICATORS FOR FOREIGN DIRECT INVESTMENT

In 2003, the OECD completed the draft of its manual on economic globalisation indicators. The recommended indicators make possible the uniform evaluation and analysis of some economic globalisation processes in OECD countries. With regard to foreign direct investment, the term globalisation refers to the internationalisation of corporations, where the realisation of direct investment means the creation of direct, stable and long-lasting economic links between entities in different countries. FDI statistics thus provide not only relevant data by which to compile the balance of payments but also to measure economic globalisation and integration. The OECD manual recommends the monitoring of indicators broken down into two basic categories:

reference indicators

- FDI flows and stock as a ratio of GDP,
- globalisation benefits for investing and host countries and economic activities,
- return on FDI (reinvested earnings, dividend and interest income),

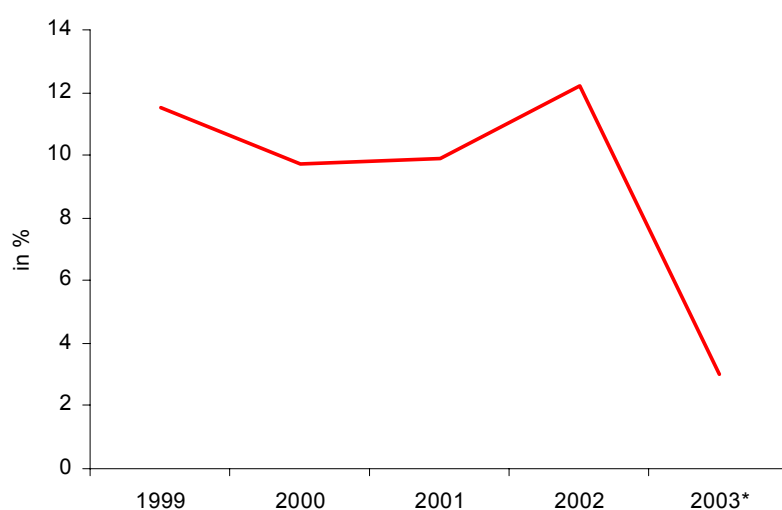
supplementary indicators

- FDI share by category – by country and economic activity.

*1. Reference indicators¹**1.1. FDI flows and stock as a ratio of GDP*

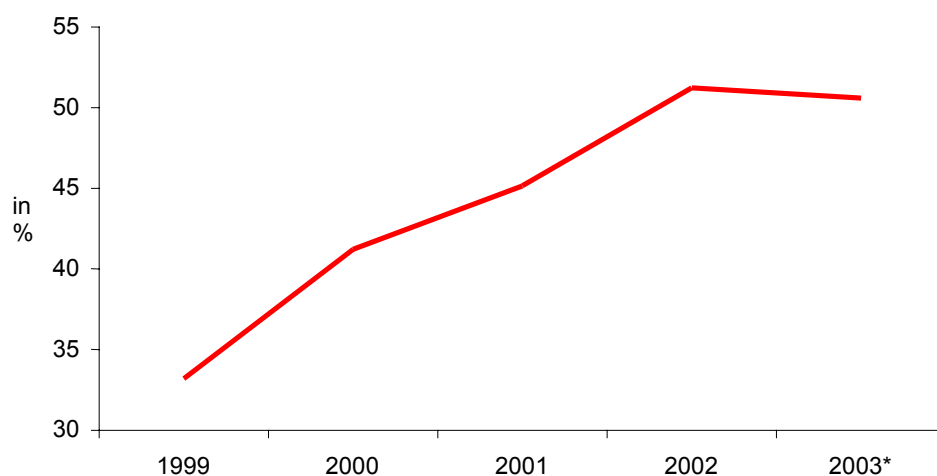
The inflow of foreign direct investment as a ratio of GDP fell to 3% in 2003 due to transactions with Eurotel and Czech Telecom shares. In previous years the ratio had been around the 10% mark. At the end of 2003, the stock of direct investment as a ratio of GDP exceeded 50%. Income from direct investment is around 4.5% of GDP, with a consequent fall in GNP. Corresponding indicators for the outflow of direct investment are insignificant from a macro-economic perspective.

Inward direct investment financial flows as a % of GDP

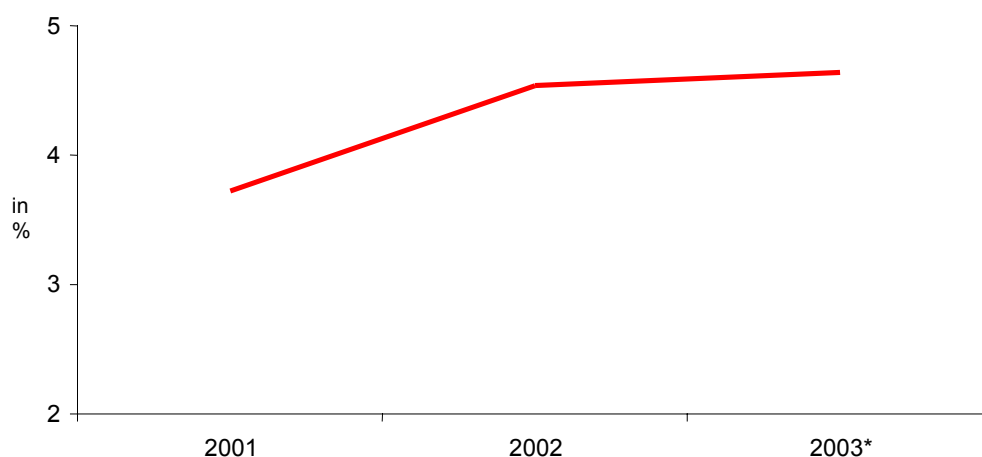


¹ */ indicates preliminary data; a minus sign represents a loss or disinvestment

Inward direct investment positions as a % of GDP



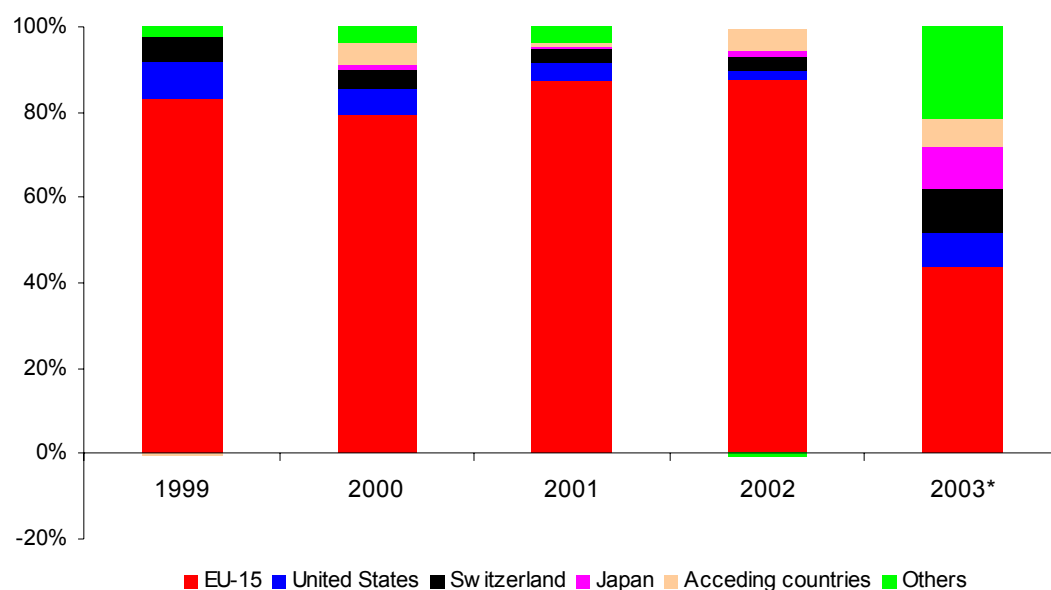
Inward direct investment income flows as a % of GDP



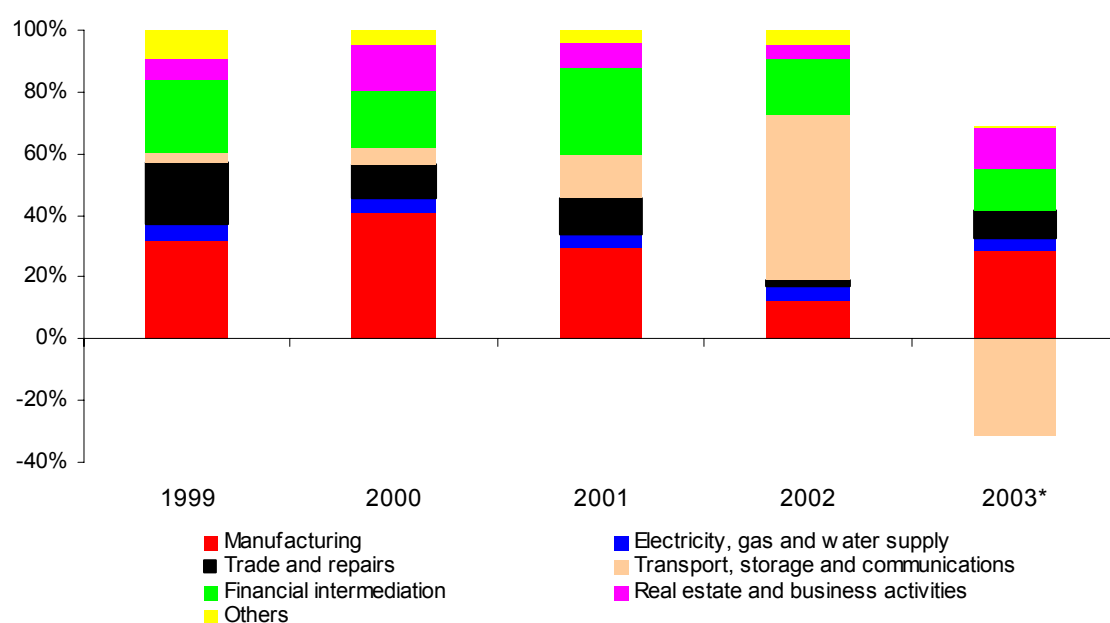
1.2. Globalisation benefits through direct investment for the host country (by territory and economic activity)

Transactions in the telecommunications field altered the geographic and economic activity structure of FDI in 2003. The European Union's hitherto dominant share declined, to the advantage of the other countries group comprising Japan, Switzerland and the USA. There was an increased inflow of funds into the manufacturing industry and real estate and business activities. Investors from the European Union retained their dominant share of existing FDI stock. By economic activity, the largest investments are in the manufacturing industry (almost 40%) and financial mediation.

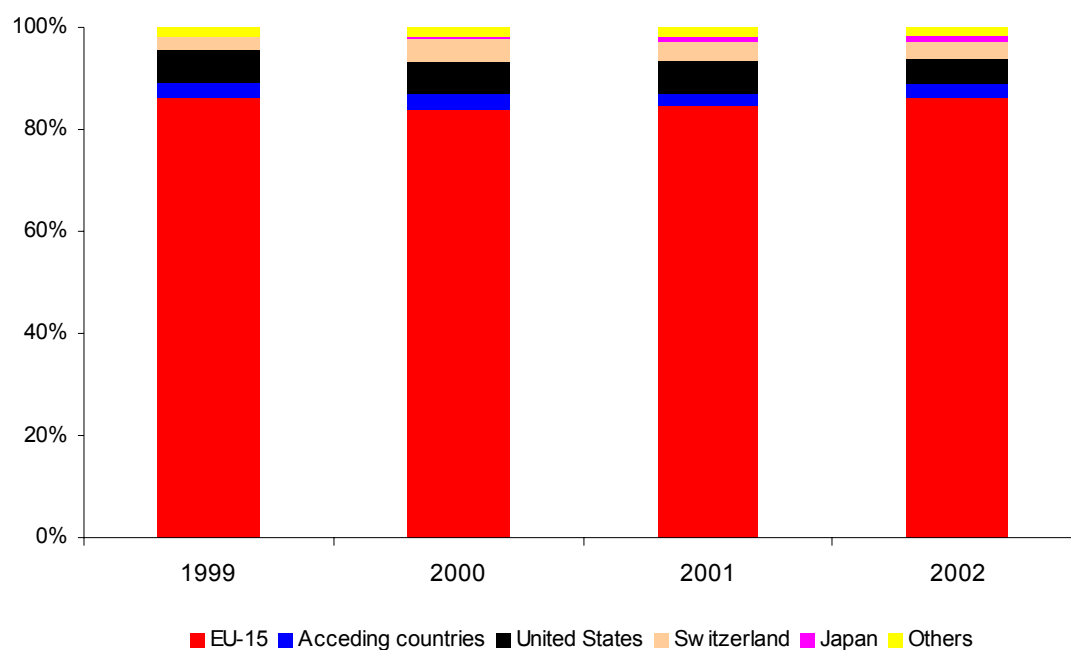
Share of inward direct investment stock positions by partner country as a % of total



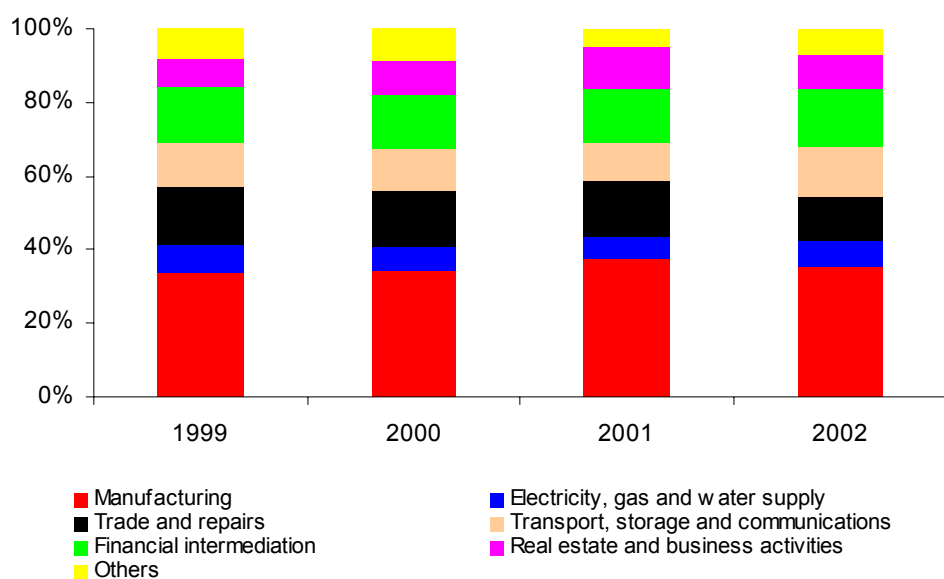
Share of inward direct investment financial flows by economic sectors as a % of total



Share of inward direct investment stock positions by partner country as a % of total



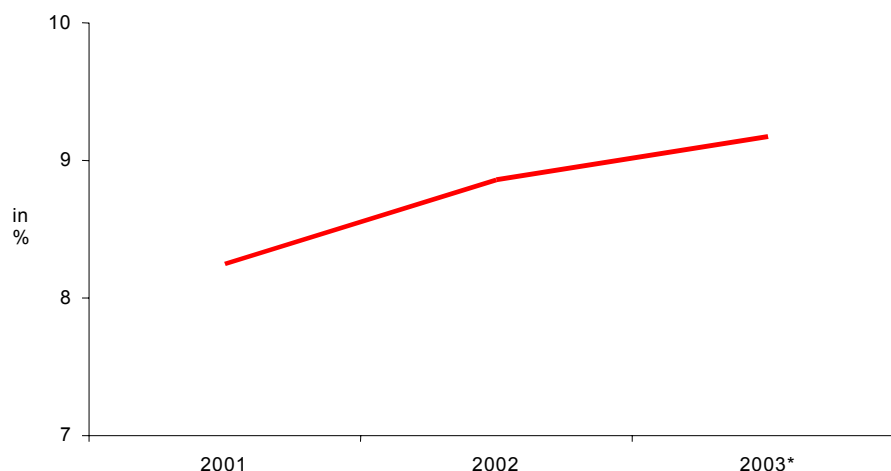
Share of inward direct investment stock positions by economic sector as a % of total



1.3. Return on direct investment income

Total return on foreign direct investment is currently around 9% and rising moderately. Return varies according to the country and economic activity. Investment from the USA enjoys a rate of more than 10%, while EU-15 countries achieve average return of around 9%. By sector, the largest return level comes from investment in financial mediation, which recorded 15.3% in 2002. Investment in the manufacturing industry provides a stable rate of return at 10%, just above the average.

Inward direct investment income as a % of inward direct investment positions



Inward direct investment income as % of inward direct investment position by investing country

Country or economic zone	Total direct investment income	Total direct investment position	Return on direct investment	Total direct investment income	Total direct investment position	Return on direct investment
	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %
	2001			2002		
EU-15	69 345,9	830 446,1	8,4	89 104,0	1 003 698,4	8,9
Acceding countries	1 380,2	24 186,6	5,7	5 007,5	32 847,0	15,2
United States	7 462,4	62 892,4	11,9	5 732,0	56 808,6	10,1
Switzerland	2 163,9	38 509,9	5,6	3 956,2	40 844,3	9,7
Japan	-55,4	7 468,5	-0,7	45,3	13 014,7	0,3
Others	714,4	18 831,4	3,8	-581,9	18 316,1	-3,2
Total	81 011,4	982 335,0	8,2	103 263,3	1 165 529,1	8,9

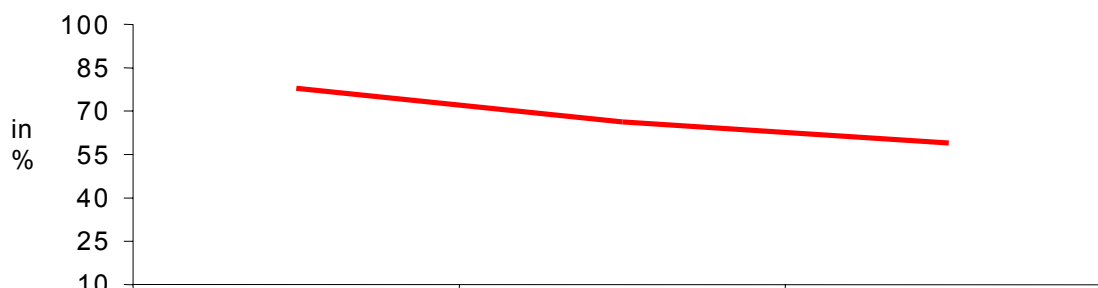
Inward FDI income as % of inward FDI position by economic sector

Aggregated sector	Total Direct investment income	Total Direct investment position	Return on Direct investment	Total Direct investment income	Total Direct investment position	Return on Direct investment
	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %
	2001			2002		
Manufacturing	40 594,9	369 040,1	11,0	39 896,0	413 533,8	9,6
Electricity, gas and water supply	4 310,1	59 996,1	7,2	6 874,0	79 858,7	8,6
Trade and repairs	9 538,3	148 008,5	6,4	8 954,9	138 545,7	6,5
Transport, storage and communication	2 284,3	101 826,8	2,2	9 664,5	157 972,5	6,1
Financial intermediation	18 769,8	145 387,8	12,9	28 350,4	185 173,3	15,3
Real estate and business activities	2 309,3	111 982,6	2,1	4 954,6	108 067,2	4,6
Others	3 204,7	46 093,1	7,0	4 568,9	108 067,2	4,2
Total	81 011,4	982 335,0	8,2	103 263,3	1 165 529,1	8,9

The ratio of reinvested earnings to income from equity capital fell between 2001 and 2003 (preliminary data). Instead of using profit to strengthen existing investments, investors are favouring dividend payments. In total, reinvested earnings as a ratio of income from equity capital fell from 78% in 2001 to 59% in 2003 (according to preliminary data). By territory, the largest fall was recorded for the EU-15 countries, while by economic activity the sharpest decline was in transport and telecommunications due to extraordinary dividend payments (e.g.

Eurotel, Czech Telecom, Transgas). Funds from previously generated profit were used to pay the dividends.

Inward reinvested earnings as a % of income on equity in reporting economy



Inward reinvested earnings as % of income on equity in reporting economy by investing country

Country or economic zone	Reinvested earnings	Income on equity		Reinvested earnings	Income on equity		Reinvested earnings	Income on equity	
	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %	mil. Kč	mil. Kč	in %
	2001			2002			2003*		
EU-15	49 018,4	63 713,5	76,9	53 772,4	83 756,1	64,2	44 810,8	86 657,5	51,7
Acceding countries	1 224,2	1 319,9	92,7	4 799,6	4 913,7	97,7	5 131,5	5 243,3	97,9
United States	6 149,5	6 818,8	90,2	3 834,5	5 262,8	72,9	6 776,8	7 778,3	87,1
Switzerland	1 109,6	1 940,8	57,2	3 072,9	3 671,5	83,7	3 024,1	3 096,7	97,7
Japan	-79,0	-74,0	x	8,5	12,4	69,0	64,5	64,5	100,0
Others	333,9	414,4	80,6	-1 139,7	-612,2	x	2 397,7	2 660,8	90,1
Total	57 756,6	74 133,5	77,9	64 348,3	97 004,2	66,3	62 205,4	105 501,0	59,0

note: x- indicator is not quantified; it has no information capability at this level of aggregation

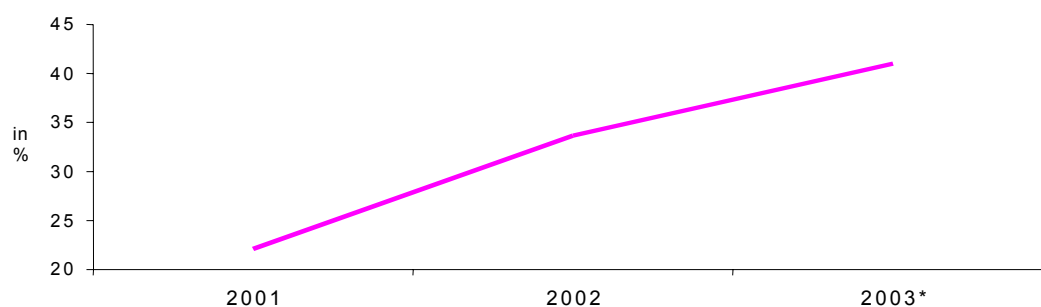
Inward reinvested earnings as % of income on equity in reporting economy by economic sector

Aggregated sector	Reinvested earnings	Income on equity		Reinvested earnings	Income on equity		Reinvested earnings	Income on equity	
	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %	mil. Kč	mil. Kč	in %
	2001			2002			2003*		
Manufacturing	28 723,1	37 403,6	76,8	25 038,7	36 808,1	68,0	37 373,1	47 825,6	78,1
Electricity, gas and water supply	3 508,5	4 278,7	82,0	4 248,0	6 699,0	63,4	3 802,8	7 041,1	54,0
Trade and repairs	6 325,3	8 131,0	77,8	4 090,4	8 304,1	49,3	6 958,1	8 165,9	85,2
Transport, storage and communications	1 012,3	2 019,3	50,1	3 966,7	8 970,9	44,2	-11 560,5	6 936,4	x
Financial intermediation	15 759,1	18 610,2	84,7	21 118,8	28 251,6	74,8	21 942,1	30 628,4	71,6
Real estate and business activities	243,7	813,4	30,0	2 440,7	3 913,6	62,4	1 096,7	1 846,7	59,4
Others	2 184,6	2 877,2	75,9	3 445,0	4 056,9	84,9	2 593,1	3 056,9	84,8
Total	57 756,6	74 133,5	77,9	64 348,3	97 004,2	66,3	62 205,4	105 501,0	59,0

note: x- indicator is not quantified; it has no information capability at this level of aggregation

Income from equity capital comprises reinvested earnings and dividends. Reinvested earnings as a ratio of income is falling and is being replaced by dividends, which increased their share from 22.1% in 2001 to 41% in 2003. The highest volume of dividends was paid to investors from EU countries. In terms of economic activity, 2003 saw extraordinary dividend payments in telecommunications and transport, in electricity, gas and water, in real estate and business activities and in financial mediation.

Dividends paid abroad as % of income on equity in reporting economy



Dividends paid abroad as % of income on equity abroad by investing country

Country or economic zone	Dividends	Income on equity		Dividends	Income on equity		Dividends	Income on equity	
	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %
	2001			2002			2003*		
EU-15	14 695,1	63 713,5	23,1	29 983,8	83 756,1	35,8	41 871,1	86 657,5	48,3
Acceding countries	95,7	1 319,9	7,3	114,0	4 913,7	2,3	111,8	5 243,3	2,1
United States	669,4	6 818,8	9,8	1 428,3	5 262,8	27,1	1 001,5	7 778,3	12,9
Switzerland	831,2	1 940,8	42,8	598,6	3 671,5	16,3	72,6	3 096,7	2,3
Japan	5,0	-74,0	x	3,8	12,4	31,0	0,0	64,5	0,02
Others	80,5	414,4	19,4	527,4	-612,2	x	238,6	2 660,8	9,0
Total	16 376,9	74 133,5	22,1	32 655,9	97 004,2	33,7	43 295,6	105 501,0	41,0

note: x- indicator is not quantified; it has no information capability at this level of aggregation

Dividends paid abroad as % of income on equity abroad by economic sector

Aggregated sector	Dividends	Income on equity		Dividends	Income on equity		Dividends	Income on equity	
	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %	mil. CZK	mil. CZK	in %
	2001			2002			2003*		
Manufacturing	8 680,6	37 403,6	23,2	11 769,4	36 808,1	32,0	10 452,5	47 825,6	21,9
Electricity, gas and water supply	770,2	4 278,7	18,0	2 451,0	6 699,0	36,6	3 238,3	7 041,1	46,0
Trade and repairs	1 805,7	8 131,0	22,2	4 213,6	8 304,1	50,7	1 207,8	8 165,9	14,8
Transport, storage and communication	1 007,0	2 019,3	49,9	5 004,2	8 970,9	55,8	18 497,0	6 936,4	x
Financial intermediation	2 851,1	18 610,2	15,3	7 132,9	28 251,6	25,2	8 686,3	30 628,4	28,4
Real estate and business activities	569,7	813,4	70,0	1 472,9	3 913,6	37,6	750,0	1 846,7	40,6
Others	692,6	2 877,2	24,1	611,9	4 056,9	15,1	463,7	3 056,9	15,2
Total	16 376,9	74 133,5	22,1	32 655,9	97 004,2	33,7	43 295,6	105 501,0	41,0

note: x- indicator is not quantified; it has no information capability at this level of aggregation

2. Supplementary indicators

Supplementary indicators represent the share of foreign direct investment components (equity capital, reinvested earnings and other capital) in a certain country or group of countries and economic activities to the total inflow of direct investment in a certain country or group of countries or economic activities. The investment volume in equity capital has around a 60 to 80% share in FDI inflow, except in 2003, when the figure fell to 6% as a result of transactions in the telecommunications sector. Reinvested earnings comprise around 10 to 20% and other capital around 10% of capital inflow from abroad. The FDI stock structure is similar. Variations from the economy's mean are negligible as regards classification by territory and economic activity. In terms of economic activity, credits for real estate and business activities comprise a large share, while by territory the largest direct investment from Japan goes into equity capital.

Inward equity capital flows as a % of inward direct investment flows by investing country

Country or group of countries	share in %			
	2000	2001	2002	2003*
EU-15	68,3	60,6	74,5	-54,1
Acceding countries	85,2	54,0	47,1	-4,6
United States	50,7	27,5	93,7	-26,9
Switzerland	87,8	62,9	36,6	57,4
Japan	x	78,7	86,4	97,7
Others	86,9	75,0	x	79,5
Total	70,1	59,8	74,1	6,3

note x: indicator is not quantified; it has no information capability at this level of aggregation

Inward equity capital flows as a % of inward direct investment flows by economic sector

Group of sectors	share in %			
	2000	2001	2002	2003*
Manufacturing	58,2	34,5	46,0	34,9
Electricity, gas and water supply	62,9	59,9	59,9	35,6
Trade and repairs	92,6	77,9	x	57,3
Transport, storage and communications	59,2	94,3	91,2	80,0
Financial intermediation	83,1	69,8	53,8	18,9
Real estate and business activities	69,5	41,9	69,0	58,2
Others	88,4	32,8	42,8	43,4
Total	70,1	59,8	74,1	6,3

note x: indicator is not quantified; it has no information capability at this level of aggregation

Inward reinvested earnings flows as a % of inward direct investment flows by investing country

Country or group of countries	share in %			
	2000	2001	2002	2003*
EU-15	23,3	26,2	21,8	x
Acceding countries	-2,5	44,1	34,1	x
United States	7,2	66,1	61,8	x
Switzerland	8,5	16,6	34,6	40,7
Japan	-10,4	-7,1	0,2	0,9
Others	1,0	4,3	62,0	15,4
Total	19,2	26,9	23,2	85,3

note x: indicator is not quantified; it has no information capability at this level of aggregation

Inward reinvested earnings flows as a % of inward direct investment flows by economic sector

Group of sectors	share in %			
	2000	2001	2002	2003*
Manufacturing	31,9	45,3	76,4	68,7
Electricity, gas and water supply	40,8	34,2	33,8	59,4
Trade and repairs	-8,9	26,4	73,7	39,7
Transport, storage and communications	12,0	3,2	2,8	19,6
Financial intermediation	19,9	26,2	43,6	85,6
Real estate and business activities	2,0	1,4	20,0	4,6
Others	15,0	28,2	15,5	60,8
Total	19,2	26,9	23,2	85,3

Inward other capital flows as a % of inward direct investment flows by investing country

Country or group of countries	share in %			
	2000	2001	2002	2003*
EU-15	8,4	13,2	3,7	14,0
Acceding countries	3,5	2,0	18,8	1,5
United States	42,1	6,5	-55,5	9,0
Switzerland	3,8	20,4	28,7	1,9
Japan	-3,7	28,3	13,4	1,3
Others	31,3	20,7	215,1	5,0
Total	10,7	13,3	2,7	8,4

note x: indicator is not quantified; it has no information capability at this level of aggregation

Inward other capital flows as a % of inward direct investment flows by economic sector

Group of sectors	share in %			
	2000	2001	2002	2003*
Manufacturing	9,8	20,0	-22,4	-3,6
Electricity, gas and water supply	-3,7	5,9	6,4	4,7
Trade and repairs	16,2	-4,3	-116,5	1,8
Transport, storage and communications	28,8	2,5	6,1	0,4
Financial intermediation	-3,0	4,1	2,6	-4,5
Real estate and business activities	28,4	56,7	11,0	37,2
Others	-3,4	39,9	41,7	1,1
Total	10,7	13,3	2,7	8,4

note x: indicator is not quantified; it has no information capability at this level of aggregation

Inward position of equity capital and reinvested earnings as a % of direct investment positions by investing country

Country or group of countries	share in %			
	1999	2000	2001	2002
EU-15	85,2	86,4	85,7	87,3
Acceding countries	94,9	95,0	94,8	87,9
United States	85,7	75,6	78,5	82,2
Switzerland	78,8	89,9	87,8	82,3
Japan	93,6	98,2	94,8	93,1
Others	78,3	70,0	66,5	87,1
Total	85,3	85,8	85,3	86,9

Inward position of equity capital and reinvested earnings as a % of direct investment positions by economic sector

Group of sectors	share in %			
	1999	2000	2001	2002
Manufacturing	92,2	90,3	81,1	86,0
Electricity, gas and water supply	99,0	99,6	98,7	98,0
Trade and repairs	72,9	75,2	80,1	81,5
Transport, storage and communications	97,5	94,8	94,6	91,0
Financial intermediation	98,4	99,7	98,0	97,0
Real estate and business activities	73,5	69,7	70,8	69,1
Others	37,0	58,6	92,0	82,9
Total	85,3	85,8	85,3	86,9

Inward position of other capital as a % of direct investment positions by investing country

Country or group of countries	share in %			
	1999	2000	2001	2002
EU-15	14,8	13,6	14,3	12,7
United States	14,3	24,4	21,5	17,8
Switzerland	21,2	10,1	12,2	17,7
Japan	6,4	1,8	5,2	6,9
Others	21,7	30,0	33,5	12,9
Total	14,7	14,2	14,7	13,1

Inward position of other capital as a % of direct investment positions by economic sector

Group of sectors	share in %			
	1999	2000	2001	2002
Manufacturing	21,7	19,0	17,9	14,0
Electricity, gas and water supply	1,0	0,4	1,3	1,6
Trade and repairs	27,1	24,8	19,9	18,5
Transport, storage and communication	2,5	5,2	5,4	9,0
Financial intermediation	1,6	0,3	2,0	3,0
Real estate and business activities	26,5	30,3	29,2	30,9
Others	7,7	5,5	16,1	17,5
Total	14,7	14,2	14,7	13,1

BALANCE OF PAYMENTS for January to December 2003

(preliminary data - 9 March 2004)

	in CZK millions	in EUR millions	in USD millions
A. CURRENT ACCOUNT	-157 217,9	-4 937,1	-5 569,8
Trade balance	-69 392,0	-2 179,1	-2 458,4
Exports	1 371 810,0	43 079,1	48 599,2
Imports	1 441 202,0	45 258,2	51 057,6
Balance of services	13 236,7	415,7	469,0
Credit	219 151,1	6 882,0	7 763,9
Transport	60 556,3	1 901,7	2 145,3
Travel	100 310,1	3 150,0	3 553,7
Other services	58 284,7	1 830,3	2 064,9
Debit	205 914,4	6 466,3	7 294,9
Transport	33 725,7	1 059,1	1 194,8
Travel	54 419,2	1 708,9	1 927,9
Other services	117 769,5	3 698,3	4 172,2
Income balance	-116 644,7	-3 663,0	-4 132,4
Credit	74 410,3	2 336,7	2 636,1
Debit	191 055,0	5 999,7	6 768,5
Current transfers	15 582,1	489,3	552,0
Credit	46 773,7	1 468,8	1 657,0
Debit	31 191,6	979,5	1 105,0
B. CAPITAL ACCOUNT	-82,2	-2,6	-2,9
Credit	198,2	6,2	7,0
Debit	280,4	8,8	9,9
<i>Total A + B</i>	<i>-157 300,1</i>	<i>-4 939,7</i>	<i>-5 572,7</i>
C. FINANCIAL ACCOUNT	163 854,2	5 145,5	5 804,9
Direct investment	66 353,0	2 083,7	2 350,7
Abroad	-6 546,5	-205,6	-231,9
Equity capital and reinvested earnings	-324,1	-10,2	-11,5
Other capital	-6 222,4	-195,4	-220,4
In the Czech Republic	72 899,5	2 289,3	2 582,6
Equity capital and reinvested earnings	66 811,9	2 098,1	2 366,9
Other capital	6 087,6	191,2	215,7
Portfolio investment	-37 715,0	-1 184,4	-1 336,2
Assets	-85 888,6	-2 697,2	-3 042,8
Equity securities	5 630,5	176,8	199,5
Debt securities	-91 519,1	-2 874,0	-3 242,3
Liabilities	48 173,6	1 512,8	1 706,6
Equity securities	30 133,5	946,3	1 067,5
Debt securities	18 040,1	566,5	639,1
Financial derivatives	3 860,1	121,2	136,8
Assets	7 083,7	222,4	251,0
Liabilities	-3 223,6	-101,2	-114,2
Other investment	131 356,1	4 125,0	4 653,6
Assets	67 045,4	2 105,4	2 375,2
Long-term	1 115,4	35,0	39,5
CNB			
Commercial banks	-999,9	-31,4	-35,4
Government	5 688,4	178,6	201,5
Other sectors	-3 573,1	-112,2	-126,6
Short-term	65 930,0	2 070,4	2 335,7
Commercial banks	44 971,2	1 412,2	1 593,2
Government	2 193,8	68,9	77,7
Other sectors	18 765,0	589,3	664,8
Liabilities	64 310,7	2 019,6	2 278,4
Long-term	21 349,6	670,5	756,4
CNB	-20,4	-0,6	-0,7
Commercial banks	-1 663,8	-52,2	-58,9
Government	10 304,7	323,6	365,1
Other sectors	12 729,1	399,7	450,9
Short-term	42 961,1	1 349,1	1 522,0
CNB	-21,4	-0,7	-0,8
Commercial banks	37 899,4	1 190,2	1 342,7
Government			
Other sectors	5 083,1	159,6	180,1
<i>Total A, B + C</i>	<i>6 554,1</i>	<i>205,8</i>	<i>232,2</i>
D. NET ERRORS AND OMISSIONS, VALUATION CHANGES	6 349,3	199,4	224,9
<i>Total A, B, C + D</i>	<i>12 903,4</i>	<i>405,2</i>	<i>457,1</i>
E. CHANGE IN RESERVES (-increase)	-12 903,4	-405,2	-457,1

CZK/EUR 31,844

CZK/USD 28,227

Note: Definitive data will be published following the release of definitive CSO figures on the trade balance.

BALANCE OF PAYMENTS for January to December 2003 (detailed data)

(preliminary data - 9 March 2004)

	in CZK millions	in EUR millions	in USD millions
A. CURRENT ACCOUNT	-157 217,9	-4 937,1	-5 569,8
Trade balance	-69 392,0	-2 179,1	-2 458,4
Exports	1 371 810,0	43 079,1	48 599,2
Imports	1 441 202,0	45 258,2	51 057,6
Balance of services	13 236,7	415,7	469,0
Credit	219 151,1	6 882,0	7 763,9
Transport	60 556,3	1 901,7	2 145,3
Pipeline transit	7 444,0	233,8	263,7
Other	53 112,3	1 667,9	1 881,6
Travel	100 310,1	3 150,0	3 553,7
Other business and non-business services	58 284,7	1 830,3	2 064,9
Postal services	399,9	12,6	14,2
Telecommunication and radiocommunication services	2 511,8	78,9	89,0
Construction and assembly work	3 165,1	99,4	112,1
Life insurance and pension funding	6,9	0,2	0,2
Freight insurance	2,1	0,1	0,1
Other direct insurance	23,5	0,7	0,8
Reinsurance	8,3	0,3	0,3
Auxiliary insurance services	0,2		
Financial services	4 913,5	154,3	174,1
Computer services	1 996,9	62,7	70,7
Information services	154,6	4,9	5,5
Royalties, licence fees etc.	1 421,3	44,6	50,4
Merchandising	-1 752,9	-55,0	-62,1
Intermediation services	3 449,1	108,3	122,2
Rental and leasing of machinery and equipment	1 374,9	43,2	48,7
Legal services	3 371,5	105,9	119,4
Accounting and auditing services	132,4	4,2	4,7
Business and management consultancy, public relations	670,2	21,0	23,7
Advertising, market research services, etc.	1 236,4	38,8	43,8
Research and development	314,9	9,9	11,2
Technical services	1 567,6	49,2	55,5
Agriculture services	168,4	5,3	6,0
Mining services	126,8	4,0	4,5
Waste treatment and depollution services	238,6	7,5	8,5
Repairs	238,3	7,5	8,4
Rents	2 011,3	63,2	71,3
Other business services	23 189,2	728,2	821,5
Czech company representations abroad	115,9	3,6	4,1
Foreign company representations in the Czech Republic	304,9	9,6	10,8
Services between affiliated enterprises	2 787,8	87,5	98,8
Audiovisual and related services	563,9	17,7	20,0
Education and training services	360,7	11,3	12,8
Health service and veterinary health service	874,3	27,5	31,0
Personal, cultural and recreational services	1 335,6	41,9	47,3
Czech embassies and consulates abroad	43,1	1,3	1,5
Foreign embassies and consulates in the Czech Republic	927,6	29,1	32,9
Government revenues(UN peacekeeping forces, NATO, etc.)	17,5	0,5	0,6
Other government revenues	12,6	0,4	0,4
Debit	205 914,4	6 466,3	7 294,9
Transport	33 725,7	1 059,1	1 194,8
Pipeline transit	3 778,4	118,7	133,9
Other	29 947,3	940,4	1 060,9
Travel	54 419,2	1 708,9	1 927,9
Other business and non-business services	117 769,5	3 698,3	4 172,2
Postal services	773,2	24,3	27,4
Telecommunication and radiocommunication services	7 706,7	242,0	273,0
Construction and assembly work	7 730,2	242,7	273,9
Life insurance and pension funding			
Freight insurance			
Other direct insurance			
Reinsurance	4 144,6	130,1	146,8
Auxiliary insurance services	0,9		
Financial services	15 606,9	490,1	552,9
Computer services	3 887,8	122,1	137,7
Information services	318,9	10,0	11,3
Royalties, licence fees, etc.	4 937,3	155,0	174,9
Merchandising			
Intermediation services	5 293,5	166,2	187,5
Rental and leasing of machinery and equipment	909,9	28,6	32,2
Legal services	5 630,2	176,8	199,5
Accounting and auditing services	741,7	23,3	26,3
Business and management consultancy, public relations	3 884,9	122,0	137,6
Advertising, market research services, etc.	2 547,4	80,0	90,3
Research and development	601,7	18,9	21,3
Technical services	6 052,6	190,1	214,4
Agriculture services	54,4	1,7	1,9
Mining services	130,5	4,1	4,6

	in CZK millions	in EUR millions	in USD millions
Waste treatment and depollution services	117,1	3,7	4,2
Repairs	579,3	18,2	20,5
Rents	2 401,2	75,4	85,1
Other business services	35 616,1	1 118,5	1 261,8
Czech company representations abroad	605,3	19,0	21,5
Foreign company representations in the Czech Republic	178,6	5,6	6,3
Services between affiliated enterprises	711,0	22,3	25,2
Audiovisual and related services	667,0	20,9	23,6
Education and training services	431,6	13,6	15,3
Health service and veterinary health service	531,2	16,7	18,8
Personal, cultural and recreational services	2 724,8	85,6	96,5
Czech embassies and consulates abroad	1 783,4	56,0	63,2
Foreign embassies and consulates in the Czech Republic	432,3	13,6	15,3
Government expenditures (UN peacekeeping forces, NATO, etc.)	16,4	0,5	0,6
Other government expenditures	20,9	0,7	0,8
Income balance	-116 644,7	-3 663,0	-4 132,4
Credit	74 410,3	2 336,7	2 636,1
Interest received and income on CNB reserve assets	61 943,1	1 945,2	2 194,4
Compensation of employees	13 918,0	437,1	493,1
Other (dividends, etc.)	-1 450,8	-45,6	-51,4
Debit	191 055,0	5 999,7	6 768,5
Interest paid	51 098,3	1 604,6	1 810,3
Compensation of employees	30 344,0	952,9	1 075,0
Other (reinvested earnings, dividends and other yields on domestic securities)	109 612,7	3 442,2	3 883,2
Current transfers	15 582,1	489,3	552,0
Credit	46 773,7	1 468,8	1 657,0
Debit	31 191,6	979,5	1 105,0
B. CAPITAL ACCOUNT	-82,2	-2,6	-2,9
Credit	198,2	6,2	7,0
Debit	280,4	8,8	9,9
C. FINANCIAL ACCOUNT	163 854,2	5 145,5	5 804,9
Direct investment	66 353,0	2 083,7	2 350,7
Czech abroad	-6 546,5	-205,6	-231,9
Equity capital and reinvested earnings	-324,1	-10,2	-11,5
Other capital	-6 222,4	-195,4	-220,4
Foreign in the Czech Republic	72 899,5	2 289,3	2 582,6
Equity capital and reinvested earnings	66 811,9	2 098,1	2 366,9
Other capital	6 087,6	191,2	215,7
Portfolio investment	-37 715,0	-1 184,4	-1 336,2
Assets	-85 888,6	-2 697,2	-3 042,8
Equity securities	5 630,5	176,8	199,5
Debt securities	-91 519,1	-2 874,0	-3 242,3
Liabilities	48 173,6	1 512,8	1 706,6
Equity securities	30 133,5	946,3	1 067,5
Debt securities	18 040,1	566,5	639,1
Financial derivatives	3 860,1	121,2	136,8
Assets	7 083,7	222,4	251,0
Liabilities	-3 223,6	-101,2	-114,2
Other investment	131 356,1	4 125,0	4 653,6
Assets	67 045,4	2 105,4	2 375,2
Long-term	1 115,4	35,0	39,5
CNB			
Commercial banks	-999,9	-31,4	-35,4
Government	5 688,4	178,6	201,5
Other sectors	-3 573,1	-112,2	-126,6
Short-term	65 930,0	2 070,4	2 335,7
Commercial banks	44 971,2	1 412,2	1 593,2
Government	2 193,8	68,9	77,7
Other sectors	18 765,0	589,3	664,8
Liabilities	64 310,7	2 019,6	2 278,4
Long-term	21 349,6	670,5	756,4
CNB	-20,4	-0,6	-0,7
Commercial banks	-1 663,8	-52,2	-58,9
Government	10 304,7	323,6	365,1
Other sectors	12 729,1	399,7	450,9
Short-term	42 961,1	1 349,1	1 522,0
CNB	-21,4	-0,7	-0,8
Commercial banks	37 899,4	1 190,2	1 342,7
Government			
Other sectors	5 083,1	159,6	180,1
D. NET ERRORS AND OMISSIONS, VALUATION CHANGES	6 349,3	199,4	224,9
E. CHANGE IN RESERVES (-increase)	-12 903,4	-405,2	-457,1

INTERNATIONAL INVESTMENT POSITION

in CZK millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 1)	31 Dec.2003 2)
ASSETS	837 143,2	1 031 410,7	1 087 507,3	1 347 954,9	1 448 400,7	1 544 963,0	1 579 922,9	1 527 647,8
Direct investment abroad	13 609,2	18 989,4	24 003,5	25 114,9	27 899,3	41 176,1	44 397,1	49 040,0
Equity capital	13 609,2	18 385,1	21 901,2	22 415,9	24 797,5	37 633,6	39 472,1	38 005,0
Other capital		604,3	2 102,3	2 699,0	3 101,8	3 542,5	4 925,0	11 035,0
Portfolio investment	37 511,2	35 738,9	35 872,4	104 345,3	180 431,3	185 138,6	274 344,7	343 854,4
Equity securities	20 450,3	14 442,0	13 415,5	66 318,2	92 222,9	68 675,5	86 464,7	47 337,7
Debt securities	17 060,9	21 296,9	22 456,9	38 027,1	88 208,4	116 463,1	187 880,0	296 516,7
Financial derivatives					6 347,2	15 754,8	31 213,2	24 129,5
Other investment	446 138,8	638 157,7	650 948,4	757 065,5	736 903,7	778 435,7	515 356,2	419 109,0
Long-term	236 003,0	294 256,5	287 328,8	323 131,1	315 625,5	310 133,9	179 639,6	157 598,6
CNB	26 122,8	26 122,4	26 122,4		329,1	307,3	280,9	468,4
Commercial banks	25 181,3	37 088,8	64 041,6	89 900,1	75 537,9	79 663,7	67 966,9	66 121,3
Government	162 103,1	205 142,0	176 213,4	210 221,3	220 777,8	210 694,9	97 156,8	79 483,9
Other sectors	22 595,8	25 903,3	20 951,4	23 009,7	18 980,7	19 468,0	14 235,0	11 525,0
Short-term	210 135,8	343 901,2	363 619,6	433 934,4	421 278,2	468 301,8	335 716,6	261 510,4
CNB	4,7	0,1	0,1		52,9	51,2	376,7	98,8
Commercial banks	128 481,1	250 670,9	272 219,5	336 117,2	314 115,3	359 638,5	213 815,4	161 140,9
out of which: gold and foreign exchange	95 432,8	172 301,6	175 753,2	218 995,8	228 961,7	257 138,6	163 032,9	115 875,5
Government						87,1	2 324,5	130,7
Other sectors	81 650,0	93 230,2	91 400,0	97 817,2	107 110,0	108 625,0	119 200,0	100 140,0
CNB reserve assets	339 884,0	338 524,7	376 683,0	461 429,2	496 819,2	524 457,8	714 611,7	691 514,9
Gold	2 290,3	1 521,9	369,1	677,0	4 640,4	4 469,9	4 653,8	4 784,3
SDR					7,7	31,0	137,1	238,7
Reserve position in the IMF					116,0	5 478,3	7 081,5	11 949,9
Foreign exchange	337 593,7	337 002,8	376 313,9	460 752,2	491 001,2	514 188,0	686 516,1	674 451,8
Other reserve assets					1 053,9	290,6	16 223,2	90,2
LIABILITIES	906 073,2	1 138 248,1	1 204 984,0	1 458 893,3	1 640 270,0	1 789 030,7	1 977 177,7	2 143 363,3
Direct investment in the Czech Republic	234 301,1	319 820,3	429 167,8	631 505,3	818 411,6	982 335,0	1 165 529,1	1 219 263,4
Equity capital	234 301,1	284 674,7	364 816,5	538 379,3	702 217,8	837 537,3	1 013 102,9	1 063 633,4
Other capital		35 145,6	64 351,3	93 126,0	116 193,8	144 797,7	152 426,2	155 630,0
Portfolio investment	144 807,4	169 032,7	166 128,1	165 579,2	164 592,0	180 346,2	201 120,0	248 782,8
Equity securities	92 867,8	104 862,3	113 247,2	98 011,8	115 670,6	128 740,1	128 097,7	165 951,0
Debt securities	51 939,6	64 170,4	52 880,9	67 567,4	48 921,4	51 606,1	73 022,3	82 831,8
Financial derivatives					5 307,9	11 495,2	22 671,9	19 448,3
Other investment	526 964,7	649 395,1	609 688,1	661 808,8	651 958,5	614 854,3	587 856,7	655 868,8
Long-term	374 814,7	426 270,1	358 510,5	379 172,2	352 323,4	332 593,2	326 321,3	355 276,9
CNB	2 272,7	2 188,3	1 883,3	197,1	180,4	133,4	114,5	96,1
Commercial banks	143 454,2	143 120,2	124 286,3	118 368,9	84 607,4	73 688,6	63 541,0	61 454,0
Government	43 934,7	37 754,7	23 814,8	20 852,9	19 699,2	9 476,2	9 475,8	22 456,0
Other sectors	185 153,1	243 206,9	208 526,1	239 753,3	247 836,4	249 295,0	253 190,0	271 270,8
Short-term	152 150,0	223 125,0	251 177,6	282 636,6	299 635,1	282 261,1	261 535,4	300 591,9
CNB	55,3	45,5	39,5	25,8	8,8	68,5	44,2	22,8
Commercial banks	101 543,5	168 927,1	193 373,0	229 988,7	226 176,2	190 487,6	176 196,2	208 534,1
Government	314,8	287,5	103,2					
Other sectors	50 236,4	53 864,9	57 661,9	52 622,1	73 450,1	91 705,0	85 295,0	92 035,0
NET INVESTMENT POSITION	-68 930,0	-106 837,4	-117 476,7	-110 938,4	-191 869,3	-244 067,7	-397 254,8	-615 715,5

1) revised data

2) preliminary data

INTERNATIONAL INVESTMENT POSITION

in EUR millions	31.Dec.1996	31.Dec.1997	31.Dec.1998	31.Dec.1999	31.Dec.2000	31.Dec.2001	31.Dec.2002 1)	31.Dec.2003 2)
ASSETS	24 688,6	26 984,7	31 053,0	37 308,5	41 276,8	48 310,3	49 997,6	47 142,3
Direct investment abroad	401,3	496,8	685,4	695,1	795,1	1 287,6	1 405,0	1 513,3
Equity capital	401,3	481,0	625,4	620,4	706,7	1 176,8	1 249,1	1 172,8
Other capital		15,8	60,0	74,7	88,4	110,8	155,9	340,5
Portfolio investment	1 106,3	935,0	1 024,3	2 888,1	5 142,0	5 789,2	8 681,8	10 611,1
Equity securities	603,1	377,8	383,1	1 835,6	2 628,2	2 147,5	2 736,2	1 460,8
Debt securities	503,2	557,2	641,2	1 052,5	2 513,8	3 641,7	5 945,6	9 150,3
Financial derivatives					180,9	492,6	987,8	744,6
Other investment	13 157,3	16 696,1	18 587,4	20 954,0	21 000,4	24 341,3	16 308,7	12 933,5
Long-term	6 960,1	7 698,6	8 204,5	8 943,6	8 994,8	9 697,8	5 684,8	4 863,5
CNB	770,4	683,4	745,9		9,4	9,6	8,9	14,5
Commercial banks	742,6	970,4	1 828,7	2 488,3	2 152,7	2 491,1	2 150,8	2 040,5
Government	4 780,7	5 367,1	5 031,6	5 818,5	6 291,8	6 588,3	3 074,6	2 452,8
Other sectors	666,4	677,7	598,3	636,8	540,9	608,8	450,5	355,7
Short-term	6 197,2	8 997,5	10 382,9	12 010,4	12 005,6	14 643,5	10 623,9	8 070,0
CNB	0,1				1,5	1,6	11,9	3,0
Commercial banks	3 789,1	6 558,3	7 773,0	9 303,0	8 951,7	11 245,7	6 766,3	4 972,7
out of which: gold and foreign exchange	2 814,5	4 507,9	5 018,5	6 061,3	6 525,0	8 040,6	5 159,3	3 575,9
Government					2,7	73,6	4,0	
Other sectors	2 408,0	2 439,2	2 609,9	2 707,4	3 052,4	3 393,5	3 772,1	3 090,3
CNB reserve assets	10 023,7	8 856,8	10 755,9	12 771,3	14 158,4	16 399,6	22 614,3	21 339,8
Gold	67,5	39,8	10,5	18,7	132,3	139,8	147,3	147,6
SDR					0,2	1,0	4,3	7,4
Reserve position in the IMF					3,3	171,3	224,1	368,8
Foreign exchange	9 956,2	8 817,0	10 745,4	12 752,6	13 992,6	16 078,4	21 725,2	20 813,2
Other reserve assets					30,0	9,1	513,4	2,8
LIABILITIES	26 721,5	29 779,9	34 407,5	40 379,0	46 744,7	55 942,2	62 568,9	66 143,0
Direct investment in the Czech Republic	6 909,9	8 367,4	12 254,6	17 478,7	23 323,2	30 717,2	36 883,8	37 625,8
Equity capital	6 909,9	7 447,9	10 417,1	14 901,2	20 011,9	26 189,4	32 060,2	32 823,1
Other capital		919,5	1 837,5	2 577,5	3 311,3	4 527,8	4 823,6	4 802,7
Portfolio investment	4 270,6	4 422,4	4 743,7	4 582,8	4 690,6	5 639,3	6 364,6	7 677,3
Equity securities	2 738,8	2 743,5	3 233,7	2 712,7	3 296,4	4 025,6	4 053,7	5 121,2
Debt securities	1 531,8	1 678,9	1 510,0	1 870,1	1 394,2	1 613,7	2 310,9	2 556,1
Financial derivatives					151,3	359,5	717,5	600,1
Other investment	15 541,0	16 990,1	17 409,2	18 317,5	18 579,6	19 226,2	18 603,0	20 239,8
Long-term	11 053,9	11 152,4	10 237,0	10 494,7	10 040,5	10 400,0	10 326,6	10 963,7
CNB	67,0	57,3	53,8	5,5	5,1	4,2	3,6	3,0
Commercial banks	4 230,7	3 744,4	3 548,9	3 276,2	2 411,1	2 304,2	2 010,8	1 896,4
Government	1 295,7	987,7	680,0	577,2	561,4	296,3	299,9	693,0
Other sectors	5 460,5	6 363,0	5 954,3	6 635,8	7 062,9	7 795,3	8 012,3	8 371,3
Short-term	4 487,1	5 837,7	7 172,2	7 822,8	8 539,1	8 826,2	8 276,4	9 276,1
CNB	1,6	1,2	1,1	0,7	0,3	2,1	1,4	0,7
Commercial banks	2 994,7	4 419,7	5 521,7	6 365,6	6 445,6	5 956,5	5 575,8	6 435,2
Government	9,3	7,5	2,9					
Other sectors	1 481,5	1 409,3	1 646,5	1 456,5	2 093,2	2 867,6	2 699,2	2 840,2
NET INVESTMENT POSITION	-2 032,9	-2 795,2	-3 354,5	-3 070,5	-5 467,9	-7 631,9	-12 571,3	-19 000,7

1) revised data

2) preliminary data

INTERNATIONAL INVESTMENT POSITION

in USD millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 1)	31 Dec.2003 2)
ASSETS	30 628,7	29 778,6	36 426,3	37 465,0	38 304,3	42 609,1	52 417,7	59 548,1
Direct investment abroad	497,9	548,2	804,0	698,0	737,8	1 135,6	1 473,0	1 911,6
Equity capital	497,9	530,8	733,6	623,0	655,8	1 037,9	1 309,6	1 481,4
Other capital		17,4	70,4	75,0	82,0	97,7	163,4	430,2
Portfolio investment	1 372,4	1 031,9	1 201,6	2 900,2	4 771,7	5 106,0	9 102,0	13 403,5
Equity securities	748,2	417,0	449,4	1 843,3	2 438,9	1 894,0	2 868,7	1 845,2
Debt securities	624,2	614,9	752,2	1 056,9	2 332,8	3 212,0	6 233,3	11 558,3
Financial derivatives					167,8	434,5	1 035,6	940,6
Other investment	16 323,0	18 424,7	21 803,6	21 041,9	19 488,1	21 468,8	17 098,2	16 337,0
Long-term	8 634,7	8 495,7	9 624,1	8 981,1	8 347,0	8 553,3	5 960,0	6 143,2
CNB	955,8	754,2	875,0		8,7	8,5	9,3	18,3
Commercial banks	921,3	1 070,8	2 145,1	2 498,7	1 997,7	2 197,1	2 255,0	2 577,4
Government	5 930,90	5 922,8	5 902,3	5 842,9	5 838,7	5 810,8	3 223,4	3 098,3
Other sectors	826,7	747,9	701,7	639,5	501,9	536,9	472,3	449,2
Short-term	7 688,3	9 929,0	12 179,5	12 060,8	11 141,1	12 915,5	11 138,2	10 193,8
CNB	0,2				1,4	1,4	12,5	3,9
Commercial banks	4 700,8	7 237,3	9 118,0	9 342,1	8 307,1	9 918,6	7 093,8	6 281,3
out of which: gold and foreign exchange	3 491,6	4 974,6	5 886,9	6 086,8	6 055,1	7 091,7	5 409,0	4 516,9
Government						2,4	77,1	5,1
Other sectors	2 987,3	2 691,7	3 061,5	2 718,7	2 832,6	2 993,1	3 954,8	3 903,5
CNB reserve assets	12 435,4	9 773,8	12 617,1	12 824,9	13 138,9	14 464,2	23 708,9	26 955,4
Gold	83,8	43,9	12,4	18,8	122,7	123,3	154,4	186,5
SDR					0,2	0,8	4,6	9,3
Reserve position in the IMF					3,1	151,1	234,9	465,8
Foreign exchange	12 351,6	9 729,9	12 604,7	12 806,1	12 985,0	14 181,0	22 776,8	26 290,3
Other reserve assets					27,9	8,0	538,2	3,5
LIABILITIES	33 150,7	32 863,2	40 361,2	40 548,4	43 378,5	49 340,3	65 597,6	83 548,9
Direct investment in the Czech Republic	8 572,4	9 233,8	14 375,0	17 552,0	21 643,7	27 092,2	38 669,2	47 527,2
Equity capital	8 572,4		8 219,1	12 219,6	14 963,7	18 570,8	23 098,8	33 612,1
Other capital		1 014,7	2 155,4	2 588,3	3 072,9	3 993,4	5 057,1	6 066,5
Portfolio investment	5 298,1	4 880,3	5 564,5	4 602,1	4 352,8	4 973,8	6 672,6	9 697,6
Equity securities	3 397,8	3 027,6	3 793,2	2 724,1	3 059,0	3 550,6	4 249,9	6 468,8
Debt securities	1 900,3	1 852,7	1 771,3	1 878,0	1 293,8	1 423,2	2 422,7	3 228,8
Financial derivatives					140,4	317,0	752,2	758,1
Other investment	19 280,2	18 749,1	20 421,7	18 394,3	17 241,6	16 957,3	19 503,6	25 566,0
Long-term	13 713,5	12 307,1	12 008,4	10 538,7	9 317,5	9 172,7	10 826,5	13 848,8
CNB	83,2	63,2	63,1	5,5	4,8	3,7	3,8	3,7
Commercial banks	5 248,6	4 132,1	4 163,0	3 289,9	2 237,5	2 032,3	2 108,1	2 395,5
Government	1 607,5	1 090,0	797,7	579,6	521,0	261,3	314,4	875,4
Other sectors	6 774,2	7 021,8	6 984,6	6 663,7	6 554,2	6 875,4	8 400,2	10 574,2
Short-term	5 566,7	6 442,0	8 413,3	7 855,6	7 924,1	7 784,6	8 677,1	11 717,2
CNB	2,0	1,3	1,3	0,7	0,2	1,9	1,5	0,9
Commercial banks	3 715,2	4 877,2	6 477,1	6 392,3	5 981,4	5 253,5	5 845,7	8 128,7
Government	11,5	8,3	3,5					
Other sectors	1 838,0	1 555,2	1 931,4	1 462,6	1 942,5	2 529,2	2 829,9	3 587,6
NET INVESTMENT POSITION	-2 522,0	-3 084,6	-3 934,9	-3 083,4	-5 074,2	-6 731,2	-13 179,9	-24 000,8

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in CZK millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 ¹⁾	31 Dec.2003 ²⁾
DEBT IN CONVERTIBLE CURRENCIES	569 723,6	739 563,0	717 923,6	813 576,5	808 122,8	811 258,1	813 305,2	894 330,6
of which:								
Long-term	405 143,6	495 058,5	446 484,3	497 872,1	464 323,8	465 687,8	498 833,8	538 585,7
<i>by debtor</i>								
CNB	11 178,4	11 548,4	10 952,2	12 527,6	180,4	133,4	114,5	96,1
Commercial banks	150 780,1	158 503,7	133 376,5	128 703,3	95 737,1	88 401,4	80 063,7	76 674,1
Government	46 669,6	42 630,7	32 953,5	32 303,5	29 753,5	30 839,2	47 701,3	69 029,9
Other sectors	196 515,5	282 375,7	269 202,1	324 337,7	338 652,8	346 313,8	370 954,3	392 785,6
<i>by creditor</i>								
Foreign banks	285 698,8	335 055,5	248 712,0	257 410,0	228 709,6	229 305,5	230 589,8	246 533,0
Government institutions	6 631,8	7 269,4	4 409,6	4 239,2	3 405,7	2 373,6	1 747,2	
Multilateral institutions	32 857,1	39 564,2	49 036,3	58 202,2	67 521,2	70 879,0	69 894,7	83 779,6
Suppliers and direct investors	27 116,0	46 465,5	72 624,6	93 831,4	99 560,2	105 944,3	118 629,4	116 880,0
Other investors	52 839,9	66 703,9	71 701,8	84 189,3	65 127,1	57 185,4	77 772,7	91 393,1
Short-term	164 580,0	244 504,5	271 439,3	315 704,4	343 799,0	345 570,3	314 471,4	355 744,9
<i>by debtor</i>								
CNB	55,3	45,5	39,5	25,8	8,8	68,5	44,2	22,8
Commercial banks	106 852,6	170 147,0	193 373,0	230 000,5	226 246,1	192 438,4	177 474,4	210 017,1
Government	2 786,0	8 164,0	22,0	7,0	2 115,0	465,0	761,0	710,0
Other sectors	54 886,1	66 148,0	78 004,8	85 671,1	115 429,1	152 598,4	136 191,8	144 995,0
<i>by creditor</i>								
Foreign banks	85 424,0	142 463,2	175 604,1	201 808,8	203 333,8	192 126,4	168 200,7	219 391,2
Suppliers and direct investors	45 914,0	57 831,1	67 446,7	81 794,6	106 988,6	116 278,4	112 256,8	101 210,0
Other investors	33 242,0	44 210,2	28 388,5	32 101,0	33 476,6	37 165,5	34 013,9	35 143,7
DEBT IN NON-CONVERTIBLE CURRENCIES	9 180,7	9 148,1	8 996,7	8 925,7	8 950,9	0,0	0,0	0,0
of which:								
Long-term	8 865,9	8 860,6	8 893,5	8 925,7	8 950,9			
Short-term	314,8	287,5	103,2					
TOTAL EXTERNAL DEBT	578 904,3	748 711,1	726 920,3	822 502,2	817 073,7	811 258,1	813 305,2	894 330,6
of which:								
Long-term	414 009,5	503 919,1	455 377,8	506 797,8	473 274,7	465 687,8	498 833,8	538 585,7
Short-term	164 894,8	244 792,0	271 542,5	315 704,4	343 799,0	345 570,3	314 471,4	355 744,9
Total long-term debt	414 009,5	503 919,1	455 377,8	506 797,8	473 274,7	465 687,8	498 833,8	538 585,7
of which:								
- IMF loans								
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	173 488,0	231 624,2	241 734,0	254 398,0	245 389,0	203 102,3	207 325,2	222 120,9
- Liabilities of entities with majority private ownership	240 521,5	272 294,9	213 643,8	252 399,8	227 885,7	262 585,5	291 508,6	316 464,8

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in EUR millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 ¹⁾	31 Dec.2003 ²⁾
DEBT IN CONVERTIBLE CURRENCIES	16 802,0	19 349,2	20 499,8	22 518,1	23 030,0	25 367,7	25 737,5	27 598,6
of which:								
Long-term	11 948,3	12 952,2	12 749,0	13 780,1	13 232,3	14 561,9	15 785,9	16 620,5
<i>by debtor</i>								
CNB	329,7	302,2	312,7	346,8	5,1	4,2	3,6	3,0
Commercial banks	4 446,7	4 146,9	3 808,5	3 562,2	2 728,3	2 764,3	2 533,7	2 366,1
Government	1 376,4	1 115,3	940,9	894,1	847,9	964,3	1 509,5	2 130,2
Other sectors	5 795,5	7 387,8	7 686,9	8 977,0	9 651,0	10 829,1	11 739,1	12 121,2
<i>by creditor</i>								
Foreign banks	8 425,7	8 766,0	7 101,8	7 124,6	6 517,8	7 170,3	7 297,2	7 607,9
Government institutions	195,6	190,2	125,9	117,3	97,0	74,2	55,3	
Multilateral institutions	969,0	1 035,1	1 400,2	1 610,9	1 924,2	2 216,4	2 211,9	2 585,4
Suppliers and direct investors	799,7	1 215,7	2 073,7	2 597,1	2 837,3	3 312,8	3 760,4	3 606,9
Other investors	1 558,3	1 745,2	2 047,4	2 330,2	1 856,0	1 788,2	2 461,1	2 820,3
Short-term	4 853,7	6 397,0	7 750,8	8 738,0	9 797,7	10 805,8	9 951,6	10 978,1
<i>by debtor</i>								
CNB	1,6	1,2	1,1	0,7	0,3	2,1	1,4	0,7
Commercial banks	3 151,2	4 451,6	5 521,7	6 365,9	6 447,6	6 017,5	5 616,3	6 481,0
Government	82,2	213,6	0,6	0,2	60,3	14,5	24,1	21,9
Other sectors	1 618,7	1 730,6	2 227,4	2 371,2	3 289,5	4 771,7	4 309,8	4 474,5
<i>by creditor</i>								
Foreign banks	2 519,3	3 727,3	5 014,3	5 585,6	5 794,7	6 007,7	5 322,8	6 770,3
Suppliers and direct investors	1 354,1	1 513,0	1 925,9	2 263,9	3 049,0	3 636,0	3 552,4	3 123,3
Other investors	980,3	1 156,7	810,6	888,5	954,0	1 162,1	1 076,4	1 084,5
DEBT IN NON-CONVERTIBLE CURRENCIES	270,8	239,3	256,9	247,0	255,1	0,0	0,0	0,0
of which:								
Long-term	261,5	231,8	254,0	247,0	255,1			
Short-term	9,3	7,5	2,9					
TOTAL EXTERNAL DEBT	17 072,8	19 588,5	20 756,7	22 765,1	23 285,1	25 367,7	25 737,5	27 598,6
of which:								
Long-term	12 209,8	13 184,0	13 003,0	14 027,1	13 487,4	14 561,9	15 785,9	16 620,5
Short-term	4 863,0	6 404,5	7 753,7	8 738,0	9 797,7	10 805,8	9 951,6	10 978,1
Total long-term debt	12 209,8	13 184,0	13 003,0	14 027,1	13 487,4	14 561,9	15 785,9	16 620,5
of which:								
- IMF loans								
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	5 116,4	6 060,0	6 902,5	7 041,2	6 993,1	6 350,9	6 560,9	6 854,5
- Liabilities of entities with majority private ownership	7 093,4	7 124,0	6 100,5	6 985,9	6 494,3	8 211,0	9 225,0	9 766,0

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in USD millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 ¹⁾	31 Dec.2003 ²⁾
DEBT IN CONVERTIBLE CURRENCIES	20 844,6	21 352,4	24 047,0	22 612,5	21 371,6	22 374,0	26 983,4	34 861,3
of which:								
Long-term	14 823,1	14 293,2	14 955,1	13 837,9	12 279,5	12 843,4	16 550,0	20 994,2
<i>by debtor</i>								
CNB	409,0	333,4	366,9	348,2	4,8	3,7	3,8	3,7
Commercial banks	5 516,6	4 576,2	4 467,5	3 577,2	2 531,8	2 438,1	2 656,3	2 988,8
Government	1 707,5	1 230,9	1 103,7	897,9	786,9	850,5	1 582,6	2 690,8
Other sectors	7 190,0	8 152,7	9 017,0	9 014,6	8 956,0	9 551,1	12 307,3	15 310,9
<i>by creditor</i>								
Foreign banks	10 452,9	9 673,6	8 330,6	7 154,4	6 048,4	6 324,1	7 650,4	9 609,9
Government institutions	242,6	209,9	147,7	117,8	90,1	65,5	58,0	
Multilateral institutions	1 202,2	1 142,2	1 642,5	1 617,7	1 785,7	1 954,8	2 318,9	3 265,8
Suppliers and direct investors	992,1	1 341,6	2 432,6	2 608,0	2 633,0	2 921,9	3 942,4	4 556,0
Other investors	1 933,3	1 925,9	2 401,7	2 340,0	1 722,3	1 577,1	2 580,3	3 562,5
Short-term	6 021,5	7 059,2	9 091,9	8 774,6	9 092,1	9 530,6	10 433,4	13 867,1
<i>by debtor</i>								
CNB	2,0	1,3	1,3	0,7	0,2	1,9	1,5	0,9
Commercial banks	3 909,5	4 912,4	6 477,1	6 392,6	5 983,3	5 307,3	5 888,1	8 186,5
Government	101,9	235,7	0,7	0,2	55,9	12,8	25,3	27,7
Other sectors	2 008,1	1 909,8	2 612,8	2 381,1	3 052,7	4 208,6	4 518,5	5 652,0
<i>by creditor</i>								
Foreign banks	3 125,4	4 113,1	5 881,9	5 609,1	5 377,4	5 298,7	5 580,5	8 552,0
Suppliers and direct investors	1 679,9	1 669,7	2 259,1	2 273,3	2 829,4	3 206,9	3 724,4	3 945,2
Other investors	1 216,2	1 276,4	950,9	892,2	885,3	1 025,0	1 128,5	1 369,9
DEBT IN NON-CONVERTIBLE CURRENCIES	335,9	264,1	301,4	248,1	236,7	0,0	0,0	0,0
of which:								
Long-term	324,4	255,8	297,9	248,1	236,7			
Short-term	11,5	8,3	3,5					
TOTAL EXTERNAL DEBT	21 180,5	21 616,5	24 348,4	22 860,6	21 608,3	22 374,0	26 983,4	34 861,3
of which:								
Long-term	15 147,5	14 549,0	15 253,0	14 086,0	12 516,2	12 843,4	16 550,0	20 994,2
Short-term	6 033,0	7 067,5	9 095,4	8 774,6	9 092,1	9 530,6	10 433,4	13 867,1
Total long-term debt	15 147,5	14 549,0	15 253,0	14 086,0	12 516,2	12 843,4	16 550,0	20 994,2
of which:								
- IMF loans								
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	6 347,5	6 687,4	8 096,9	7 070,8	6 489,5	5 601,4	6 878,5	8 658,3
- Liabilities of entities with majority private ownership	8 800,0	7 861,6	7 156,1	7 015,2	6 026,7	7 242,0	9 671,5	12 335,9

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in CZK millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 ¹⁾	31 Dec.2003 ²⁾
I. Government	58 636,3	59 942,8	41 972,2	41 236,2	40 819,4	31 304,2	48 462,3	69 739,9
<i>Short-term</i>	3 100,8	8 451,5	125,2	7,0	2 115,0	465,0	761,0	710,0
Money market instruments	2 786,0	8 164,0	22,0	7,0	2 115,0	465,0	761,0	710,0
Loans								
Trade credits								
Other debt liabilities	314,8	287,5	103,2					
<i>Long-term</i>	55 535,5	51 491,3	41 847,0	41 229,2	38 704,4	30 839,2	47 701,3	69 029,9
Bonds and notes	11 600,8	13 736,6	18 032,2	20 376,3	19 005,2	21 363,0	38 225,5	46 573,9
Loans	35 068,8	28 894,1	14 921,3	11 927,2	10 748,3	9 476,2	9 475,8	22 456,0
Trade credits								
Other debt liabilities	8 865,9	8 860,6	8 893,5	8 925,7	8 950,9			
II. CNB	11 233,7	11 593,9	10 991,7	12 553,4	189,2	201,9	158,7	118,9
<i>Short-term</i>	55,3	45,5	39,5	25,8	8,8	68,5	44,2	22,8
Money market instruments								
Loans								
Currency and deposits	55,3	45,5	39,5	25,8	8,8	68,5	44,2	22,8
Other debt liabilities								
<i>Long-term</i>	11 178,4	11 548,4	10 952,2	12 527,6	180,4	133,4	114,5	96,1
Bonds and notes	8 905,7	9 360,1	9 068,9	12 330,5				
Loans	2 272,7	2 188,3	1 883,3	197,1	168,9	133,4	114,5	96,1
Currency and deposits								
Other debt liabilities					11,5			
III. Commercial banks	257 632,7	328 650,7	326 749,5	358 703,8	321 983,2	280 839,8	257 538,1	286 691,2
<i>Short-term</i>	106 852,6	170 147,0	193 373,0	230 000,5	226 246,1	192 438,4	177 474,4	210 017,1
Money market instruments	5 309,1	1 219,9		11,8	69,9	1 950,8	1 278,2	1 483,0
Loans	2 863,6	8 030,5	25 209,7	39 666,7	25 262,6	10 702,3	5 854,0	5 194,3
Currency and deposits	95 169,0	151 141,0	156 076,2	172 845,7	187 663,7	167 189,3	160 882,7	195 009,1
Other debt liabilities	3 510,9	9 755,6	12 087,1	17 476,3	13 249,9	12 596,0	9 459,5	8 330,7
<i>Long-term</i>	150 780,1	158 503,7	133 376,5	128 703,3	95 737,1	88 401,4	80 063,7	76 674,1
Bonds and notes	7 325,9	15 383,5	9 090,2	10 334,4	11 129,7	14 712,8	16 522,7	15 220,1
Loans	71 911,4	85 843,3	95 800,4	91 050,7	66 994,3	51 636,7	52 752,0	49 337,8
Currency and deposits	71 542,8	57 276,9	28 485,9	27 318,2	17 613,1	21 828,1	10 789,0	8 319,4
Other debt liabilities					223,8			3 796,8
IV. Other sectors	251 401,6	313 378,1	282 855,6	316 882,8	337 888,1	354 114,5	354 719,9	382 150,6
<i>Short-term</i>	54 886,1	57 729,9	58 768,1	53 776,5	73 580,5	91 705,0	85 295,0	92 035,0
Money market instruments	4 649,7	3 865,0	1 106,2	1 154,4	130,4			
Loans	8 836,4	4 451,9	9 451,9	2 722,1	8 310,1	36 320,0	23 935,0	43 785,0
Currency and deposits								
Trade credits	41 400,0	49 413,0	48 210,0	49 900,0	65 140,0	55 385,0	61 360,0	48 250,0
Other debt liabilities								
<i>Long-term</i>	196 515,5	255 648,2	224 087,5	263 106,3	264 307,6	262 409,5	269 424,9	290 115,6
Bonds and notes	11 362,4	12 441,3	15 561,4	23 353,0	16 471,2	13 114,5	16 234,9	18 844,8
Loans	168 803,1	223 468,9	181 016,1	207 153,3	222 621,4	227 255,0	235 890,0	247 120,0
Currency and deposits								
Trade credits	16 350,0	19 738,0	27 510,0	32 600,0	25 215,0	22 040,0	17 300,0	14 210,0
Other debt liabilities								9 940,8
V. Direct investment: Intercompany lending	0,0	35 145,6	64 351,3	93 126,0	116 193,8	144 797,7	152 426,2	155 630,0
Debt liabilities to affiliated enterprises								
Debt liabilities to direct investors		35 145,6	64 351,3	93 126,0	116 193,8	144 797,7	152 426,2	155 630,0
TOTAL EXTERNAL DEBT	578 904,3	748 711,1	726 920,3	822 502,2	817 073,7	811 258,1	813 305,2	894 330,6

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in EUR millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 ¹⁾	31 Dec.2003 ²⁾
I. Government	1 729,4	1 568,2	1 198,4	1 141,4	1 163,3	978,8	1 533,6	2 152,1
<i>Short-term</i>	91,5	221,1	3,5	0,2	60,3	14,5	24,1	21,9
Money market instruments	82,2	213,6	0,6	0,2	60,3	14,5	24,1	21,9
Loans								
Trade credits								
Other debt liabilities	9,3	7,5	2,9					
<i>Long-term</i>	1 637,9	1 347,1	1 194,9	1 141,2	1 103,0	964,3	1 509,5	2 130,2
Bonds and notes	342,2	359,4	514,9	564,0	541,6	668,0	1 209,6	1 437,2
Loans	1 034,2	755,9	426,0	330,1	306,3	296,3	299,9	693,0
Trade credits								
Other debt liabilities	261,5	231,8	254,0	247,1	255,1			
II. CNB	331,3	303,4	313,8	347,5	5,4	6,3	5,0	3,7
<i>Short-term</i>	1,6	1,2	1,1	0,7	0,3	2,1	1,4	0,7
Money market instruments								
Loans								
Currency and deposits	1,6	1,2	1,1	0,7	0,3	2,1	1,4	0,7
Other debt liabilities								
<i>Long-term</i>	329,7	302,2	312,7	346,8	5,1	4,2	3,6	3,0
Bonds and notes	262,7	244,9	258,9	341,3				
Loans	67,0	57,3	53,8	5,5	4,8	4,2	3,6	3,0
Currency and deposits								
Other debt liabilities					0,3			
III. Commercial banks	7 597,9	8 598,5	9 330,2	9 928,1	9 175,9	8 781,8	8 150,0	8 847,1
<i>Short-term</i>	3 151,2	4 451,6	5 521,7	6 365,9	6 447,6	6 017,5	5 616,3	6 481,0
Money market instruments	156,5	31,9		0,3	2,0	61,0	40,5	45,8
Loans	84,5	210,1	719,9	1 097,9	719,9	334,7	185,2	160,3
Currency and deposits	2 806,7	3 954,3	4 456,6	4 784,0	5 348,1	5 227,9	5 091,2	6 017,8
Other debt liabilities	103,5	255,3	345,2	483,7	377,6	393,9	299,4	257,1
<i>Long-term</i>	4 446,7	4 146,9	3 808,5	3 562,2	2 728,3	2 764,3	2 533,7	2 366,1
Bonds and notes	216,0	402,5	259,6	286,0	317,2	460,1	522,9	469,7
Loans	2 120,8	2 245,9	2 735,5	2 520,1	1 909,2	1 614,7	1 669,4	1 522,5
Currency and deposits	2 109,9	1 498,5	813,4	756,1	501,9	682,5	341,4	256,7
Other debt liabilities						7,0		117,2
IV. Other sectors	7 414,2	8 198,9	8 076,8	8 770,6	9 629,2	11 073,0	11 225,3	11 793,0
<i>Short-term</i>	1 618,7	1 510,4	1 678,1	1 488,4	2 096,9	2 867,6	2 699,2	2 840,2
Money market instruments	137,2	101,1	31,6	31,9	3,7			
Loans	260,6	116,5	269,9	75,4	236,8	1 135,7	757,4	1 351,2
Currency and deposits								
Trade credits	1 220,9	1 292,8	1 376,6	1 381,1	1 856,4	1 731,9	1 941,8	1 489,0
Other debt liabilities								
<i>Long-term</i>	5 795,5	6 688,5	6 398,7	7 282,2	7 532,3	8 205,4	8 526,1	8 952,8
Bonds and notes	335,0	325,5	444,4	646,4	469,4	410,1	513,8	581,5
Loans	4 978,3	5 846,6	5 168,8	5 733,5	6 344,3	7 106,1	7 464,8	7 626,0
Currency and deposits								
Trade credits	482,2	516,4	785,5	902,3	718,6	689,2	547,5	438,5
Other debt liabilities								306,8
V. Direct investment: Intercompany lending	0,0	919,5	1 837,5	2 577,5	3 311,3	4 527,8	4 823,6	4 802,7
Debt liabilities to affiliated enterprises								
Debt liabilities to direct investors		919,5	1 837,5	2 577,5	3 311,3	4 527,8	4 823,6	4 802,7
TOTAL EXTERNAL DEBT	17 072,8	19 588,5	20 756,7	22 765,1	23 285,1	25 367,7	25 737,5	27 598,6

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in USD millions	31 Dec.1996	31 Dec.1997	31 Dec.1998	31 Dec.1999	31 Dec.2000	31 Dec.2001	31 Dec.2002 ¹⁾	31 Dec.2003 ²⁾
I. Government	2 145,3	1 730,7	1 405,9	1 146,2	1 079,5	863,3	1 607,9	2 718,5
<i>Short-term</i>	113,4	244,0	4,2	0,2	55,9	12,8	25,3	27,7
Money market instruments	101,9	235,7	0,7	0,2	55,9	12,8	25,3	27,7
Loans								
Trade credits								
Other debt liabilities	11,5	8,3	3,5					
<i>Long-term</i>	2 031,9	1 486,7	1 401,7	1 146,0	1 023,6	850,5	1 582,6	2 690,8
Bonds and notes	424,4	396,7	604,0	566,4	502,6	589,2	1 268,2	1 815,4
Loans	1 283,1	834,2	499,8	331,5	284,3	261,3	314,4	875,4
Trade credits								
Other debt liabilities	324,4	255,8	297,9	248,1	236,7			
II. CNB	411,0	334,7	368,2	348,9	5,0	5,6	5,3	4,6
<i>Short-term</i>	2,0	1,3	1,3	0,7	0,2	1,9	1,5	0,9
Money market instruments								
Loans								
Currency and deposits	2,0	1,3	1,3	0,7	0,2	1,9	1,5	0,9
Other debt liabilities								
<i>Long-term</i>	409,0	333,4	366,9	348,2	4,8	3,7	3,8	3,7
Bonds and notes	325,8	270,2	303,8	342,7				
Loans	83,2	63,2	63,1	5,5	4,5	3,7	3,8	3,7
Currency and deposits								
Other debt liabilities					0,3			
III. Commercial banks	9 426,1	9 488,6	10 944,6	9 969,8	8 515,1	7 745,4	8 544,4	11 175,3
<i>Short-term</i>	3 909,5	4 912,4	6 477,1	6 392,6	5 983,3	5 307,3	5 888,1	8 186,5
Money market instruments	194,3	35,2		0,3	1,9	53,8	42,4	57,8
Loans	104,8	231,8	844,4	1 102,5	668,1	295,1	194,2	202,5
Currency and deposits	3 482,0	4 363,7	5 227,8	4 804,1	4 962,9	4 611,0	5 337,7	7 601,5
Other debt liabilities	128,4	281,7	404,9	485,7	350,4	347,4	313,8	324,7
<i>Long-term</i>	5 516,6	4 576,2	4 467,5	3 577,2	2 531,8	2 438,1	2 656,3	2 988,8
Bonds and notes	268,0	444,1	304,5	287,3	294,3	405,8	548,2	593,3
Loans	2 631,0	2 478,4	3 208,9	2 530,6	1 771,7	1 424,1	1 750,2	1 923,2
Currency and deposits	2 617,6	1 653,7	954,1	759,3	465,8	602,0	357,9	324,3
Other debt liabilities						6,2		148,0
IV. Other sectors	9 198,1	9 047,8	9 474,3	8 807,4	8 935,8	9 766,3	11 768,7	14 896,4
<i>Short-term</i>	2 008,1	1 666,8	1 968,5	1 494,7	1 946,0	2 529,2	2 829,9	3 587,6
Money market instruments	170,1	111,6	37,1	32,1	3,5			
Loans	323,3	128,5	316,6	75,7	219,8	1 001,7	794,1	1 706,8
Currency and deposits								
Trade credits	1 514,7	1 426,7	1 614,8	1 386,9	1 722,7	1 527,5	2 035,8	1 880,8
Other debt liabilities								
<i>Long-term</i>	7 190,0	7 381,0	7 505,8	7 312,7	6 989,8	7 237,1	8 938,8	11 308,8
Bonds and notes	415,8	359,2	521,2	649,0	435,6	361,7	538,6	734,6
Loans	6 176,0	6 451,9	6 063,2	5 757,6	5 887,4	6 267,5	7 826,2	9 632,8
Currency and deposits								
Trade credits	598,2	569,9	921,4	906,1	666,8	607,9	574,0	553,9
Other debt liabilities								387,5
V. Direct investment: Intercompany lending	0,0	1 014,7	2 155,4	2 588,3	3 072,9	3 993,4	5 057,1	6 066,5
Debt liabilities to affiliated enterprises								
Debt liabilities to direct investors		1 014,7	2 155,4	2 588,3	3 072,9	3 993,4	5 057,1	6 066,5
TOTAL EXTERNAL DEBT	21 180,5	21 616,5	24 348,4	22 860,6	21 608,3	22 374,0	26 983,4	34 861,3

1) revised data

2) preliminary data

AMORTISATION SCHEDULE OF LONG-TERM DEBT
IN CONVERTIBLE CURRENCIES, BY CREDITOR AND DEBTOR, OUTSTANDING AT 31 DEC. 2003

in CZK millions

		Debt at 31 Dec 2003	2004	2005	2006	2007	2008	2009	2010	2011-33
BY CREDITOR	principal interest	538 586	97 438	111 993	37 385	55 859	32 418	63 309	22 734	117 450
			22 054	17 843	13 630	12 102	10 355	8 380	5 968	20 288
Foreign banks	principal interest	246 533	51 288	62 223	14 354	35 796	12 332	30 562	10 141	29 838
			9 866	7 267	5 244	4 453	3 347	2 443	1 507	6 895
Government institutions	principal interest									
Multilateral institutions	principal interest	83 780	10 800	11 444	5 051	6 955	3 970	9 877	3 894	31 790
			3 474	2 740	2 330	2 028	1 839	1 520	1 205	3 885
Suppliers and direct investors	principal interest	116 880	26 207	25 035	11 224	11 295	3 080	3 081	6 157	30 801
	interest*/		4 646	3 642	2 716	2 431	2 079	1 924	1 693	4 770
Other investors	principal interest	91 393	9 143	13 292	6 757	1 813	13 036	19 789	2 542	25 021
			4 068	4 194	3 340	3 190	3 090	2 493	1 563	4 738
BY DEBTOR	principal interest	538 586	97 438	111 993	37 385	55 859	32 418	63 309	22 734	117 450
			22 054	17 843	13 630	12 102	10 355	8 380	5 968	20 288
CNB	principal interest	96	21	21	21	21	12			
			6	5	3	2	0			
Commercial banks	principal interest	76 674	11 179	9 087	6 365	6 086	6 739	18 080	2 897	16 241
			2 390	2 185	1 996	1 837	1 660	1 388	643	2 557
Government	principal interest	69 030	2 174	926	3 315	1 637	6 983	10 157	2 998	40 840
			2 674	2 387	2 290	2 155	2 205	2 015	1 542	6 584
Other sectors	principal interest	392 786	84 064	101 959	27 684	48 115	18 684	35 072	16 839	60 369
			16 984	13 266	9 341	8 108	6 490	4 977	3 783	11 147
TOTAL	principal interest	538 586	97 438	111 993	37 385	55 859	32 418	63 309	22 734	117 450
			22 054	17 843	13 630	12 102	10 355	8 380	5 968	20 288
TOTAL DEBT SERVICE			119 492	129 836	51 015	67 961	42 773	71 689	28 702	137 738

*/Loan interest included in repayments of principal

AMORTISATION SCHEDULE OF LONG-TERM DEBT
IN CONVERTIBLE CURRENCIES, BY CREDITOR AND DEBTOR, OUTSTANDING AT 31 DEC. 2003

in USD millions

		Debt at 31 Dec 2003	2004	2005	2006	2007	2008	2009	2010	2011-33
BY CREDITOR	principal interest	20 994	3 799	4 365	1 457	2 178	1 263	2 468	886	4578
			859	695	531	472	404	327	232	792
Foreign banks	principal interest	9 609	1 999	2 425	560	1 395	481	1 191	395	1163
			385	283	204	174	130	95	59	269
Government institutions	principal interest									
Multilateral institutions	principal interest	3 266	421	446	197	271	155	385	152	1239
		0	135	107	91	79	72	59	47	151
Suppliers and direct investors	principal interest	4 556	1 022	976	437	440	120	120	240	1201
	interest*/	0	181	142	106	95	81	75	66	186
Other investors	principal interest	3 563	357	518	263	72	507	772	99	975
		0	158	163	130	124	121	98	60	186
BY DEBTOR	principal interest	20 994	3 799	4 365	1 457	2 178	1 263	2 468	886	4578
			859	695	531	472	404	327	232	792
CNB	principal interest	4	1	1	1	1	0	0	0	0
		0	0	0	0	0	0	0	0	0
Commercial banks	principal interest	2 989	436	354	248	237	263	705	113	633
		0	93	85	78	72	65	54	25	100
Government	principal interest	2 690	85	36	129	64	272	396	117	1 591
		0	104	93	89	84	86	79	60	257
Other sectors	principal interest	15 311	3 277	3 974	1 079	1 876	728	1 367	656	2 354
		0	662	517	364	316	253	194	147	435
TOTAL	principal interest	20 994	3 799	4 365	1 457	2 178	1 263	2 468	886	4578
			859	695	531	472	404	327	232	792
TOTAL DEBT SERVICE			4 658	5 060	1 988	2 650	1 667	2 795	1 118	5370

*/Loan interest included in repayments of principal

AMORTISATION SCHEDULE OF LONG-TERM DEBT
IN CONVERTIBLE CURRENCIES, BY CREDITOR AND DEBTOR, OUTSTANDING AT 31 DEC. 2003

in EUR millions

		Debt at 31 Dec 2003	2004	2005	2006	2007	2008	2009	2010	2011-33
BY CREDITOR	principal interest	16 621	3 007	3 456	1 153	1 724	1 000	1 953	702	3 626
			681	550	421	374	319	259	185	626
Foreign banks	principal interest	7 608	1 583	1 920	443	1 105	381	943	313	920
			304	224	162	137	103	75	47	213
Government institutions	principal interest									
Multilateral institutions	principal interest	2 586	333	353	156	215	123	305	120	981
			107	85	72	63	57	47	37	120
Suppliers and direct investors	principal interest	3 607	809	773	346	349	95	95	190	950
	interest*/		143	112	84	75	64	59	52	147
Other investors	principal interest	2 820	282	410	208	55	401	610	79	775
			127	129	103	99	95	78	49	146
BY DEBTOR	principal interest	16 621	3 007	3 456	1 153	1 724	1 000	1 953	702	3 626
			681	550	421	374	319	259	185	626
CNB	principal interest	3	1	1	1	0	0	0	0	0
			0	0	0	0	0	0	0	0
Commercial banks	principal interest	2 366	345	280	196	188	208	558	89	502
			74	67	62	57	51	43	20	79
Government	principal interest	2 130	67	29	102	51	215	313	93	1 260
			83	74	71	67	68	62	48	203
Other sectors	principal interest	12 122	2 594	3 146	854	1 485	577	1 082	520	1 864
			524	409	288	250	200	154	117	344
TOTAL	principal interest	16 621	3 007	3 456	1 153	1 724	1 000	1 953	702	3 626
			681	550	421	374	319	259	185	626
TOTAL DEBT SERVICE			3 688	4 006	1 574	2 098	1 319	2 212	887	4 252

*/Loan interest included in repayments of principal

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS

broken down by country

Outward flows in 2003				
<i>Eurostat/OECD</i>	<i>Geographical and economic zones</i>	<i>Total in CZK millions</i>	<i>Total in USD thousands</i>	<i>Total in EUR thousands</i>
E1	EUROPE	6 727,8	238 347,3	211 274,6
D2	EU-15	6 893,8	244 227,0	216 486,5
	of which			
BE	Belgium	0,1	2,1	1,9
DK	Denmark	1,7	61,0	54,1
FI	Finland	3,5	125,1	110,9
FR	France	-0,6	-22,6	-20,0
IE	Ireland	2,1	76,1	67,4
IT	Italy	8,7	309,0	273,9
LU	Luxembourg	-4,9	-173,0	-153,3
DE	Germany	60,0	2 125,5	1 884,1
NL	Netherlands	54,5	1 931,2	1 711,8
PT	Portugal	5 777,6	204 684,4	181 435,3
AT	Austria	0,8	29,6	26,3
ES	Spain	0,4	15,9	14,1
SE	Sweden	-1,7	-61,3	-54,4
GB	United Kingdom	991,4	35 124,0	31 134,4
A5	EFTA	296,4	10 500,0	9 307,4
	of which			
LI	Lichtenstein	304,5	10 787,0	9 561,7
NO	Norway	-97,7	-3 461,7	-3 068,5
CH	Switzerland	89,6	3 174,7	2 814,1
E2	OTHER EUROPEAN COUNTRIES	-462,4	-16 379,8	-14 519,3
	of which			
BY	Belarus	-6,2	-221,1	-196,0
BA	Bosnia and Herzegovina	-5,8	-206,9	-183,4
BG	Bulgaria	3,0	107,2	95,0
GG	Guernsey	0,1	2,4	2,1
HR	Croatia	92,4	3 274,6	2 902,6
CS	Serbia and Montenegro	23,6	836,4	741,4
CY	Cyprus	29,2	1 033,5	916,1
LT	Lithuania	-0,7	-24,1	-21,3
LV	Latvia	0,3	11,5	10,2
HU	Hungary	55,6	1 971,1	1 747,2
MD	Moldova	0,5	17,3	15,4
PL	Poland	-33,5	-1 185,6	-1 051,0
RO	Romania	21,1	747,9	662,9
RU	Russia	134,2	4 752,6	4 212,7
SK	Slovakia	-835,7	-29 605,7	-26 243,0
SI	Slovenia	-7,6	-269,8	-239,1
UA	Ukraine	67,2	2 379,0	2 108,8
E4	AFRICA	0,4	12,8	11,4
E5	NORTH AFRICA	-0,0	-1,3	-1,2
	of which			
DZ	Algeria	-0,0	-1,3	-1,2
E6	OTHER AFRICAN COUNTRIES	0,4	14,2	12,6
	of which			
NG	Nigeria	0,2	7,8	6,9
SC	Seychelles	0,2	6,4	5,7
E7	AMERICA	492,1	17 435,4	15 455,0
E8	NORTH AMERICA	367,0	13 002,7	11 525,7
	of which			
CA	Canada	-23,6	-837,4	-742,2
US	USA	390,7	13 840,0	12 268,0
E9	CENTRAL AMERICA	145,5	5 154,7	4 569,2
	of which			
AW	Aruba	10,6	373,9	331,4

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS

broken down by country

Outward flows in 2003				
<i>Eurostat/OECD</i>	<i>Geographical and economic zones</i>	<i>Total in CZK millions</i>	<i>Total in USD thousands</i>	<i>Total in EUR thousands</i>
BS	Bahamas	56,7	2 008,7	1 780,5
BZ	Belize	0,7	26,3	23,3
VG	British Virgin Islands	203,8	7 218,5	6 398,6
KY	Cayman Islands	-116,5	-4 128,5	-3 659,6
MX	Mexico	-9,7	-344,2	-305,1
F1	SOUTH AMERICA	-20,4	-721,9	-639,9
	of which			
AR	Argentina	-1,1	-39,1	-34,7
BR	Brazil	-26,7	-946,5	-839,0
PE	Peru	0,6	20,4	18,1
SR	Surinam	6,6	233,3	206,8
VE	Venezuela	0,3	9,9	8,8
F2	ASIA	-679,2	-24 061,6	-21 328,6
F3	NEAR AND MIDDLE EAST	-681,7	-24 149,8	-21 406,7
	of which			
IR	Iran	-0,0	-0,7	-0,7
IL	Israel	0,4	14,2	12,6
F4	Arabian Gulf countries	-682,0	-24 162,2	-21 417,7
BH	Bahrain	0,3	11,8	10,4
AE	United Arab Emirates	-682,4	-24 174,0	-21 428,2
F5	Other Near and Middle East countries	-0,0	-1,0	-0,9
AZ	Azerbaijan	-0,0	-1,0	-0,9
LB	Lebanon	-0,0	-0,0	-0,0
F6	OTHER ASIAN COUNTRIES	2,5	88,1	78,1
	of which			
CN	China	11,0	389,7	345,4
HK	Hong Kong	3,4	119,1	105,6
IN	India	-11,6	-410,4	-363,8
KZ	Kazakhstan	-21,4	-758,0	-671,9
KG	Kyrgyzstan	0,2	7,8	7,0
MN	Mongolia	4,3	151,9	134,6
MM	Myanmar	-0,4	-13,7	-12,1
SG	Singapore	-0,3	-9,3	-8,2
UZ	Uzbekistan	17,2	611,0	541,6
F7	OCEANIA AND POLAR REGIONS	5,3	188,3	166,9
	of which			
AU	Australia	5,3	188,3	166,9
A1	TOTAL WORLDWIDE	6 546,5	231 922,2	205 579,3
U2	Eurozone	5 902,4	209 103,4	185 352,4
A8	OECD	6 434,8	227 966,7	202 073,1
B1	NAFTA	357,3	12 658,5	11 220,7
D6	CCs	-768,2	-27 214,0	-24 122,9
A9	CEE	-687,1	-24 343,4	-21 578,4

/ * - preliminary data

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS

broken down by economic activity

Outward flows in 2003					
Code	NACE	Sectors and industries (business segments)	Total in CZK millions	Total in USD thousands	Total in EUR thousands
0595	01-05	AGRICULTURE, FORESTRY AND FISHING	0,3	11,7	10,4
1495	10-14	MINING AND QUARRYING	904,0	32 025,2	28 387,6
3995	15-37	MANUFACTURING	448,5	15 890,4	14 085,5
		of which			
1605	15-16	Food products, beverages and tobacco products	240,6	8 522,0	7 554,0
1805	17-18	Textiles, wearing apparel	30,1	1 066,3	945,2
1900	19	Tanning and dressing of leather, manufacture of luggage, handbags and footwear	0,0	0,0	0,0
2205	20-22	Wood, publishing and printing	145,5	5 155,5	4 569,9
2300	23	Manufacture of coke, refined petroleum products and nuclear fuel	0,0	0,0	0,0
2400	24	Manufacture of chemicals and chemical products	45,9	1 624,9	1 440,3
2500	25	Manufacture of rubber and plastic products	66,7	2 362,5	2 094,2
2600	26	Manufacture of other non-metallic mineral products	-342,5	-12 132,7	-10 754,6
2805	27-28	Metal products	54,9	1 944,7	1 723,8
2900	29	Mechanical products	13,0	459,3	407,1
3000	30	Office machinery and computers	-0,1	-3,0	-2,6
3100	31	Manufacture of electrical machinery and apparatuses n.e.c.	29,1	1 031,9	914,7
3200	32	Radio, TV, communication equipments	84,8	3 003,9	2 662,7
3300	33	Manufacture of medical, precision and optical instruments	50,1	1 774,8	1 573,2
3400	34	Motor vehicles	-14,8	-525,7	-465,9
3500	35	Other transport equipment	0,1	4,8	4,3
3600	36	Furniture; manufacturing n.e.c.	44,8	1 587,2	1 406,9
3700	37	Recycling	0,4	13,8	12,3
4195	40-41	ELECTRICITY, GAS AND WATER	-4,6	-161,9	-143,5
4500	45	CONSTRUCTION	73,2	2 592,4	2 297,9
5295	50-52	TRADE AND REPAIRS	-283,9	-10 056,1	-8 913,9
5500	55	HOTELS AND RESTAURANTS	0,2	8,0	7,1
6495	60-64	TRANSPORT AND COMMUNICATIONS	-125,4	-4 443,9	-3 939,1
6895	65-67	FINANCIAL INTERMEDIATION	374,9	13 282,6	11 773,9
7395	70-74	REAL ESTATE AND BUSINESS ACTIVITIES	4 983,7	176 557,5	156 503,2
9995	75-99	OTHER SERVICES	175,5	6 216,2	5 510,2
9999	01-99	TOTAL	6 546,5	231 922,2	205 579,3

/ * - preliminary data

FOREIGN DIRECT INVESTMENT INWARD FLOWS
broken down by country

<i>Inward flows in 2003</i>				
<i>Eurostat/OECD</i>	<i>Geographical and economic zones</i>	<i>Total in CZK millions</i>	<i>Total in USD thousands</i>	<i>Total in EUR thousands</i>
E1	EUROPE	46 068,8	1 632 083,0	1 446 702,9
D2	EU-15	31 962,7	1 132 346,0	1 003 728,5
	of which			
BE	Belgium	4 312,3	152 771,3	135 418,7
DK	Denmark	238,3	8 442,1	7 483,2
FI	Finland	279,2	9 891,2	8 767,7
FR	France	14 723,7	521 616,5	462 368,7
IE	Ireland	621,8	22 029,8	19 527,6
IT	Italy	1 979,7	70 135,4	62 169,1
LU	Luxembourg	3 379,1	119 711,9	106 114,4
DE	Germany	23 338,4	826 812,0	732 898,6
NL	Netherlands	-44 039,6	-1 560 193,9	-1 382 979,3
PT	Portugal	36,6	1 296,9	1 149,6
AT	Austria	17 246,5	610 994,4	541 594,6
GR	Greece	237,5	8 414,4	7 458,7
ES	Spain	1 416,5	50 184,1	44 483,9
SE	Sweden	537,0	19 023,5	16 862,7
GB	United Kingdom	7 655,6	271 216,3	240 410,2
A5	EFTA	8 968,9	317 741,9	281 651,2
	of which			
IS	Iceland	-3,4	-121,2	-107,4
LI	Lichtenstein	1 982,9	70 246,6	62 267,7
NO	Norway	-435,8	-15 439,0	-13 685,4
CH	Switzerland	7 425,3	263 055,5	233 176,3
E2	OTHER EUROPEAN COUNTRIES	5 137,2	181 995,1	161 323,2
	of which			
BY	Belarus	8,1	287,4	254,7
BA	Bosnia and Herzegovina	-0,8	-26,9	-23,9
BG	Bulgaria	2,5	88,0	78,0
EE	Estonia	0,2	7,0	6,2
GI	Gibraltar	0,4	15,4	13,7
GG	Guernsey	30,6	1 084,3	961,1
HR	Croatia	17,6	624,3	553,4
JE	Jersey	-57,0	-2 018,7	-1 789,4
CS	Serbia and Montenegro	15,9	562,5	498,6
CY	Cyprus	890,0	31 531,6	27 950,0
LT	Lithuania	3,2	112,4	99,6
HU	Hungary	-452,8	-16 040,0	-14 218,1
MK	Macedonia	0,6	20,9	18,5
MT	Malta	94,2	3 337,6	2 958,5
MD	Moldova	7,1	251,4	222,8
IM	Isle of Man	7,6	269,7	239,0
PL	Poland	-105,9	-3 750,6	-3 324,6
RO	Romania	0,2	5,7	5,0
RU	Russia	94,2	3 336,6	2 957,6
SK	Slovakia	4 577,9	162 181,1	143 759,8
SI	Slovenia	-31,3	-1 108,0	-982,2
TR	Turkey	27,0	958,3	849,4
UA	Ukraine	7,5	265,3	235,2
E4	AFRICA	245,5	8 696,7	7 708,9
E5	NORTH AFRICA	0,2	7,1	6,3
	of which			
TN	Tunisia	0,2	7,1	6,3
E6	OTHER AFRICAN COUNTRIES	245,3	8 689,6	7 702,6
	of which			
AO	Angola	0,3	11,2	10,0

FOREIGN DIRECT INVESTMENT INWARD FLOWS

broken down by country

<i>Inward flows in 2003</i>				
<i>Eurostat/OECD</i>	<i>Geographical and economic zones</i>	<i>Total in CZK millions</i>	<i>Total in USD thousands</i>	<i>Total in EUR thousands</i>
CD	Democratic Rep. of Kongo	17,5	619,8	549,4
SC	Seychelles	227,5	8 058,6	7 143,3
E7	AMERICA	18 971,1	672 090,6	595 751,2
E8	NORTH AMERICA	6 175,7	218 785,8	193 935,0
	of which			
CA	Canada	430,4	15 247,5	13 515,6
US	USA	5 745,3	203 538,3	180 419,4
E9	CENTRAL AMERICA	12 724,3	450 784,2	399 581,9
	of which			
BS	Bahamas	5,0	177,5	157,3
BZ	Belize	3,1	108,3	96,0
BM	Bermudas	1,8	65,2	57,8
VG	British Virgin Islands	498,0	17 643,0	15 639,0
DM	Dominica	2,1	73,1	64,8
KY	Cayman Islands	80,3	2 843,4	2 520,4
MX	Mexico	150,0	5 312,4	4 709,0
AN	Netherlands Antilles	11 035,4	390 950,4	346 544,3
PA	Panama	4,2	149,8	132,8
LC	St Lucia	930,7	32 971,9	29 226,8
VC	St Vincenc and the Grenadines	0,3	11,0	9,7
TC	Turks and Caicos	13,5	478,3	423,9
F1	SOUTH AMERICA	71,2	2 520,7	2 234,3
	of which			
CL	Chile	-0,1	-3,5	-3,1
CO	Colombia	71,0	2 514,3	2 228,7
SR	Surinam	0,1	2,3	2,1
VE	Venezuela	0,2	7,5	6,7
F2	ASIA	7 619,4	269 933,7	239 273,3
F3	NEAR AND MIDDLE EAST	69,6	2 466,6	2 186,4
	of which			
IR	Iran	0,1	4,3	3,8
IL	Israel	105,1	3 723,9	3 300,9
F4	Arabian Gulf countries	-1,8	-63,0	-55,9
IQ	Iraq	0,2	7,8	6,9
KW	Kuwait	0,2	7,0	6,2
SA	Saudi Arabia	-3,6	-128,6	-114,0
AE	United Arab Emirates	1,4	50,8	45,1
F5	Other Near and Middle East countries	-33,8	-1 198,5	-1 062,4
AM	Armenia	0,9	30,2	26,8
AZ	Azerbaijan	4,4	154,2	136,7
GE	Georgia	0,2	8,1	7,2
JO	Jordan	-39,9	-1 414,6	-1 254,0
LB	Lebanon	0,2	8,1	7,2
SY	Syria	0,4	15,6	13,8
F6	OTHER ASIAN COUNTRIES	7 549,8	267 467,1	237 086,9
	of which			
CN	China	233,1	8 258,3	7 320,3
HK	Hong Kong	-2,8	-99,3	-88,0
IN	India	7,2	255,5	226,4
ID	Indonesia	0,7	26,5	23,5
JP	Japan	7 139,7	252 937,5	224 207,6
KZ	Kazakhstan	-7,7	-274,4	-243,3
KR	Korean Republic	171,7	6 084,1	5 393,0
KG	Kyrgyzstan	1,4	48,9	43,4
MY	Malaysia	9,0	319,8	283,5
MN	Mongolia	0,8	27,6	24,5

FOREIGN DIRECT INVESTMENT INWARD FLOWS

broken down by country

<i>Inward flows in 2003</i>				
<i>Eurostat/OECD</i>	<i>Geographical and economic zones</i>	<i>Total in CZK millions</i>	<i>Total in USD thousands</i>	<i>Total in EUR thousands</i>
NP	Nepal	3,5	122,4	108,5
PK	Pakistan	0,1	3,5	3,1
SG	Singapore	0,0	0,9	0,8
TW	Taiwan	-39,4	-1 397,4	-1 238,7
TM	Turkmenistan	0,2	7,0	6,2
UZ	Uzbekistan	3,2	112,0	99,3
VN	Vietnam	29,2	1 034,3	916,8
F7	OCEANIA AND POLAR REGIONS	-5,1	-181,6	-161,0
	of which			
AU	Australia	1,2	43,5	38,6
NU	Niue	-6,4	-225,1	-199,5
A1	TOTAL WORLDWIDE	72 899,5	2 582 617,4	2 289 270,8
U2	Eurozone	23 531,8	833 664,0	738 972,3
A8	OECD	56 633,3	2 006 353,3	1 778 461,7
B1	NAFTA	6 325,6	224 098,2	198 644,0
D6	CCs	5 005,3	177 322,9	157 181,7
A9	CEE	4 027,3	142 676,3	126 470,4

/ * - preliminary data

FOREIGN DIRECT INVESTMENT INWARD FLOWS
broken down by economic activity

Inward flows in 2003					
<i>Code</i>	<i>NACE</i>	<i>Sectors and industries (business segments)</i>	<i>Total in CZK millions</i>	<i>Total in USD thousands</i>	<i>Total in EUR thousands</i>
0595	01-05	AGRICULTURE, FORESTRY AND FISHING	53,2	1 883,6	1 669,6
1495	10-14	MINING AND QUARRYING	88,7	3 142,3	2 785,4
3995	15-37	MANUFACTURING	54 381,4	1 926 575,2	1 707 745,1
		of which			
1605	15-16	Food products, beverages and tobacco products	3 424,5	121 319,4	107 539,3
1805	17-18	Textiles, wearing apparel	-111,5	-3 951,3	-3 502,5
1900	19	Tanning and dressing of leather, manufacture of luggage, handbags and footwear	-81,3	-2 880,1	-2 553,0
2205	20-22	Wood, publishing and printing	4 272,7	151 369,7	134 176,3
2300	23	Manufacture of coke, refined petroleum products and nuclear fuel	-460,5	-16 314,3	-14 461,2
2400	24	Manufacture of chemicals and chemical products	1 114,3	39 477,2	34 993,2
2500	25	Manufacture of rubber and plastic products	5 966,0	211 357,5	187 350,5
2600	26	Manufacture of other non-metallic mineral products	2 627,3	93 078,3	82 506,0
2805	27-28	Metal products	14 428,3	511 151,3	453 092,2
2900	29	Mechanical products	6 862,1	243 102,4	215 489,6
3000	30	Office machinery and computers	1 018,7	36 089,0	31 989,8
3100	31	Manufacture of electrical machinery and apparatuses n.e.c.	3 511,5	124 400,6	110 270,6
3200	32	Radio, TV, communication equipments	16,9	597,1	529,3
3300	33	Manufacture of medical, precision and optical instruments	806,1	28 558,4	25 314,6
3400	34	Motor vehicles	10 427,0	369 397,0	327 439,0
3500	35	Other transport equipment	-284,6	-10 082,6	-8 937,4
3600	36	Furniture; manufacturing n.e.c.	866,0	30 681,6	27 196,6
3700	37	Recycling	-21,9	-776,0	-687,9
4195	40-41	ELECTRICITY, GAS AND WATER	6 403,9	226 870,5	201 101,4
4500	45	CONSTRUCTION	2 127,4	75 366,8	66 806,2
5295	50-52	TRADE AND REPAIRS	17 530,7	621 060,8	550 517,6
5500	55	HOTELS AND RESTAURANTS	817,0	28 943,7	25 656,1
6495	60-64	TRANSPORT AND COMMUNICATIONS	-58 965,6	-2 088 978,4	-1 851 701,8
6895	65-67	FINANCIAL INTERMEDIATION	25 627,7	907 914,0	804 788,6
7395	70-74	REAL ESTATE AND BUSINESS ACTIVITIES	23 658,7	838 160,1	742 957,7
9995	75-99	OTHER SERVICES	1 176,5	41 679,0	36 944,9
9999	01-99	TOTAL	72 899,5	2 582 617,4	2 289 270,8

/ * - preliminary data

PORTFOLIO INVESTMENT
RESIDENTS' PORTFOLIO INVESTMENT ABROAD AS AT 31 DECEMBER 2003
broken down by territory and type of security

Eurostat/OECD Code	Geographical and economic zones	in CZK millions			
		Equity securities	Long-term securities	Short-term securities	Total
E1	EUROPE	40 531,1	260 477,0	9 144,0	310 152,1
D2	EU-15	36 588,3	227 677,6	7 259,0	271 524,9
	of which				
AT	Austria	12 859,6	13 165,3	50,9	26 075,8
BE	Belgium	86,5	314,0		400,5
DE	Germany	2 980,0	46 789,6	4 177,3	53 946,9
DK	Denmark	1,1	506,6		507,7
ES	Spain	49,1	733,5		782,6
FI	Finland	149,9	56,3		206,2
FR	France	3 700,5	29 661,8	28,9	33 391,2
GB	United Kingdom	1 423,1	13 073,4	34,8	14 531,3
GR	Greece	0,1	15 375,9		15 376,0
IE	Ireland	1 075,6	4 841,7	16,7	5 934,0
IT	Italy	178,4	14 639,6	10,3	14 828,3
LU	Luxembourg	11 356,5	15 530,5	20,3	26 907,3
NL	Netherlands	1 740,3	32 329,9	2 838,8	36 909,0
PT	Portugal	0,0	3 344,1		3 344,1
SE	Sweden	86,5	2 608,2	8,9	2 703,6
4A	International organisations	901,1	34 707,2	72,1	35 680,4
A5	EFTA	433,1	3 212,1	30,1	3 675,3
	of which				
IS	Iceland	0,4	1 574,5		1 574,9
CH	Switzerland	430,1	0,0		430,1
LI	Lichtenstein	2,6			2,6
NO	Norway	0,0	1 637,6	30,1	1 667,7
E2	OTHER EUROPEAN COUNTRIES	3 509,7	29 587,3	1 854,9	34 951,9
	of which				
CY	Cyprus		715,3		715,3
HR	Croatia	42,9	226,0		268,9
HU	Hungary	534,6	5 941,1	462,8	6 938,5
PL	Poland	296,5	11 235,0	437,4	11 968,9
RU	Russia	14,4	369,4	186,3	570,1
EE	Estonia	0,2			0,2
LT	Lithuania	0,4	0,1		0,5
SK	Slovakia	2 618,4	11 096,4	768,0	14 482,8
TR	Turkey		4,0	0,4	4,4
UA	Ukraine	2,3	0,0		2,3
E7	AMERICA	6 775,2	25 503,6	594,3	32 873,1
E8	NORTH AMERICA	5 573,5	13 562,1	361,3	19 496,9
	of which				
CA	Canada	35,6	1 150,6		1 186,2
US	USA	5 537,9	12 411,5	361,3	18 310,7
E9	CENTRAL AMERICA	1 201,4	11 918,8	233,0	13 353,2
	of which				
AN	Netherlands Antilles	1,0	489,6		490,6
BM	Bermudas	606,6	0,0		606,6
KY	Cayman Islands	593,3	11 419,1		12 012,4
MX	Mexico	0,5	10,1	233,0	243,6
F1	SOUTH AMERICA	0,3	22,7	0,0	23,0
	of which				
AR	Argentina		22,6		22,6
BR	Brazil	0,3	0,1		0,4
F2	ASIA	28,4	0,0	2,3	30,7
	of which				
CN	China	1,0			1,0
HK	Hong Kong	1,6			1,6
IL	Israel	1,7			1,7
JP	Japan	18,1		2,3	20,4
KR	Korea	0,6			0,6
MG	Madagascar	0,9			0,9
SG	Singapore	2,1			2,1
TH	Thailand	2,4			2,4
F7	AUSTRALIA AND OCEANIA	1,2	795,3	0,2	796,7
	of which				
AU	Australia	1,2	795,3	0,2	796,7
	AFRICA	1,8	0,0	0,0	1,8
ZA	Republic of South Africa	1,8			1,8
A1	Total	47 337,7	286 775,9	9 740,8	343 854,4

NON-RESIDENTS' PORTFOLIO INVESTMENT INTO KORUNA INSTRUMENTS

by economic activity, territory and type of instrument at 31 December 2003

in CZK billions

ECONOMIC ACTIVITY SECTORS	Market value	TERRITORY	Market value	INSTRUMENT TYPE	Market value
Financial intermediation and insurance	80,7	Netherlands	44,4	Shares	166,0
Transport and communications	50,8	USA	39,1	Bonds	15,3
Electricity, gas and water	34,0	United Kingdom	36,8	Government bonds	30,6
Other services	31,9	Germany	27,0		
Food products, beverages, tobacco products	8,1	Luxembourg	20,4		
Oil refining, coking and chemical industry	2,1	Austria	14,7		
Real estate and business activities	1,7	Belgium	7,3		
Motor vehicles	0,6	Switzerland	5,4		
Other	2,0	Other	16,8		
TOTAL	211,9	TOTAL	211,9	TOTAL	211,9

