

BALANCE OF PAYMENTS

5
200

CONTENTS

I. EXECUTIVE SUMMARY	1	
II. FULL REPORT	4	
1. THE CURRENT ACCOUNT	4	
1.1. BALANCE OF TRADE	4	
BOX 1 The balance of trade in 2001- 2005	5	
1.1.1. <i>TERMS OF TRADE</i>	5	
1.1.2. <i>FOREIGN TRADE BY TERRITORY</i>	6	
1.1.3. <i>FOREIGN TRADE BY COMMODITY</i>	6	
1.1.4. <i>IMPORTS BY PURPOSE OF USE</i>	7	
1.1.5. <i>TRADE IN PRODUCTS BY TECHNOLOGICAL INTENSITY</i>	8	
1.2. BALANCE OF SERVICES	8	
1.3. BALANCE OF INCOME	10	
1.4. CURRENT TRANSFERS	11	
2. THE CAPITAL ACCOUNT	11	
BOX 2 Outlooks for the financial flows between the Czech Republic and the budget of the European Union	12	
3. THE FINANCIAL ACCOUNT	13	
3.1. FOREIGN DIRECT INVESTMENT	13	
3.1.1. <i>CZECH DIRECT INVESTMENT ABROAD</i>	13	
3.1.2. <i>FOREIGN DIRECT INVESTMENT IN THE CZECH REPUBLIC</i>	14	
3.1.3. <i>RETURNS ON FOREIGN DIRECT INVESTMENT IN THE CZECH REPUBLIC</i>	15	
3.2. PORTFOLIO INVESTMENT	15	
3.2.1. <i>MONEY AND CAPITAL MARKETS</i>	15	
3.2.2. <i>PORTFOLIO INVESTMENT</i>	17	
3.3. FINANCIAL DERIVATIVES	18	
3.4. OTHER INVESTMENT	18	
4. CNB INTERNATIONAL RESERVES	18	
5. THE INVESTMENT POSITION, EXTERNAL DEBT AND DEBT SERVICE	19	
5.1. THE INVESTMENT POSITION	19	
5.2. EXTERNAL DEBT	20	
5.3. DEBT SERVICE	20	
III. ANNEXES		
ANNEX 1	FINANCIAL FLOWS BETWEEN THE CZECH REPUBLIC AND THE EUROPEAN UNION IN 2005	21
ANNEX 2	THE EXCHANGE RATE OF THE KORUNA	24
ANNEX 3	DEBT INDICATORS OF THE EXTERNAL STABILITY OF THE CZECH REPUBLIC	29
ANNEX 4	ECONOMIC GLOBALISATION INDICATORS FOR FOREIGN DIRECT INVESTMENT	30
ANNEX 5	BALANCE OF PAYMENTS	36
ANNEX 6	BALANCE OF PAYMENTS (detailed data)	38
ANNEX 7	INTERNATIONAL INVESTMENT POSITION	41
ANNEX 8	EXTERNAL DEBT	44
ANNEX 9	AMORTISATION SCHEDULE FOR LONG-TERM DEBT	50
ANNEX 10	FOREIGN DIRECT INVESTMENT	53
ANNEX 11	PORTFOLIO INVESTMENT	59

THE EXTERNAL ENVIRONMENT AND ITS EFFECT ON THE BALANCE OF PAYMENTS

Despite a moderate slowdown in economic growth in EU countries, there was an increase in the sales of Czech products on these markets. A more favourable course of trade was also evident in relation to countries with advanced market economies outside the EU (the USA, Japan) and the group of newly industrialized Asian countries.

A parallel operation of multiple factors (demand of the dynamically growing Asian economies for raw materials, renewed economic growth in advanced countries, regional political risks) led to the continuation of oil price growth on world markets, which halted as late as 2005 Q4. Price growth on world markets was also evident with respect to other raw materials, semi-manufactures and food. The year-on-year appreciation of the average nominal exchange rate of the koruna against USD and EUR partly dampened the price impact on the domestic economy.

The domestic money and capital markets were characterized by low interest rates and returns. The returns on domestic bonds were lower than those of foreign bonds. In 2005, European capital markets were characterized by dynamic growth of the turnovers of the completed deals and by growth in price indices (DJ Stoxx, DAX). The highest increases were recorded on stock exchanges of the Central European region including the Prague Stock Exchange. Asian stock markets continued to grow, while American stock markets rather stagnated.

In 2005, the Czech Republic underwent the process of graduation by the World Bank and was transferred to the category of advanced countries which actively participate in the development projects of third countries. From now on, the Czech Republic will not be able to draw credits from the World Bank.

THE CURRENT ACCOUNT

In 2005, the growth in exports, in particular machinery exports resulted in a change to surplus recorded for goods and services (2% of GDP) and in a decrease in the current account deficit to 2.1% of GDP.

The expansion of production capacities in the Czech Republic in connection with the inflow of foreign direct investment had a favourable effect on growth in the volume of Czech output and an increase in exports to the markets of EU countries, which accounted for 84% of total exports. Growth in the trade deficit with other countries halted. Lower year-on-year trade deficits were recorded with the USA and Japan, while the trade deficits with some countries continued to widen, most notably with China (imports of consumer goods) and the Russian Federation (imports of raw materials and military technology as a repayment of government receivables).

The impact of terms of trade on trade was not positive in 2005. Their deterioration of 1.7 percentage points was a result of growth in prices, in particular those of imported energy-producing materials (index 129). The increase of input prices was not projected into prices of exported products, in particular machinery products. The impact of price growth on international markets on the economic result of domestic importers was corrected by the appreciation of the average exchange rate of the koruna against the dollar and the euro.

In 2005, the balance of services was favourable in all the items monitored. Higher receipts for the sale of transport services were connected with an increase in receipts from air, road and railway transport. Despite the appreciation of the exchange rate of the koruna, receipts from foreign tourists grew as a result of a wider range of accommodation capacities and growth in both the number of tourists and the price

TABLE I.1.
GDP growth in the euro area rebounded
(percentages)

	2001	2002	2003	2004	2005
USA	0.8	1.6	2.7	4.2	3.5
Japan	0.4	0.1	1.8	2.3	2.7
European Union (EU-25)	1.9	1.2	1.2	2.4	1.6
Euro area	1.9	0.9	0.7	2.1	1.3

Source: Eurostat

CHART I.1.
Oil prices continued to rise
(USD/barrel)

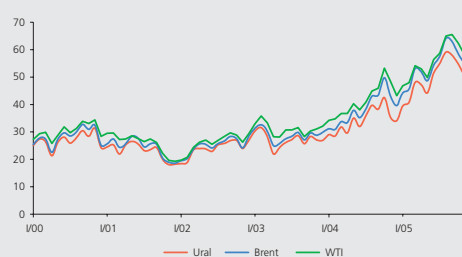


TABLE I.2.
The annual average exchange rate of CZK against EUR and USD strengthened, year-on-year
(CZK/foreign currency unit)

	2005	2004
Exchange rate - the average for the period under review		
CZK/EUR	29.784	31.904
CZK/USD	23.947	25.701
Exchange rate - at the end of the period under review		
CZK/EUR	29.005	30.465
CZK/USD	24.588	22.365

CHART I.2.
The current account deficit decreased significantly
(CZK billions - left-hand scale, percentages - right-hand scale)

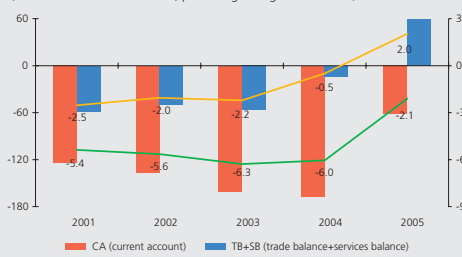


CHART I.3.
Growth in the trade deficit with other countries halted
(CZK billions)

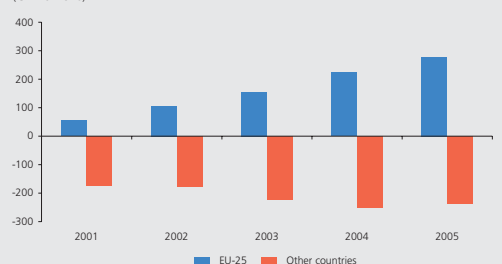


CHART I.4.
The income balance deficit decreased due to the dividends and interest collected

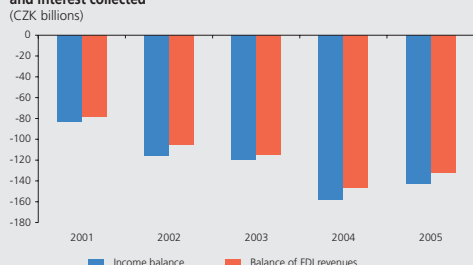


CHART I.5.
Higher private transfers resulted in an increase in the surplus on current transfers

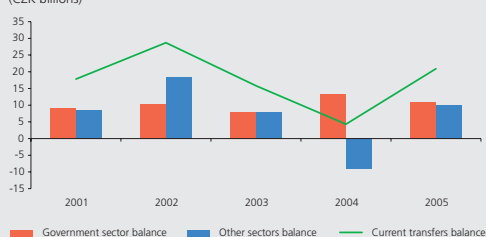


CHART I.6.
The government sector predominated in the breakdown of the inflow of foreign capital by sector

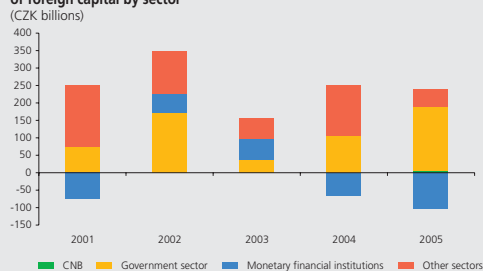
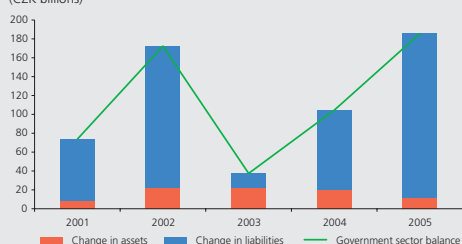


CHART I.7.
The government sector increased its drawings on foreign resources



Note: + decrease in assets, increase in liabilities
- increase in assets, decrease in liabilities

level of services. Another important factor was the increased accessibility of Prague as a tourist destination (growth in air passenger transport). Following dynamic growth in the expenditure of Czech nationals on travel and stays abroad until 2004, some saturation of domestic demand was apparent in 2005. In contrast to previous years, Czech corporations' demand for import of other services saw no increase and the resulting deficit of other services showed stabilisation.

The year-on-year decrease in the income deficit was a result of the fact that growth in income outpaced that in expenditure. The resulting deficit was largely attributable to the income balance of foreign-owned corporations. According to preliminary data, domestic parent companies recorded substantial annual growth in dividends, while dividends paid out to foreign owners decreased year on year. The data on the volume of dividends paid out are based on currently available information and will be specified on the basis of the annual survey of audited economic results at the end 2006. The more favourable balance of income from portfolio investment was also due to higher dividends and interest received by domestic entities from their investment abroad. The balance of interest on other financial activities benefited from growth in returns on the CNB's international reserves, deposits and loans granted by the domestic banking and corporate sectors abroad. Foreign labour costs in the Czech Republic presented a significant burden on the balance of income.

The balance of current transfers ended in a surplus in the case of both government and private transfers. The surplus from government transfers was associated with the balance of receipts and payments in relation to EU funds (part of this income is recorded on the capital account). The balance of private transfers ended in a surplus as a result of ČSOB's income due to an international arbitration decision regarding recognition of a claim against Slovenská inkašná.

THE CAPITAL AND THE FINANCIAL ACCOUNT

The **capital account** surplus was associated with the collection of subsidies from the structural funds of the European Union.

The **financial account** recorded a year-on-year decrease in net drawings on foreign funds. The financial account as a ratio of GDP was 4.7%. The inflow of capital from abroad was connected above all with the privatisation of state-owned stakes in the form of foreign direct investment. There was also an increase in the drawings on other foreign funds by the government sector. Portfolio investment and other forms of capital flows (particularly those with respect to monetary financial institutions) recorded an outflow.

The government sector drew foreign funds amounting to CZK 186 billion in 2005. Compared to previous years, revenues from the privatisation of state property increased significantly and investment by foreign portfolio investors into government bonds issued both abroad and in the Czech Republic grew. The government drew loans provided by the European Investment Bank for the construction of transport infrastructure, while smaller-volume loans were also drawn at regional level. Another government liability vis-à-vis abroad was associated with the conclusion of a contract for a long-term lease of fighter aircraft. Government foreign assets decreased due to de-blocking operations and repayments of government loans provided in the past. On the assets side, the Czech Republic's share in the capital of the European Investment Bank increased.

The corporate sector recorded an annual decrease in the net capital inflow. Czech corporations' demand for drawing on financial and supplier credits from abroad decreased. The inflow of foreign portfolio investment into corporate bonds was also lower compared to the results of 2004.

In 2005, the inflow of foreign funds to the corporate sector was associated with an increase in the inflow of foreign direct investment. The year-on-year increase was due to a rise in investment into equity capital, while the volume of loans drawn decreased. Owing to the participation of Czech corporations in the privatisation of foreign companies in the energy sector, the volume of Czech direct investment abroad remained broadly unchanged compared to a year earlier.

Monetary financial institutions increased their creditor position vis-à-vis abroad. There was a significant increase in the volume of deposits in foreign banks and loans granted abroad as well as purchases of foreign long-term bonds.

INTERNATIONAL RESERVES

In 2005, the increase in international reserves reflects mainly foreign exchange revenues from privatisation, income on invested international reserves and transactions conducted for the CNB's clients.

THE INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT

Growth in the deficit of the Czech Republic's international investment position slowed in 2005. The rise in the deficit was related to the inflow of foreign direct investment to the Czech Republic. The deficit of the international investment position amounted to CZK 857 billion at the close of the year, with its ratio to GDP being 29%. The Czech Republic's external debt reached CZK 1,126 billion in nominal terms, which corresponds to 38% of GDP.

CHART I.8.

The inflow of foreign capital to the corporate sector slowed

(CZK billions)

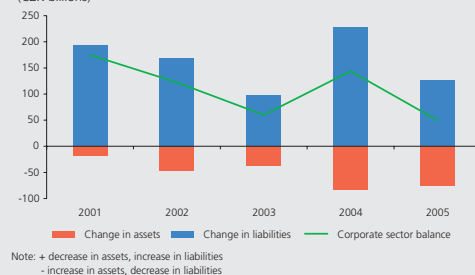


CHART I.9.

Monetary financial institutions increased their assets abroad

(CZK billions)

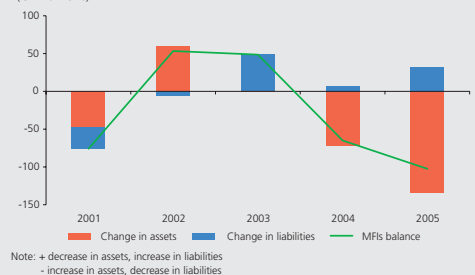


CHART I.10.

Growth in the international investment position deficit slowed

(CZK billions)



CHART II.1.1.

The year-on-year rate of increase of exports exceeded that of imports
(annual percentage changes)

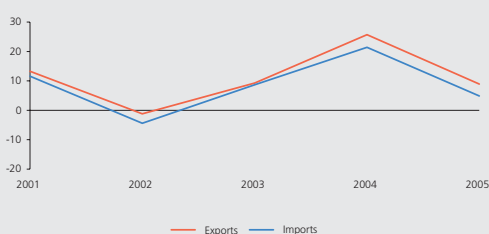


CHART II.1.2.

Foreign-owned corporations increased the trade surplus
(CZK billions, data until 2004)

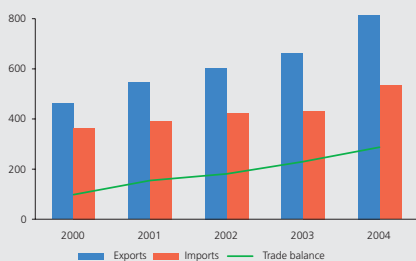


CHART II.1.3.

The machinery trade surplus contributed to the total trade surplus
(CZK billions)

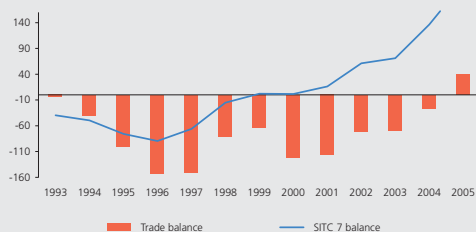
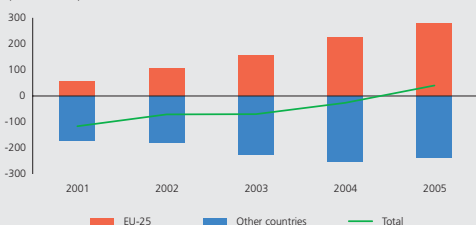


CHART II.1.4.

The trade surplus with EU countries exceeded the trade deficit with other countries
(CZK billions)



1. THE CURRENT ACCOUNT

1.1. BALANCE OF TRADE

Despite a slowdown in growth in the EU countries' economies in 2005 (to 1.6%), Czech goods were in demand on these markets. The preponderance of exports over imports was mainly affected by demand in EU countries. Although the year-on-year growth rate of exports was lower compared to the previous period, it kept above that of imports. The increase in exports was fostered by investment, which had flown into the country in previous years. The key segment of export growth was machinery, in particular products of the automobile industry and computer technology. As regards consumer goods, products of the textile and shoe-manufacturing industries, imports from Asian countries increased and competition for domestic producers intensified in 2005 after the EU importation quotas had been removed. Price growth in energy-producing commodities on world markets was partly dampened by the year-on-year appreciation of the average nominal exchange rate of the koruna.

In 2005, the trade balance recorded a surplus of CZK 40.4 billion (EUR 1.4 billion). This result was up by CZK 66.8 billion compared to 2004. The growth rate of exports at current prices (index 108.9) surpassed that of imports (index 104.9). Export prices declined year on year in 2005, while import prices recorded a moderate increase. The comparison of growth rates of physical exports (index 110.4) and physical imports (index 104.6) indicates that the year-on-year improvement in the trade balance was due to volume indicators.

The inflow of foreign capital in the form of foreign direct investment affected growth of exports of industry and particularly continuing annual growth in the machinery surplus (more than CZK 80 billion). There is a rise in the share of foreign-owned corporations in growth in the trade surplus. Imports of assembly parts and components also increase the trade turnover.

A rise in the deficit in the mineral fuels category narrowed the trade surplus generated by the machinery items. The remaining year-on-year improvement in the trade balance was attributable to other commodity categories.

As regards the geographical breakdown, trade with EU countries continues to account for most of foreign trade. More than 84% of exports were channelled into EU countries and almost 71% of imports into the CR originated there. The surplus recorded in mutual trade with EU countries exceeded the trade deficit with other countries. As regards other countries, the trade deficits with China and most notably with Russia widened year on year. An annual improvement in the trade balance was mainly recorded for the USA and Japan.

BOX I

The balance of trade in 2001-2005

In 2001-2005, the balance of trade was much more favourable at current prices than in the physical volume – at constant 2000 prices. Terms of trade calculated to the 2000 base were positive throughout the period, reaching their highest value in 2004 (107.4%). In addition to the favourable price impact, the structure of foreign trade also had a positive effect. Results of the trade balance as the sum of component balances of the ten basic SITC commodity groups, taking into consideration in the basic disaggregation and the changes in the structure, were more favourable throughout the entire period than in the case of calculation of the balance on the base of constant 1999 price weights.

In 2001-2005, the balance of trade at current prices improved more or less every year in year-on-year comparison. On the other hand, when expressed at constant prices, it either deteriorated or its favourable development (in 2002) was less noticeable until 2004. However, it improved year on year by CZK 95 billion in 2005, which was almost CZK 30 billion more than in the case of foreign trade at current prices. The given development was a result of radical changes on the supply side and, at the same time, of the markedly unfavourable price development in the category of fuels acting towards a moderation of overall positive basic terms of trade. Thus, although the contribution of the price impact on a year-on-year change in the trade balance was significantly positive during 2001-2004, it was significantly negative in 2005.

CHART 1 (Box)

Trade balance developments up to 2005 were more favourable in current prices than in physical volume (CZK billions)

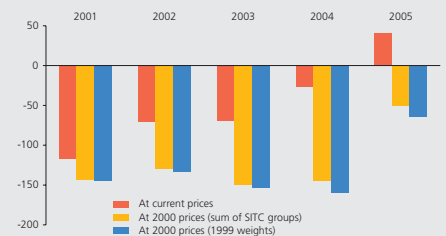
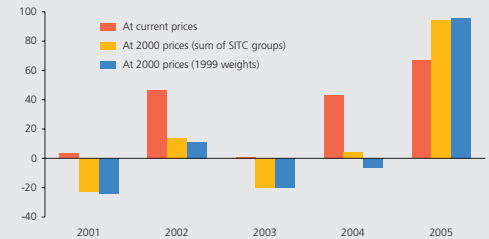


CHART 2 (Box)

Until 2004 the contribution of the price influence to the year-on-year change in the trade balance was positive (CZK billions)



1.1.1. Terms of trade

Apart from the export and import prices achieved on foreign markets, the level of price indices was also affected by the appreciation of the koruna. In the calculation of the terms of trade, the development of the exchange rate acts as a price factor. A decrease in export prices of 1.4% in 2005 and moderate growth in import prices of 0.3% resulted in a deterioration of the terms of trade of 1.7 percentage points. The decrease in export prices was most markedly affected by prices of machinery products, which fell short of the previous year's level (index 96). Higher export prices than in 2004 were recorded for fuels (index 116.5), chemicals (index 101.4) and beverages (index 105.8).

Prices of imported fuels showed a significant year-on-year increase (index 129.2). Prices of raw materials, beverages and tobacco increased moderately. Growth in prices of imported energy-producing commodities on world markets was partly mitigated by a year-on-year appreciation of the average nominal CZK/USD exchange rate of 7.3%. Prices of the other commodity groups, including machinery products prices (index 96), were below the level of prices of the previous year.

The deterioration of the terms of trade was largely due to prices of fuels, raw materials and food. The terms of trade of machinery products and manufactured goods reached the previous year's level. The other commodity groups (miscellaneous manufactured articles, chemicals, beverages and tobacco) saw favourable terms of trade.

In 2005, world prices of industrial raw materials and food saw an increase as a result of demand of the dynamically growing economies of the USA, China and India. Apart from increased demand, oil prices also reflected the regional political uncertainties surrounding the developments in Nigeria (attacks on oil facilities) and in the Arabian world, particularly in Iran (disputes regarding the nuclear programme) and Iraq (attacks on oil infrastructure).

TABLE II.1.1.

The deterioration in the total terms of trade was influenced by the terms of trade for fuels (year-on-year indices)

SITC groups	Price indices		Terms of trade
	Exports	Imports	
0 Food	96.9	99.2	97.7
1 Beverages and tobacco	105.8	100.5	105.3
2 Crude materials	98.0	101.1	96.9
3 Fuels	116.5	129.2	90.2
4 Fats and oils	94.4	89.3	105.7
5 Chemicals	101.4	98.1	103.4
6 Manufactured goods class. by material	99.3	99.1	100.2
7 Machinery and transport equipment	96.0	96.0	100.0
8 Miscellaneous manufactured articles	97.5	92.7	105.2
Total	98.6	100.3	98.3

CHART II.1.5.

Growth in raw material prices was attenuated by developments in the exchange rate of the koruna
(indices; year 2000 = 100)

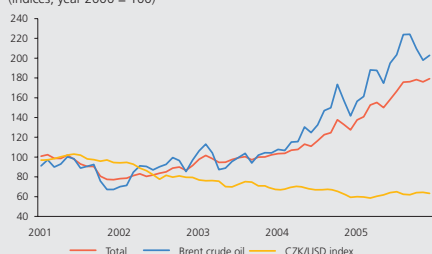


TABLE II.1.2.

The surplus with EU countries had a fundamental influence on the overall result of the trade balance
(CZK billions)

	Exports			Imports			Balance	
	2004	2005	Index	2004	2005	Index	2004	2005
Europe	1,600	1,722	107.6	1,404	1,494	106.4	196	228
EU-25	1,481	1,579	106.6	1,256	1,300	103.5	225	278
EU-15	1,176	1,240	105.4	1,028	1,057	102.9	148	182
Russian Fed.	24	34	139.0	71	104	147.2	-47	-71
America	50	64	128.7	76	72	94.1	-26	-7
USA	39	49	124.5	55	48	88.1	-16	1
Asia	59	71	120.3	253	254	100.5	-194	-183
China	7	7	101.2	91	94	103.8	-84	-87
Taiwan	1	1	127.1	17	17	100.9	-16	-16
Japan	6	8	134.3	59	57	97.2	-53	-50
Rest of the world	13	18	139.2	16	16	100.0	-3	2
Total	1,722	1,875	108.9	1,749	1,835	104.9	-27	40

CHART II.1.6.

The trade deficits with Russia and China increased
(CZK billions)

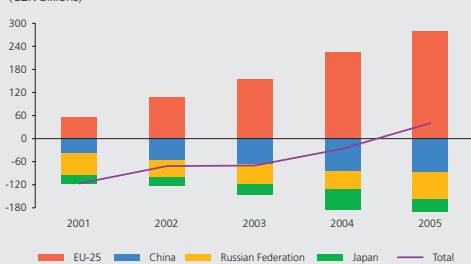


TABLE II.1.3.

Exports grew due to the increase in the sales of machinery products
(CZK billions)

SITC groups	Exports		Index 2005/2004	Share in total		Year-on-year difference
	2004	2005		2004	2005	
0 Food	47.4	60.4	127.4	2.8	3.2	13.0
1 Beverages and tobacco	8.9	10.6	119.0	0.5	0.6	1.7
2 Crude materials	47.3	47.2	99.8	2.7	2.5	-0.1
3 Fuels	49.9	57.5	115.1	2.9	3.1	7.5
4 Fats and oils	1.0	1.8	168.8	0.1	0.1	0.7
5 Chemicals	104.0	118.4	113.9	6.0	6.3	14.5
6 Manufactured goods class. by material	388.5	408.5	105.1	22.6	21.8	20.0
7 Machinery and transport equipment	876.1	955.8	109.1	50.9	51.0	79.7
8 Miscellaneous manufactured articles	198.5	214.5	108.1	11.5	11.4	16.0
9 Commodities not elsewhere classified	0.9	0.5	56.1	0.1	0.0	-0.4
Total	1,722.6	1,875.2	108.9	100.0	100.0	152.6

The aggregate index of world prices of raw materials and food reached 138.3 on annual average. Of the seven main groups, the rise in world prices was most attributable to fuel prices – oil (of 45.1%) and natural gas (of 47.9%). Prices of Brent North Sea crude oil recorded an annual increase from around USD 38 per barrel to a value above USD 55, while prices of Ural crude oil rose from approximately USD 34 to USD 50. Average metal prices rose by 13.2%, in particularly those of zinc, copper, silver and aluminium. The growing demand in the USA and China boosted increases in prices of aluminium and other light metals. Rising prices of basic materials, for example iron ore and coal, also raised producer prices of steel. Textile raw materials, leather and crude wood fell short of the 2004 price levels. By contrast, prices of food and oils increased, owing to higher prices of, for example, coffee, rice and sugar.

1.1.2. Foreign trade by territory

Of the annual improvement in the trade balance of almost CZK 67 billion, CZK 32 billion was attributable to European countries, almost CZK 19 billion to countries in America, CZK 11 billion to Asian countries and CZK 5 billion to other countries of the world.

The trade turnover with European countries accounted for 86.7% of the total turnover of foreign trade. The total result of the trade balance was affected most strongly by the surplus on the trade balance with EU countries amounting to CZK 278 billion, which increased by CZK 53 billion year on year. Other European countries (outside the EU), saw a deterioration of the trade balance of CZK 21 billion. This was fundamentally affected by a widening trade deficit with Russia (of CZK 24 billion), owing to rising prices of imported energy-producing materials and imports of military aircraft (within repayments of government debt). The trade balance also worsened in respect of other states, for example Norway (the effect of a rise in prices of imported natural gas).

The improvement of the trade balance with countries in America by CZK 19 billion was mainly affected by annual growth in exports to the USA amid lower growth in imports.

As regards Asian countries, the trade balance results achieved in particular with Malaysia, Japan, Syria and Israel improved. The trade balance with China deteriorated (a deficit of CZK 87.1 billion), owing to an increase in imports of consumer goods, above all footwear (index 143) and clothing (index 131). Higher imports of consumer goods from other Asian countries were facilitated by the EU's elimination of protective quotas on textile imports.

1.1.3. Foreign trade by commodity

The lead of export growth over import was seen in all commodity groups except fuels. As for the commodity structure of exports, the share of the major group of machinery and transport equipment increased to 51%. The annual increase of almost CZK 80 billion was mainly attributable to automobile industry production (final products and subdeliveries of components), followed by electronics, including computer technology, and industrial machinery. The exports of products of the automobile industry increased, inter alia, due to the launching of new production facilities of the TPCA car factory in Kolín. The increase achieved in exports of machinery and transport equipment at current prices resulted from growth in the physical volume of exports amid a decline in export prices.

The group of manufactured goods recorded an increase mainly in exports of steel, metal and rubber products, tyres, paper and cardboard and special yarns, while the lower exports of textile and leather products reflected subdued production in these industries under the pressure of Asian competition. Foreign demand for consumer goods, food, pharmaceutical and chemical products increased. The group of fuels saw higher exports of coal and processed petrolic oils.

More than half of the increase in imports of almost CZK 86 billion was attributable to an increase in imports in the group of fuels, mainly because of growth in world prices of oil and natural gas. Imports of the machinery and transport equipment group, the most significant in terms of volume, at current prices stagnated (index 99.9). Their physical volume, however, increased (index 104), mainly due to imports of car parts and military aircraft.

The increase in imports of manufactured goods was affected by growing supplies of iron and steel, nonferrous metals (mainly copper) and products from basic metals. The category of food and tobacco saw an increase in import demand for meat, dairy products, vegetables and fruit, non-alcoholic beverages and processed tobacco. Imports of chemical and the pharmaceutical products increased and consumer demand for miscellaneous manufactured articles grew.

1.1.4. Imports by purpose of use

As regards the orientation breakdown of imports by purpose of use, imports for intermediate consumption and investments predominated.

Imports for investment purposes, which included in particular machinery products and assembly parts from the SITC 7 group, accounted for approximately one third of total imports. Imports for investment at current prices fell short of the previous year's level due to lower domestic demand for imports, in particular of industrial machinery, and due to a fall in import prices. The growing imports of assembly parts were mainly channelled into the automobile industry, further imports were associated with the support of programmes for the development of the infrastructure of motorways, high-speed roads, airports and the modernization of fleets of trains. As regards investment projects, the purpose of the imports was to equip technological centres and shared services centres (for example, the construction of the North 2 Terminal at the Prague-Ruzyně airport). A one-off major project was the long-term lease of military aircraft.

Imports for use in production represented more than half of total imports of goods. Their annual increase was affected by both rising demand in manufacturing and growth in prices of imported energy-producing commodities (oil, natural gas and coal). Demand of the metal-processing industry was projected into a rise in imports of non-energy-producing materials – in particular copper, zinc, silver, aluminium and lead, prices of which showed an increase on the world market. Imports for use in production showed the fastest growth in recent years compared with other groups.

Imports for personal consumption accounted for almost 22% of total imports. Food represented approximately 4%, other goods 18%. Dairy and meat products and fruit were among the growing items of food imports. As regards consumer goods, an increase was mainly recorded for imports of furniture, clothing, footwear, sport goods and optics products.

TABLE II.1.4.

Imports grew mainly due to the increase in fuel prices
(CZK billions)

SITC groups	Exports 2004	Exports 2005	Index 2005/2004	Share in total 2004	Share in total 2005	Year-on-year difference
0 Food	72.2	81.7	113.3	4.1	4.5	9.6
1 Beverages and tobacco	10.7	11.7	109.7	0.6	0.6	1.0
2 Crude materials	52.9	51.5	97.4	3.0	2.8	-1.4
3 Fuels	122.1	169.9	139.1	7.0	9.3	47.8
4 Fats and oils	4.2	3.6	87.6	0.2	0.2	-0.5
5 Chemicals	194.8	203.4	104.4	11.1	11.1	8.6
6 Manufactured goods class. by material	360.8	374.4	103.8	20.6	20.4	13.7
7 Machinery and transport equipment	739.9	738.9	99.9	42.3	40.3	-1.1
8 Miscellaneous manufactured articles	190.7	198.5	104.1	10.9	10.8	7.9
9 Commodities not elsewhere classified	0.8	1.0	119.1	0.0	0.1	0.2
Total	1,749.1	1,834.9	104.9	100.0	100.0	85.8

TABLE II.1.5.

The machinery trade surplus exceeded the increase in the fuels deficit
(CZK billions)

SITC groups	Trade balance 2004	Trade balance 2005	Year-on-year difference
0 Food	-24.7	-21.3	3.4
1 Beverages and tobacco	-1.7	-1.1	0.6
2 Crude materials	-5.6	-4.4	1.2
3 Fuels	-72.2	-112.4	-40.2
4 Fats and oils	-3.1	-1.9	1.2
5 Chemicals	-90.9	-85.0	5.9
6 Manufactured goods class. by material	27.8	34.1	6.3
7 Machinery and transport equipment	136.2	217.0	80.8
8 Miscellaneous manufactured articles	7.8	16.0	8.2
9 Commodities not elsewhere classified	0.0	-0.5	-0.5
Total	-26.4	40.4	66.8

TABLE II.1.6.

The share of energy production and assembly parts in imports increased
(CZK billions)

Breakdown of imports by direction of use	Imports					Shares in total imports				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
Investment use	402	377	421	507	505	29.0	28.6	29.2	29.0	27.5
machinery, instruments, means of transport	218	211	238	273	248	15.7	16.0	16.5	15.6	13.5
parts, machine parts, assembly	184	166	183	231	257	13.3	12.6	12.7	13.2	14.0
Consumer goods	272	275	304	381	402	19.6	20.8	21.1	21.8	21.9
food	42	43	45	56	62	3.1	3.2	3.2	3.2	3.4
other	230	232	259	323	340	16.6	17.6	18.0	18.5	18.5
Production consumption	713	668	716	860	927	51.4	50.6	49.7	49.2	50.5
energy production	114	91	98	113	156	8.2	6.9	6.8	6.5	8.5
non-energy production	599	578	618	747	771	43.2	43.7	42.9	42.7	42.0
Imports, total	1,386	1,320	1,441	1,748	1,834	100.0	100.0	100.0	100.0	100.0

CHART II.1.7.

The volume and the growth rate of imports for use in production recorded the highest increase
(CZK billions)

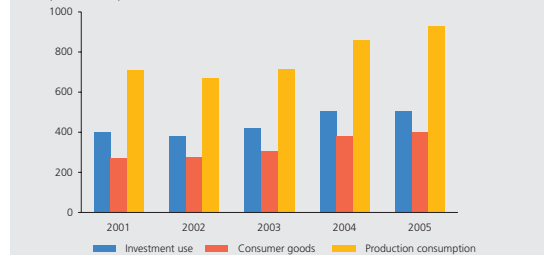


CHART II.1.8.
Growth in exports of computers and electrical machinery reduces the HTP deficit

(CZK billions)

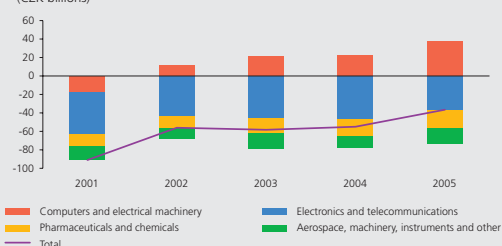


TABLE II.1.7.
The travel and transport surplus covered the other services deficit

(CZK billions)

	2004	2005	Change
SERVICES BALANCE	12.5	19.4	6.9
of which:			
Credit	248.5	258.0	9.5
Transport	72.3	78.8	6.5
Travel	107.2	110.9	3.7
Other services	69.0	68.3	-0.7
Debit	236.0	238.6	2.6
Transport	38.6	43.1	4.5
Travel	58.4	57.8	-0.6
Other services	139.0	137.7	-1.3

CHART II.1.9.
The services surplus began to increase

(CZK billions)

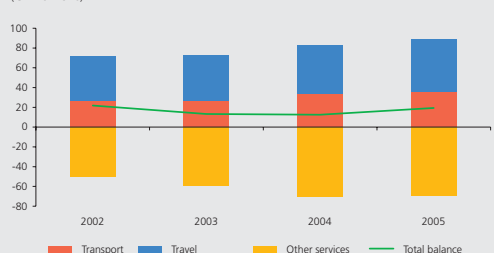
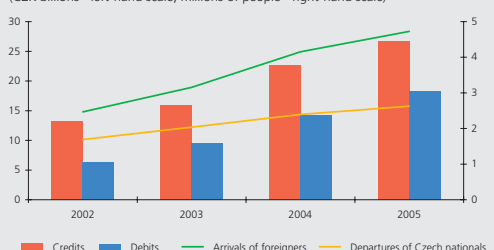


CHART II.1.10.
Both credits and debits are increasing in air transport

(CZK billions - left-hand scale, millions of people - right-hand scale)



1.1.5. Trade in products by technological intensity

High-technology products (under the OECD's classification, products with high technological intensity and the highest value added) accounted for 12.3% of exports and 14.5% of imports. Their share in exports increased year on year. This was due to higher exports of computer technology (the largest export volumes for computers fall to digital processing units and digital data processing systems), electronics and aircraft. Computer technology covered half of the structure of HTP exports, with one quarter being covered by electronics and telecommunications. The remaining part was formed by scientific instruments, machinery, electrical machinery and aircraft.

The share of HTP categories in imports showed a moderate year-on-year decrease. This fall was due to lower imports of electronics and telecommunications, scientific instruments and electrical machinery. Electronics and telecommunications included particularly electronic integrated circuits and transmission apparatus for radio-telephony, televisions and scientific instruments. Year-on-year increases in imports were recorded for computer technology, including parts, pharmaceuticals and chemicals. Electronics, telecommunications and computer technology accounted for the biggest share, almost two thirds, of the structure of HTP imports.

The HTP deficit decreased by CZK 18.3 billion year on year. This reduction was attributable to most of the HTP categories, in particular computer technology, electronics and telecommunications items. In contrast, a significant deterioration of the deficit was recorded for aircraft.

1.2. BALANCE OF SERVICES

In 2005, the balance of services ended in a surplus of CZK 19.4 billion (EUR 0.7 billion), up by CZK 6.9 billion on a year earlier. Receipts from exports of services increased by CZK 9.5 billion year on year and expenditure rose by CZK 2.6 billion.

Annual growth in the surplus on services was largely due to foreign travel. Net receipts from tourism increased by CZK 4.3 billion, amounting to CZK 53.2 billion. The surplus on transport services rose by CZK 2 billion to CZK 35.6 billion, while the deficit on other business and non-business services declined by CZK 0.6 billion to CZK 69.4 billion.

As regards international freight and passenger transport, total receipts from services provided to non-residents increased by CZK 6.5 billion compared to 2004, to CZK 78.8 billion. Expenditure on transport services recorded in the balance of services rose by CZK 4.5 billion, reaching CZK 43.1 billion.

Pipeline transport contributed CZK 2.8 billion to the surplus of transport services, which represents a decrease in net receipts of CZK 0.6 billion on a year earlier. The decrease in receipts from gas transport to Western European countries was mainly due to the exchange rate of the koruna against the dollar and the euro in the course of the year. Payments for gas transport through Slovakia and oil transport from Italy and Germany remained broadly unchanged.

As regards other transport services, the best annual results were recorded for railway freight transport and in particular for road transport, where net receipts increased by CZK 1.8 billion. The rising receipts from air transport were fully offset by increased costs.

Overall foreign-exchange receipts from travel grew by 3.5% year on year to CZK 110.9 billion. The receipts increased by 5.1% in the first half of the year. In the second half of the year, the receipts were affected, apart from the classical

seasonal package holidays, by the ever increasing popularity of weekend stays of foreign tourists as well as by more favourable transport possibilities (in particular by low-cost air transport).

According to the Czech Statistical Office, the total number of foreign visitors to the Czech Republic increased by 4.8% year on year. A rise in visitors was recorded at the border with Austria (of 16.5%), Slovakia (of 2.9%) and Germany (of 4.6%). The number of visitors at the border with Poland fell by 3.1%. Foreign tourists travelling to the Czech Republic used mostly air transport, which increased by 13.8% year on year.

Accommodation facilities recorded year-on-year growth in foreign visitors of 4.5%. Four-star hotels, which accommodated 23.3% more guests than in the previous year, were in the greatest demand. In contrast, accommodation in lower category hotels and guest houses stagnated. The least sought-after type of accommodation (a decrease of 9%) were other accommodation facilities (camps and other types of accommodation). A year-on-year fall in demand for accommodation in the Czech Republic was recorded, for example, for visitors from Israel, Sweden, Greece and Mexico. Conversely, higher demand for accommodation facilities was apparent, for example, for visitors from Estonia, Iceland, Hungary, Russia, Canada and Japan.

The expenditure of Czech nationals on foreign travel decreased by 1.1% year on year, to CZK 57.8 billion. The expenditure remained flat in the first half, while the second half saw a 2% annual decrease.

Departures of Czech nationals abroad decreased by 1.3% year on year. A fall was recorded at the border with Poland (of 16.4%) and Austria (of 0.4%). The number of persons travelling abroad was higher at the border with Germany (of 4.1%) and Slovakia (of 3.7%). Demand for air transport for journeys abroad rose by 9.6% year on year.

Payments in cash still dominate the structure of the means of payment used in foreign travel. The share of payment cards is gradually increasing, especially on the debit side. Payment cards issued abroad were used to execute transactions worth CZK 40.3 billion in the Czech Republic, accounting for 36.3% of total receipts from foreign travel. The share of payments effected by Czech nationals abroad by means of payment cards reached 30.4% (CZK 17.6 billion) of the total expenditure on foreign travel.

Receipts from other business and non-business services provided to non-residents decreased by CZK 0.7 billion compared to 2004, totalling CZK 68.3 billion. A simultaneous fall in expenses on imports of services of CZK 1.3 billion (to CZK 137.7 billion) resulted in a decrease in the deficit of CZK 0.6 billion.

The comparison with 2004 shows that the credit side saw, with the exception of computer services and services between related enterprises, a decrease in receipts for almost all items. Net transfers of funds between parent companies and subsidiaries relating to their operating needs and overhead expenses increased by CZK 9.4 billion year on year. Computer technology and information services recorded an improvement of CZK 0.6 billion due to higher growth in receipts than in payments abroad. The largest decrease in receipts was recorded for "other business services". Given the simultaneous increase in expenditure, this had a negative effect on the other services balance, which decreased by CZK 6.4 billion compared to the previous year. On the other hand, lower receipts from legal and advisory services received from non-residents, accompanied by an even more marked decrease in expenses, had a positive impact amounting to CZK 2.3 billion. A decrease in receipts from operational leasing amid unchanged expenses widened the deficit by CZK 1.2 billion. A decrease in amounts received and, to a greater extent, paid was reflected in an annual narrowing of the deficit of postal and telecommunication

TABLE II.1.8.
The number of guests in accommodation facilities increased
(millions of people, days)

	2002	2003	2004	2005
Number of people	4.6	5.1	6.1	6.3
Average stay duration	4.2	4.3	4.1	4.1

CHART II.1.11.
Cash payments predominated in the structure of foreign travel
credits and debits
(CZK billions)

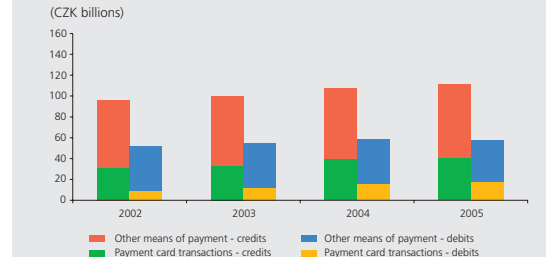


CHART II.1.12.
The deficit on other services was flat
(CZK billions)



TABLE II.1.9.

The income balance deficit decreased according to up-to-date estimates
(CZK billions)

	2004	2005	Change
INCOME BALANCE	-157.8	-142.3	15.5
of which			
Credit	87.0	112.3	25.3
Compensation of employees	20.5	24.2	3.7
Investment income	66.5	88.1	21.6
dividends	2.8	16.5	13.7
reinvested earnings	8.7	3.1	-5.6
interest	55.0	68.5	13.5
Debit	244.8	254.6	9.8
Compensation of employees	37.5	51.2	13.7
Investment income	207.3	203.4	-3.9
dividends	79.4	67.4	-12.0
reinvested earnings	75.8	78.2	2.4
interest	52.1	57.8	5.7

Note: reinvested earnings for 2005 are estimated and will be revised

CHART II.1.13.

Income from direct investment is the largest component
of the income balance
(CZK billions)



services of CZK 1.1 billion. Receipts from property leasing to foreign entities were down by CZK 0.9 billion on a year earlier. The loss from merchanting and intermediation of business transactions increased by CZK 1.4 billion. Domestic customers paid for various technical services CZK 2.3 billion more than in 2004. Financial services showed a significant fall on the payments side; receipts decreased to a much smaller extent, which was manifested in the improvement of the deficit of CZK 2.1 billion. Insurance services remained broadly unchanged on the credit side, while the amounts transferred to foreign reinsurance companies increased by CZK 1.4 billion compared to the previous year.

1.3. BALANCE OF INCOME

In 2005, the balance of income ended in a deficit of CZK 142.3 billion (EUR 4.8 billion); this represents an improvement of CZK 15.5 billion in comparison with the previous year. Income rose by CZK 25.3 billion, while expenses grew by CZK 9.8 billion.

The number of foreigners employed in the Czech Republic increased by approximately one third in comparison with the previous year. According to the CZSO's information, their number exceeded 202,000 at the end of the year. This represented total costs (salaries paid out and social security contributions) for domestic employers of CZK 51.2 billion, i.e. an increase of 36%. Despite the obstacles posed by some countries, Czech citizens succeed ever more in finding work abroad; the CZSO estimates their number at 24,000. In total, they earned more than CZK 24.2 billion, i.e. almost one fifth more than in 2004.

In addition to the exchange rate movements on foreign financial market, the year-on-year increase in returns on the CNB's international reserves of CZK 5.2 billion reflected the sale of Český Telecom with the subsequent conversion of foreign exchange revenues into CNB's reserves.

Faster growth in assets as against liabilities during 2005 affected the interest rate balances of commercial banks. Such balances were also affected by interest rates in the Czech Republic and abroad. In comparison with 2004, net interest income increased by CZK 1.3 billion. There was, in particular, a significant increase in interest collected on deposits in foreign banks, while interest on accepted deposits and credits paid to foreign banks and clients grew to a much smaller extent.

Interest paid abroad in connection with loans received from the European Investment Bank for the construction of the motorway network, the repair of flood damage and flood prevention, and for the city of Prague increased by CZK 0.2 billion compared to 2004, totalling CZK 0.7 billion. Apart from this, interest expenses of the government sector also included the interest calculated from the value of the contract for the lease of fighter aircraft from Sweden in the amount of CZK 0.3 billion. In 2005, there were no major interest payments from foreign debtors on intergovernmental loans provided in the past.

The interest balance of the corporate sector improved by CZK 1.5 billion on a year earlier. Although expenses connected with loans drawn from foreign banks and financial intermediaries rose by CZK 0.6 billion, foreign-owned corporations paid their parent undertakings approximately the same amount in interest as a year earlier. In the area of commercial credits, interest income exceeded the amounts paid to foreign suppliers.

Income from equity investments by Czech entities abroad increased by CZK 13.7 billion compared to 2004. Of total dividends of CZK 16.5 billion, portfolio investors distributed CZK 3.2 million among themselves, while dividends of CZK 13.3 billion fell to direct investors. Dividends paid to foreign holders of shares in domestic corporations and banks decreased by CZK 12 billion on a year

earlier, totalling CZK 67.4 billion; of which, CZK 63.1 billion were remitted to the credit of direct investors. Data on dividends paid from direct investment are based on currently available data and will be specified at the end of 2006.

Based on an updated estimate derived from the results of a periodical survey in foreign-owned corporations for 2004, foreign owners are expected to leave CZK 78.2 billion of the profit generated in 2005 in the Czech Republic for further development of their companies. This figure is, however, still preliminary and will be specified in the future on the basis of a survey carried out in companies for 2005 (results will be processed at the end of 2006).

Investment into foreign bonds resulted in profits of CZK 14.7 billion for domestic investors, i.e. up by CZK 1.9 billion on a year earlier. Yields for foreign holders of domestic bonds increased by a similar amount. In total, they received over CZK 7.3 billion, of which CZK 4.7 billion fell to yields on government bonds and bonds issued by the Ministry of Finance and cities.

1.4. CURRENT TRANSFERS

In 2005, current transfers ended in a surplus of CZK 20.9 billion (EUR 0.7 billion), up by CZK 16.6 billion on a year earlier. Total credits rose by CZK 28.9 billion to CZK 75.6 billion and transfers abroad reached CZK 54.7 billion.

The net flow of funds between the Czech Republic and the European Commission recorded in the balance of payments under government current transfers changed direction compared to the previous year. The outflow of funds increased to CZK 30.8 billion, while the inflow from the EU budget reached CZK 25.3 billion. Details on the financial flows between the Czech Republic and the European Union can be found in Annex 1.

Foreigners employed in the Czech Republic contributed to the state budget with higher income tax transfers and social security contributions. Collections from other taxes and charges were also higher. In total, this represents an increase of CZK 5.6 billion. Government expenditure also increased; higher amounts were transferred abroad in the form of pensions and contributions to international organizations (a total increase of CZK 1.2 billion).

Private transfers were largely affected by the arbitration between the ČSOB and Slovakia regarding the settlement of Slovenská inkasní, which resulted in the Slovak party's obligation to pay almost CZK 19.5 billion. Except for lower transfers from foreign reinsurance companies, other income of the private sector remained at the same level as in the previous year. As regards expenses, tax transfers and social security contributions increased in connection with the departure of an ever greater number of Czech nationals abroad in search of work. The simultaneous reduction in most of the other items within private transfers led to a fall in total expenses by CZK 1.4 billion.

2. THE CAPITAL ACCOUNT

In 2005, the capital account ended in a surplus of CZK 5.1 billion (EUR 0.2 billion). The capital account was mainly affected by receipts from the EU Structural Funds. Credits and debits for the other transactions were less significant in terms of volume and related primarily to trading in intangible goods (patents, licences, trademarks) and to transfers of migrants' assets.

TABLE II.1.10.
The surplus on current transfers increased
(CZK billions)

	2004	2005	Change
BALANCE OF CURRENT TRANSFERS	4.3	20.9	16.6
of which:			
Credit	46.7	75.6	28.9
government	34.2	45.7	11.5
revenues from EU budget	19.5	25.3	5.8
other	14.7	20.4	5.7
private	12.5	29.9	17.4
Debit	42.4	54.7	12.3
government	21.0	34.7	13.7
transfers to EU budget	18.0	30.8	12.8
other	3.0	3.9	0.9
private	21.4	20.0	-1.4

TABLE II.2.1.
The capital account was affected by income from the EU
(CZK billions)

	2004	2005	Change
Capital account	-14.0	5.1	19.1
of which EU funds	5.2	5.4	0.2

BOX 2**Outlooks for the financial flows between the Czech Republic and the budget of the European Union**

Since the accession to the European Union (EU) as of 1 May 2004, the balance of payments has been also affected by the financial flows associated with the Czech Republic's full connection to the joint EU budget on both revenue and expenditure sides. This includes in particular current transfers in the current account balance, as government transfers are recorded here, and the capital account, which registers transfers from the Cohesion Fund and from the structural funds, which form the core of the economic and social cohesion policy of the European Union. Due to its lower economic level in comparison with the EU average, the Czech Republic is entitled to funds within the framework of economic and social cohesion policies. That is why the Czech Republic is increasingly expected to be among the countries with significant net inflows of funds from the EU budget, just as has been the case of, for example, Portugal, Spain and Ireland. However, the entitlement to most receipts from the EU does not arise automatically, but is linked to a sufficient number of prepared projects and the ability to co-finance them, which is why the resulting volume of receipts from the EU budget is uncertain and limited only by the ceiling of the approved financial framework (allocation).

Between 2004 and 2006, as pre-accession aid projects (PHARE, ISPA and SAPARD) were gradually nearing completion, the Czech Republic started to draw funds from standard EU sources. Such standard sources form the largest expenditure chapters of the joint EU budget, among which is expenditure on the Common Agricultural Policy (47.5% of the total expenditure of the EU budget in 2004) and expenditure within the Structural Policies (37.1%), the share of which is gradually increasing. The remaining expenditure consists in particular of payments for internal policies (6.6%) and expenditure on the operation of EU bodies (5.3%). Due to concerns that the new member states will not be able to draw all their allocations immediately after their accession to the Union, additional compensation payments were established before the enlargement in order to prevent deterioration of the new members' net positions vis-à-vis the EU budget. It is, however, envisaged that these compensations will only exist until the end of 2006.

In the years immediately after its accession to the EU, the Czech Republic was not successful in fully drawing its allocations. In 2005, its realised net position vis-à-vis the EU budget recorded a slight deficit. From 2004 onwards, the net inflow of funds from the EU budget amounted merely to CZK 6.5 billion, the largest revenue item being compensations for non-worsening of the net position following the accession (34.7%); followed by revenues for the Common Agricultural Policy (28.2%) and revenues due to structural operations (22.4%). The financial flows connected with the EU budget pass through the CNB's accounts and their monetary conversions were also largely implemented on the CNB's accounts, without any direct impact on the foreign exchange market and the foreign exchange rate. The additional net inflow thus did not affect international reserves and the macroeconomic development.

The financial frameworks for the period from 2004 to 2006 are significantly higher than the amount the Czech Republic will likely be able to deplete. It can be assumed that revenues from the EU funds will come with a certain delay, which will shorten as the experience of Czech entities will grow. This is also the reason why, in particular in the early years, the total allocation will not be depleted.

It is difficult to estimate the future net inflow of funds from the joint EU budget. This is also because the follow-up seven-years' financial outlook for the EU for the period from 2007 to 2013 has not yet passed through the entire approval process at the EU level and, therefore, for the time being, no specific operational

programmes have been prepared at national level. According to existing proposals, however, the net position of the Czech Republic vis-à-vis the EU budget could reach the level of several dozen billions of koruna a year, which represents a significant inflow of funds under the balance of payments. However, given the previous experience of the Czech Republic and in comparison with the experience of the original EU countries, it is unlikely that the Czech Republic would be able to immediately deplete all its allocations.

Revenues within the framework of the economic and social cohesion policies of the EU are likely to form an important part of the Czech Republic's total revenues from the joint budget, as was for example the case of Portugal, which drew three quarters of its entire revenues in the form of structural operations. However, the entitlement to resources from the economic and social cohesion funds does not arise automatically. These revenues are linked with the implementation of specific projects, which are covered from the EU budget only retroactively. The future net position of the Czech Republic vis-à-vis the EU budget thus largely depends on the absorption capacity of private and public entities, hence on a sufficient number of development projects submitted and on the (budgetary) capacity for their co-financing. In the case of the Cohesion Fund, co-financing amounts to about 15% on average, whereas in the case of the Structural Funds it is about 30% on average.

As regards the Structural Funds, one of the criteria for the evaluation of the member states' ability to draw funds from the EU budget is the ratio between the payments actually accepted and the total allocation of financial resources. In EU-15, the proportion of realised payments to the total allocation of the Structural Funds (including the reserves) in the current financial outlook for 2000 to 2006 was 42% at the end of 2004, which means that more than half of these resources are still to be drawn by the end of 2006. When looking at the ability to draw by means of annual averages, the EU-15 absorption capacity reached approximately 60% of the annual allocation from the Structural Funds. There are, however, significant differences between the member states. Annual drawings of funds fluctuate between more than 70% in the case of Ireland, Portugal and Spain and 31% in the case of the Netherlands.

Provided that in the future financial outlook for 2007 to 2013, the average annual allocation of total revenues for the Czech Republic is for example CZK 130 billion and the total transfers into the common budget amount to CZK 40 billion, the Czech Republic could theoretically record future net revenues of CZK 90 billion a year. This is, however, rather an improbable scenario, for if approximately three quarters of the Czech Republic's total revenues from the EU budget consist of revenues for the structural policies and the capacity to absorb the allocations granted is around the EU-15 average (60%) and the other, usually entitlement, revenues from the joint budget are drawn in full, the net position would be CZK 51 billion. In the case of a pessimistic scenario reckoning on the absorption ability of 40%, which, however, is still more than what the current drawing amounts to, the net position would fall from the original CZK 90 billion to only CZK 32 billion. The estimated net impact of revenues from the EU budget on the balance of payments in individual years is, therefore, difficult to quantify in advance. Nevertheless, it is possible, at the horizon of the next financial outlook for the EU, to envisage an increase in the net inflow into the Czech Republic, intensity of which should grow over time. The funds actually drawn are, however, likely to be lower than the prepared allocation.

Sources:

Allocation of 2004 EU expenditure by Member State. European Commission, September 2005.

Analysis of the budgetary implementation of the Structural Funds in 2004. European Commission, May 2005.

TABLE II.3.1.

The flow of portfolio and other investment changed direction
(CZK billions)

	2004	2005	Change
Financial account	183.7	137.9	-45.8
Direct investment	101.8	242.7	140.9
Czech abroad	-26.1	-20.5	5.6
foreign in the Czech Rep.	127.9	263.2	135.3
Portfolio investment	59.4	-72.0	-131.4
Czech abroad	-63.9	-72.9	-9.0
foreign in the Czech Rep.	123.3	0.9	-122.4
Financial derivatives	-3.2	-2.8	0.4
assets	-15.6	-1.7	13.9
liabilities	12.4	-1.1	-13.5
Other investment	25.7	-30.0	-55.7
1. Long-term investment	56.9	33.9	-23.0
granted abroad	20.4	-16.3	-36.7
received from abroad	36.5	50.2	13.7
2. Short-term investment	-31.2	-63.9	-32.7
granted abroad	-50.9	-88.1	-37.2
received from abroad	19.7	24.2	4.5

3. THE FINANCIAL ACCOUNT

The net inflow of foreign capital on the financial account was CZK 137.9 billion (EUR 4.6 billion), down by almost CZK 45.8 billion on 2004. The inflow of foreign funds was recorded for foreign direct investment. The balances of flows of portfolio investment and other investment ended in a deficit in 2005. The ratio of the financial account surplus to GDP was approximately 4.7%.

3.1. FOREIGN DIRECT INVESTMENT

The surplus on foreign direct investment more than doubled on a year earlier, amounting to CZK 242.7 billion. The main reason for the high surplus was privatisation income. Apart from that, the volume of foreign investment in the Czech Republic was also affected by an expansion of capacities by existing investors as well as by newly established shared services centres and research and development activities (almost half of corporate research is carried out by foreign-owned corporations). There was also an increase in the number of investment by newly registered foreign investors.

Czech investment abroad also showed growth, above all due to another successful privatisation event by ČEZ, which endeavours to gain the position of a significant entity on the electricity market in Central and South-Eastern Europe. However, there was also an increase in the number of other domestic companies which expanded to foreign markets.

The inflow of foreign investment was affected by the state support of investment. In 2005, the state business and investment support agency CzechInvest intermediated the highest number of projects in its history. This was fostered by the agency's new support programme focusing on the support of the preparation of research and development projects, on the basis of which small and medium-sized Czech enterprises can obtain a subsidy of up to CZK 250,000 from the EU funds to cover expenses connected with the preparation of their project solution proposals. Further, the agency has launched a new consultancy programme, thanks to which subsidies are granted for consultancy and training services up to 50% of allowable expenses. Moreover, the CzechInvest agency has established a new division focusing on investment and applied research, the purpose of which is to search and acquire good quality foreign and domestic investment in manufacturing, strategic services and corporate research and development.

CHART II.3.1.

Net foreign direct investment
(CZK billions)

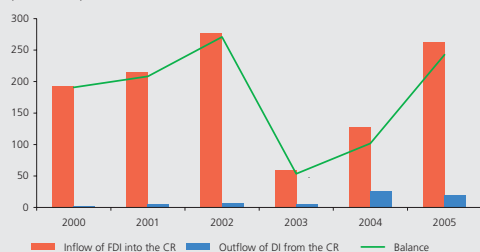
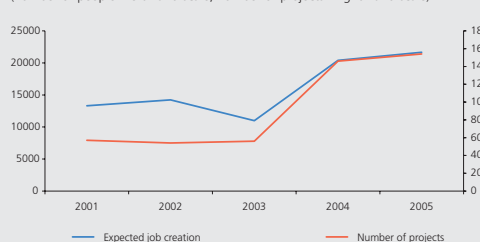


CHART II.3.2.

The number of projects of the CzechInvest agency in 2005 was the highest in its history

(number of people - left-hand scale, number of projects - right-hand scale)



3.1.1. Czech direct investment abroad

The total volume of domestic investment abroad was CZK 20.5 billion (EUR 0.7 billion) in 2005. Of this figure, CZK 8.3 billion were invested in equity capital. Estimated reinvested earnings decreased to around CZK 3 billion. The volume of granted credits associated with direct investment increased from CZK 5.8 billion in 2004 to CZK 9.1 billion in 2005. More than half of the investment was channelled into manufacturing (52.9%), in particular into manufacture of metals and metal products. The share of investment into electricity, gas and water supply industry amounted to 20.8%, while real estate and business services accounted for 18.9%. By territory, the largest volume of funds was allocated outside Europe. Investment went further into Romania (23.4%), the Netherlands (11.4%) and Slovakia (6.9%).

3.1.2. Foreign direct investment in the Czech Republic

The volume of flows of direct investment into the Czech Republic doubled in 2005 year on year, amounting to CZK 263.2 billion (EUR 8.8 billion). The inflow of direct

investment into equity capital (including privatisation revenues) of CZK 184.6 billion (EUR 6.2 billion) was mainly a result of sales of large companies to non-residents (Český Telecom, Unipetrol, Vítkovice Steel) and another repurchase of Český Telecom shares from portfolio investors by a direct foreign investor. Privatisation revenues reached CZK 104.8 billion, which accounted for around 40% of the total inflow of direct investment. The remaining part of investment was largely attributable to increases in ownership interests of foreign corporations and the establishment of new foreign-owned corporations. Estimated reinvested earnings grew moderately year on year, amounting to CZK 78.2 billion (EUR 2.6 billion). By contrast, a sharper decline in the inflow was recorded for other capital, which decreased year on year, totalling mere CZK 0.4 billion (EUR 0.01 billion). The ratio of foreign direct investment to GDP was 9% in 2005.

The largest volume of direct investments was channelled into services (82.7% of total direct investment). 16.8% went into manufacturing, while investment into primary production was insignificant. By economic activity, the largest volume of investment went into transport and telecommunications (45.2%), real estate and business services (17.7%) and financial intermediation (11.9%). The largest investors were Spain (44.7%) due to the privatisation, the Netherlands (18.1%), Germany (10.1%) and Poland (6.4%). Over 94% of the investment came from EU countries.

3.1.3. Returns on foreign direct investment in the Czech Republic

The return on direct investment consists of dividends, reinvested earnings and interest. According to preliminary data, the return on direct investment (return to volume of investment ratio) was around 10% in 2005. In 2004, the return on investment was around 12%. The annual survey on foreign direct investments for 2004 confirmed the good economic results of foreign-owned corporations. Despite an increase in earnings paid abroad in the form of dividends, reinvested earnings remain the most significant item of the returns in terms of volume.

According to preliminary data, the volume of dividends from direct investment paid abroad in 2005 reached CZK 63.1 billion. The all-time high volume of dividends paid, amounting to CZK 73.5 billion, was recorded in 2004. In recent years, the high dividend payments have been affected by one-off payments from funds created from earnings generated over several years and, at the same time, by the growing number of entities transferring regularly their annual earnings to their parent companies. According to a preliminary estimate, reinvested earnings amounted to CZK 78.5 billion in 2005. The recorded volume of reinvested earnings in 2004 exceeded the estimate. The difference was due to better economic results of companies in all sectors of the economy. Interest on other capital constitutes a relatively stable part of returns on direct investment. Interest on credits received from direct investors amounted in total to CZK 7.3 billion in 2005.

3.2. PORTFOLIO INVESTMENT

3.2.1. Money and capital markets

European and world financial markets were affected by the favourable economic situation of the United States as well as by the developing Asian economies, in particular the expanding economies of China and India. The American market withstood some unfavourable factors in 2005 – increases in interest rates, rapid growth in energy prices and several devastating hurricanes. The American dollar strengthened against most major world currencies; it appreciated against the euro by 13% for the year as a whole. The appreciation trend of the Czech koruna against

CHART II.3.3.

Privatisation income from foreign investors increased in 2005
(CZK billions, percentages)

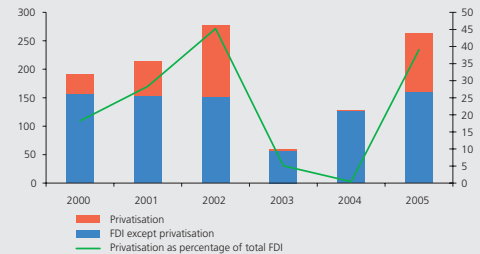


TABLE II.3.2.

The rate of return on FDI in the Czech Republic stabilised
(CZK billions)

	2001	2002	2003	2004	2005
Return	81.0	103.3	118.3	156.6	148.6
Volume of FDI	982.3	1 165.5	1 161.8	1 280.6	1 462.0
Rate of return (%)	8.2	8.9	10.2	12.2	10.2

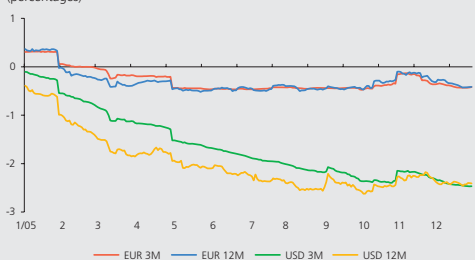
CHART II.3.4.

The volume of dividends converged with the volume of reinvested earnings
(CZK billions)

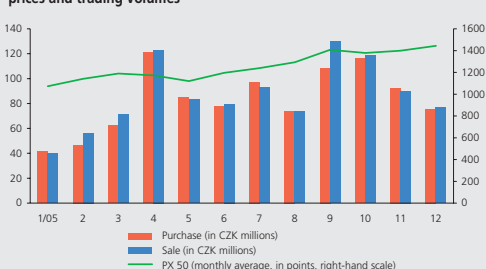


CHART II.3.5.

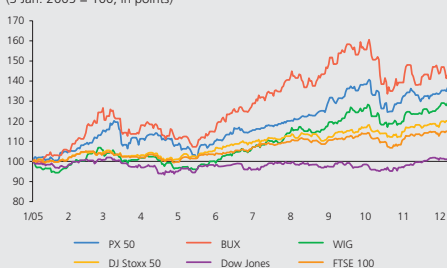
The interest rate differential of the koruna was negative for most of the year (percentages)

**CHART II.3.6.**

The demand of non-residents for domestic shares pushed up prices and trading volumes

**CHART II.3.7.**

The Prague Stock Exchange index again recorded strong growth in 2005 (3 Jan. 2005 = 100, in points)



the euro remained unchanged in 2005. By contrast, it gradually depreciated against the American dollar in the course of the year. At the end of the year, the CZK/EUR exchange rate was at CZK 29.00 for EUR and the CZK/USD exchange rate reached the value of CZK 24.56 for USD.

The money market

The European Central Bank maintained the official key interest rate of the euro area from June 2003 onwards at 2% and subsequently, in December 2005, increased it by 0.25 percentage point to 2.25%. The Fed increased the official key interest rate altogether eight times in 2005, from the initial 2.25% to the final 4.25%. The reference interest rates on the interbank deposit market responded to these changes. The level of the three-month USD/LIBOR rate increased by almost two percentage points in the previous year in connection with monetary policy tightening. The levels of EURIBOR and PRIBOR oscillated around their values from the beginning of the year. The interest differential of the koruna rates against the dollar rates was negative throughout the year and continued to widen. The interest differential of the CZK/EUR rates was also negative throughout most of the year.

The capital market

The year of 2005 has been so far the most successful year in the history of the stock market of the Prague Stock Exchange. Both main share indices reached new all-time highs (PX 50 closed at 1,478.3 points on 4 October and PX-D closed at 3,741.6 points on 29 December). The main PX 50 index strengthened by 42.7% year on year, the narrower PX-D index increased by 46.3%. The positive developments on the Prague Stock Exchange were affected as early as in 2004 by the accession of the Czech Republic to the European Union and by the ever increasing interest of foreign investors in the Central European region. Interest of foreign investors in the trading on the Prague Stock Exchange continued to prevail over that of domestic investors, although domestic retail investors also showed increased activity. At the close of the year, growth in share prices was stimulated by optimistic news from companies concerning dividend payments in the following year.

The greatest growth in share prices was recorded for issues of Unipetrol (a year-on-year increase of 136.8%) and ČEZ (116.1%). Two new stocks were introduced to the stock exchange market in 2005. Both cases involved a dual listing, i.e. shares, which were already traded on another stock exchange abroad. In February, it was an issue of the Luxembourg real estate company ORCO, which is traded on the Euronext market in Paris. The ORCO issue grew by 40.7% by the end of the year. Shares of the American media company CME began trading at the end of June. These shares are simultaneously traded on the New York Nasdaq stock exchange. The CME issue strengthened by 18.0% by the end of the year. Both issues entered the Czech market successfully and were included into the bases of the main stock exchange PX 50 and PX-D indices after several days of trading.

The year of 2005 was above average in terms of volumes of trading in shares and units. The value of CZK 100 billion was exceeded within four months and the full-year volume of trading increased to a record CZK 1.04 trillion, which represents annual growth of 117%. According to the statistics of the Federation of European Stock Exchanges (FESE), the Prague Stock Exchange occupied the second place in the Central European region in terms of volumes of trading in shares and units, after the Viennese Stock Exchange. It even outstripped the Viennese Stock Exchange after several months. The most traded shares among the individual stocks were those of ČEZ (28.7% of the total volume of all share trades on the stock exchange), followed by Český Telecom shares (27.7%) and Komerční banka shares (19.8%).

The most closely monitored European stock markets did significantly better than in the previous year and strengthened mainly in the second half of 2005. The Europe-wide DJ Stoxx 50 grew by 20.7%, the DAX index on the German stock exchange rose by 27.1%. The great interest of foreign investors in Central European markets was manifested in continued growth on these markets, which began in the previous year. The main Hungarian BUX stock index strengthened year on year by 41.0%, the main WIG index of the Polish stock exchange rose by 33.7%. American markets remained broadly the same in the course of the year: high oil prices and expectations of a tighter monetary policy pushed share prices down, while optimistic macroeconomic reports offset such pressures. The Blue Chips Standard and Poor's 500 index strengthened by 3.0% year on year, while the more broadly based Dow Jones Industrial index weakened by 0.6%. On the other hand, share indices in Asian countries, for example in China, Japan, Hong Kong and Korea, recorded considerable growth.

Trading in bonds continued its downward trend. The total volume of trading in bonds on the Prague Stock Exchange was CZK 549.7 billion, down by 21.0% on a year earlier. Thus, a greater share of the volume of trading fell to shares and unit certificates (66.1%) for the first time since 1996. Czech government bond yields were largely affected by bond markets in neighbouring countries, copying similar instrument in Germany or in the euro area in 2005. Czech ten-year government bond yields decreased by around 0.53 percentage point on a year earlier, while the yield on the ten-year benchmark for the euro area declined by around 0.35 percentage point. Yields on some European bonds with longer maturities dropped to their historical lows (below 3.00%) in the middle of the year. Yields on American government bonds fluctuated in response to macroeconomic data. Following a period of initial fast growth, the yields were decreasing until June. Subsequently, they reversed their trend and gradually grew until the end of the year thanks to positive macroeconomic data and statements made by the Fed. The yields on American bonds with maturity of 10 years increased by 0.15 percentage point year on year. The spread between Czech government bonds with maturity of 10 years and the benchmark bond for the euro area fluctuated between -0.07 and +0.23 percentage point.

In March 2005, the Czech Republic issued a euro-denominated 15-year bond in the total volume of EUR 1 billion (approximately CZK 30 billion) for the purpose of financing government needs. This was the historically second issue of government bonds in a foreign currency and, as with the first issue in June 2004, foreign investors' demand significantly exceeded the volume offered. Both foreign currency issues are traded on the stock exchange in Luxembourg.

3.2.2. Portfolio investment

In 2005, portfolio investment recorded a net outflow of funds of CZK 72.0 billion (EUR 2.4 billion), almost exclusively on the asset side. A year-on-year change (of around CZK 131.4 billion) on the asset side was attributable to Czech investors' increased interest in foreign instruments, in particular debt instruments. On the liabilities side, there was a year-on-year decrease in the inflow into domestic equity securities and debt securities.

Assets recorded a net outflow abroad of CZK 72.9 billion (EUR 2.4 billion). Investment by Czech entities in foreign equity securities reached CZK 26.0 billion. Compared with the previous year, interest of residents in foreign bonds increased. Increases in investment in bonds reached CZK 46.9 billion.

CHART II.3.8.
Ten-year government bond yields were decreasing
(percentages)

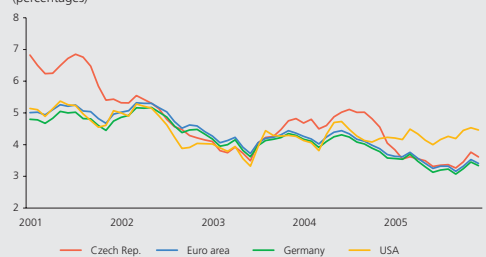


CHART II.3.9.
The final balance of portfolio investment flows was affected chiefly by growth in assets
(CZK billions)

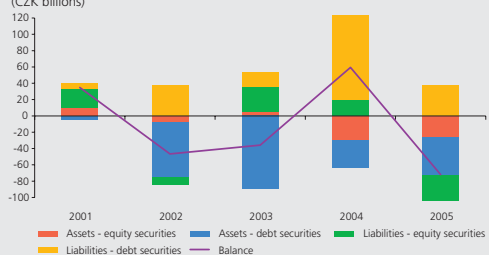
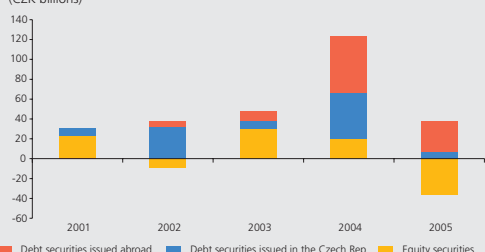


CHART II.3.10.

The final balance of liabilities was affected by higher sales of shares and a lower volume of bond issues abroad



On the liabilities side, the net inflow of foreign portfolio investment was only CZK 0.9 billion (EUR 0.03 billion), which represents an overall annual decrease in investment by non-residents in domestic securities of around CZK 122.4 billion. This was largely affected by the excess of sales of domestic shares over purchases of around CZK 36.4 billion, which was strongly associated with the repurchase of Český Telecom shares by a foreign direct investor. The volume of debt securities issued by Czech entities on foreign markets was also lower year on year. Six new issues were made in 2005, totalling around CZK 45.5 billion as against CZK 60 billion in 2004. Moreover, two foreign issues amounting to around CZK 14.9 billion were repaid. In 2005, trading in domestic bonds recorded a total inflow of CZK 37.3 billion.

3.3. FINANCIAL DERIVATIVES

The net outflow of capital in financial derivatives of CZK 2.8 billion (EUR 0.09 billion) was CZK 0.4 billion lower in 2005 than in the previous year. The outflow was recorded for both asset-side and liability-side transactions. This item, however, does not have any major impact on the overall financial account balance.

3.4. OTHER INVESTMENT

Other investment showed a deficit of CZK 30.0 billion (EUR 1.0 billion), down by around CZK 55.7 billion on a year earlier.

Foreign funds drawn by the government sector amounted to CZK 34.9 billion (the figure does not include funds obtained by the government from direct and portfolio investment). On the asset side, revenues were linked with the de-blocking operations and repayments collected on government loans granted in the past. Items on the liabilities side included above all loans from the EIB at central and local levels for infrastructure development and a loan for the lease of fighter aircraft.

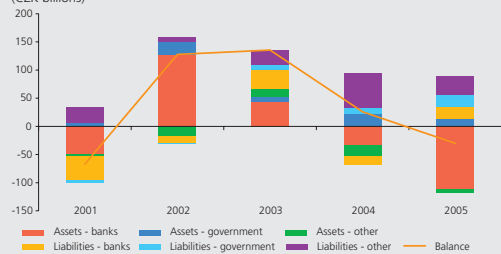
The inflow of funds into the corporate sector of CZK 26.9 billion was associated above all with drawings on long-term credits from foreign entities and with an increase in import liabilities.

Due to an increase in the European Commission's short-term deposits with the CNB, the net surplus in this item of other investment amounted to CZK 4.9 billion.

Commercial banks recorded an outflow abroad of 96.7 billion in their balance sheet positions vis-à-vis non-residents, excluding portfolio investment. On the banks' asset side, long-term loans provided abroad grew, with short-term deposits with banks abroad also increasing, in total of around CZK 112 billion. On the side of short-term liabilities, an increase of around CZK 14.8 billion was recorded, in particular for koruna deposits from foreign banks and clients.

CHART II.3.11.

All sectors except commercial banks recorded a net inflow of other investment

**TABLE II.4.1.**

CNB international reserves increased due to the state's foreign exchange revenues from privatisation

	2004	2005	Change
CNB international reserves	636.2	726.7	90.5
Coverage of goods and services imports	3.8	4.2	0.4

CNB international reserves adjusted for valuation changes increased by CZK 92.9 billion (EUR 3.1 billion), in particular in connection with the repurchase of the foreign exchange revenues from the privatisation in the second quarter and due to investment returns on the reserves. International reserves totalled CZK 726.7 billion (EUR 25.1 billion) at the end of 2005. The volume of international reserves covers more than four months' worth of imports of goods and services.

5. THE INVESTMENT POSITION, EXTERNAL DEBT AND DEBT SERVICE

5.1. THE INVESTMENT POSITION

The international investment position of the Czech Republic showed a deficit of CZK 856.8 billion (EUR 29.5 billion) at the end 2005, which represents 29.2% of GDP. The net debtor position of the state widened by CZK 31.8 billion. Underlying this figure was an increase in liabilities of CZK 306.4 billion, linked mainly with capital inflow in the form of direct investment. Assets increased by CZK 274.6 billion on a year earlier. The asset structure recorded above all a rise in commercial bank assets (of CZK 114.3 billion) and an increase in the CNB international reserves (of CZK 90.5 billion). The remaining items on the asset side recorded a total increase of around CZK 69.8 billion.

The debtor position under direct investment (CZK 1,357.7 billion) increased by CZK 161.2 billion year on year. The increase in foreign direct investment was linked with the privatisation and with estimated reinvested earnings by foreign investors.

Portfolio investment (excluding the CNB) saw an increase in the net debtor position of CZK 0.3 billion year on year to CZK 9.1 billion, owing to the exchange rate and price effects. Portfolio investments by non-residents was CZK 437.8 billion (a year-on-year increase of CZK 56.8 billion) at the end of the year. Non-residents invested mainly in debt instruments issued in the Czech Republic and abroad. Portfolio investment by domestic entities was CZK 428.7 billion, up by CZK 56.5 billion year on year. As regards the structure, investment in debt securities prevail (CZK 320.9 billion). The territorial breakdown of portfolio investment assets and liabilities is shown in Annex 11.

The main item contributing to international investment position assets are CNB international reserves, amounting to CZK 724 billion, adjusted for the CNB's liabilities vis-à-vis non-residents. The asset position increased by CZK 88 billion year on year. This was mainly due to privatisation revenues.

The resulting net position of commercial banks (excluding portfolio investment) was in a surplus at the end of the year, amounting to CZK 104.1 billion. The year-on-year increase in the creditor position of commercial banks of CZK 98.5 billion was mainly connected with a rise in short-term assets abroad. On the liabilities side, there was a year-on-year increase in short-term deposits abroad and credits provided by non-residents, amounting to around CZK 16.2 billion.

The government's position contributed a deficit of CZK 14 billion to the overall balance. The annual change of CZK 30.5 billion resulted in the government's transition from the position of the creditor to that of the debtor. This is due to de-blocking operations and repayments of government loans, which led to a decline in government assets of around CZK 10.2 billion. On the liabilities side, there was an increase (of around CZK 20.3 billion) in long-term loans accepted from international institutions for the construction of transport infrastructure and the lease of fighter aircraft. The item does not include funds drawn by the government under portfolio investment.

The debtor position of the corporate sector (CZK 314.8 billion) grew by CZK 29 billion year on year. The corporate sector drew in particular long-term credits from foreign banks and parent companies. Supplier credits also recorded an increase.

TABLE II.5.1.
The negative net investment position increased
(CZK billions)

	2004	2005	Change
Assets	1,549.3	1,823.9	274.6
Liabilities	2,374.3	2,680.7	306.4
Net investment position	-825.0	-856.8	-31.8

Note:
Under liabilities, unlike for gross debt, direct investment includes ownership interests as well as credit transactions and portfolio investment includes equity securities as well as debt securities.

TABLE II.5.2.
The change in the investment position was affected chiefly
by direct investment
(CZK billions)

	2004	2005	Change
Direct investment	-1,196.5	-1,357.7	-161.2
Portfolio investment	-8.8	-9.1	-0.3
Financial derivatives	7.9	10.7	2.8
CNB	636.0	724.0	88.0
Commercial banks	5.7	104.1	98.5
Government	16.5	-14.0	-30.5
Corporations	-285.8	-314.8	-29.0
Net investment position	-825.0	-856.7	-31.8

Note:
Under liabilities, unlike for gross debt, direct investment includes ownership interests as well as credit transactions and portfolio investment includes equity securities as well as debt securities.

TABLE II.5.3.
Long-term liabilities predominated in external debt
(CZK billions)

	2004	2005	Change
External debt - total	1,011.8	1,125.9	114.1
short-term	344.5	353.0	8.5
long-term	667.3	772.9	105.6
Share of short-term debt	34.0%	31.4%	-2.6%

CHART II.5.1.
The government sector accounted for most of the rise in total debt
(CZK billions)

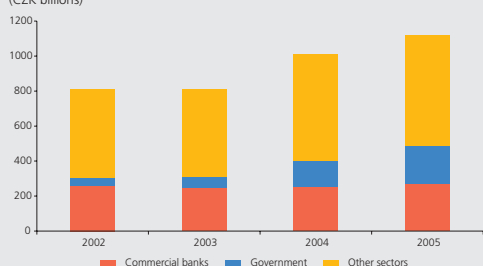
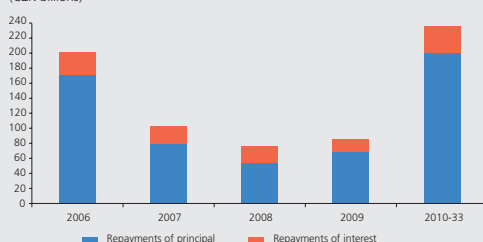


TABLE II.5.4.
Loans and long-term securities predominate in the breakdown
of debt by instrument
(CZK billions)

	2004	2005	Change
Money market instruments	8.7	3.3	-5.4
Bonds and notes	163.5	213.9	50.4
Loans	408.8	434.8	26.0
Deposits	172.7	188.7	16.0
Trade credits	83.2	107.0	23.8
Other liabilities	16.2	19.8	3.6
Intercompany FDI loans	158.8	158.4	-0.4
Total debt	1,011.8	1,125.9	114.1

CHART II.5.2.
Debt service will increase after 2011 in connection with repayments
of government liabilities
(CZK billions)



5.2. EXTERNAL DEBT

The total external debt of the Czech Republic at the end of the year 2005 was CZK 1,125.9 billion (EUR 38.8 billion), which represents approximately 38.4% of GDP. According to preliminary estimates, the koruna-denominated debt (CZK 393.5 billion) accounted for around 35% of this amount. Compared to the previous year, the total debt was up by CZK 114.1 billion, mainly due to growth in long-term liabilities (of CZK 105.6 billion). Long-term debt accounted for 68.6% of the total debt, amounting to CZK 772.9 billion. Short-term debt grew by CZK 8.5 billion, accounting for 31.4% of the total debt.

As regards sectors, the corporate sector had the greatest volume of long-term liabilities (CZK 486.4 billion). Companies account for approximately 63% of the long-term debt, with their liabilities increasing by CZK 31.2 billion year on year. The government sector (central government and municipalities), whose liabilities rose by around CZK 73.3 billion year on year, was responsible for 28.6% of the Czech Republic's total long-term debt. In addition to issuing long-term bonds, the government sector also continued to draw on long-term loans from the European Investment Bank. The banking sector accounted for 8.5% of the long-term debt.

On the other hand, the banking sector had the greatest share of short-term liabilities, namely 57.4%. Short-term liabilities of the corporate sector reached CZK 143.4 billion (a 40.6% share). The short-term debtor position of the government and the central bank is negligible in terms of the total volume of short-term liabilities.

As regards the instruments used, loans had the biggest share in the structure of the total foreign debt (38.6%). Interest of foreign investors in long-term securities led this form of debt to rise to 19% year on year. Bank deposits and commercial credits accounted for 16.8% and 9.5% respectively of the total debt. The loans drawn under direct investment slightly decreased year on year, accounting for around 14%. Other instruments are insignificant in the overall debt structure.

5.3. DEBT SERVICE

Debt service on long-term foreign liabilities amounted to CZK 189.7 billion (approximately EUR 6.9 billion) in 2005. Repayments in principal were CZK 157.8 billion, and a total of CZK 31.9 billion was paid in interest. Debt service costs increased by around CZK 19.9 billion year on year.

The greatest share of the debt service of around 89% was paid by the corporate sector (CZK 169.6 billion) in 2005. Corporations were primarily repaying loans from direct investors and foreign banks. Commercial banks repaid a total of around CZK 13.6 billion of their long-term foreign liabilities. Repayments by the government sector, including municipalities, amounted to around CZK 6.5 billion. The central bank made an annual repayment of CZK 23.2 million on a loan drawn from the EIB.

Debt-service financing represented 8.9% of exports of goods and services in 2005. This ratio remained practically unchanged on a year earlier.

FINANCIAL FLOWS BETWEEN THE CZECH REPUBLIC AND THE EUROPEAN UNION IN 2005

	2004		2005	
	EUR millions	CZK millions	EUR millions	CZK millions
Pre-accession instruments	156.9	4,877.9	67.9	2,004.9
PHARE	82.5	2,576.7	58.6	1,725.2
ISPA	35.8	1,086.8	0.0	0.0
SAPARD	38.6	1,214.4	9.3	279.7
Agriculture	90.8	2,813.7	428.5	12,739.3
Market measures	4.7	147.3	70.1	2,070.7
Direct payments	0.0	0.0	212.4	6,329.5
Rural development	86.0	2,666.4	146.0	4,339.2
Structural actions	193.4	6,082.9	211.9	6,261.0
Structural Funds	161.6	5,118.5	137.6	4,072.4
Cohesion Fund	31.8	964.3	74.3	2,188.6
Internal Policies	12.2	387.4	29.8	884.2
Transitional measures	0.0	0.0	10.9	320.1
Community programmes	12.2	387.4	18.9	564.0
Compensation	331.3	10,466.5	291.8	8,667.7
Total receipts (EU budget)	784.6	24,628.4	1,029.9	30,557.0
EEA Financial instrument	0.0	0.0	0.0	0.0
Bilateral aid from Norway	0.0	0.0	0.0	0.0
Total receipts	784.6	24,628.4	1,029.9	30,557.0
Traditional own resources (customs duties etc.)	61.2	1,910.1	146.9	4,373.7
VAT-based resource	80.5	2,548.8	151.0	4,507.8
GNP-based resource	374.7	11,865.3	651.5	19,463.4
UK rebate	51.8	1,639.0	79.0	2,359.0
Total payments of own resources to EU	568.1	17,963.2	1,028.3	30,703.9
Net position in respect of EU budget	216.5	6,665.2	1.6	-146.9
Payments to European Investment Bank	27.7	879.8	27.7	823.3
Subscribed capital	7.9	249.4	7.9	233.4
Reserves	19.9	630.3	19.9	589.9
Payments to European Central Bank	5.7	184.9	0.0	0.0
Subscribed capital	5.7	184.9	0.0	0.0
Total payments to EU institutions	601.6	19,027.9	1,056.0	31,527.2
Net position in respect of EU institutions	183.1	5 600.5	-26.1	-970.2

Source: Ministry of Finance; CNB calculation

For the needs of the balance of payments, transactions in accounts which are connected with the transfers of resources between the institutions of the EU, the budget of the European Commission and the institutions in the Czech Republic are monitored. Resources from the European funds are transferred to the credit of the National Fund of the Ministry of Finance, which is the payment agency for the implementation of structural operations. Payments for the agricultural policy are revenues of an account of the Ministry of Agriculture established specifically for this purpose. The revenues are implemented in EUR and for the purpose of the balance of payments are converted at the exchange rate which was used for the given transaction. The values mentioned in the survey with respect to the individual years are the payments of financial resources into the CR, not the actual volume of drawing by economic entities on the territory of the CR. The transfers of own resources are implemented in CZK, from the account of the Ministry of Finance, and the conversion into EUR is carried out using the foreign exchange rate-midpoint effective on the day of transaction.

1. Revenues from the EU budget

In the year 2005 the Czech Republic was still a recipient of funds under the pre-accession aid instruments PHARE and SAPARD. The total amount accepted in 2005 for projects implemented within the framework of PHARE was CZK 1,725.2 million. The amount is given as a net amount, after inclusion of the amounts of resources from terminated and accounted for programmes which were transferred back into the budget of the European

Commission. The amount allocated for the SAPARD programme in 2005 was CZK 279.7 million. Towards the close of the year 2005 the SAPARD programme was officially terminated and the remaining projects will be paid out, in accordance with the regulation of the European Commission, from the financial resources of the guarantee section of the European Agricultural Guarantee and Support Fund within the framework of the Horizontal Plan of Rural Development. The ISPA instrument was terminated for new applicants already before the accession to the EU and was replaced by drawing from the Cohesion Fund within the framework of the Structural Operations chapter.

The Czech Republic received from the Agriculture chapter CZK 2,070.7 million for market measures. The amount of CZK 6,329.5 million was accepted in 2005 for direct payments to farmers. The Czech Republic acquired in 2005 from the European Union advance payments on the level of CZK 4,339.2 million for projects under the Horizontal Plan of Rural Development. The funds mentioned are only transfers to the credit of the chapter of the Ministry of Agriculture. Subsequently they are transferred to the State Agricultural Fund, which is the payment agency for the administration of subsidies and payments to farmers.

The Czech Republic acquired in 2005 from the Structural Operations chapter advance and on-going payments from the Structural Funds of the EU in the total amount of CZK 4,072.4 million. The funds received are revenues of the National Fund of the Ministry of Finance. They are subsequently transferred, in parts, to accounts of the payment units and from there paid out to the final recipients. The process of drawing under the individual operating programmes is only starting and the funds are paid out only retroactively, for the completed parts of the projects. This is why the amount paid out to economic entities in 2005 was significantly lower than the payments accepted from the European funds. The Czech Republic accepted CZK 2,188.6 million for specific, prepared, infrastructure projects financed from the Cohesion Fund.

Within the framework of the Internal Policy chapter the Czech Republic as a member state of the European Union is the recipient of aid under another programme of the European Communities, the so-called Transition Instrument. In 2005 resources totalling CZK 320.1 million were received for this instrument. The internal policies continue to be implemented with the use of Community Programmes, which are focused on the support of "smaller" projects in the following areas: education, science and research, business and research capacities, culture, information society, protection of the consumer and many others. In the case of Community Programmes there are no fixed allocations to the individual member states and the drawing of financial resources depends exclusively on the activity of the recipients of the aid themselves. It is very difficult to record the drawing for these projects, as the resources are transferred directly to the participants in the programmes. In the survey of financial flows for the year 2005, payments for Community Programmes are included in the total amount of CZK 564 million. Of this, CZK 449.8 million are net payments, after the inclusion of the returned resources from the already completed and accounted for projects, implemented through the national agencies. Payments for the programmes secured by the national agencies were included in the survey on the basis of direct statistical investigation.

Within the framework of budgetary compensations, the purpose of which is to ensure that the net position of a country should not deteriorate after its accession to the European Union and which are the result of the negotiations at the Copenhagen Summit, the Czech Republic obtained in 2005 altogether CZK 8,667.7 million. The compensations are paid monthly and are a direct source of the state budget.

The assistance funds from the off-budget sources EEA¹ financial instrument and bilateral aid of Norway were not drawn in the years 2004 and 2005. The agreements on the participation of the Czech Republic in the above-mentioned programmes were signed, but the drawing of financial resources under these programmes has not been implemented yet.

2. Transfers to the EU budget and repayments of the subscribed capital of the EIB

The transfers of the Czech Republic to the budget of the European Union are paid in crowns in regular monthly instalments. In 2005 the total amount of these transfers was CZK 30,703.9 million. The payments concerned are advance payments and the definitive accounting will be carried out always after the termination of the period, retroactively, according to the respective definitive statistical data and with regard to the development of the exchange rate CZK/EUR in the given period. In September 2005 the second repayment of the capital and reserves of the European Investment Bank totalling CZK 823.3 million was implemented.

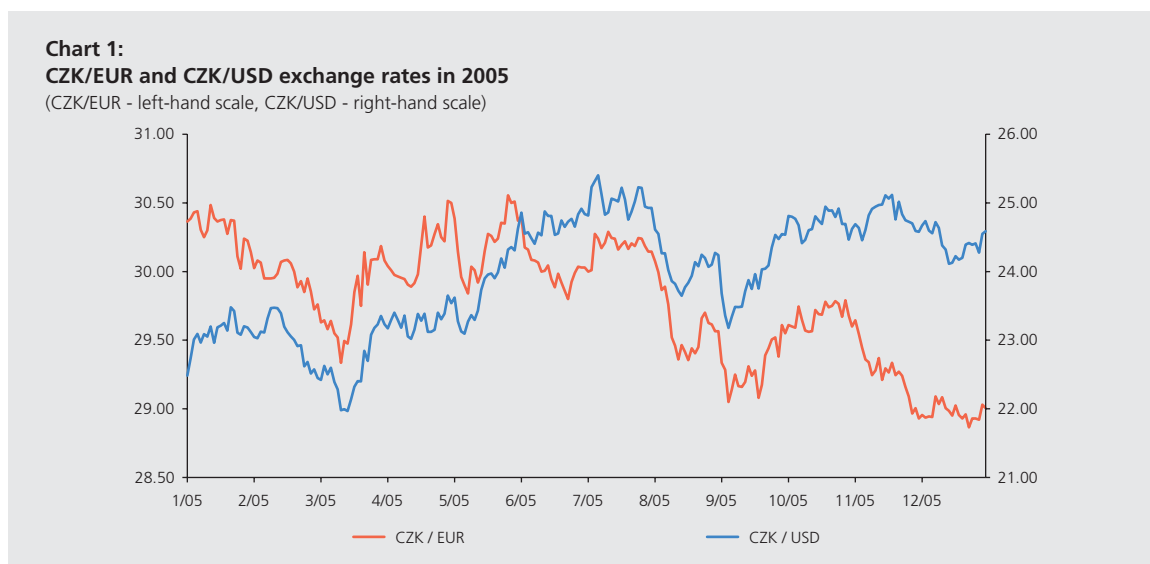
1 Assistance Programme of the European Economic Area

3. Summary

The net position of the Czech Republic towards the budget of the European Union, calculated as a difference between the total revenues from the budget and transfers to the budget of the European Union attained in 2005 a moderately adverse balance of CZK 146.9 million. After inclusion of the repayment of the capital and reserves of the European Investment Bank the net position towards the institutions of the European Union was adverse and amounted to CZK 970.2 million. In the balance of payments, the mutual transfers are recorded in the current account within the framework of government transfers; in 2005 the negative balance of transfers from the European Union reached the level of CZK 5,533.5 million. In the balance of payments capital account, in accordance with the effective methodologies, transfers from the Cohesion Fund of the European Union and a transfer of a part of the advance and on-going payments within the framework of the Structural Operations are recorded. The credit balance of the capital transfers connected with the Structural Operations of the European Union amounted to CZK 5,386.6 million. The repayment of the capital and reserves of the European Investment Bank is included in the balance of payments financial account and represents a debit balance on the level of CZK 823.3 million.

THE EXCHANGE RATE OF THE KORUNA

1. Nominal exchange rate of the koruna



At the beginning of the year the koruna benefited from the auspicious macroeconomic data and from the positive attitude towards currencies of the Central European region and gradually strengthened. At the beginning of February, after publication of the results of foreign trade for December, which were good beyond expectation, the koruna broke through the important technical level of CZK/EUR 30.00 and with the contribution of the weakening dollar, attained at the beginning of March its historical maximum on world markets. Together with the koruna, also the currencies in the neighbouring countries strengthened and reached the levels where investors began to be apprehensive about interventions of central banks. The subsequent closing of long positions in regional currencies resulted in the correction of the appreciation trend. Repatriations of dividends by foreign investors also contributed to the depreciation of the koruna at the end of April above the limit of 30.50 against the euro.

Even though during the first decade of May the koruna strengthened to 29.80 to the euro, the closing of long koruna positions of foreign funds and the continuing repatriation of profits to abroad brought the exchange rate back to the limit of 30.50 to the euro.

The auspicious economic data, the dollar depreciating against the euro and the speculations about the purchase of korunas in connection with the mandatory repurchase of the shares of minority shareholders, which was taking place after the takeover of Český Telecom by the Telefonica company, were behind the strengthening of the koruna, which at the beginning of August reached the level of 29.30 to the euro. The trend towards appreciation was further deepened by the report of the Fitch rating agency on an increase in the rating of the liabilities of the Czech Republic by one grade.

In September and October the positive feeling towards the Central European currencies cooled, when nervousness about the political development in the Czech Republic, Slovakia and Poland prevailed on the market. Also the dollar strengthening against the euro had a negative effect and the koruna thus gradually, in the course of October, depreciated to the level of 29.80 against the euro. The increase in the CNB's interest rates of 25 percentage points at the end of October, the positive reaction to Slovakia's entry into the ERM II system in November and the improvement of the outlook for the evaluation of the liabilities of the Czech Republic by the S&P rating agency in combination with the technical factors were behind the further strengthening of the koruna, which at the beginning of December attained the value of 28.84 against the euro, the strongest value in its history.

2. Nominal effective exchange rate

Nominal effective exchange rate (NEER), expressed by the basic index, indicates the appreciation (the index above 100) or depreciation (the index below 100) of the national currency against the basket of selected currencies for a certain period as against the base period (the year 2000). The NEER index was calculated in two variants, by the method of a weighted geometrical average of the nominal currency rates, taking into consideration the weighted shares of 23 countries, the overall share of which in the foreign trade of the CR is approximately 90%. NEER is computed in a time series as a monthly average and a yearly average on the base of the year 2000 for 12 monetary zones. In the computation, the exports and imports of the euro area countries are taken into consideration as a single weighted share, using the exchange rate of the koruna against the euro.

Chart 2:
Nominal effective exchange rate of the koruna
(monthly data in %, year 2000 = 100)

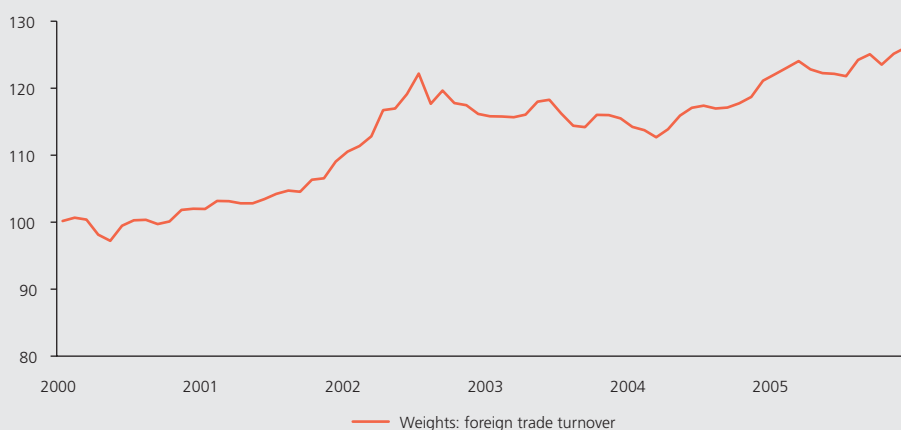


Table 1:
Nominal effective exchange rate of the koruna

(monthly data, year 2000 = 100)	2005											
	1	2	3	4	5	6	7	8	9	10	11	12
Weights: foreign trade turnover	122.1	123.1	124.1	122.8	122.3	122.1	121.8	124.2	125.1	123.5	125.1	126.1

Appreciation > 100; depreciation < 100;

In 2005 the average annual NEER index strengthened, in year on-year terms, by more than 6%. This development reflected above all the influence of the appreciation of the exchange rate of the koruna against the euro. The average annual exchange rate of the koruna appreciated against all currencies of the weight basket, except for the Polish zlotý.

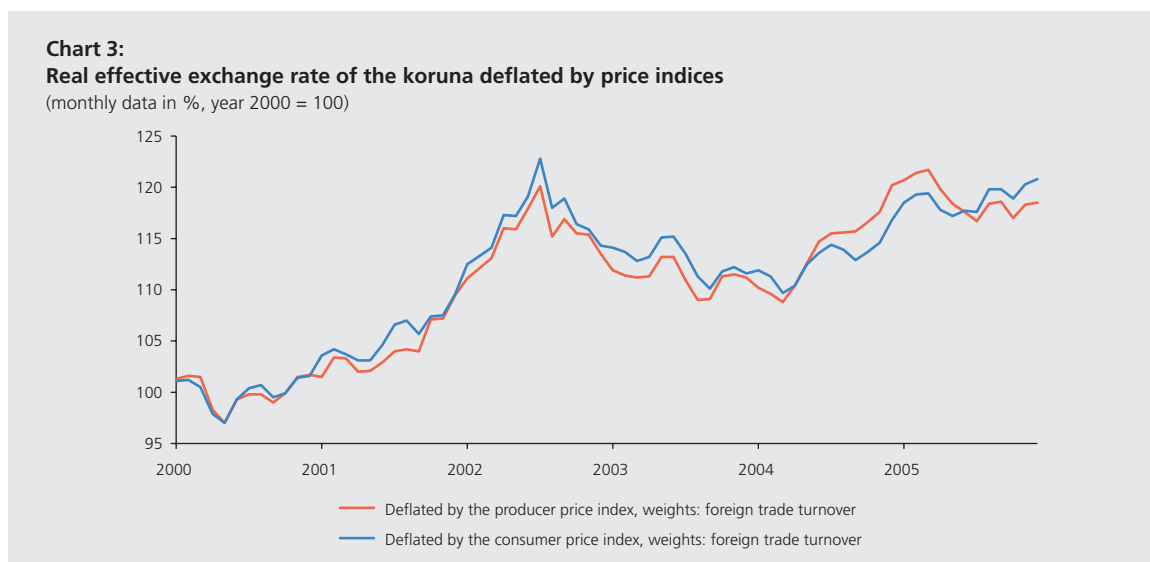
3. Real effective exchange rate of the koruna deflated by price indices

Real effective exchange rate (REER) is one of the indicators of the development of the international competitiveness of a country and in general it stands for various measures of relative prices or costs expressed in a given currency.

The method selected for the computation of REER was that of a weighted geometrical average of the ratio of the nominal exchange rate index and the differential (the ratio of foreign indices to domestic indices) of the respective price indicator. The weights are the shares of 23 biggest business partners in the turnover of foreign trade. The countries of the euro area are for the purpose of these computations considered as a single area. The structure of the countries and their weighted shares are identical with those used in the methodology of the computation of the nominal effective exchange rate of the koruna. The weights relate to the total turnover of foreign trade.

During the recent years the trend of development of the real effective exchange rate has been dependent above all on the development of the nominal exchange rate of the koruna against the selected currencies and has been corrected by the respective price differential.

Consumer prices and producer prices of 23 countries are used for the computation.



Sources: IMF (foreign price indices), Czech Statistical Office (price indices for the Czech Rep.), CNB (nominal exchange rate indices)

Table 2:
Real effective exchange rate of the koruna deflated by price indices

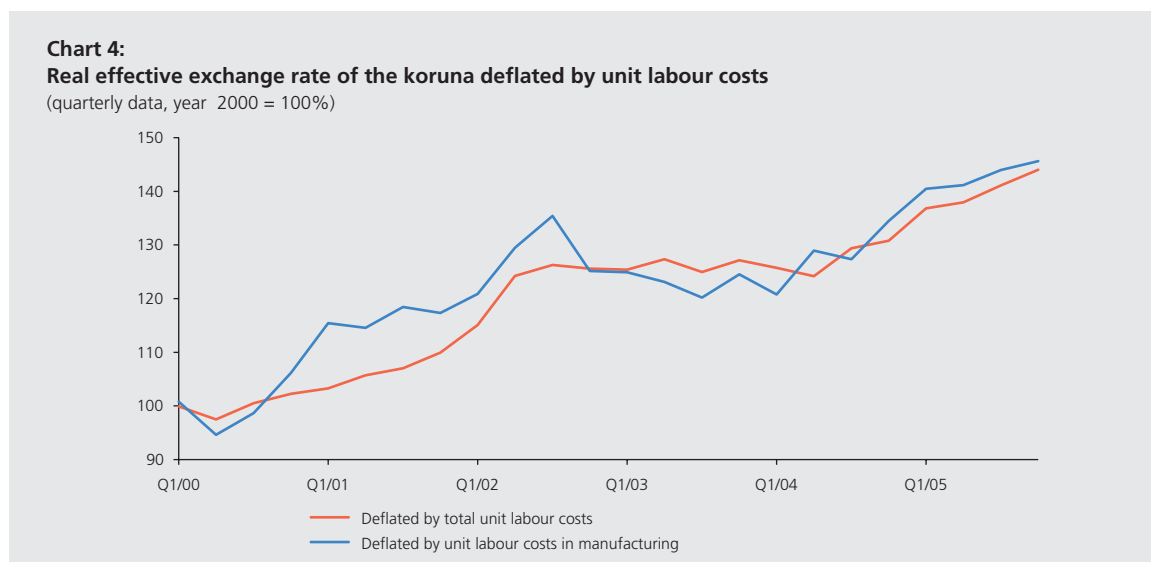
(monthly data, year 2000 = 100)		2005											
Weights: foreign trade turnover		1	2	3	4	5	6	7	8	9	10	11	12
Producer prices		120.7	121.4	121.7	119.8	118.4	117.6	116.7	118.4	118.6	117.0	118.3	118.5
Consumer prices		118.5	119.3	119.4	117.8	117.2	117.7	117.6	119.8	119.8	118.9	120.3	120.8

Appreciation > 100; depreciation < 100;

In comparison with the previous year, in 2005 the real effective exchange rate index of the koruna expressed in producer prices strengthened by 4.3%, in consumer prices by 5.2 %. The appreciation of the real exchange rate in 2005 represents a significant decline in the price competitiveness, which was influenced above all by the strengthening of the exchange rate of the koruna during the second half of the year. The growth of the real exchange rate index in consumer prices was further affected by the acceleration of the growth rate of domestic consumer prices, while inflation in the euro area (65.7% of foreign trade of the CR) stagnated and in Slovakia (7.6% of foreign trade) declined. The slower growth of the index in producer prices was, on the contrary, corrected by the faster growth of foreign prices as against domestic ones, so that the competitiveness expressed in these prices was declining at a slower rate.

4. Real effective exchange rate of the koruna deflated by the unit labour cost index (ULC)

Indices of the unit labour costs in the total economy and in manufacturing were used for this computation. The weights are the shares of 22 biggest business partners in the foreign trade turnover.



Sources: ECB - unit labour cost indices
 CNB - nominal exchange rate indices

Table 3:
Real effective exchange rate of the koruna

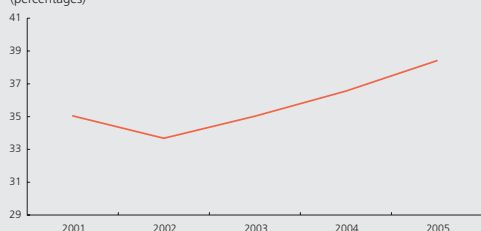
(quarterly data, year 2000 = 100%)	2004				2005			
Weights: foreign trade turnover	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unit labour costs - total	125.8	124.2	129.4	130.8	136.8	137.9	141.1	144.0
Unit labour costs in manufacturing	120.8	128.9	127.4	134.5	140.5	141.1	144.0	145.6

The real effective exchange rate of the koruna deflated by the unit labour cost index increased, as against the previous year, by 9.7%, its variant computed with the unit labour cost index in manufacturing by 11.7% (foreign trade weights). The appreciation of the real effective exchange rate was influenced, apart from the development of the nominal exchange rate of the CZK, above all by the faster growth of the unit labour cost index in the Czech Republic than in all its 22 partner countries.

DEBT INDICATORS OF THE EXTERNAL STABILITY OF THE CZECH REPUBLIC

Selected indicators of the external stability of the Czech Republic focusing on the amount and dynamics of foreign indebtedness and debt service are evaluated on the basis of the recommendations contained in the publication of the International Monetary Fund and the World Bank entitled "External Debt Statistics" from the year 2003.

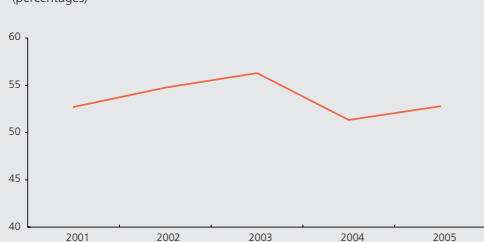
GRAF 1:
The ratio of external debt to GDP has increased in recent years (percentages)



1. External debt/GDP

The trend towards growth of the external debt to nominal GDP ratio continues (38,4 %) due to the rising indebtedness of the government and the corporate sector abroad. The level of foreign indebtedness of the CR approaches the limit of 40% of GDP.

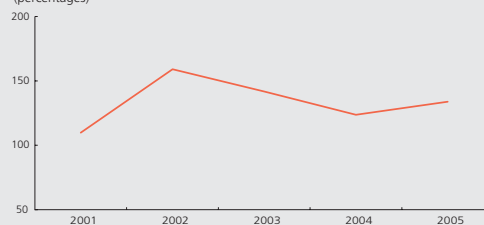
GRAF 2:
The ratio of external debt to exports is stabilised (percentages)



2. External debt/exports

The degree of the ability to repay external debt by exports of goods and services slightly decreased in 2005. The amount of external debt reached the equivalent of 53% of annual exports of goods and services. In the course of time the stability of this indicator has been evident.

GRAF 3:
CNB international reserves permanently exceed the volume of short-term debt (percentages)



3. The CNB's international reserves/short-term debt

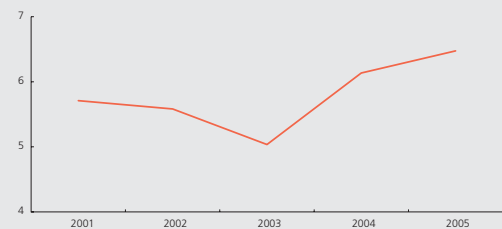
The volume of international reserves of the CNB towards the end of 2005 exceeded the level of rapidly mobilizable external debt (short-term liabilities including due debt service on long-term debt in the respective year) by 34%. The extent of the coverage and the securing of the necessary liquidity can be considered as satisfactory.

4. Debt service/GDP

The year 2005 saw an increase in the volume of debt service to 6.5% of GDP. The ratio of debt service to GDP is increasing in spite of the acceleration of the economic growth in the Czech Republic and the globally low level of interest rates. The gradual increasing of the rates, in particular the dollar interest rates, in the course of 2005 will be fully projected into debt service in 2006.

GRAF 4:

The debt service to GDP ratio has increased in recent years
(percentages)

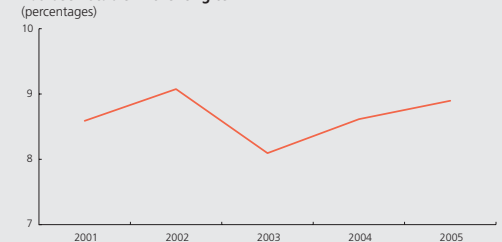


5. Debt service/exports

In 2005, 8.9% of annual exports of goods and services fell to repayments of debt service on the medium-term and long-term liabilities. In view of the dynamic growth of the exports of goods and services the ratio of debt service to exports has been stable in the long term.

GRAF 5:

The coverage of debt service by exports of goods and services has been stable in the long term
(percentages)



Conclusion:

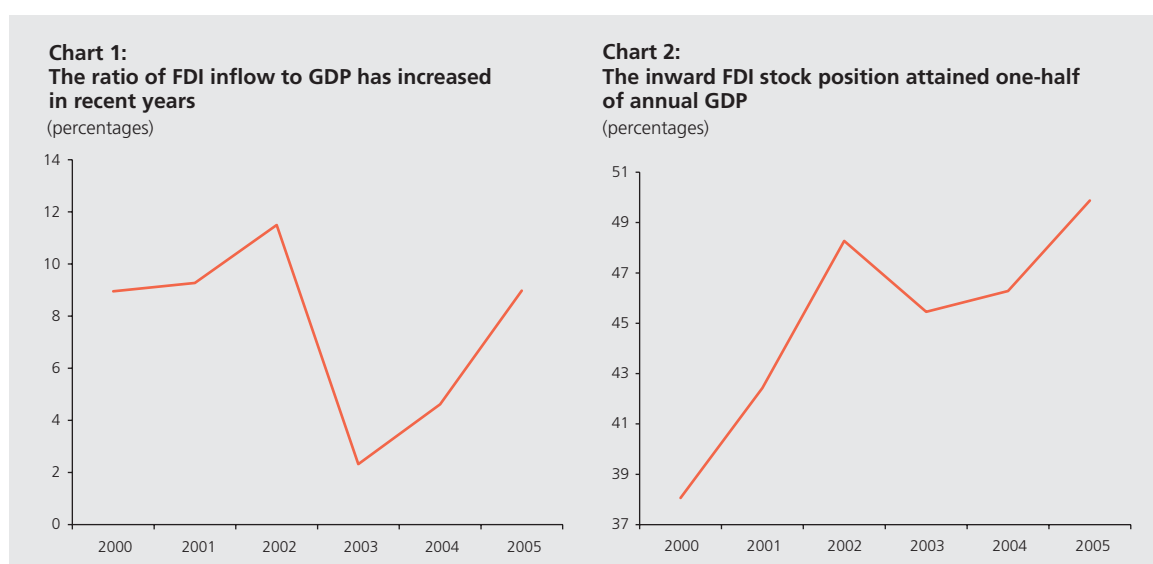
The development of the indicators in 2005 was influenced by the higher growth dynamics of external debt and debt service. In spite of this, the ability of the economy to repay the liabilities assumed continues to be problem-free. A certain level of risk for the future, with an impact on the price of external sources of financing, may ensue in the event of continued growth of the nominal amount of external debt. The fulfilment of the other indicators is below the level that is empirically evaluated as sensitive.

ECONOMIC GLOBALISATION INDICATORS FOR FOREIGN DIRECT INVESTMENT ACCORDING TO THE OECD MANUAL

1. Basic indicators

1.1. Flows and stocks as a percentage of nominal gross domestic product

The ratio of the inflow of foreign direct investment to GDP, according to preliminary data, in 2005 almost doubled and attained 9%. The high growth rate is connected with the privatisation of state property. The highest ratio was reached in 2002 (11.2%) in connection with the privatisation of the Transgas company. The inflow of direct investment also increases the data on its stock position, the ratio of which to GDP attained in 2004 approximately 46.3%. The estimate for the year 2005 fluctuates around 49.9 %.



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

Net exports based on earlier inflows of capital were in 2005 the main factor of the growth of the economy and attained 6%. In 2005 further foreign direct investments flowed into the CR, predominantly from the countries of the European Union (94.1%). The main investors included Spain (44.7%), traditionally the Netherlands (18.1%) and Germany (10.1%). Among the other countries, only Poland and Austria had a share which exceeded 3%. The shares of the other countries were insignificant. According to the status data for the year 2004, the share of the countries of the European Union in total direct investment in the Czech Republic was 84.9%, that of the OECD countries 96,7 %.

From the point of view of the sector breakdown, the main recipient of investment was in 2005 the services sector (82.7%), in particular transport and telecommunications (45.2%). The share of manufacturing fell from 20.3% in 2004 to 16.8% in 2005. Investments into basic industries were negligible also in 2005. According to the status data for 2004, most investments were allocated to services (49.9%) and manufacturing (40.1%). Within the framework of the services sector the largest investments were implemented in financial intermediation (16.5%), trade and repairs (12.9%) and in the real estate and services for businesses (11.3%).

Chart 3:
EU countries accounted for most of FDI inflow

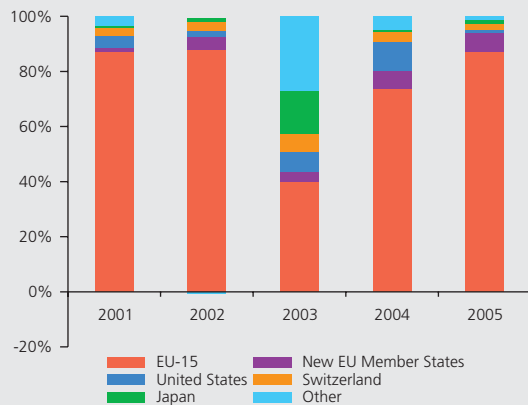


Chart 4:
In 2005 FDI flows were channelled in particular into the transport and telecommunications sector

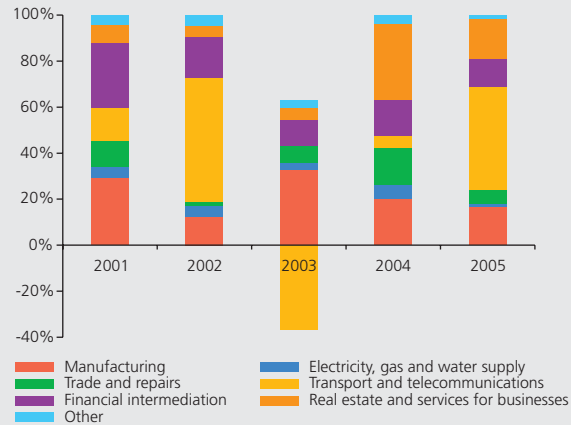


Chart 5:
EU countries accounted for most of FDI stock

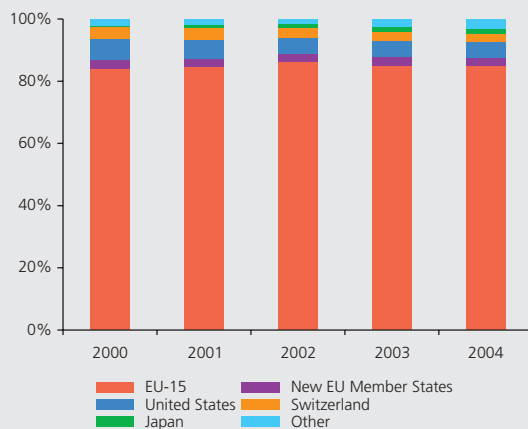
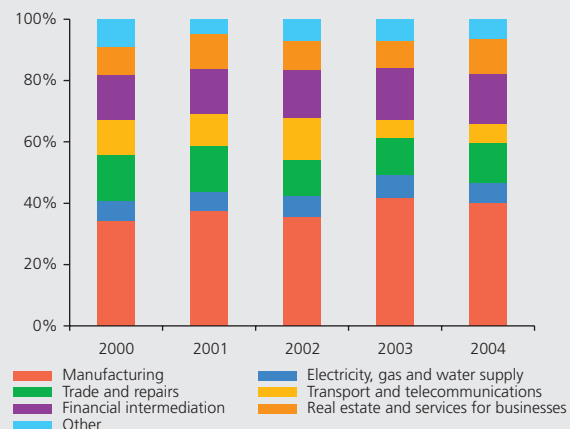


Chart 6:
Manufacturing was the main recipient of FDI in terms of stock



1.3. Rate of return on foreign direct investment

The total rate of return on foreign direct investment is increasing and attained 12.2% in 2004. The rate of return on investment in the case of individual countries and sectors differs. A return on invested capital which permanently exceeds the limit of 10% is attained by investments from the USA. As regards investments from the countries of the European Union, their rate of return increased from 8% attained in the year 2001 to 13% in the year 2004. Of these investments, those from the Netherlands reach the highest level. In the breakdown by sector, the highest returns on the investments implemented were attained in the group of financial intermediation, which in 2004 exceeded 16%. Above-standard rate of return on invested funds is registered in manufacturing and in transport and telecommunications.

Table 1:
Returns on FDI as % of inward FDI stock positions by investing country/economic zone

Country or economic zone	Return	Stock	Rate of	Return	Stock	Rate of	Return	Stock	Rate of	Return	Stock	Rate of
	CZK bill.	CZK bill.	return	CZK bill.	CZK bill.	return	CZK bill.	CZK bill.	return	CZK bill.	CZK bill.	return
	2001			2002			2003			2004		
EU-25	70.7	854.6	8.3	94.1	1,365.5	9.1	110.2	1,022.2	10.8	147.1	1,120.3	13.1
United States	7.5	62.9	11.9	5.7	56.8	10.1	6.7	59.9	11.2	7.5	67.2	11.2
Switzerland	2.2	38.5	5.6	4.0	40.8	9.7	2.2	32.4	6.8	3.5	33.3	10.6
Japan	-0.1	7.5	-0.7	0.0	13.0	0.3	-0.4	20.7	-1.9	-3.6	18.9	-18.9
Other countries	0.7	18.8	3.8	-0.6	18.3	-3.2	-0.4	26.7	-1.6	2.0	40.9	4.9
Total	81.0	982.3	8.2	103.3	1,165.5	8.9	118.3	1,161.8	10.2	156.6	1,280.6	12.2

Table 2:
Returns on FDI as % of inward FDI stock positions by economic activity

Aggregated sectors	Return	Stock	Rate of	Return	Stock	Rate of	Return	Stock	Rate of	Return	Stock	Rate of
	CZK bill.	CZK bill.	return	CZK bill.	CZK bill.	return	CZK bill.	CZK bill.	return	CZK bill.	CZK bill.	return
	2001			2002			2003			2004		
Manufacturing	40.6	369.0	11.0	39.9	413.5	9.6	52.9	486.7	10.9	67.9	513.3	13.2
Electricity, gas and water supply	4.3	60.0	7.2	6.9	79.9	8.6	9.0	83.9	10.7	8.5	85.5	10.0
Trade and repairs	9.5	148.0	6.4	9.0	138.5	6.5	7.1	142.8	5.0	15.4	165.4	9.3
Transport and telecommunications	2.3	101.8	2.2	9.7	158.0	6.1	9.2	69.1	13.3	10.0	79.5	12.6
Financial intermediation	18.8	145.4	12.9	28.4	185.2	15.3	29.5	195.0	15.1	34.4	210.9	16.3
Real estate and services for businesses	2.3	112.0	2.1	5.0	108.1	4.6	4.0	104.1	3.9	11.0	144.6	7.6
Other	3.2	46.1	7.0	4.6	82.4	5.5	6.5	80.2	8.1	9.3	81.4	11.5
Total	81.0	982.3	8.2	103.3	1,165.5	8.9	118.3	1,161.8	10.2	156.6	1,280.6	12.2

Since 2001 the share of reinvested earnings in return on equity capital has been declining. During the last three years the share of reinvested earnings in return on equity capital has fluctuated around 53%. In general, therefore, a larger part of invested capital is still reinvested, as against the pay-out of dividends to the credit of foreign parent companies. According to the as yet preliminary data for the year 2005, the share of reinvested earnings in return on equity capital attained approximately 55%. As regards the geographical breakdown, the largest decline of the share of reinvested earnings in return on equity capital was recorded in the countries of the EU-25 group and in the USA. In terms of the breakdown by economic activity, a gradual decrease of the share of reinvested earnings in return on equity capital is evident in all groups of industries, which corresponds to the life cycle of investments, in which the owners following the initial investment utilize their profit.

Table 3:
Reinvested FDI earnings as % of return on equity by investing country/economic zone

Country or economic zone	Reinvested earnings			Return on equity			Reinvested earnings			Return on equity			Reinvested earnings			Return on equity		
	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %
	2001			2002			2003			2004			2005					
EU-25	50.2	65.0	77.3	58.6	88.7	66.1	56.1	105.6	53.1	69.1	140.5	49.2	75.5	135.6	55.7			
United States	6.1	6.8	90.2	3.8	5.3	72.9	4.6	6.4	72.3	6.4	7.2	88.6	2.8	4.5	60.8			
Switzerland	1.1	1.9	57.2	3.1	3.7	83.7	1.6	1.9	80.6	2.5	3.2	78.8	1.1	2.1	52.6			
Japan	-0.1	-0.1	x	0.0	0.0	69.0	-0.4	-0.4	x	-4.1	-3.6	x	-0.9	-0.9	100.0			
Other countries	0.3	0.4	80.6	-1.1	-0.6	x	-1.0	-0.5	x	1.8	1.9	93.3	-0.3	-0.1	x			
Total	57.8	74.1	77.9	64.3	97.0	66.3	60.9	113.0	53.9	75.8	149.3	50.8	78.2	141.3	55.3			

Note: return on equity consists of reinvested earnings and dividends
Note: x - indicator is not quantified; it has no information value at this level of aggregation

Table 4:
Reinvested FDI earnings as % of return on equity by economic activity

Aggregated sectors	Reinvested earnings			Return on equity			Reinvested earnings			Return on equity			Reinvested earnings			Return on equity		
	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %
	2001			2002			2003			2004			2005					
Manufacturing	28.7	37.4	76.8	25.0	36.8	68.0	33.0	50.2	65.8	37.9	65.0	58.3	26.6	53.9	49.4			
Electricity, gas and water supply	3.5	4.3	82.0	4.2	6.7	63.4	5.5	8.9	61.8	0.3	8.5	3.9	6.2	12.8	48.8			
Trade and repairs	6.3	8.1	77.8	4.1	8.3	49.3	3.2	6.3	50.7	9.0	14.5	62.0	6.1	10.7	56.5			
Transport and telecommunications	1.0	2.0	50.1	4.0	9.0	44.2	-7.8	9.3	x	2.9	10.0	29.5	6.1	13.4	45.6			
Financial intermediation	15.8	18.6	84.7	21.1	28.3	74.8	19.6	29.1	67.3	11.8	34.1	34.7	26.5	40.1	66.0			
Real estate and activities for businesses	0.2	0.8	30.0	2.4	3.9	62.4	2.0	3.1	65.0	5.8	8.3	70.1	0.6	3.3	18.7			
Other	2.2	2.9	75.9	3.4	4.1	84.9	5.4	6.2	87.9	8.0	9.0	88.5	6.1	7.1	85.7			
Total	57.8	74.1	77.9	64.3	97.0	66.3	60.9	113.0	53.9	75.8	149.3	50.8	78.2	141.3	55.3			

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

The share of dividends in returns increased from 22% in 2001 to 49% in 2004. In the year 2005, according to preliminary data, the dividends accounted for approximately 45% of the returns on equity capital. During the recent years, the highest volume of dividends has been paid out to the countries of the European Union, above all to the Netherlands and Germany. According to the definitive data for the year 2004, the 50% limit in favour of higher dividend payments as against the part of earnings falling to the strengthening of the existing investment was exceeded in the case of the EU-25 group of countries. The higher share of dividends paid-out was due to extraordinary pay-outs of dividends from the earnings generated in the past years and from the capital funds of companies with foreign capital participation. The highest share of dividends in returns on equity capital in the sector breakdown was attained in 2004 in the following groups of industries: electricity, gas, water (96%), transport and telecommunications (70%) and financial intermediation (65%).

Table 5:
Dividends paid abroad as % of return on equity by country/economic zone

Country or economic zone	Dividends			Return on equity			Dividends			Return on equity			Dividends			Return on equity		
	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %
	2001			2002			2003			2004			2005					
EU-25	14.8	65.0	22.7	30.1	88.7	33.9	49.5	105.6	46.9	71.4	140.5	50.8	60.1	135.6	44.3			
USA	0.7	6.8	9.8	1.4	5.3	27.1	1.8	6.4	27.7	0.8	7.2	11.4	1.8	4.5	39.2			
Switzerland	0.8	1.9	42.8	0.6	3.7	16.3	0.4	1.9	19.4	0.7	3.2	21.3	1.0	2.1	47.4			
Japan	0.0	-0.1	x	0.0	0.0	31.0	0.0	-0.4	x	0.5	-3.6	x	0.0	-0.9	x			
Other countries	0.1	0.4	19.4	0.5	-0.6	x	0.5	-0.5	x	0.1	1.9	6.7	0.2	-0.1	x			
Total	16.4	74.1	22.1	32.7	97.0	33.7	52.1	113.0	46.1	73.5	149.3	49.2	63.1	141.3	44.7			

Note: return on equity consists of reinvested earnings and dividends

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

Table 6:

Dividends paid abroad as % of return on equity by economic activity

Aggregated sectors	Dividends			Return on equity			Dividends			Return on equity			Dividends			Return on equity		
	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %	CZK bill.	CZK bill.	in %
	2001			2002			2003			2004			2005					
Manufacturing	8.7	37.4	23.2	11.8	36.8	32.0	17.2	50.2	34.2	27.1	65.0	41.7	27.2	53.9	50.6			
Electricity, gas and water supply	0.8	4.3	18.0	2.5	6.7	36.6	3.4	8.9	38.2	8.1	8.5	96.1	6.5	12.8	51.2			
Trade and repairs	1.8	8.1	22.2	4.2	8.3	50.7	3.1	6.3	49.3	5.5	14.5	38.0	4.7	10.7	43.5			
Transport, storage and communications	1.0	2.0	49.9	5.0	9.0	55.8	17.1	9.3	x	7.0	10.0	70.5	7.3	13.4	54.4			
Financial intermediation	2.9	18.6	15.3	7.1	28.3	25.2	9.5	29.1	32.7	22.3	34.1	65.3	13.7	40.1	34.0			
Real estate and services for businesses	0.6	0.8	70.0	1.5	3.9	37.6	1.1	3.1	35.0	2.5	8.3	29.9	2.7	3.3	81.3			
Other	0.7	2.9	24.1	0.6	4.1	15.1	0.7	6.2	12.1	1.0	9.0	11.5	1.0	7.1	14.3			
Total	16.4	74.1	22.1	32.7	97.0	33.7	52.1	113.0	46.1	73.5	149.3	49.2	63.1	141.3	44.7			

Note: return on equity consists of reinvested earnings and dividends

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

2. Supplementary indicators

Supplementary indicators are constructed as a share of the components of foreign direct investment (equity capital, reinvested earnings and other capital) in the given country or group of countries and sectors in the total inflow of direct investment in the given country or group of countries or sectors.

In the year 2005 the flows of direct investment into equity capital in relation to total direct investment attained approximately 70%. Reinvested earnings in 2005 accounted for 29.7% of the total inflow and other capital decreased, according to the preliminary data, to 0.2%. A similar structure is presented in the case of the stock position of direct investment: (equity capital 62.5%, reinvested earnings 25% and credits 12.5%). From the point of view of the breakdown by sector, the highest ratio of equity capital to the total inflow was recorded in transport and telecommunications, owing to the privatisation of Český Telecom (95%). From the territorial aspect, a high share of investments into equity capital was recorded, for example, in Norway, Taiwan, Liechtenstein, Luxembourg and Japan.

Table 7:

Inward equity capital flows as % of FDI flows by economic activity

Aggregated sectors	Share in %					
	2000	2001	2002	2003	2004	2005
Manufacturing	58.2	34.5	46.0	23.9	59.8	39.2
Electricity, gas and water supply	62.9	59.9	59.9	32.4	64.1	-42.1
Trade and repairs	92.6	77.9	x	63.3	63.6	51.0
Transport and telecommunications	59.2	94.3	91.2	57.4	-34.1	95.0
Financial intermediation	83.1	69.8	53.8	11.2	5.3	10.7
Real estate and services for businesses	69.5	41.9	69.0	93.8	22.7	95.9
Other	88.4	32.8	42.8	19.0	81.2	3.5
Total	70.1	59.8	74.1	-2.6	35.8	70.1

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

Table 8:
Inward reinvested earnings as % of inward FDI flows by economic activity

Aggregated sectors	Share in %					
	2000	2001	2002	2003	2004	2005
Manufacturing	31.9	45.3	76.4	44.7	145.8	60.2
Electricity, gas and water supply	40.8	34.2	33.8	77.9	4.4	177.0
Trade and repairs	-8.9	26.4	73.7	20.6	43.4	40.1
Transport and telecommunications	12.0	3.2	2.8	9.5	42.5	5.1
Financial intermediation	19.9	26.2	43.6	77.7	60.2	85.0
Real estate and services for businesses	2.0	1.4	20.0	16.1	13.7	1.3
Other	15.0	28.2	15.5	72.1	162.2	159.5
Total	19.2	26.9	23.2	102.7	59.2	29.7

Table 9:
Inward other capital flows as % of inward direct investment flows by economic sector

Aggregated sectors	Share in %					
	2000	2001	2002	2003	2004	2005
Manufacturing	9.8	20.0	-22.4	31.4	-105.6	0.6
Electricity, gas and water supply	-3.7	5.9	6.4	-10.3	31.5	-34.9
Trade and repairs	16.2	-4.3	x	16.1	-7.0	8.9
Transport and telecommunications	28.8	2.5	6.1	33.1	91.6	-0.1
Financial intermediation	-3.0	4.1	2.6	11.0	34.5	4.3
Real estate and services for businesses	28.4	56.7	11.0	-9.9	63.6	2.8
Other	-3.4	39.9	41.7	8.9	-143.4	-63.0
Total	10.7	13.3	2.7	-0.1	5.0	0.2

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

Table 10:
Inward equity capital and reinvested earnings flows as % of FDI stock positions by economic activity

Aggregated sectors	Share in %				
	2000	2001	2002	2003	2004
Manufacturing	90.3	81.1	86.0	83.3	89.4
Electricity, gas and water supply	99.6	98.7	98.0	99.0	97.4
Trade and repairs	75.2	80.1	81.5	80.3	84.1
Transport and telecommunications	94.8	94.6	91.0	118.7	107.1
Financial intermediation	99.7	98.0	97.0	95.8	92.7
Real estate and services for businesses	69.7	70.8	69.1	69.1	60.1
Other	58.6	92.0	82.9	81.6	89.7
Total	85.8	85.3	86.9	86.9	87.6

Table 11:
Inward other capital stock positions as % of FDI stock positions by economic activity

Aggregated sectors	Share in %				
	2000	2001	2002	2003	2004
Manufacturing	19.0	17.9	14.0	16.7	10.6
Electricity, gas and water supply	0.4	1.3	1.6	1.0	2.6
Trade and repairs	24.8	19.9	18.5	19.7	15.9
Transport and telecommunications	5.2	5.4	9.0	-18.7	-7.1
Financial intermediation	0.3	2.0	3.0	4.2	7.3
Real estate and services for businesses	30.3	29.2	30.9	30.9	39.9
Other	5.5	16.1	17.5	18.4	10.3
Total	14.2	14.7	13.1	13.1	12.4

BALANCE OF PAYMENTS for January to December 2005
(Preliminary data - 8 March 2006)

	in CZK millions	in EUR millions	in USD millions
A. CURRENT ACCOUNT	-61,670.2	-2,070.6	-2,575.3
Trade balance	40,354.0	1,354.9	1,685.1
Exports	1,875,219.0	62,960.6	78,307.0
Imports	1,834,865.0	61,605.7	76,621.9
Services	19,411.8	651.8	810.6
Credit	257,998.4	8,662.3	10,773.7
Transport	78,763.0	2,644.5	3,289.0
Travel	110,948.0	3,725.1	4,633.1
Other services	68,287.4	2,292.7	2,851.6
Debit	238,586.6	8,010.5	9,963.1
Transport	43,135.9	1,448.3	1,801.3
Travel	57,777.6	1,939.9	2,412.7
Other services	137,673.1	4,622.3	5,749.1
Income	-142,318.3	-4,778.4	-5,943.0
Credit	112,322.7	3,771.2	4,690.5
Debit	254,641.0	8,549.6	10,633.5
Current transfers	20,882.3	701.1	872.0
Credit	75,639.7	2,539.6	3,158.6
Debit	54,757.4	1,838.5	2,286.6
B. CAPITAL ACCOUNT	5,059.2	169.9	211.3
Credit	5,731.1	192.4	239.3
Debit	671.9	22.5	28.0
Total A + B	-56,611.0	-1,900.7	-2,364.0
C. FINANCIAL ACCOUNT	137,925.6	4,630.8	5,759.6
Direct investment	242,706.1	8,148.9	10,135.1
Abroad	-20,500.1	-688.3	-856.1
Equity capital and reinvested earnings	-11,372.3	-381.8	-474.9
Other capital	-9,127.8	-306.5	-381.2
In the Czech Republic	263,206.2	8,837.2	10,991.2
Equity capital and reinvested earnings	262,791.9	8,823.3	10,973.9
Other capital	414.3	13.9	17.3
Portfolio investment	-72,002.0	-2,417.5	-3,006.7
Assets	-72,853.9	-2,446.1	-3,042.3
Equity securities	-26,036.2	-874.2	-1,087.2
Debt securities	-46,817.7	-1,571.9	-1,955.1
Liabilities	851.9	28.6	35.6
Equity securities	-36,408.9	-1,222.4	-1,520.4
Debt securities	37,260.8	1,251.0	1,556.0
Financial derivatives	-2,801.8	-94.1	-117.0
Assets	-1,668.4	-56.0	-69.7
Liabilities	-1,133.4	-38.1	-47.3

BALANCE OF PAYMENTS for January to December 2005
(Preliminary data - 8 March 2006)

	in CZK millions	in EUR millions	in USD millions
Other investment	-29,976.7	-1,006.5	-1,251.8
Assets	-104,419.1	-3,505.9	-4,360.4
Long-term	-16,360.9	-549.3	-683.2
CNB	-176.3	-5.9	-7.4
Commercial banks	-24,664.6	-828.1	-1,029.9
Government	14,056.5	471.9	587.0
Other sectors	-5,576.5	-187.2	-232.9
Short-term	-88,058.2	-2,956.6	-3,677.2
Commercial banks	-87,102.6	-2,924.5	-3,637.3
Government	9.4	0.3	0.4
Other sectors	-965.0	-32.4	-40.3
Liabilities	74,442.4	2,499.4	3,108.6
Long-term	50,238.9	1,686.8	2,097.9
CNB	-19.1	-0.6	-0.8
Commercial banks	311.0	10.4	13.0
Government	20,815.1	698.9	869.2
Other sectors	29,131.9	978.1	1,216.5
Short-term	24,203.5	812.6	1,010.7
CNB	5,060.1	169.9	211.3
Commercial banks	14,802.0	497.0	618.1
Government			
Other sectors	4,341.4	145.7	181.3
Total A + B + C	81,314.6	2,730.1	3,395.6
D. NET ERRORS AND OMISSIONS, VALUATION CHANGES	11,537.0	387.4	481.8
Total A + B + C + D	92,851.6	3,117.5	3,877.4
E. CHANGE IN RESERVES (-increase)	-92,851.6	-3,117.5	-3,877.4

CZK/EUR 29.784 CZK/USD 23.947

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

BALANCE OF PAYMENTS for January to December 2005 (detailed data)

(Preliminary data - 8 March 2006)

	in CZK millions	in EUR millions	in USD millions
A. CURRENT ACCOUNT	-61,670.2	-2,070.6	-2,575.3
Trade balance	40,354.0	1,354.9	1,685.1
Exports	1,875,219.0	62,960.6	78,307.0
Imports	1,834,865.0	61,605.7	76,621.9
Services	19,411.8	651.8	810.6
Credit	257,998.4	8,662.3	10,773.7
Transport	78,763.0	2,644.5	3,289.0
Pipeline transport	7,039.3	236.4	293.9
Other	71,723.7	2,408.1	2,995.1
Travel	110,948.0	3,725.1	4,633.1
Other business and non-business services	68,287.4	2,292.7	2,851.6
Communication services	2,800.9	94.0	116.9
Postal services	125.2	4.2	5.2
Telecommunication and radiocommunication services	2,675.7	89.8	111.7
Construction and assembly work	3,485.7	117.0	145.6
Insurance services	245.3	8.3	10.3
Life insurance and pension funding	13.5	0.5	0.6
Freight insurance	3.5	0.1	0.1
Other direct insurance	147.9	5.0	6.2
Reinsurance	80.4	2.7	3.4
Auxiliary insurance services			
Financial services	10,148.5	340.7	423.8
Computer and information services	4,421.0	148.4	184.6
Computer services	4,303.8	144.5	179.7
Information services	117.2	3.9	4.9
Royalties, licence fees, etc.	1,514.7	50.9	63.3
Other business services	41,089.6	1,379.6	1,715.9
Merchandising and other trade-related services	1,817.4	61.0	75.9
Merchandising	-1,050.0	-35.3	-43.8
Intermediation services	2,867.4	96.3	119.7
Rental and leasing of machinery and equipment	245.3	8.2	10.3
Miscellaneous business, professional and technical services	39,026.9	1,310.4	1,629.7
Legal, accounting and consulting services	3,029.2	101.7	126.5
Legal services	1,861.7	62.5	77.7
Accounting and auditing services	440.6	14.8	18.4
Business and management consultancy, public relations	726.9	24.4	30.4
Advertising services	1,366.5	45.9	57.1
Research and development	292.1	9.8	12.2
Technical services	1,139.1	38.3	47.6
Mining services	314.0	10.6	13.1
Agricultural services	190.3	6.4	7.9
Waste treatment and depollution services	739.9	24.8	30.9
Other business services	18,243.6	612.5	761.8
Direct investment business-to business services	13,712.2	460.4	572.6
Cultural, recreational, sporting, health and educational services	3,749.3	125.9	156.5
Audio-visual services	1,191.0	40.0	49.7
Health and veterinary services	614.8	20.6	25.7
Educational services	776.4	26.1	32.4
Other	1,167.1	39.2	48.7
Government services	832.4	27.9	34.7
Czech diplomatic and consular missions abroad	76.2	2.5	3.2
Foreign diplomatic and consular missions in the Czech Republic	728.6	24.5	30.4
Government revenues (NATO, UN peacekeeping forces, etc.)	19.4	0.6	0.8
Other government revenues	8.2	0.3	0.3
Debit	238,586.6	8,010.5	9,963.1
Transport	43,135.9	1,448.3	1,801.3
Pipeline transport	4,196.3	140.9	175.2
Other	38,939.6	1,307.4	1,626.1
Travel	57,777.6	1,939.9	2,412.7
Other business and non-business services	137,673.1	4,622.3	5,749.1
Communication services	7,872.7	264.3	328.8
Postal services	626.4	21.0	26.2
Telecommunication and radiocommunication services	7,246.3	243.3	302.6
Construction and assembly work	7,432.7	249.5	310.4
Insurance services	6,427.3	215.8	268.4

(continued)

	in CZK millions	in EUR millions	in USD millions
Life insurance and pension funding			
Freight insurance			
Other direct insurance			
Reinsurance	6,427.3	215.8	268.4
Auxiliary insurance services			
Financial services	21,682.5	728.0	905.4
Computer and information services	6,180.5	207.5	258.1
Computer services	5,824.5	195.6	243.2
Information services	356.0	11.9	14.9
Royalties, licence fees, etc.	5,176.2	173.8	216.2
Other business services	76,794.3	2,578.4	3,206.8
Merchanting and other trade-related services	5,565.4	186.9	232.4
Merchanting			
Intermediation services	5,565.4	186.9	232.4
Rental and leasing of machinery and equipment	2,279.1	76.5	95.2
Miscellaneous business, professional and technical services	68,949.8	2,315.0	2,879.2
Legal, accounting and consulting services	8,617.8	289.3	359.8
Legal services	4,579.8	153.8	191.2
Accounting and auditing services	1,219.3	40.9	50.9
Business and management consultancy, public relations	2,818.7	94.6	117.7
Advertising services	3,074.9	103.2	128.4
Research and development	481.3	16.2	20.1
Technical services	8,278.3	278.0	345.7
Mining services	126.8	4.3	5.3
Agricultural services	117.0	3.9	4.9
Waste treatment and depollution services	34.6	1.2	1.4
Other business services	46,567.8	1,563.5	1,944.6
Direct investment business-to-business services	1,651.3	55.4	69.0
Cultural, recreational, sporting, health and educational services	4,086.5	137.2	170.6
Audio-visual services	385.4	12.9	16.1
Health and veterinary services	371.8	12.5	15.5
Educational services	435.5	14.6	18.2
Other	2,893.8	97.2	120.8
Government services	2,020.4	67.8	84.4
Czech diplomatic and consular missions abroad	1,838.7	61.7	76.8
Foreign diplomatic and consular missions in the Czech Republic	173.2	5.8	7.2
Government expenditures (NATO, UN peacekeeping forces, etc.)	6.1	0.2	0.3
Other government expenditures	2.4	0.1	0.1
Income	-142,318.3	-4,778.4	-5,943.0
Credit	112,322.7	3,771.2	4,690.5
Compensation of employees	24,229.0	813.5	1,011.8
Investment income	88,093.7	2,957.7	3,678.7
Direct investment	16,522.6	554.7	690.0
Dividends	13,272.5	445.6	554.3
Earnings reinvested abroad	3,055.1	102.6	127.6
Interest	195.0	6.5	8.1
Portfolio investment	17,912.4	601.4	748.0
Dividends	3,235.2	108.6	135.1
Interest	14,677.2	492.8	612.9
Other investment - interest, income on CNB reserve assets	53,658.7	1,801.6	2,240.7
Debit	254,641.0	8,549.6	10,633.5
Compensation of employees	51,188.0	1,718.6	2,137.6
Investment income	203,453.0	6,831.0	8,495.9
Direct investment	148,617.8	4,989.9	6,206.1
Dividends	63,097.9	2,118.5	2,634.9
Earnings reinvested in the Czech Republic	78,199.9	2,625.6	3,265.5
Interest	7,320.0	245.8	305.7
Portfolio investment	11,624.1	390.3	485.4
Dividends	4,302.2	144.5	179.6
Interest	7,321.9	245.8	305.8
Other investment - interest	43,211.1	1,450.8	1,804.4
Current transfers	20,882.3	701.1	872.0
Credit	75,639.7	2,539.6	3,158.6
Government	45,735.6	1,535.6	1,909.9
Private	29,904.1	1,004.0	1,248.7
Debit	54,757.4	1,838.5	2,286.6
Government	34,731.9	1,166.1	1,450.4
Private	20,025.5	672.4	836.2
B. CAPITAL ACCOUNT	5,059.2	169.9	211.3
Credit	5,731.1	192.4	239.3
Debit	671.9	22.5	28.0

(continued)

	in CZK millions	in EUR millions	in USD millions
<i>Total A + B</i>	-56,611.0	-1,900.7	-2,364.0
C. FINANCIAL ACCOUNT	137,925.6	4,630.8	5,759.6
Direct investment	242,706.1	8,148.9	10,135.1
Czech abroad	-20,500.1	-688.3	-856.1
Equity capital	-8,317.2	-279.2	-347.3
Reinvested earnings	-3,055.1	-102.6	-127.6
Other capital	-9,127.8	-306.5	-381.2
Foreign in the Czech Republic	263,206.2	8,837.2	10,991.2
Equity capital	184,592.0	6,197.7	7,708.4
Reinvested earnings	78,199.9	2,625.6	3,265.5
Other capital	414.3	13.9	17.3
Portfolio investment	-72,002.0	-2,417.5	-3,006.7
Assets	-72,853.9	-2,446.1	-3,042.3
Equity securities	-26,036.2	-874.2	-1,087.2
CNB			
Commercial banks	-242.8	-8.2	-10.1
Government	-105.2	-3.5	-4.4
Other sectors	-25,688.2	-862.5	-1,072.7
Debt securities	-46,817.7	-1,571.9	-1,955.1
CNB			
Commercial banks	-20,417.4	-685.5	-852.6
Government	-3,020.3	-101.4	-126.2
Other sectors	-23,380.0	-785.0	-976.3
Liabilities	851.9	28.6	35.6
Equity securities	-36,408.9	-1,222.4	-1,520.4
Commercial banks	1,446.1	48.6	60.4
Other sectors	-37,855.0	-1,271.0	-1,580.8
Debt securities	37,260.8	1,251.0	1,556.0
CNB			
Commercial banks	-2,234.5	-75.1	-93.3
Government	49,020.8	1,645.9	2,047.1
Other sectors	-9,525.5	-319.8	-397.8
Financial derivatives	-2,801.8	-94.1	-117.0
Assets	-1,668.4	-56.0	-69.7
Liabilities	-1,133.4	-38.1	-47.3
Other investments	-29,976.7	-1,006.5	-1,251.8
Assets	-104,419.1	-3,505.9	-4,360.4
Long-term	-16,360.9	-549.3	-683.2
CNB	-176.3	-5.9	-7.4
Commercial banks	-24,664.6	-828.1	-1,029.9
Government	14,056.5	471.9	587.0
Other sectors	-5,576.5	-187.2	-232.9
Short-term	-88,058.2	-2,956.6	-3,677.2
Commercial banks	-87,102.6	-2,924.5	-3,637.3
Government	9.4	0.3	0.4
Other sectors	-965.0	-32.4	-40.3
Liabilities	74,442.4	2,499.4	3,108.6
Long-term	50,238.9	1,686.8	2,097.9
CNB	-19.1	-0.6	-0.8
Commercial banks	311.0	10.4	13.0
Government	20,815.1	698.9	869.2
Other sectors	29,131.9	978.1	1,216.5
Short-term	24,203.5	812.6	1,010.7
CNB	5,060.1	169.9	211.3
Commercial banks	14,802.0	497.0	618.1
Government			
Other sectors	4,341.4	145.7	181.3
Total A + B + C	81,314.6	2,730.1	3,395.6
D. NET ERRORS AND OMISSIONS, VALUATION CHANGES	11,537.0	387.4	481.8
Total A + B + C + D	92,851.6	3,117.5	3,877.4
E. CHANGE IN RESERVES (-increase)	-92,851.6	-3,117.5	-3,877.4

INTERNATIONAL INVESTMENT POSITION

in CZK millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
ASSETS	1,087,507.3	1,347,954.9	1,448,400.7	1,544,963.0	1,579,922.9	1,537,284.6	1,549,333.7	1,823,960.2
Direct investment abroad	24,003.5	25,114.9	27,899.3	41,176.1	44,397.1	58,581.5	84,087.4	104,235.0
Equity capital	21,901.2	22,415.9	24,797.5	37,633.6	39,472.1	50,965.5	70,664.0	81,315.0
Other capital	2,102.3	2,699.0	3,101.8	3,542.5	4,925.0	7,616.0	13,423.4	22,920.0
Portfolio investment	35,872.4	104,345.3	180,431.3	185,138.6	274,344.7	343,968.7	372,237.6	428,697.7
Equity securities	13,415.5	66,318.2	92,222.9	68,675.5	86,464.7	47,337.7	76,121.3	107,846.8
Debt securities	22,456.9	38,027.1	88,208.4	116,463.1	187,880.0	296,631.0	296,116.3	320,850.9
Financial derivatives			6,347.2	15,754.8	31,213.2	24,129.5	39,695.3	41,363.7
Other investment	650,948.4	757,065.5	736,903.7	778,435.7	515,356.2	419,090.0	417,071.9	522,961.8
Long-term	287,328.8	323,131.1	315,625.5	310,133.9	179,639.6	157,598.6	118,432.7	136,313.4
CNB	26,122.4		329.1	307.3	280.9	468.4	600.0	3,184.5
Commercial banks	64,041.6	89,900.1	75,537.9	79,663.7	67,966.9	66,121.3	58,137.8	83,230.4
Government	176,213.4	210,221.3	220,777.8	210,694.9	97,156.8	79,483.9	48,574.9	38,408.5
Other sectors	20,951.4	23,009.7	18,980.7	19,468.0	14,235.0	11,525.0	11,120.0	11,490.0
Short-term	363,619.6	433,934.4	421,278.2	468,301.8	335,716.6	261,491.4	298,639.2	386,648.4
CNB	0.1		52.9	51.2	376.7	98.8	71.7	71.1
Commercial banks	272,219.5	336,117.2	314,115.3	359,638.5	213,815.4	161,150.2	184,588.0	273,797.2
of which gold and foreign exchange	175,753.2	218,995.8	228,961.7	257,138.6	163,032.9	115,884.8	128,119.8	197,959.6
Government				87.1	2,324.5	102.4	9.5	0.1
Other sectors	91,400.0	97,817.2	107,110.0	108,525.0	119,200.0	100,140.0	113,970.0	112,780.0
CNB reserve assets	376,683.0	461,429.2	496,819.2	524,457.8	714,611.7	691,514.9	636,241.5	726,702.0
Gold	369.1	677.0	4,640.4	4,469.9	4,653.8	4,784.3	4,253.9	5,526.8
SDR			7.7	31.0	137.1	238.7	118.0	289.8
Reserve position in the Fund			116.0	5,478.3	7,081.5	11,949.9	9,137.5	4,447.7
Foreign exchange	376,313.9	460,752.2	491,001.2	514,188.0	686,516.1	674,451.8	622,606.4	716,315.2
Other reserve assets			1,053.9	290.6	16,223.2	90.2	125.7	122.5
LIABILITIES	1,204,984.0	1,458,893.3	1,640,270.0	1,789,030.7	1,977,177.7	2,064,768.3	2,374,328.4	2,680,707.6
Direct investment in the Czech Republic	429,167.8	631,505.3	818,411.6	982,335.0	1,165,529.1	1,161,783.6	1,280,594.8	1,461,976.8
Equity capital	364,816.5	538,379.3	702,217.8	837,537.3	1,013,102.9	1,009,391.8	1,121,842.3	1,303,621.8
Other capital	64,351.3	93,126.0	116,193.8	144,797.7	152,426.2	152,391.8	158,752.5	158,355.0
Portfolio investment	166,128.1	165,579.2	164,592.0	180,346.2	201,120.0	223,620.4	381,019.4	437,806.0
Equity securities	113,247.2	98,011.8	115,670.6	128,740.1	128,097.7	140,788.6	208,872.1	220,495.8
Debt securities	52,880.9	67,567.4	48,921.4	51,606.1	73,022.3	82,831.8	172,147.3	217,310.2
Financial derivatives			5,307.9	11,495.2	22,671.9	19,448.3	31,806.1	30,672.7
Other investment	609,688.1	661,808.8	651,958.5	614,854.3	587,856.7	659,916.0	680,908.1	750,252.1
Long-term	358,510.5	379,172.2	352,323.4	332,593.2	326,321.3	360,279.2	373,456.4	418,926.2
CNB	1,883.3	197.1	180.4	133.4	114.5	96.1	70.2	47.8
Commercial banks	124,286.3	118,368.9	84,607.4	73,688.6	63,541.0	58,056.3	52,020.8	51,639.7
Government	23,814.8	20,852.9	19,699.2	9,476.2	9,475.8	22,456.0	32,065.4	52,372.7
Other sectors	208,526.1	239,753.3	247,836.4	249,295.0	253,190.0	279,670.8	289,300.0	314,866.0
Short-term	251,177.6	282,636.6	299,635.1	282,261.1	261,535.4	299,636.8	307,451.7	331,325.9
CNB	39.5	25.8	8.8	68.5	44.2	22.8	866.5	5,926.5
Commercial banks	193,373.0	229,988.7	226,176.2	190,487.6	176,196.2	208,534.0	185,025.2	201,239.4
Government								103.2
Other sectors	57,661.9	52,622.1	73,450.1	91,705.0	85,295.0	91,080.0	121,560.0	124,160.0
NET INVESTMENT POSITION	-117,476.7	-110,938.4	-191,869.3	-244,067.7	-397,254.8	-527,483.7	-824,994.7	-856,747.4

1) revised data

2) preliminary data

INTERNATIONAL INVESTMENT POSITION

in EUR millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
ASSETS	31,053.0	37,308.5	41,276.8	48,310.3	49,997.6	47,439.8	50,856.2	62,884.3
Direct investment abroad	685.4	695.1	795.1	1,287.6	1,405.0	1,807.8	2,760.1	3,593.7
Equity capital	625.4	620.4	706.7	1,176.8	1,249.1	1,572.8	2,319.5	2,803.5
Other capital	60.0	74.7	88.4	110.8	155.9	235.0	440.6	790.2
Portfolio investment	1,024.3	2,888.1	5,142.0	5,789.2	8,681.8	10,614.7	12,218.6	14,780.1
Equity securities	383.1	1,835.6	2,628.2	2,147.5	2,736.2	1,460.8	2,498.7	3,718.2
Debt securities	641.2	1,052.5	2,513.8	3,641.7	5,945.6	9,153.9	9,719.9	11,061.9
Financial derivatives			180.9	492.6	987.8	744.6	1,303.0	1,426.1
Other investment	18,587.4	20,954.0	21,000.4	24,341.3	16,308.7	12,932.9	13,690.2	18,030.0
Long-term	8,204.5	8,943.6	8,994.8	9,697.8	5,684.8	4,863.4	3,887.5	4,699.6
CNB	745.9		9.4	9.6	8.9	14.4	19.7	109.8
Commercial banks	1,828.7	2,488.3	2,152.7	2,491.1	2,150.8	2,040.5	1,908.3	2,869.5
Government	5,031.6	5,818.5	6,291.8	6,588.3	3,074.6	2,452.8	1,594.5	1,324.2
Other sectors	598.3	636.8	540.9	608.8	450.5	355.7	365.0	396.1
Short-term	10,382.9	12,010.4	12,005.6	14,643.5	10,623.9	8,069.5	9,802.7	13,330.4
CNB			1.5	1.6	11.9	3.0	2.4	2.4
Commercial banks	7,773.0	9,303.0	8,951.7	11,245.7	6,766.3	4,973.0	6,059.0	9,439.7
of which gold and foreign exchange	5,018.5	6,061.3	6,525.0	8,040.6	5,159.3	3,576.1	4,205.5	6,825.0
Government				2.7	73.6	3.2	0.3	
Other sectors	2,609.9	2,707.4	3,052.4	3,393.5	3,772.1	3,090.3	3,741.0	3,888.3
CNB reserve assets	10,755.9	12,771.3	14,158.4	16,399.6	22,614.3	21,339.8	20,884.3	25,054.4
Gold	10.5	18.7	132.3	139.8	147.3	147.6	139.6	190.6
SDR			0.2	1.0	4.3	7.4	3.9	10.0
Reserve position in the Fund			3.3	171.3	224.1	368.8	299.9	153.3
Foreign exchange	10,745.4	12,752.6	13,992.6	16,078.4	21,725.2	20,813.2	20,436.8	24,696.3
Other reserve assets			30.0	9.1	513.4	2.8	4.1	4.2
LIABILITIES	34,407.5	40,379.0	46,744.7	55,942.2	62,568.9	63,717.6	77,936.3	92,422.2
Direct investment in the Czech Republic	12,254.6	17,478.7	23,323.2	30,717.2	36,883.8	35,852.0	42,035.0	50,404.3
Equity capital	10,417.1	14,901.2	20,011.9	26,189.4	32,060.2	31,149.3	36,824.0	44,944.7
Other capital	1,837.5	2,577.5	3,311.3	4,527.8	4,823.6	4,702.7	5,211.0	5,459.6
Portfolio investment	4,743.7	4,582.8	4,690.6	5,639.3	6,364.6	6,900.8	12,506.8	15,094.1
Equity securities	3,233.7	2,712.7	3,296.4	4,025.6	4,053.7	4,344.7	6,856.2	7,602.0
Debt securities	1,510.0	1,870.1	1,394.2	1,613.7	2,310.9	2,556.1	5,650.6	7,492.1
Financial derivatives			151.3	359.5	717.5	600.1	1,044.0	1,057.5
Other investment	17,409.2	18,317.5	18,579.6	19,226.2	18,603.0	20,364.7	22,350.5	25,866.3
Long-term	10,237.0	10,494.7	10,040.5	10,400.0	10,326.6	11,118.1	12,258.5	14,443.3
CNB	53.8	5.5	5.1	4.2	3.6	3.0	2.3	1.6
Commercial banks	3,548.9	3,276.2	2,411.1	2,304.2	2,010.8	1,791.6	1,707.5	1,780.4
Government	680.0	577.2	561.4	296.3	299.9	693.0	1,052.5	1,805.7
Other sectors	5,954.3	6,635.8	7,062.9	7,795.3	8,012.3	8,630.5	9,496.2	10,855.6
Short-term	7,172.2	7,822.8	8,539.1	8,826.2	8,276.4	9,246.6	10,092.0	11,423.0
CNB	1.1	0.7	0.3	2.1	1.4	0.7	28.4	204.3
Commercial banks	5,521.7	6,365.6	6,445.6	5,956.5	5,575.8	6,435.2	6,073.4	6,938.1
Government	2.9							
Other sectors	1,646.5	1,456.5	2,093.2	2,867.6	2,699.2	2,810.7	3,990.2	4,280.6
NET INVESTMENT POSITION	-3,354.5	-3,070.5	-5,467.9	-7,631.9	-12,571.3	-16,277.8	-27,080.1	-29,537.9

1) revised data

2) preliminary data

INTERNATIONAL INVESTMENT POSITION

in USD millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
ASSETS	36,426.3	37,465.0	38,304.3	42,609.1	52,417.7	59,923.8	69,274.9	74,180.9
Direct investment abroad	804.0	698.0	737.8	1,135.6	1,473.0	2,283.5	3,759.8	4,239.3
Equity capital	733.6	623.0	655.8	1,037.9	1,309.6	1,986.6	3,159.6	3,307.1
Other capital	70.4	75.0	82.0	97.7	163.4	296.9	600.2	932.2
Portfolio investment	1,201.6	2,900.2	4,771.7	5,106.0	9,102.0	13,408.0	16,643.7	17,435.2
Equity securities	449.4	1,843.3	2,438.9	1,894.0	2,868.7	1,845.2	3,403.6	4,386.1
Debt securities	752.2	1,056.9	2,332.8	3,212.0	6,233.3	11,562.8	13,240.1	13,049.1
Financial derivatives			167.8	434.5	1,035.6	940.6	1,774.9	1,682.2
Other investment	21,803.6	21,041.9	19,488.1	21,468.8	17,098.2	16,336.3	18,648.4	21,269.0
Long-term	9,624.1	8,981.1	8,347.0	8,553.3	5,960.0	6,143.3	5,295.4	5,543.9
CNB	875.0		8.7	8.5	9.3	18.3	26.8	129.5
Commercial banks	2,145.1	2,498.7	1,997.7	2,197.1	2,255.0	2,577.4	2,599.5	3,385.0
Government	5,902.3	5,842.9	5,838.7	5,810.8	3,223.4	3,098.3	2,171.9	1,562.1
Other sectors	701.7	639.5	501.9	536.9	472.3	449.3	497.2	467.3
Short-term	12,179.5	12,060.8	11,141.1	12,915.5	11,138.2	10,193.0	13,353.0	15,725.1
CNB			1.4	1.4	12.5	3.8	3.2	2.9
Commercial banks	9,118.0	9,342.1	8,307.1	9,918.6	7,093.8	6,281.7	8,253.5	11,135.4
of which gold and foreign exchange	5,886.9	6,086.8	6,055.1	7,091.7	5,409.0	4,517.2	5,728.6	8,051.1
Government				2.4	77.1	4.0	0.4	
Other sectors	3,061.5	2,718.7	2,832.6	2,993.1	3,954.8	3,903.5	5,095.9	4,586.8
CNB reserve assets	12,617.1	12,824.9	13,138.9	14,464.2	23,708.9	26,955.4	28,448.1	29,555.2
Gold	12.4	18.8	122.7	123.3	154.4	186.5	190.2	224.8
SDR			0.2	0.8	4.6	9.3	5.3	11.8
Reserve position in the Fund			3.1	151.1	234.9	465.8	408.6	180.9
Foreign exchange	12,604.7	12,806.1	12,985.0	14,181.0	22,776.8	26,290.3	27,838.4	29,132.7
Other reserve assets			27.9	8.0	538.2	3.5	5.6	5.0
LIABILITIES	40,361.2	40,548.4	43,378.5	49,340.3	65,597.6	80,485.3	106,162.7	109,025.0
Direct investment in the Czech Republic	14,375.0	17,552.0	21,643.7	27,092.2	38,669.2	45,286.7	57,258.9	59,458.9
Equity capital	12,219.6	14,963.7	18,570.8	23,098.8	33,612.1	39,346.4	50,160.6	53,018.6
Other capital	2,155.4	2,588.3	3,072.9	3,993.4	5,057.1	5,940.3	7,098.3	6,440.3
Portfolio investment	5,564.5	4,602.1	4,352.8	4,973.8	6,672.6	8,716.8	17,036.4	17,805.7
Equity securities	3,793.2	2,724.1	3,059.0	3,550.6	4,249.9	5,488.0	9,339.2	8,967.6
Debt securities	1,771.3	1,878.0	1,293.8	1,423.2	2,422.7	3,228.8	7,697.2	8,838.1
Financial derivatives			140.4	317.0	752.2	758.1	1,422.2	1,247.5
Other investment	20,421.7	18,394.3	17,241.6	16,957.3	19,503.6	25,723.7	30,445.2	30,512.9
Long-term	12,008.4	10,538.7	9,317.5	9,172.7	10,826.5	14,043.8	16,698.2	17,037.8
CNB	63.1	5.5	4.8	3.7	3.8	3.7	3.1	1.9
Commercial banks	4,163.0	3,289.9	2,237.5	2,032.3	2,108.1	2,263.1	2,326.0	2,100.2
Government	797.7	579.6	521.0	261.3	314.4	875.4	1,433.7	2,130.0
Other sectors	6,984.6	6,663.7	6,554.2	6,875.4	8,400.2	10,901.6	12,935.4	12,805.7
Short-term	8,413.3	7,855.6	7,924.1	7,784.6	8,677.1	11,679.9	13,747.0	13,475.1
CNB	1.3	0.7	0.2	1.9	1.5	0.9	38.7	241.1
Commercial banks	6,477.1	6,392.3	5,981.4	5,253.5	5,845.7	8,128.7	8,273.0	8,184.4
Government								
Other sectors	1,931.4	1,462.6	1,942.5	2,529.2	2,829.9	3,550.3	5,435.3	5,049.6
NET INVESTMENT POSITION	-3,934.9	-3,083.4	-5,074.2	-6,731.2	-13,179.9	-20,561.5	-36,887.8	-34,844.1

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in CZK millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
DEBT IN CONVERTIBLE CURRENCIES	717,923.6	813,576.5	808,122.8	811,258.1	813,305.2	895,139.6	1,011,807.9	1,125,917.3
of which:								
Long-term	446,484.3	497,872.1	464,323.8	465,687.8	498,833.8	535,995.9	667,327.6	772,917.0
by debtor								
CNB	10,952.2	12,527.6	180.4	133.4	114.5	96.1	70.2	47.8
Commercial banks	133,376.5	128,703.3	95,737.1	88,401.4	80,063.7	73,276.4	64,346.5	65,418.8
Government	32,953.5	32,303.5	29,753.5	30,839.2	47,701.3	69,029.9	147,729.1	221,054.0
Other sectors	269,202.1	324,337.7	338,652.8	346,313.8	370,954.3	393,593.5	455,181.8	486,396.4
by creditor								
Foreign banks	248,712.0	257,410.0	228,709.6	229,305.5	230,589.8	251,535.3	269,081.3	284,541.7
Government institutions	4,409.6	4,239.2	3,405.7	2,373.6	1,747.2			9,636.0
Multilateral institutions	49,036.3	58,202.2	67,521.2	70,879.0	69,894.7	83,779.6	84,862.4	98,520.8
Suppliers and direct investors	72,624.6	93,831.4	99,560.2	105,944.3	118,829.4	109,287.9	143,301.2	158,690.0
Other investors	71,701.8	84,189.3	65,127.1	57,185.4	77,772.7	91,393.1	170,082.7	221,528.5
Short-term	271,439.3	315,704.4	343,799.0	345,570.3	314,471.4	359,143.7	344,480.3	353,000.3
by debtor								
CNB	39.5	25.8	8.8	68.5	44.2	22.8	866.5	5,926.5
Commercial banks	193,373.0	230,000.5	226,246.1	192,438.4	177,474.4	210,017.0	188,495.9	202,540.6
Government	22.0	7.0	2,115.0	465.0	761.0	710.0	3,334.6	1,102.4
Other sectors	78,004.8	85,671.1	115,429.1	152,598.4	136,191.8	148,393.9	151,783.3	143,430.8
by creditor								
Foreign banks	175,604.1	201,808.8	203,333.8	192,126.4	168,200.7	218,436.1	202,372.6	197,384.4
Multilateral institutions							861.3	5,918.8
Suppliers and direct investors	67,446.7	81,794.6	106,988.6	116,278.4	112,256.8	105,563.9	98,611.3	97,025.0
Other investors	28,388.5	32,101.0	33,476.6	37,165.5	34,013.9	35,143.7	42,635.1	52,672.1
DEBT IN NON-CONVERTIBLE CURRENCIES	8,996.7	8,925.7	8,950.9	0.0	0.0	0.0	0.0	0.0
of which:								
Long-term	8,893.5	8,925.7	8,950.9					
Short-term	103.2							
TOTAL EXTERNAL DEBT	726,920.3	822,502.2	817,073.7	811,258.1	813,305.2	895,139.6	1,011,807.9	1,125,917.3
of which:								
Long-term	455,377.8	506,797.8	473,274.7	465,687.8	498,833.8	535,995.9	667,327.6	772,917.0
Short-term	271,542.5	315,704.4	343,799.0	345,570.3	314,471.4	359,143.7	344,480.3	353,000.3
Total long-term debt	455,377.8	506,797.8	473,274.7	465,687.8	498,833.8	535,995.9	667,327.6	772,917.0
of which:								
- IMF loans								
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	241,734.0	254,398.0	245,389.0	203,102.3	207,325.2	222,120.9	272,202.1	322,318.0
- Liabilities of entities with majority private ownership	213,643.8	252,399.8	227,885.7	262,585.5	291,508.6	313,875.0	395,125.5	450,599.0

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in EUR millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
DEBT IN CONVERTIBLE CURRENCIES	20,499.8	22,518.1	23,030.0	25,367.7	25,737.5	27,623.5	33,212.1	38,818.0
of which:								
Long-term	12,749.0	13,780.1	13,232.3	14,561.9	15,785.9	16,540.5	21,904.7	26,647.7
by debtor								
CNB	312.7	346.8	5.1	4.2	3.6	3.0	2.3	1.6
Commercial banks	3,808.5	3,562.2	2,728.3	2,764.3	2,533.7	2,261.3	2,112.1	2,255.4
Government	940.9	894.1	847.9	964.3	1,509.5	2,130.2	4,849.1	7,621.3
Other sectors	7,686.9	8,977.0	9,651.0	10,829.1	11,739.1	12,146.0	14,941.2	16,769.4
by creditor								
Foreign banks	7,101.8	7,124.6	6,517.8	7,170.3	7,297.2	7,762.2	8,832.5	9,810.1
Government institutions	125.9	117.3	97.0	74.2	55.3			332.2
Multilateral institutions	1,400.2	1,610.9	1,924.2	2,216.4	2,211.9	2,585.4	2,785.5	3,396.7
Suppliers and direct investors	2,073.7	2,597.1	2,837.3	3,312.8	3,760.4	3,372.6	4,703.8	5,471.1
Other investors	2,047.4	2,330.2	1,856.0	1,788.2	2,461.1	2,820.3	5,582.9	7,637.6
Short-term	7,750.8	8,738.0	9,797.7	10,805.8	9,951.6	11,083.0	11,307.4	12,170.3
by debtor								
CNB	1.1	0.7	0.3	2.1	1.4	0.7	28.4	204.3
Commercial banks	5,521.7	6,365.9	6,447.6	6,017.5	5,616.3	6,481.0	6,187.3	6,983.0
Government	0.6	0.2	60.3	14.5	24.1	21.9	109.5	38.0
Other sectors	2,227.4	2,371.2	3,289.5	4,771.7	4,309.8	4,579.4	4,982.2	4,945.0
by creditor								
Foreign banks	5,014.3	5,585.6	5,794.7	6,007.7	5,322.8	6,740.8	6,642.8	6,805.2
Multilateral institutions							28.3	204.0
Suppliers and direct investors	1,925.9	2,263.9	3,049.0	3,636.0	3,552.4	3,257.7	3,236.8	3,345.1
Other investors	810.6	888.5	954.0	1,162.1	1,076.4	1,084.5	1,399.5	1,816.0
DEBT IN NON-CONVERTIBLE CURRENCIES	256.9	247.0	255.1	0.0	0.0	0.0	0.0	0.0
of which:								
Long-term	254.0	247.0	255.1					
Short-term	2.9							
TOTAL EXTERNAL DEBT	20,756.7	22,765.1	23,285.1	25,367.7	25,737.5	27,623.5	33,212.1	38,818.0
of which:								
Long-term	13,003.0	14,027.1	13,487.4	14,561.9	15,785.9	16,540.5	21,904.7	26,647.7
Short-term	7,753.7	8,738.0	9,797.7	10,805.8	9,951.6	11,083.0	11,307.4	12,170.3
Total long-term debt	13,003.0	14,027.1	13,487.4	14,561.9	15,785.9	16,540.5	21,904.7	26,647.7
of which:								
- IMF loans								
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	6,902.5	7,041.2	6,993.1	6,350.9	6,560.9	6,854.5	8,934.9	11,112.5
- Liabilities of entities with majority private ownership	6,100.5	6,985.9	6,494.3	8,211.0	9,225.0	9,686.0	12,969.8	15,535.2

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in USD millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
DEBT IN CONVERTIBLE CURRENCIES	24,047.0	22,612.5	21,371.6	22,374.0	26,983.4	34,892.8	45,240.7	45,791.3
of which:								
Long-term	14,955.1	13,837.9	12,279.5	12,843.4	16,550.0	20,893.3	29,838.0	31,434.7
by debtor								
CNB	366.9	348.2	4.8	3.7	3.8	3.7	3.1	1.9
Commercial banks	4,467.5	3,577.2	2,531.8	2,438.1	2,656.3	2,856.4	2,877.1	2,660.6
Government	1,103.7	897.9	786.9	850.5	1,582.6	2,690.8	6,605.4	8,990.3
Other sectors	9,017.0	9,014.6	8,956.0	9,551.1	12,307.3	15,342.4	20,352.4	19,781.9
by creditor								
Foreign banks	8,330.6	7,154.4	6,048.4	6,324.1	7,650.4	9,804.9	12,031.3	11,572.4
Government institutions	147.7	117.8	90.1	65.5	58.0			391.9
Multilateral institutions	1,642.5	1,617.7	1,785.7	1,954.8	2,318.9	3,265.8	3,794.4	4,006.9
Suppliers and direct investors	2,432.6	2,608.0	2,633.0	2,921.9	3,942.4	4,260.1	6,407.4	6,453.9
Other investors	2,401.7	2,340.0	1,722.3	1,577.1	2,580.3	3,562.5	7,604.9	9,009.6
Short-term	9,091.9	8,774.6	9,092.1	9,530.6	10,433.4	13,999.5	15,402.7	14,356.6
by debtor								
CNB	1.3	0.7	0.2	1.9	1.5	0.9	38.7	241.1
Commercial banks	6,477.1	6,392.6	5,983.3	5,307.3	5,888.1	8,186.5	8,428.2	8,237.4
Government	0.7	0.2	55.9	12.8	25.3	27.7	149.1	44.8
Other sectors	2,612.8	2,381.1	3,052.7	4,208.6	4,518.5	5,784.4	6,786.7	5,833.3
by creditor								
Foreign banks	5,881.9	5,609.1	5,377.4	5,298.7	5,580.5	8,514.7	9,048.6	8,027.7
Multilateral institutions							38.5	240.7
Suppliers and direct investors	2,259.1	2,273.3	2,829.4	3,206.9	3,724.4	4,114.9	4,409.2	3,946.0
Other investors	950.9	892.2	885.3	1,025.0	1,128.5	1,369.9	1,906.4	2,142.2
DEBT IN NON-CONVERTIBLE CURRENCIES	301.4	248.1	236.7	0.0	0.0	0.0	0.0	0.0
of which:								
Long-term	297.9	248.1	236.7					
Short-term	3.5							
TOTAL EXTERNAL DEBT	24,348.4	22,860.6	21,608.3	22,374.0	26,983.4	34,892.8	45,240.7	45,791.3
of which:								
Long-term	15,253.0	14,086.0	12,516.2	12,843.4	16,550.0	20,893.3	29,838.0	31,434.7
Short-term	9,095.4	8,774.6	9,092.1	9,530.6	10,433.4	13,999.5	15,402.7	14,356.6
Total long-term debt	15,253.0	14,086.0	12,516.2	12,843.4	16,550.0	20,893.3	29,838.0	31,434.7
of which:								
- IMF loans								
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	8,096.9	7,070.8	6,489.5	5,601.4	6,878.5	8,658.3	12,170.9	13,108.7
- Liabilities of entities with majority private ownership	7,156.1	7,015.2	6,026.7	7,242.0	9,671.5	12,235.0	17,667.1	18,326.0

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in CZK millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
I. Government	41,972.2	41,236.2	40,819.4	31,304.2	48,462.3	69,739.9	151,063.7	222,156.4
Short-term	125.2	7.0	2,115.0	465.0	761.0	710.0	3,334.6	1,102.4
Money market instruments	22.0	7.0	2,115.0	465.0	761.0	710.0	3,334.6	1,102.4
Loans								
Trade credits								
Other liabilities	103.2							
Long-term	41,847.0	41,229.2	38,704.4	30,839.2	47,701.3	69,029.9	147,729.1	221,054.0
Bonds and notes	18,032.2	20,376.3	19,005.2	21,363.0	38,225.5	46,573.9	115,663.7	168,681.3
Loans	14,921.3	11,927.2	10,748.3	9,476.2	9,475.8	22,456.0	32,065.4	42,736.7
Trade credits								9,636.0
Other liabilities	8,893.5	8,925.7	8,950.9					
II. CNB	10,991.7	12,553.4	189.2	201.9	158.7	118.9	936.7	5,974.3
Short-term	39.5	25.8	8.8	68.5	44.2	22.8	866.5	5,926.5
Money market instruments								
Loans								
Deposits	39.5	25.8	8.8	68.5	44.2	22.8	866.5	5,926.5
Other liabilities								
Long-term	10,952.2	12,527.6	180.4	133.4	114.5	96.1	70.2	47.8
Bonds and notes	9,068.9	12,330.5						
Loans	1,883.3	197.1	168.9	133.4	114.5	96.1	70.2	47.8
Deposits								
Other liabilities			11.5					
III. Commercial banks	326,749.5	358,703.8	321,983.2	280,839.8	257,538.1	283,293.4	252,842.4	267,959.4
Short-term	193,373.0	230,000.5	226,246.1	192,438.4	177,474.4	210,017.0	188,495.9	202,540.6
Money market instruments		11.8	69.9	1,950.8	1,278.2	1,483.0	3,470.7	1,301.2
Loans	25,209.7	39,666.7	25,262.6	10,702.3	5,854.0	5,194.2	10,600.3	15,463.9
Deposits	156,076.2	172,845.7	187,663.7	167,189.3	160,882.7	195,009.1	164,499.8	173,228.7
Other liabilities	12,087.1	17,476.3	13,249.9	12,596.0	9,459.5	8,330.7	9,925.1	12,546.8
Long-term	133,376.5	128,703.3	95,737.1	88,401.4	80,063.7	73,276.4	64,346.5	65,418.8
Bonds and notes	9,090.2	10,334.4	11,129.7	14,712.8	16,522.7	15,220.1	12,325.7	13,779.1
Loans	95,800.4	91,050.7	66,994.3	51,636.7	52,752.0	49,314.3	44,290.6	41,648.4
Deposits	28,485.9	27,318.2	17,613.1	21,828.1	10,789.0	8,319.4	7,321.3	9,523.3
Other liabilities				223.8		422.6	408.9	468.0
IV. Other sectors	282,855.6	316,882.8	337,888.1	354,114.5	354,719.9	389,595.6	448,212.6	471,472.2
Short-term	58,768.1	53,776.5	73,580.5	91,705.0	85,295.0	91,080.0	123,432.0	125,105.8
Money market instruments	1,106.2	1,154.4	130.4				1,872.0	945.8
Loans	9,451.9	2,722.1	8,310.1	36,320.0	23,935.0	42,830.0	51,300.0	45,460.0
Deposits								
Trade credits	48,210.0	49,900.0	65,140.0	55,385.0	61,360.0	48,250.0	70,260.0	78,700.0
Other liabilities								
Long-term	224,087.5	263,106.3	264,307.6	262,409.5	269,424.9	298,515.6	324,780.6	346,366.4
Bonds and notes	15,561.4	23,353.0	16,471.2	13,114.5	16,234.9	18,844.8	35,480.6	31,500.4
Loans	181,016.1	207,153.3	222,621.4	227,255.0	235,890.0	255,520.0	270,490.0	289,410.0
Deposits								
Trade credits	27,510.0	32,600.0	25,215.0	22,040.0	17,300.0	14,210.0	12,900.0	18,660.0
Other liabilities						9,940.8	5,910.0	6,796.0
V. Direct investment: Intercompany lending	64,351.3	93,126.0	116,193.8	144,797.7	152,426.2	152,391.8	158,752.5	158,355.0
Liabilities to affiliated enterprises								
Liabilities to direct investors	64,351.3	93,126.0	116,193.8	144,797.7	152,426.2	152,391.8	158,752.5	158,355.0
TOTAL EXTERNAL DEBT	726,920.3	822,502.2	817,073.7	811,258.1	813,305.2	895,139.6	1,011,807.9	1,125,917.3

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in EUR millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
I. Government	1,198.4	1,141.4	1,163.3	978.8	1,533.6	2,152.1	4,958.6	7,659.3
Short-term	3.5	0.2	60.3	14.5	24.1	21.9	109.5	38.0
Money market instruments	0.6	0.2	60.3	14.5	24.1	21.9	109.5	38.0
Loans								
Trade credits								
Other liabilities	2.9							
Long-term	1,194.9	1,141.2	1,103.0	964.3	1,509.5	2,130.2	4,849.1	7,621.3
Bonds and notes	514.9	564.0	541.6	668.0	1,209.6	1,437.2	3,796.6	5,815.6
Loans	426.0	330.1	306.3	296.3	299.9	693.0	1,052.5	1,473.5
Trade credits								332.2
Other liabilities	254.0	247.1	255.1					
II. CNB	313.8	347.5	5.4	6.3	5.0	3.7	30.7	205.9
Short-term	1.1	0.7	0.3	2.1	1.4	0.7	28.4	204.3
Money market instruments								
Loans								
Deposits	1.1	0.7	0.3	2.1	1.4	0.7	28.4	204.3
Other liabilities								
Long-term	312.7	346.8	5.1	4.2	3.6	3.0	2.3	1.6
Bonds and notes	258.9	341.3						
Loans	53.8	5.5	4.8	4.2	3.6	3.0	2.3	1.6
Deposits								
Other liabilities			0.3					
III. Commercial banks	9,330.2	9,928.1	9,175.9	8,781.8	8,150.0	8,742.3	8,299.4	9,238.4
Short-term	5,521.7	6,365.9	6,447.6	6,017.5	5,616.3	6,481.0	6,187.3	6,983.0
Money market instruments		0.3	2.0	61.0	40.5	45.8	113.9	44.9
Loans	719.9	1,097.9	719.9	334.7	185.2	160.3	348.0	533.1
Deposits	4,456.6	4,784.0	5,348.1	5,227.9	5,091.2	6,017.8	5,399.6	5,972.4
Other liabilities	345.2	483.7	377.6	393.9	299.4	257.1	325.8	432.6
Long-term	3,808.5	3,562.2	2,728.3	2,764.3	2,533.7	2,261.3	2,112.1	2,255.4
Bonds and notes	259.6	286.0	317.2	460.1	522.9	469.7	404.6	475.0
Loans	2,735.5	2,520.1	1,909.2	1,614.7	1,669.4	1,521.8	1,453.8	1,435.9
Deposits	813.4	756.1	501.9	682.5	341.4	256.7	240.3	328.3
Other liabilities				7.0		13.1	13.4	16.2
IV. Other sectors	8,076.8	8,770.6	9,629.2	11,073.0	11,225.3	12,022.7	14,712.4	16,254.8
Short-term	1,678.1	1,488.4	2,096.9	2,867.6	2,699.2	2,810.7	4,051.6	4,313.2
Money market instruments	31.6	31.9	3.7				61.4	32.6
Loans	269.9	75.4	236.8	1,135.7	757.4	1,321.7	1,683.9	1,567.3
Deposits								
Trade credits	1,376.6	1,381.1	1,856.4	1,731.9	1,941.8	1,489.0	2,306.3	2,713.3
Other liabilities								
Long-term	6,398.7	7,282.2	7,532.3	8,205.4	8,526.1	9,212.0	10,660.8	11,941.6
Bonds and notes	444.4	646.4	469.4	410.1	513.8	581.5	1,164.6	1,086.0
Loans	5,168.8	5,733.5	6,344.3	7,106.1	7,464.8	7,885.2	8,878.7	9,977.9
Deposits								
Trade credits	785.5	902.3	718.6	689.2	547.5	438.5	423.5	643.4
Other liabilities						306.8	194.0	234.3
V. Direct investment: intercompany lending	1,837.5	2,577.5	3,311.3	4,527.8	4,823.6	4,702.7	5,211.0	5,459.6
Liabilities to affiliated enterprises								
Liabilities to direct investors	1,837.5	2,577.5	3,311.3	4,527.8	4,823.6	4,702.7	5,211.0	5,459.6
TOTAL EXTERNAL DEBT	20,756.7	22,765.1	23,285.1	25,367.7	25,737.5	27,623.5	33,212.1	38,818.0

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in USD millions	31 Dec. 1998	31 Dec. 1999	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005
							1)	2)
I. Government	1,405.9	1,146.2	1,079.5	863.3	1,607.9	2,718.5	6,754.5	9,035.1
Short-term	4.2	0.2	55.9	12.8	25.3	27.7	149.1	44.8
Money market instruments	0.7	0.2	55.9	12.8	25.3	27.7	149.1	44.8
Loans								
Trade credits								
Other liabilities	3.5							
Long-term	1,401.7	1,146.0	1,023.6	850.5	1,582.6	2,690.8	6,605.4	8,990.3
Bonds and notes	604.0	566.4	502.6	589.2	1,268.2	1,815.4	5,171.7	6,860.3
Loans	499.8	331.5	284.3	261.3	314.4	875.4	1,433.7	1,738.1
Trade credits								391.9
Other liabilities	297.9	248.1	236.7					
II. CNB	368.2	348.9	5.0	5.6	5.3	4.6	41.8	243.0
Short-term	1.3	0.7	0.2	1.9	1.5	0.9	38.7	241.1
Money market instruments								
Loans								
Deposits	1.3	0.7	0.2	1.9	1.5	0.9	38.7	241.1
Other liabilities								
Long-term	366.9	348.2	4.8	3.7	3.8	3.7	3.1	1.9
Bonds and notes	303.8	342.7						
Loans	63.1	5.5	4.5	3.7	3.8	3.7	3.1	1.9
Deposits								
Other liabilities			0.3					
III. Commercial banks	10,944.6	9,969.8	8,515.1	7,745.4	8,544.4	11,042.9	11,305.3	10,898.0
Short-term	6,477.1	6,392.6	5,983.3	5,307.3	5,888.1	8,186.5	8,428.2	8,237.4
Money market instruments		0.3	1.9	53.8	42.4	57.8	155.2	53.0
Loans	844.4	1,102.5	668.1	295.1	194.2	202.5	474.0	628.9
Deposits	5,227.8	4,804.1	4,962.9	4,611.0	5,337.7	7,601.5	7,355.2	7,045.2
Other liabilities	404.9	485.7	350.4	347.4	313.8	324.7	443.8	510.3
Long-term	4,467.5	3,577.2	2,531.8	2,438.1	2,656.3	2,856.4	2,877.1	2,660.6
Bonds and notes	304.5	287.3	294.3	405.8	548.2	593.3	551.1	560.4
Loans	3,208.9	2,530.6	1,771.7	1,424.1	1,750.2	1,922.3	1,980.4	1,693.9
Deposits	954.1	759.3	465.8	602.0	357.9	324.3	327.3	387.3
Other liabilities				6.2		16.5	18.3	19.0
IV. Other sectors	9,474.3	8,807.4	8,935.8	9,766.3	11,768.7	15,186.5	20,040.8	19,174.9
Short-term	1,968.5	1,494.7	1,946.0	2,529.2	2,829.9	3,550.3	5,519.0	5,088.1
Money market instruments	37.1	32.1	3.5				83.7	38.5
Loans	316.6	75.7	219.8	1,001.7	794.1	1,669.5	2,293.8	1,848.9
Deposits								
Trade credits	1,614.8	1,386.9	1,722.7	1,527.5	2,035.8	1,880.8	3,141.5	3,200.7
Other liabilities								
Long-term	7,505.8	7,312.7	6,989.8	7,237.1	8,938.8	11,636.2	14,521.8	14,086.8
Bonds and notes	521.2	649.0	435.6	361.7	538.6	734.6	1,586.4	1,281.1
Loans	6,063.2	5,757.6	5,887.4	6,267.5	7,826.2	9,960.2	12,094.3	11,770.4
Deposits								
Trade credits	921.4	906.1	666.8	607.9	574.0	553.9	576.8	758.9
Other liabilities						387.5	264.3	276.4
V. Direct investment: intercompany lending	2,155.4	2,588.3	3,072.9	3,993.4	5,057.1	5,940.3	7,098.3	6,440.3
Liabilities to affiliated enterprises								
Liabilities to direct investors	2,155.4	2,588.3	3,072.9	3,993.4	5,057.1	5,940.3	7,098.3	6,440.3
TOTAL EXTERNAL DEBT	24,348.4	22,860.6	21,608.3	22,374.0	26,983.4	34,892.8	45,240.7	45,791.3

1) revised data

2) preliminary data

**AMORTISATION SCHEDULE FOR LONG-TERM DEBT IN CONVERTIBLE CURRENCIES,
BY CREDITOR AND DEBTOR, AS AT 31 DEC. 2005**

		in CZK millions					
		Debt					
		as at 31 Dec. 2005	2006	2007	2008	2009	2010-33
CREDITORS	Principal	772,917	171,480	79,407	54,491	68,467	399,072
	Interest	29,894	23,245	23,245	21,306	16,533	124,221
Foreign banks	Principal	284,542	61,531	46,477	23,618	21,559	131,356
	Interest		13,096	9,151	7,527	6,527	78,460
Government institutions	Principal	9,636	80	870	1,437	1,501	5,748
	Interest		434	431	392	327	707
Multilateral institutions	Principal	98,521	8,207	6,492	5,319	9,342	69,161
	Interest		3,467	3,202	2,918	2,574	13,580
Suppliers and direct investors	Principal	158,690	86,647	12,110	5,470	8,253	46,210
	Interest */		5,006	2,731	2,661	2,451	11,552
Other investors	Principal	221,529	15,015	13,457	18,647	27,812	146,597
	Interest		7,892	7,731	7,809	4,653	19,921
DEBTORS	Principal	772,917	171,480	79,407	54,491	68,467	399,072
	Interest	29,894	23,245	23,245	21,306	16,532	124,221
CNB	Principal	48	16	16	16		
	Interest		3	2	1		
Commercial banks	Principal	65,419	6,270	6,619	9,729	17,381	25,421
	Interest		3,512	1,964	1,799	1,424	3,412
Government	Principal	221,054	10,255	10,076	11,018	19,834	169,871
	Interest		6,700	6,616	6,693	3,739	20,884
Other sectors	Principal	486,396	154,939	62,697	33,728	31,252	203,780
	Interest		19,680	14,664	12,814	11,369	99,926
TOTAL	Principal	772,917	171,480	79,407	54,491	68,467	399,072
	Interest		29,894	23,245	21,306	16,532	124,221
TOTAL DEBT SERVICE			201,374	102,652	75,797	85,000	523,293

*/Interest on import credits is included in repayments of the principal.

**AMORTISATION SCHEDULE FOR LONG-TERM DEBT IN CONVERTIBLE CURRENCIES,
BY CREDITOR AND DEBTOR, AS AT 31 DEC. 2005**

		in USD millions					
		Debt					
		as at 31 Dec. 2005	2006	2007	2008	2009	2010-33
CREDITORS	Principal	31,435	6,974	3,229	2,216	2,785	16,230
	Interest		1,216	945	867	672	5,052
Foreign banks	Principal	11,572	2,502	1,890	961	877	5,342
	Interest		533	372	306	265	3,191
Government institutions	Principal	392	3	35	58	61	234
	Interest		18	18	16	13	29
Multilateral institutions	Principal	4,007	334	264	216	380	2,813
	Interest		141	130	119	105	552
Suppliers and direct investors	Principal	6,454	3,524	493	222	336	1,879
	Interest*/		204	111	108	100	470
Other investors	Principal	9,010	611	547	758	1,131	5,962
	Interest		321	314	318	189	810
DEBTORS	Principal	31,435	6,974	3,229	2,216	2,785	16,230
	Interest		1,216	945	867	672	5,052
CNB	Principal	2	1	1	0		
	Interest		0	0			
Commercial banks	Principal	2,661	255	269	396	707	1,034
	Interest		143	80	73	58	139
Government	Principal	8,990	417	410	448	807	6,909
	Interest		272	269	272	152	849
Other sectors	Principal	19,782	6,301	2,550	1,372	1,271	8,288
	Interest		800	596	521	462	4,064
TOTAL	Principal	31,435	6,974	3,229	2,216	2,785	16,230
	Interest		1,216	945	867	672	5,052
TOTAL DEBT SERVICE			8,190	4,175	3,083	3,457	21,282

*/Interest on import credits is included in repayments of the principal.

**AMORTISATION SCHEDULE FOR LONG-TERM DEBT IN CONVERTIBLE CURRENCIES,
BY CREDITOR AND DEBTOR, AS AT 31 DEC. 2005**

		in EUR millions					
		Debt					
		as at 31 Dec. 2005	2006	2007	2008	2009	2010-33
CREDITORS	Principal	26,648	5,912	2,738	1,879	2,361	13,759
	Interest		1,031	801	735	570	4,283
Foreign banks	Principal	9,810	2,121	1,602	814	743	4,529
	Interest		451	315	260	225	2,705
Government institutions	Principal	332	3	30	50	52	198
	Interest		15	15	14	11	24
Multilateral institutions	Principal	3,397	283	224	183	322	2,384
	Interest		120	110	101	89	468
Suppliers and direct investors	Principal	5,471	2,987	418	189	285	1,593
	Interest*/		173	94	92	84	398
Other investors	Principal	7,638	518	464	643	959	5,054
	Interest		272	267	269	160	687
DEBTORS	Principal	26,648	5,912	2,738	1,879	2,361	13,759
	Interest		1,031	801	735	570	4,283
CNB	Principal	2	1	1	0		
	Interest		0	0	0		
Commercial banks	Principal	2,255	216	228	335	599	876
	Interest		121	68	62	49	118
Government	Principal	7,621	354	347	380	684	5,857
	Interest		231	228	231	129	720
Other sectors	Principal	16,769	5,342	2,162	1,163	1,077	7,026
	Interest		679	506	442	392	3,445
TOTAL	Principal	26,648	5,912	2,738	1,879	2,361	13,759
	Interest		1,031	801	735	570	4,283
TOTAL DEBT SERVICE			6,943	3,539	2,613	2,931	18,041

*/Interest on import credits is included in repayments of the principal.

AMORTISATION OF LONG-TERM DEBT IN CONVERTIBLE CURRENCIES AS AT 31 DEC. 2005

in CZK thousands						
	Debt as at 31 Dec. 2004	Drawings	Repayments		Difference	Debt as at 31 Dec. 2005
			Principal	Interest		
1. FINANCIAL LOANS	346,916,200	94,055,500	61,094,900	17,148,425	-6,033,900	373,842,900
Commercial banks	44,290,600	5,837,400	7,797,700	2,148,475	-681,900	41,648,400
CNB	70,200		19,100	4,100	-3,300	47,800
Government	32,065,400	11,179,100		718,400	-507,800	42,736,700
Corporations	270,490,000	77,039,000	53,278,100	14,277,450	-4,840,900	289,410,000
2. BONDS	163,470,000	63,500,300	19,119,200	7,455,200	6,109,700	213,960,800
Commercial banks	12,325,700	926,100	991,200	642,100	1,518,500	13,779,100
Government	115,663,700	53,033,900		4,695,800	-16,300	168,681,300
Corporations	35,480,600	9,540,300	18,128,000	2,117,300	4,607,500	31,500,400
3. SPECIAL-PURPOSE LOANS	7,730,200	4,197,600	1,926,300	106,329	-10,200	9,991,300
Commercial banks	7,730,200	4,197,600	1,926,300	106,329	-10,200	9,991,300
4. TRADE CREDITS	149,211,200	91,047,058	75,625,713	7,244,996	10,489,455	175,122,000
Government		10,330,000	694,000	349,000	0	9,636,000
Corporations (import liabilities)	18,810,000	11,483,000	6,112,000		1,275,000	25,456,000
Corporations (other capital)	130,401,200	69,234,058	68,819,713	6,895,996	9,214,455	140,030,000
5. TOTAL	667,327,600	252,800,458	157,766,113	31,954,950	10,555,055	772,917,000
Amort./Exports of goods and services			8.9%			

in USD millions						
	Debt as at 31 Dec. 2004	Drawings	Repayments		Difference	Debt as at 31 Dec. 2005
			Principal	Interest		
1. FINANCIAL LOANS	15,512	3,928	2,552	912	-1,684	15,204
Commercial banks	1,981	244	326	90	-205	1,694
CNB	3	0	1	30	0	2
Government	1,434	467	0	196	-162	1,739
Corporations	12,094	3,217	2,225	596	-1,317	11,769
2. BONDS	7,309	2,652	798	311	-462	8,701
Commercial banks	551	39	41	27	11	560
Government	5,172	2,215	0	196	-527	6,860
Corporations	1,586	398	757	88	54	1,281
3. SPECIAL-PURPOSE LOANS	346	175	80	4	-35	406
Commercial banks	346	175	80	4	-35	406
4. TRADE CREDITS	6,671	3,802	3,158	303	281	7,124
Government	0	431	29	15	-10	392
Corporations (import liabilities)	841	480	255	0	-31	1,035
Corporations (other capital)	5,830	2,891	2,874	288	322	5,697
5. TOTAL	29,838	10,557	6,588	1,530	-2,374	31,435
Amort./Exports of goods and services			8.9%			

in EUR millions						
	Debt as at 31 Dec. 2004	Drawings	Repayments		Difference	Debt as at 31 Dec. 2005
			Principal	Interest		
1. FINANCIAL LOANS	11,386	3,156	2,052	1,054	400	12,890
Commercial banks	1,453	195	262	72	50	1,436
CNB	2	0	1	24	1	2
Government	1,052	375	0	479	47	1,474
Corporations	8,879	2,586	1,789	479	302	9,978
2. BONDS	5,367	2,132	642	251	520	7,377
Commercial banks	405	31	33	22	72	475
Government	3,797	1,781	0	158	238	5,816
Corporations	1,165	320	609	71	210	1,086
3. SPECIAL-PURPOSE LOANS	254	141	65	4	14	344
Commercial banks	254	141	65	4	14	344
4. TRADE CREDITS	4,898	3,058	2,539	244	622	6,037
Government	0	347	23	12	8	332
Corporations (import liabilities)	617	386	205	0	80	878
Corporations (other capital)	4,281	2,325	2,311	232	534	4,827
5. TOTAL	21,905	8,487	5,298	1,553	1,556	26,648
Amort./Exports of goods and services			8.9%			

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS
broken down by territory

Outward flows in 2005				
Eurostat/OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
A1	TOTAL WORLDWIDE	20,500.1	856,061.0	688,292.2
E1	EUROPE	10,481.8	437,708.2	351,927.1
	of which:			
BE	Belgium	0.5	20.8	16.7
DK	Denmark	2.4	101.2	81.4
FI	Finland	0.2	9.3	7.5
FR	France	-2.9	-119.2	-95.9
IE	Ireland	-57.4	-2,398.1	-1,928.1
IT	Italy	-3.9	-162.4	-130.6
LU	Luxembourg	-48.1	-2,008.9	-1,615.2
DE	Germany	148.2	6,190.6	4,977.3
NL	Netherlands	2,331.2	97,348.1	78,270.1
PT	Portugal	303.6	12,677.1	10,192.7
AT	Austria	-10.9	-453.7	-364.8
ES	Spain	23.6	983.5	790.7
SE	Sweden	10.7	446.9	359.3
GB	United Kingdom	684.4	28,579.0	22,978.2
CY	Cyprus	328.1	13,700.3	11,015.3
LT	Lithuania	7.9	328.0	263.8
LV	Latvia	64.4	2,688.2	2,161.4
HU	Hungary	7.9	329.0	264.6
PL	Poland	1.0	43.7	35.1
SI	Slovenia	-73.6	-3,071.6	-2,469.6
SK	Slovakia	1,406.5	58,733.9	47,223.4
LI	Liechtenstein	245.1	10,235.9	8,229.9
NO	Norway	0.3	14.1	11.3
CH	Switzerland	185.2	7,731.8	6,216.6
E2	OTHER EUROPEAN COUNTRIES	4,927.3	205,758.8	165,434.7
	of which:			
BY	Belarus	45.5	1,900.0	1,527.6
BA	Bosnia and Herzegovina	-5.3	-220.3	-177.1
BG	Bulgaria	-178.6	-7,459.8	-5,997.8
HR	Croatia	3.1	127.5	102.5
MD	Moldavia	1.6	68.6	55.1
RO	Romania	4,786.2	199,865.8	160,696.5
RU	Russia	3.3	139.7	112.3
TR	Turkey	1.1	44.0	35.4
UA	Ukraine	269.2	11,242.2	9,039.0
CS	Serbia and Montenegro	1.3	52.7	42.4
E4	AFRICA	9,819.9	410,067.2	329,703.2
E5	NORTH AFRICA	0.9	35.6	28.7
	of which:			
DZ	Algeria	0.9	35.6	28.7
E6	OTHER AFRICAN COUNTRIES	9,819.0	410,031.6	329,674.5
	of which:			
MU	Mauricius	9,814.8	409,855.1	329,532.6
SL	Sierra Leone	4.2	176.5	141.9
E7	AMERICA	83.2	3,475.6	2,794.5
E8	NORTH AMERICA	215.2	8,985.3	7,224.4
	of which:			
CA	Canada	69.2	2,890.3	2,323.9
US	USA	146.0	6,095.0	4,900.5
E9	CENTRAL AMERICA	-136.1	-5,682.5	-4,568.9
	of which:			
VG	British Virgin Islands	-226.5	-9,457.5	-7,604.1
KY	Cayman Islands	86.0	3,591.2	2,887.4
CR	Costa Rica	3.3	136.4	109.7
MX	Mexico	1.1	47.4	38.1
F1	SOUTH AMERICA	4.1	172.8	139.0
	of which:			
AR	Argentina	0.1	3.4	2.8
BR	Brazil	4.0	168.6	135.6

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS
broken down by territory

Outward flows in 2005				
Eurostat/ OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
F2	ASIA	115.2	4,810.1	3,867.4
F3	NEAR AND MIDDLE EAST	263.0	10,981.8	8,829.6
	of which:			
F4	Arabian Gulf countries	263.0	10,981.8	8,829.6
	of which:			
BH	Bahrain	-0.3	-10.7	-8.6
AE	United Arab Emirates	263.2	10,992.9	8,838.6
F6	OTHER ASIAN COUNTRIES	-147.8	-6,171.8	-4,962.2
	of which:			
CN	China	1.5	64.4	51.8
HK	Hong Kong	0.3	11.7	9.4
IN	India	-163.8	-6,838.5	-5,498.3
KZ	Kazakhstan	5.5	230.4	185.2
MM	Myanmar	-0.4	-16.4	-13.2
SG	Singapore	4.7	195.3	157.1
UZ	Uzbekistan	4.3	181.3	145.8
D3	EU-25	5,123.9	213,967.5	172,034.6
D2	EU-15	3,381.7	141,214.1	113,539.3
D8	New EU member countries	1,742.2	72,753.4	58,495.4
D5	Outside EU-25	15,376.2	642,093.5	516,257.5
U2	Euro area	2,684.1	112,087.0	90,120.4
U4	Outside euro area	17,815.9	743,974.1	598,171.7
A5	EFTA	430.6	17,981.8	14,457.8
A8	OECD	5,199.9	217,143.4	174,588.1
B1	NAFTA	216.3	9,032.7	7,262.5
C4	„Offshore“ financial centres	109.3	4,564.4	3,669.8

/ * - preliminary data

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS
broken down by economic activity

Outward flows in 2005					
Code	NACE	Sectors and industries	Total in CZK millions	Total in USD thousands	Total in EUR thousands
0595	01-05	AGRICULTURE, FORESTRY AND FISHING	-0.0	-0.0	-0.0
1495	10-14	MINING AND QUARRYING	341.4	14,255.8	11,462.0
3995	15-37	MANUFACTURING	10,849.8	453,074.0	364,281.6
		of which:			
1605	15-16	Manufacture of food products, beverages and tobacco	450.1	18,795.5	15,112.0
1805	17-18	Manufacture of textiles and wearing apparel	-30.1	-1,258.5	-1,011.8
2205	20-22	Manufacture of wood and wood products, paper and paper products, publishing and printing	75.7	3,161.2	2,541.7
2300	23	Manufacture of coke, refined petroleum products, nuclear fuel, radioactive elements and compounds	-2.6	-110.2	-88.6
2400	24	Manufacture of chemicals and chemical products	342.3	14,295.8	11,494.1
2500	25	Manufacture of rubber and plastic products	8.0	332.9	267.7
2600	26	Manufacture of other non-metallic mineral products	122.2	5,101.2	4,101.4
2805	27-28	Manufacture of metals and metal products	9,838.3	410,836.5	330,321.7
2900	29	Manufacture of machinery and equipment	-22.3	-929.4	-747.2
3000	30	Manufacture of office machinery and computers (incl. data-processing apparatus)	4.7	195.3	157.0
3100	31	Manufacture of electrical machinery and apparatus n.e.c.	-7.5	-314.3	-252.7
3200	32	Manufacture of radio, television and communication equipment and apparatus	9.1	378.3	304.2
3300	33	Manufacture of medical, precision and optical instruments, watches and clocks	62.4	2,605.9	2,095.2
3400	34	Manufacture of motor vehicles, trailers and semi-trailers	11.9	496.0	398.8
3500	35	Manufacture of other transport equipment	-3.3	-139.8	-112.4
3600	36	Manufacture of furniture, manufacturing n.e.c.	-12.1	-505.9	-406.8
3700	37	Recycling	0.2	8.9	7.1
4195	40-41	ELECTRICITY, GAS AND WATER SUPPLY	4,271.0	178,350.8	143,398.1
4500	45	CONSTRUCTION	121.7	5,083.9	4,087.6
5295	50-52	TRADE AND REPAIRS	76.3	3,185.5	2,561.2
5500	55	RESTAURANTS AND HOTELS	0.0	1.9	1.5
6495	60-64	TRANSPORT AND TELECOMMUNICATIONS	-21.1	-882.6	-709.6
6895	65-67	FINANCIAL INTERMEDIATION	865.6	36,146.8	29,062.8
7395	70-74	REAL ESTATE AND SERVICES FOR BUSINESSES	3,873.9	161,771.6	130,068.0
9995	75-99	OTHER SERVICES	121.5	5,073.1	4,078.9
9999	01-99	TOTAL	20,500.1	856,061.0	688,292.2

/ * - preliminary data

FOREIGN DIRECT INVESTMENT INWARD FLOWS
broken down by territory

Inward flows in 2005				
Eurostat/ OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
A1	TOTAL WORLDWIDE	263,206.2	10,991,197.7	8,837,168.0
E1	EUROPE	255,433.7	10,666,628.0	8,576,206.8
	of which:			
BE	Belgium	4,418.4	184,506.0	148,346.9
DK	Denmark	-309.2	-12,911.5	-10,381.1
FI	Finland	617.7	25,795.1	20,739.8
FR	France	5,265.4	219,878.8	176,787.5
IE	Ireland	-72.4	-3,023.5	-2,431.0
IT	Italy	696.2	29,074.4	23,376.5
LU	Luxembourg	3,700.6	154,532.2	124,247.3
DE	Germany	26,692.1	1,114,632.0	896,189.0
NL	Netherlands	47,532.8	1,984,917.6	1,595,918.0
PT	Portugal	81.1	3,387.5	2,723.6
AT	Austria	11,002.9	459,468.0	369,422.5
GR	Greece	-756.3	-31,580.5	-25,391.4
ES	Spain	117,630.0	4,912,097.4	3,949,435.8
SE	Sweden	6,964.4	290,826.5	233,831.0
GB	United Kingdom	5,534.7	231,121.0	185,826.4
CY	Cyprus	-1,352.3	-56,470.5	-45,403.6
LT	Lithuania	104.9	4,382.5	3,523.6
LV	Latvia	-0.2	-8.1	-6.5
HU	Hungary	173.6	7,248.2	5,827.7
MT	Malta	-1,102.7	-46,047.0	-37,022.8
PL	Poland	16,831.2	702,851.7	565,108.5
SI	Slovenia	185.8	7,760.3	6,239.4
SK	Slovakia	3,822.6	159,629.0	128,345.3
IS	Iceland	2.4	99.7	80.2
LI	Liechtenstein	683.5	28,542.7	22,949.0
NO	Norway	-17.8	-741.7	-596.3
CH	Switzerland	6,169.1	257,612.8	207,126.5
E2	OTHER EUROPEAN COUNTRIES	934.9	39,038.9	31,388.2
	of which:			
BY	Belarus	7.2	298.8	240.2
BA	Bosnia and Herzegovina	-1.3	-52.7	-42.4
BG	Bulgaria	3.2	134.3	108.0
GI	Gibraltar	-38.0	-1,585.3	-1,274.6
GG	Guernsey	886.0	36,998.7	29,747.8
HR	Croatia	0.4	17.2	13.8
JE	Jersey	18.7	780.0	627.2
MD	Moldavia	0.1	4.8	3.9
IM	Isle of Man	-29.0	-1,211.8	-974.3
RU	Russia	-142.1	-5,935.3	-4,772.1
SM	San Marino	3.9	160.8	129.3
TR	Turkey	1.6	66.7	53.6
UA	Ukraine	222.0	9,270.3	7,453.5
CS	Serbia and Montenegro	-8.0	-334.2	-268.7
E4	AFRICA	-346.5	-14,470.2	-11,634.4
E5	NORTH AFRICA	26.1	1,090.9	877.1
	of which:			
TN	Tunisia	6.4	268.1	215.5
E6	OTHER AFRICAN COUNTRIES	-372.6	-15,561.1	-12,511.5
	of which:			
ZA	South Africa	0.5	20.5	16.5
SC	Seychelles	-443.2	-18,507.9	-14,880.8
E7	AMERICA	3,699.8	154,500.4	124,221.8
E8	NORTH AMERICA	2,545.0	106,275.7	85,448.0
	of which:			
CA	Canada	-12.2	-508.4	-408.8
US	USA	2,557.2	106,784.1	85,856.8
E9	CENTRAL AMERICA	1,154.3	48,200.8	38,754.5
	of which:			
BS	Bahama Islands	-0.3	-14.0	-11.3
BZ	Belize	-15.4	-644.0	-517.8

FOREIGN DIRECT INVESTMENT INWARD FLOWS
broken down by territory

Eurostat/ OECD	Geographical and economic zones	Inward flows in 2005		
		Total in CZK millions	Total in USD thousands	Total in EUR thousands
VG	British Virgin Islands	117.5	4,908.2	3,946.3
KY	Cayman Islands	-3,899.2	-162,828.1	-130,917.4
MX	Mexico	-96.4	-4,025.3	-3,236.5
AN	Netherlands Antilles	18.8	784.8	631.0
PA	Panama	49.5	2,067.6	1,662.4
LC	St. Lucia	1.1	46.1	37.1
VC	St. Vincent and the Grenadines	61.9	2,585.9	2,079.2
F1	SOUTH AMERICA	0.6	24.0	19.3
	of which:			
VE	Venezuela	0.6	23.8	19.1
F2	ASIA	3,982.2	166,293.9	133,704.0
F3	NEAR AND MIDDLE EAST	90.8	3,790.8	3,047.9
	of which:			
IL	Israel	69.9	2,919.2	2,347.1
F4	Arabian Gulf countries	6.1	255.1	205.1
	of which:			
AE	United Arab Emirates	5.9	244.7	196.7
F5	Other Near and Middle East countries	14.7	615.5	494.9
	of which:			
AZ	Azerbaijan	0.2	9.1	7.3
GE	Georgia	2.1	88.1	70.8
JO	Jordan	0.3	11.1	8.9
SY	Syria	12.1	506.1	406.9
F6	OTHER ASIAN COUNTRIES	3,891.5	162,503.1	130,656.1
	of which:			
CN	China	195.6	8,168.3	6,567.5
HK	Hong Kong	-0.4	-16.6	-13.4
IN	India	19.7	823.2	661.9
JP	Japan	3,307.1	138,101.7	111,036.9
KZ	Kazakhstan	1.1	46.2	37.1
KR	Republic of Korea	247.5	10,335.9	8,310.3
MN	Mongolia	0.2	7.3	5.9
NP	Nepal	0.5	21.9	17.6
SG	Singapore	10.8	450.7	362.4
TW	Taiwan	77.9	3,252.0	2,614.7
TM	Turkmenistan	1.0	43.5	35.0
UZ	Uzbekistan	1.4	60.0	48.3
VN	Vietnam	3.3	138.8	111.6
F7	OCEANIA AND POLAR REGIONS	436.9	18,245.6	14,669.9
	of which:			
AU	Australia	17.5	732.0	588.5
MH	Marshall Islands	401.6	16,769.2	13,482.8
WS	Samoa	1.4	59.4	47.8
NU	Niue	-2.3	-95.5	-76.8
D3	EU-25	247,661.7	10,342,075.5	8,315,259.3
D2	EU-15	228,998.5	9,562,720.9	7,688,640.9
D8	New EU member countries	18,663.2	779,354.5	626,618.4
D5	Outside EU-25	15,544.5	649,122.2	521,908.7
U2	Euro area	216,808.6	9,053,684.9	7,279,364.6
U4	Outside euro area	46,397.6	1,937,512.8	1,557,803.5
A5	EFTA	6,837.2	285,513.6	229,559.3
A8	OECD	262,001.9	10,940,907.6	8,796,733.7
B1	NAFTA	2,448.6	102,250.3	82,211.5
C4	„Offshore“ financial centres	3,181.9	132,874.0	106,833.7
/ * - preliminary data				

FOREIGN DIRECT INVESTMENT INWARD FLOWS
broken down by economic activity

Inward flows in 2005					
Code	NACE	Sectors and industries	Total in CZK millions	Total in USD thousands	Total in EUR thousands
0595	01-05	AGRICULTURE, FORESTRY AND FISHING	119.2	4,975.6	4,000.5
1495	10-14	MINING AND QUARRYING	1,257.5	52,510.5	42,219.6
3995	15-37	MANUFACTURING	44,258.7	1,848,194.6	1,485,989.7
		of which:			
1605	15-16	Manufacture of food products, beverages and tobacco	3,762.6	157,120.5	126,328.4
1805	17-18	Manufacture of textiles and wearing apparel	1,356.7	56,652.5	45,549.9
1900	19	Tanning and dressing of leather; manufacture of luggage, handbags and footwear	-114.0	-4,758.9	-3,826.3
2205	20-22	Manufacture of wood and wood products, paper and paper products, publishing and printing	2,860.4	119,445.9	96,037.2
2400	24	Manufacture of chemicals and chemical products	4,811.6	200,928.6	161,551.0
2500	25	Manufacture of rubber and plastic products	6,968.2	290,983.2	233,957.0
2600	26	Manufacture of other non-metallic mineral products	1,828.9	76,373.1	61,405.7
2805	27-28	Manufacture of metals and metal products	15,383.8	642,409.5	516,511.6
2900	29	Manufacture of machinery and equipment	2,466.3	102,991.9	82,807.8
3000	30	Manufacture of office machinery and computers (incl. data-processing apparatus)	116.9	4,880.7	3,924.2
3100	31	Manufacture of electrical machinery and apparatus n.e.c.	4,172.5	174,237.3	140,090.6
3200	32	Manufacture of radio, television and communication equipment and apparatus	-4,440.4	-185,425.7	-149,086.4
3300	33	Manufacture of medical, precision and optical instruments, watches and clocks	840.9	35,113.1	28,231.7
3400	34	Manufacture of motor vehicles, trailers and semi-trailers	3,161.6	132,025.0	106,151.0
3500	35	Manufacture of other transport equipment	593.2	24,769.5	19,915.2
3600	36	Manufacture of furniture, manufacturing n.e.c.	278.8	11,643.8	9,361.9
3700	37	Recycling	113.7	4,749.0	3,818.3
4195	40-41	ELECTRICITY, GAS AND WATER SUPPLY	3,521.3	147,045.2	118,227.6
4500	45	CONSTRUCTION	2,220.5	92,727.6	74,555.0
5295	50-52	TRADE AND REPAIRS	15,106.6	630,835.2	507,205.6
5500	55	RESTAURANTS AND HOTELS	-1,370.5	-57,232.6	-46,016.3
6495	60-64	TRANSPORT AND TELECOMMUNICATIONS	118,826.3	4,962,053.1	3,989,601.3
6895	65-67	FINANCIAL INTERMEDIATION	31,180.6	1,302,065.2	1,046,889.5
7395	70-74	REAL ESTATE AND SERVICES FOR BUSINESSES	46,512.0	1,942,290.9	1,561,645.2
9995	75-99	OTHER SERVICES	1,574.1	65,732.4	52,850.4
9999	01-99	TOTAL	263,206.2	10,991,197.7	8,837,168.0

/ * - preliminary data

RESIDENTS' PORTFOLIO INVESTMENT ABROAD AS AT 31 DECEMBER 2005
broken down by territory and type of security

		in CZK millions			
Eurostat/OECD Code	Geographical and economic zones	Equity securities	Long-term bonds	Short-term bonds	Total
E1	EUROPE	82,348	260,160	1,305	343,813
D2	EU-15	76,030	244,305	899	321,234
	of which:				
AT	Austria	23,393	7,833	16	31,242
BE	Belgium	941	415	0	1,356
DE	Germany	7,912	41,126	109	49,146
DK	Denmark	52	398	0	450
ES	Spain	355	2,193	0	2,548
FI	Finland	72	503	0	575
FR	France	6,387	32,405	13	38,806
GB	United Kingdom	2,038	20,654	39	22,731
GR	Greece	38	18,290	0	18,328
IE	Ireland	8,001	9,186	2	17,190
IT	Italy	279	18,959	12	19,250
LU	Luxembourg	17,013	26,641	46	43,700
NL	Netherlands	9,288	33,093	623	43,004
PT	Portugal	24	3,681	0	3,705
SE	Sweden	196	2,841	11	3,049
4A	International organisations	39	26,087	27	26,153
D8	NEW EU MEMBER COUNTRIES	11,480	29,231	276	40,987
	of which:				
CY	Cyprus	3,181	262	201	3,644
EE	Estonia	6	220	1	226
LT	Lithuania	0	0	0	0
HU	Hungary	2,653	5,674	1	8,328
PL	Poland	2,145	11,336	0	13,481
SI	Slovenia	83	916	0	999
SK	Slovakia	3,412	10,824	73	14,309
A5	EFTA	940	7,847	406	9,193
	of which:				
IS	Iceland	0	5,148	401	5,549
CH	Switzerland	923	9	2	934
LI	Liechtenstein	1	0	0	1
NO	Norway	16	2,690	3	2,709
E2	OTHER EUROPEAN COUNTRIES	5,379	8,007	1	13,386
	of which:				
AL	Albania	0	0	0	0
BG	Bulgaria	0	0	0	0
CS	Serbia and Montenegro	0	1	0	1
GG	Guernsey	2	668	0	669
GI	Gibraltar	4	1,213	0	1,217
HR	Croatia	86	784	0	870
JE	Jersey	0	3,732	0	3,732
RO	Romania	0	72	0	72
RU	Russia	4,417	1,247	0	5,665
TR	Turkey	869	188	1	1,058
UA	Ukraine	0	102	0	102
E7	AMERICA	13,209	27,368	116	40,692
E8	NORTH AMERICA	9,903	20,582	116	30,601
	of which:				
CA	Canada	67	1,840	1	1,907
US	USA	9,836	18,743	115	28,694
E9	CENTRAL AMERICA	3,210	6,654	0	9,864
	of which:				
AG	Antigua and Barbuda	0	0	0	0
AN	Netherlands Antilles	0	590	0	590
BB	Barbados	1	0	0	1
BM	Bermuda	379	0	0	379
BS	Bahamas	2	0	0	2
CU	Cuba	0	208	0	208
KY	Cayman Islands	2,290	5,856	0	8,146
VG	British Virgin Islands	534	0	0	534

RESIDENTS' PORTFOLIO INVESTMENT ABROAD AS AT 31 DECEMBER 2005
broken down by territory and type of security

					in CZK millions
Eurostat/OECD Code	Geographical and economic zones	Equity securities	Long-term bonds	Short-term bonds	Total
TC	Turks and Caicos	4	0	0	4
MX	Mexico	0	0	0	0
F1	SOUTH AMERICA	96	132	0	228
	of which:				
AR	Argentina	0	2	0	2
BR	Brazil	95	130	0	225
PE	Peru	0	0	0	0
UY	Uruguay	1	0	0	1
VE	Venezuela	0	0	0	0
CO	Colombia	0	0	0	0
F2	ASIA	758	193	0	951
	of which:				
CN	China	207	0	0	207
HK	Hong Kong	159	0	0	159
ID	Indonesia	3	0	0	3
IL	Israel	128	0	0	128
IN	India	17	0	0	17
IR	Iran	0	0	0	0
JP	Japan	142	3	0	145
KR	Korea	63	0	0	63
KZ	Kazakhstan	0	190	0	190
MG	Madagascar	0	0	0	0
PH	Philippines	0	0	0	0
SG	Singapore	25	0	0	25
TW	Taiwan, province of China	6	0	0	6
TH	Thailand	7	0	0	7
F7	AUSTRALIA AND OCEANIA	46	2,198	5	2,248
	of which:				
MH	Republic of the Marshall Islands	0	0	0	0
AU	Australia	46	2,198	5	2,248
E4	AFRICA	6	1	0	7
	of which:				
CI	Republic of Cote d'Ivoire	0	1	0	1
EG	Egypt	0	0	0	0
GH	Ghana	4	0	0	4
LR	Liberia	2	0	0	2
NA	Namibia	0	0	0	0
NE	Niger	0	0	0	0
ZA	South African Republic	0	0	0	0
A1	Total	107,847	319,150	1,701	428,698

/ * - preliminary data

PORTFOLIO INVESTMENT IN KORUNA INSTRUMENTS
broken down by economic activity, territory and type of instrument as at 31 December 2005

ECONOMIC ACTIVITY	Market value	TERRITORIAL STRUCTURE	Market value	BY TYPE OF INSTRUMENT	in CZK billions
					Market value
Electricity, gas and thermal energy supply	101.6	United Kingdom	78.3	Equity securities	220.5
Public administration and defence; mandatory social security	81.5	United States of America	65.5	Debt securities over 1 year	95.3
Financial intermediation excluding insurance and pension financing	69.6	Luxembourg	57.9	Debt securities up to 1 year	3.3
Communication	38.0	Austria	29.6		
Manufacture of tobacco products	9.2	Cyprus	15.4		
Real estate activities	3.8	Germany	15.4		
Manufacture of other non-metallic mineral products	2.6	Switzerland	10.1		
Manufacture of coke, nuclear fuels, refined petroleum products	2.4	Netherlands	8.2		
Other	10.5	Other	38.7		
TOTAL	319.1	TOTAL	319.1	TOTAL	319.1

