

BALANCE OF PAYMENTS

2007

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MAIN TRENDS

THE CURRENT ACCOUNT AND CAPITAL ACCOUNT

The current account deficit was CZK 88.9 billion, due to the income deficit, which exceeded the trade and services surplus.

The year-on-year decline in the current account deficit to 2.5% of GDP in 2007 reflected an improvement in the output surplus (the balance of goods and services) to 4.9% of GDP. Higher returns on direct investment for foreign owners and a growing deficit of private transfers abroad acted in the opposite direction.

The goods trade surplus in 2007 resulted from growth in external demand, in particular in neighbouring EU Member States; from an expansion in export-oriented production capacity driven by inflows of foreign direct investment into the Czech Republic; and from an improvement in the terms of trade. An increased trade surplus vis-à-vis the EU Member States dominated over adverse trade developments with China, Japan and certain other South-East Asian countries. The trade deficit with the Russian Federation declined due to increased exports and a fall in domestic demand for imports of energy-producing commodities.

The terms of trade improved by 2.3 percentage points in 2007, with export prices rising by 1.3% and import prices falling by 1%. Machinery production, amid declining export and import prices, recorded positive terms of trade (index 103). Price developments on external markets and their effects on local manufacturers and importers were considerably eased by the koruna's exchange rate trend. The improvement in the terms of trade was achieved in spite of sharp growth in energy-producing commodity prices in the world market. The dollar price of oil almost doubled.

The rise in the services surplus reflected increased external demand for transport and other services supplied by Czech businesses. Within transport services there was a notable improvement in exports of road and air transport services. In the case of other services, increased exports were recorded across a wider range of services, but the Czech Republic still remains a net importer. A year-on-year decline in net receipts from foreign tourism was due to lower growth in external demand for trips to the Czech Republic as compared to the growth in outgoing travel and expenditure abroad.

The year-on-year rise in the income deficit was due mainly to growing returns on foreign direct investment in the Czech Republic, related to investors' performance. One positive feature was the preferential use of a proportion of profits by foreign shareholders for reinvesting in their businesses over the payment of dividends abroad. The debit side of the income balance was burdened by the increasing costs of employing foreign workers in the Czech Republic.

The slight increase in the current transfers deficit was due to a less favourable balance of private transfers by businesses and households abroad (remittances, gifts, taxes and fees). Higher collection of taxes and social security contributions from foreign workers employed in the Czech Republic, as well as an improved balance of income and payments in relation to the EU budget recorded in the balance of transfers, had a positive impact on net government sector transfers.

CHART I.1.

The current account deficit declined
(CZK billions; percentages)

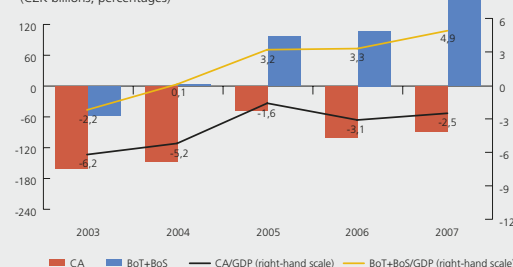


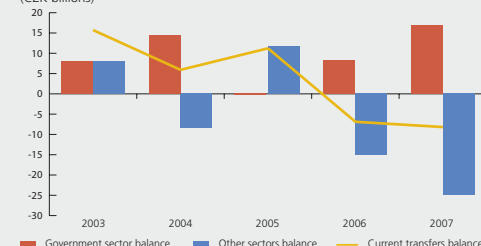
CHART I.2.

Oil prices grew in 2007
(USD/barrel)



CHART I.3.

An increase of private transfers deficit generated a worsening of the overall balance of transfers
(CZK billions)

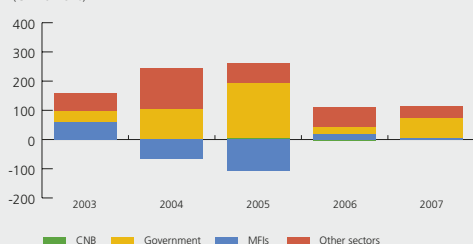


The capital account recorded an increased surplus, due to growth in receipts from EU structural funds recorded on the capital account and a surplus on trade in emissions permits.

THE FINANCIAL ACCOUNT

The financial account recorded a surplus of CZK 104.5 billion.

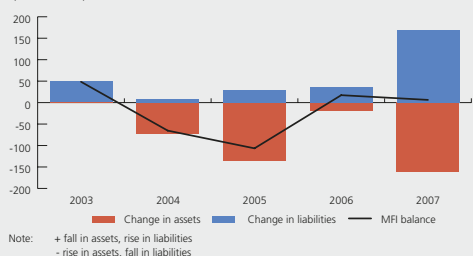
CHART I.4.
The scope and the sectoral breakdown of net capital inflows has not changed in 2007
(CZK billions)



The corporate sector used foreign funds to the same extent in 2007 as in 2006. The majority consisted of FDI inflows, primarily in the form of growth in the share of foreign companies in reinvested earnings and, to a lesser extent, increases in the equity capital of subsidiaries. On the other hand, domestic companies' demand for foreign financial loans and foreign investors' interest in purchasing Czech stocks and bonds declined. Asset-side transactions consisted mainly of domestic companies' investments in foreign securities. The balance of asset-side transactions deteriorated compared to the previous year, owing to a decline in direct investments by domestic companies abroad and to a fall in residents' funds on foreign accounts.

The government sector recorded increased drawings of foreign funds, due to foreign investors' demand for government bonds. Drawdown of EIB loans for infrastructure development and regional projects declined compared to the previous year.

CHART I.5.
Active and passive transactions of monetary financial institutions were balanced
(CZK billions)

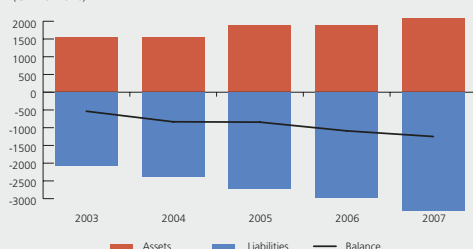


Monetary financial institutions recorded a significant increase in asset-side and liability-side transactions. The asset-side transactions were linked with the placing of deposits and the provision of financial loans abroad. These transactions were partly covered by drawings of short-term funds on the liability side. Transactions in securities were of secondary importance.

INTERNATIONAL RESERVES

CNB international reserves, adjusted for valuation changes, rose as a result of investment income on the reserves, sales of part of this income on the market, and transactions executed for CNB customers.

CHART I.6.
The investment position deficit continued to rise
(CZK billions)



THE INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT

In 2007, the Czech Republic's international investment position deficit mainly reflected continued inflows of FDI into the Czech Republic. The international investment position deficit increased to 34.9% of GDP. The Czech Republic's external debt totalled 37.9% of GDP at the year-end.

1. THE CURRENT ACCOUNT

1.1 GOODS

The balance of goods trade, under the balance¹ of payments methodology, closed with a surplus of CZK 117.5 billion in 2007, i.e. an increase compared to 2006. The Czech foreign trade results were affected predominantly by continued inflow of FDI into manufacturing industry and continued economic growth in the EU. The terms of trade improved despite rising prices of crude materials on global markets.

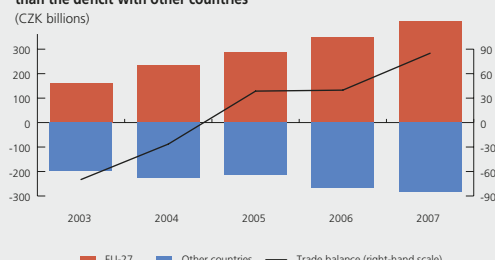
According to the CZSO foreign trade statistics (exports in FOB prices, imports in CIF prices) analysed by territory, trade with EU Member States is the most significant area of goods trade. More than 85% of exports went to the EU, while 71% of imports were of EU origin. The trade surplus with EU Member States was considerably larger than the trade deficit with other countries. The trade surplus with the EU increased by CZK 65 billion year on year.

As regards other countries, the trade deficits with China, Japan and Taiwan increased year on year owing to rising imports, particularly of office machinery, electrical and telecommunication equipment and consumer goods. On the other hand, the trade deficit with Russia decreased year on year as a result of rising exports and lower imports of oil.

Turning to the foreign trade commodity structure, the machinery and transport equipment category accounted for the largest share of exports and imports and continued to grow. Other significant export items include manufactured goods classified by material and miscellaneous manufactured articles. Chemicals and fuels have significant shares on the import side.

CHART II.1.1.

The trade surplus with EU countries was larger than the deficit with other countries



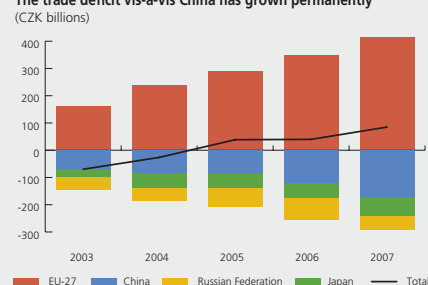
TAB. II.1.1

The surplus vis-à-vis EU members increased
(CZK billions; percentages)

	Exports			Imports			Balance	
	2006	2007	Index	2006	2007	Index	2006	2007
Europe	1,979	2,284	115	1,694	1,881	111	285	404
EU-27	1,837	2,107	115	1,487	1,692	114	350	415
Russian Federation	43	58	135	126	112	89	-84	-55
America	68	67	99	71	77	109	-4	-11
USA	49	48	97	49	54	110	0	-6
Asia	77	96	125	323	410	127	-246	-314
China	9	14	156	128	185	145	-119	-171
Taiwan	1	2	115	26	25	98	-24	-24
Japan	9	10	110	64	78	122	-55	-68
Rest of world	21	25	121	17	19	116	4	6
Total	2,145	2,472	115	2,105	2,387	113	40	85

CHART II.1.2.

The trade deficit vis-à-vis China has grown permanently



TAB. II.1.2

Machinery and transport equipment account for almost one half of total foreign trade turnover
(percentages)

SITC categories	Share in total			
	Exports		Imports	
	2006	2007	2006	2007
0 Food	2.9	2.9	4.2	4.3
1 Beverages and tobacco	0.5	0.6	0.6	0.7
2 Crude materials	2.6	2.6	2.7	2.4
3 Fuels	2.9	2.7	9.5	8.0
4 Oils and fats	0.1	0.1	0.2	0.1
5 Chemicals	6.1	5.9	10.4	10.4
6 Manufactured goods class. by material	20.8	20.4	20.4	20.9
7 Machinery and transport equipment	53.1	54.2	41.4	43.0
8 Miscellaneous manufactured articles	11.0	10.6	10.5	10.1
9 Commodities not elsewhere classified	0.0	0.0	0.1	0.1
Total	100.0	100.0	100.0	100.0

¹ The balance of trade is expressed in FOB terms, while imports additionally include goods purchases not reflected in the foreign trade statistics, amounting to CZK 3.6 billion (such as fuel purchases at airports abroad by Czech Airlines).

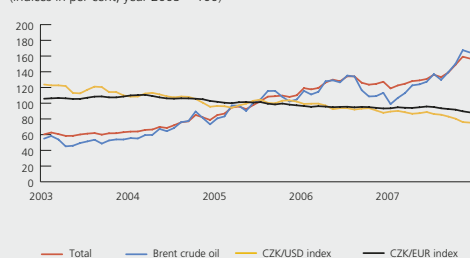
TAB. II.1.3

The overall terms of trade improved in most commodity categories
(year-on-year indices in per cent; year 2005 = 100)

SITC categories	Price indices		Terms of trade
	Exports	Imports	
Total	101.3	99.0	102.3
of which			
0 Food	112.2	102.8	109.1
1 Beverages and tobacco	101.2	99.8	101.4
2 Crude materials	112.6	107.1	105.1
3 Fuels	106.3	98.7	107.7
4 Oils and fats	111.8	114.4	97.7
5 Chemicals	101.0	100.9	100.1
6 Manufactured goods class. by material	103.7	102.0	101.7
7 Machinery and transport equipment	99.2	96.3	103.0
8 Miscellaneous manufactured articles	99.2	97.0	102.3

CHART II.1.3.

The rise in commodity prices was attenuated by the koruna exchange rate
(indices in per cent; year 2005 = 100)



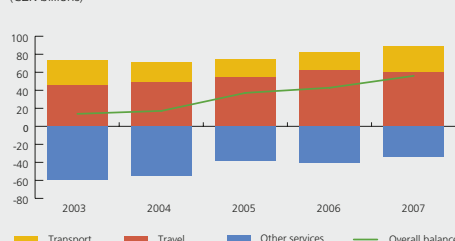
TAB. II.1.4.

The transport and travel surpluses more than cover the other services deficit
(CZK billions)

	2006	2007	Change
Services balance	42.2	55.4	13.2
of which			
Exports	309.8	341.5	31.7
Transport	82.5	101.7	19.2
Travel	124.2	133.8	9.6
Other services	103.1	106.0	2.9
Imports	267.6	286.1	18.5
Transport	62.1	73.0	10.9
Travel	62.2	73.5	11.3
Other services	143.3	139.6	-3.7

CHART II.1.4.

The services surplus continued to rise in 2007
(CZK billions)



1.1.1 Terms of trade

An increase in export prices of 1.3% and fall in import prices of 1% gave rise to a 2.3 percentage point improvement in the terms of trade in 2007. As regards export prices, the biggest rises were recorded by crude materials (12.6%) and food (12.2%). Falls in export prices were recorded by machinery and transport equipment and miscellaneous manufactured articles.

Import prices were down by 1% overall. The largest falls were recorded by prices of machinery and transport equipment (3.7%) (in particular office machinery and automated data-processing machines) and miscellaneous manufactured articles (3%). The strongest increases, on the other hand, were shown by import prices of oils and fats (14.4%) and crude materials (7.1%) (in particular metalliferous ores).

The improvement in the terms of trade was most pronounced in the categories of food, fuels and crude materials. The balance of trade result was especially boosted by favourable terms of trade in the machinery and transport equipment category. The only slight rise in export prices and drop in import prices were due in large part to appreciation of the koruna.

World prices of industrial raw materials and food increased in 2007 compared to 2006 as a result of demand from the dynamically growing economies of China and India and from financial investors. The aggregate index of world prices of raw materials and food recorded a year-on-year increase of 9.7%. Of the seven main categories, the rise in world prices was mostly due to metals, natural rubber and oil. North Sea Brent crude peaked at over USD 95 a barrel and Ural crude at USD 93 a barrel in 2007. Prices of food and oils, textile raw materials and leather rose as well.

1.2 SERVICES

In 2007, the balance of services ended in a surplus of CZK 55.4 billion, with export growth outpacing import growth. The services surplus increased in year-on-year comparison.

The year-on-year improvement in services was due mainly to an improvement in the balance of international transport and, to a lesser extent, other business and non-business services, whereas net income from travel services decreased.

As regards international freight and passenger transport, the balance of freight services had a decisive effect on the resulting transport surplus. Freight accounted for 70% of exports and 75% of imports of transport services.

A major shift was seen with respect to the set of services closely related to transport (cargo handling, maintenance of transport equipment, agents' fees, flight control, etc.), which recorded a moderate surplus in 2007 (as against a deficit in 2006).

By contrast, passenger transport (with air transport dominating) recorded a fall in income and the resulting balance deteriorated.

Road freight transport retained its leading position in terms of volume and increase in surplus. The rail freight, air freight and, to a lesser extent, river freight surpluses also increased. By contrast, the sea freight deficit increased further.

The surplus with regard to pipeline transport of oil and natural gas remained at the previous year's level.

Foreign exchange receipts from foreign travel rose by 7.6% year on year.

The positive trend in such receipts was due to the interest of foreign visitors in weekend stays and medical tourism (spa facilities and specialised healthcare). The entry of the Czech Republic into the Schengen area in December 2007 was an important event for the further development of foreign travel.

According to CZSO data, the number of foreign guests staying at accommodation facilities increased by 3.8% year on year and the total number of overnight stays increased by 2.6%. Multi-star hotels recorded the largest rise (of 11.6%), while there was a decline in the number of tourists staying in chalets and hostels and on campsites.

Increased demand for accommodation services was seen in particular among tourists from the Russian Federation (up 34%), Slovakia (up 10%), the USA (up 25%) and Poland (up 9%). By contrast, the inflow of guests from Austria was flat (up 1%) and a decline in demand was recorded among guests from Germany (down 4%), the Netherlands (down 13%), Israel (down 8%) and Japan (down 6%).

The expenditure of Czech nationals on travel and stays abroad increased by 18.1% year on year.

According to the CZSO, long foreign trips made by Czech residents recorded a year-on-year increase of 14.6%. Czech tourists went mostly to Croatia. There was dynamic growth in demand for travel to Spain (up 32.5%), Slovakia (up 27.9%) and Tunisia (up 18.8%). Interest in short foreign trips combined with cheap flights from low-cost air airlines (euro-weekends) increased by 38%. The appreciation of the koruna against both the euro and the dollar made shopping for goods and services abroad a favourable option.

Payments in cash dominate the structure of foreign travel payments. However, the share of card transactions is gradually rising in line with the economic development of the country and the development and expansion of the cashless payment system (ATM and vendor networks). Payment card transactions accounted for 42.4% of foreign travel receipts in 2007.

The share of payments by cards issued for accounts with Czech banks in total foreign travel expenditure was 35.1%.

The balance of other services recorded a year-on-year increase in exports and a concurrent decline in imports. The resulting other services deficit shrank to CZK 33.6 billion.

In year-on-year comparison, growth was seen in foreign demand primarily for architectural, engineering and other technical services, followed by telecommunications services, legal, auditing and accounting services and advertising services.

Compared to 2006, less favourable results were recorded for computer and information services. Falling demand from abroad led to significantly reduced service volumes, while domestic firms showed increased interest in hardware and software imports.

Net transfers of funds relating to overhead and operating costs credited to foreign affiliates rose to CZK 5.1 billion in 2007. The loss on merchanting

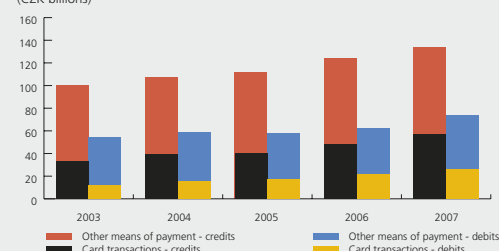
TAB. II.1.5.

The number of guests using accommodation facilities rose
(millions of people; nights)

	2003	2004	2005	2006	2007
Number of persons	5.1	6.1	5.7	6.5	6.7
Average stay duration	4.3	3.1	2.9	3.1	3.1

CHART II.1.5.

Cash payments dominate the structure of foreign travel credits and debits
(CZK billions)



increased, and there was a rise in expenditure on copyright, franchise and licence fees.

On the other hand, financial services recorded positive developments. A decline on the credit side was accompanied by a much larger reduction in expenditures. Improved services balances were seen for research and development and construction work.

For insurance services the credit side remained basically unchanged from the previous year, while the amounts remitted to foreign reinsurance companies dropped. Government services showed no major differences from the previous year on either the credit or debit side.

1.3. INCOME

The income deficit increased further in 2007 to CZK 253.8 billion. The rise in debits reflected higher yields on equity investments for foreign investors and increased costs of employing foreign workers. The year-on-year increase of credits, on the other hand, was largely related to interest received.

In comparison with 2006, the number of foreign nationals employed in the Czech Republic increased by almost one-quarter. According to CZSO estimates, more than 256,500 such individuals were working in the country as of the end of the year. From the balance of payments perspective, the growing number of foreigners employed by Czech firms resulted in an increase in labour costs, including social security contributions, of 20%. The income of Czech nationals from working abroad was roughly the same as in the previous year. Despite the gradual opening of labour markets within the EU, the number of Czechs employed abroad recorded no major change. According to CZSO information, there were 27,600 of them at the year-end.

Dividends paid to domestic investors on their investments abroad grew to CZK 12.3 billion year on year, of which 71% went to portfolio investors. The volume of dividends paid from the profits of domestic direct investments abroad was lower than in 2006.

Thanks to the favourable performance of domestic companies, the total dividends paid to foreign owners of domestic companies and banks increased to CZK 113.8 billion. The increased dividends went mainly to direct investors, while portfolio investors recorded a year-on-year decrease in profits.

The estimated amount of earnings retained by foreign owners for further developing the companies they own in the Czech Republic increased to CZK 130.6 billion. By contrast, earnings reinvested abroad declined moderately. The figures for dividends and reinvested earnings are preliminary and will be revised based on a survey of direct investment in 2007.

Holdings of foreign bonds generated higher returns for domestic portfolio investors in year-on-year terms. The same applied to investments by foreign owners in Czech corporate bonds. Practically all the interest income came from holdings of long-term bonds.

The improved balance of interest on other financial assets and liabilities as compared to 2006 was due largely to the banking sector. More than 70% of the increase in net interest income was generated by higher income on CNB international reserves.

TAB. II.1.6.

Income on foreign investment in the Czech Republic increased the income deficit (CZK billions)

	2006	2007	Change
Income balance	-201.3	-253.8	-52.5
of which			
Credit	128.0	141.6	13.6
Compensation of employees	23.8	23.8	0.0
Investment income	104.2	117.8	13.6
dividends	9.2	12.3	3.1
reinvested earnings	11.5	10.5	-1.0
interest	83.5	95.0	11.5
Debit	329.3	395.4	66.1
Compensation of employees	57.3	75.9	18.6
Investment income	272.0	319.5	47.5
dividends	108.1	113.8	5.7
reinvested earnings	99.7	130.6	30.9
interest	64.2	75.1	10.9

Note: 2007 dividends and reinvested earnings are estimated and will be revised

The government sector recorded higher interest paid abroad than in 2006. Aside from interest calculated from the value of the leasing contract for Swedish Gripen fighter aircraft, almost all the interest payments related to loans obtained from the EIB. Income received from abroad on previously provided government loans was insignificant.

The interest income of the corporate sector was practically unchanged compared to 2006. Interest paid abroad went up. This increase was distributed evenly between interest on financial loans from foreign banks (including financial intermediaries) and interest on trade credits.

1.4 CURRENT TRANSFERS

Current transfers ended in a deficit of CZK 8.1 billion in 2007 (a slight increase compared to 2006). General government transfers dominated the credit side and private transfers the debit side.

The net outflow of funds from the Czech Republic to the EU budget recorded on the current account decreased to CZK 4.5 billion year on year.

The balance of other general government transfers was affected mainly by higher income tax payments and social security contributions as a result of the rising number of foreign nationals employed in the Czech Republic. On the debit side of the government balance, the amount of VAT refunded to non-residents increased and there was a modest rise in contributions to international institutions and in pensions paid abroad.

The private transfers deficit was affected by a higher outflow of gifts and inheritances, remittances and other household transfers. By contrast, payments of income tax and social insurance by Czech nationals working abroad decreased.

TAB. II.1.7.

The current transfers deficit increased slightly
(CZK billions)

	2006	2007	Change
Current transfers balance	-6.8	-8.1	-1.3
of which			
Credit	64.1	82.4	18.3
government	48.1	59.3	11.2
revenues from EU budget	24.4	28.1	3.7
other	23.7	31.2	7.5
private	16.0	23.1	7.1
Debit	70.9	90.5	19.6
government	39.8	42.6	2.8
payments to EU budget	31.1	32.6	1.5
other	8.7	10.0	1.3
private	31.1	47.9	16.8

TAB. II.2.1.

EU structural funds significantly affected the capital account
(CZK billions)

	2006	2007	Change
Capital account	8.5	19.7	11.2
within which: EU funds	12.0	19.6	7.6

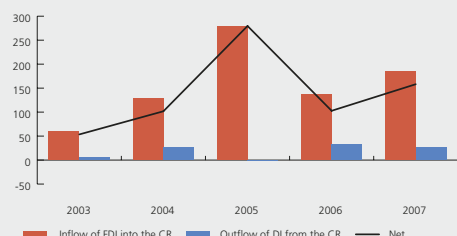
TAB. II.3.1.

In the financial flows structure, the foreign direct investment inflow and the portfolio and other investment outflows increased
(CZK billions)

	2006	2007	Change
Financial account	105.0	104.5	-0.5
Direct investment	102.8	158.2	55.4
Czech abroad	-33.2	-27.1	6.1
foreign in Czech Rep.	136.0	185.3	49.3
Portfolio investment	-26.9	-53.2	-26.3
Czech abroad	-68.4	-94.6	-26.2
foreign in Czech Rep.	41.5	41.4	-0.1
Financial derivatives	-6.2	1.8	8.0
assets	-10.8	-14.1	-3.3
liabilities	4.6	15.9	11.3
Other investment	35.3	-2.3	-37.6
1. Long-term investment	62.6	-8.1	-70.7
provided abroad	-6.1	-47.2	-41.1
received from abroad	68.7	39.1	-29.6
2. Short-term investment	-27.3	5.8	33.1
provided abroad	-24.9	-101.5	-76.6
received from abroad	-2.4	107.3	109.7

CHART II.3.1.

The direct investment surplus increased year on year
(CZK billions)



2. THE CAPITAL ACCOUNT

The capital account ended 2007 in a surplus of CZK 19.7 billion. The capital account was affected primarily by receipts from EU structural funds (CZK 19.6 billion).

3. THE FINANCIAL ACCOUNT

The net inflow of foreign capital onto the financial account reached CZK 104.5 billion in 2007, practically the same level as in 2006. The net inflow of foreign direct investment rose year on year. Portfolio investment and other investment ended in a deficit. In year-on-year comparison, these items recorded a higher net outflow of funds abroad.

3.1 FOREIGN DIRECT INVESTMENT

3.1.1 Czech direct investment abroad

Domestic investment abroad fell by 18.3% year on year in 2007, reaching CZK 27.1 billion. Investment in equity capital amounted to CZK 5.6 billion, while reinvested earnings totalled CZK 10.5 billion according to preliminary data. Direct investment loans rose to CZK 11.1 billion.

The investment went mostly into the electricity, gas and water supply industry (41.2%), the real estate and business services segments (29.6%) and the trade and repair industry (13.8%). The share of manufacturing increased, thanks to investments in manufacture of wood and wood products, paper and paper products, publishing and printing and manufacture of electrical machinery and apparatus. The investment in other industries was less significant or, in some cases, had the nature of disinvestment. Geographically, most investment was channelled into Georgia, Poland, the Netherlands and Slovakia.

3.1.2 FDI in the Czech Republic

The FDI inflow to the Czech Republic increased year on year to CZK 185.3 billion. This increase was aided mainly by a rise in reinvested earnings to CZK 130.6 billion. Investment in equity capital amounted to CZK 57.5 billion and was executed largely through increases in ownership interests in existing foreign-owned companies and also through the establishment of new businesses in the form of acquisitions and greenfield investments. Compared to 2006, investment in high technology and service centres decreased and production capacity expansion projects dominated. Privatisation proceeds were negligible in 2007. Other capital flows under direct investment were dominated by the net repayment of loans provided by domestic subsidiaries to their foreign parent companies in previous years. The ratio of foreign direct investment to GDP increased to 5.2% in 2007.

The largest portion of the FDI (52.8%) went into the services sector, while 42.2% was absorbed by manufacturing and the remaining 5% was invested in the primary sector. As for industries, the main recipients of investment were real estate and business services (22.1%), financial intermediation (20.3%), manufacture of motor vehicles (14.2%) and trade and repairs (7.9%). The largest investor countries were the Netherlands (28.8%), Luxembourg (12.9%), Austria (11.7%) and Germany (8.3%). Investment from EU Member States accounted for 87.8% of the total.

3.1.3 Returns on FDI in the Czech Republic

According to preliminary figures, the volume of dividends paid, reinvested earnings and interest on other capital continued rising in 2007. This was reflected in a year-on-year rise in the return on direct investment, which reached CZK 247.6 billion. Although the amount of dividends paid rose, it still lags behind reinvested earnings, which account for 53% of the total returns. The rate of return on the investment (i.e. the ratio of the return to the stock of FDI) grew to 13.4% year on year.

The volume of dividends from direct investments paid out to foreign investors reached CZK 108.8 billion in 2007 according to preliminary figures. Manufacturing accounted for more than one-third of the total dividends paid, while financial intermediation accounted for one-quarter. Significant dividends were also paid in transport and telecommunications. The nine most significant foreign-owned companies paid out over 50% of the dividend volume.

Reinvested earnings reached (according to preliminary figures) CZK 130.6 billion in 2007, which represents a year-on-year increase of 31%. More than 40% of the total reinvested earnings were generated in manufacturing, primarily in motor vehicle manufacturing.

Interest income of parent companies on loans provided to their subsidiaries in the Czech Republic totalled CZK 8.2 billion in 2007, accounting for about 3.3% of the total return.

3.2 PORTFOLIO INVESTMENT

3.2.1 Money and capital markets

Numerous domestic and international economic factors shaped developments in the Czech money and capital markets. The key events included the outbreak of the US mortgage market crisis in the middle of the year. The USA's economic situation adversely affected world stock markets. The ECB continued tightening its monetary policy during the first half of 2007. Its key interest rate was gradually raised from 3.5% to 4.0%. The Fed, by contrast, lowered its official interest rate twice during the last quarter, by a total of 0.75 percentage point to 4.5%. The Fed was led by an effort to give financial institutions easier access to liquidity and, in particular, to reduce the expected slowdown of the US national economy resulting from the mortgage crisis. On the domestic interbank market, the 3-month PRIBOR rose by around 1.5 percentage point year on year. The negative interest rate differentials against dollar rates and especially against euro rates narrowed quickly. Foreign investors increased their holdings of koruna bond issues in their portfolios by CZK 24.3 billion in 2007.

The leading world stock markets were highly volatile during the year. The Prague Stock Exchange Index copied developments on foreign stock exchanges. The main PX index strengthened by 14.2% year on year. At the end of October it reached 1,936.1 points, but during the fourth quarter it weakened gradually, eventually falling to 1,815.1 points at the year-end. The decline in foreign investors' interest in Czech companies' shares was reflected in an outflow of equity portfolio investment of CZK 5.9 billion (CZK 13.7 billion in the third quarter).

TAB. II.3.2.

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

	2003	2004	2005	2006	2007 ^{a)}
Return	118.3	156.6	159.9	206.2	247.6
Stock of FDI	1,161.8	1,280.6	1,491.6	1,666.8	1,852.0
Rate of return (%)	10.2	12.2	10.7	12.4	13.4

a) preliminary figures

CHART II.3.2.

The growing volume of dividends does not exceed
the volume of reinvested earnings
(CZK billions)

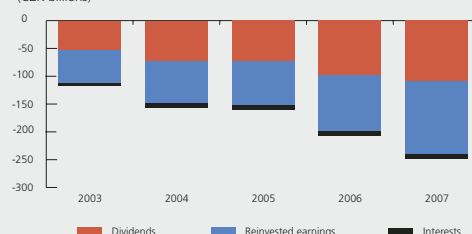


CHART II.3.3.

The Prague Stock Exchange index was influenced by the development
on foreign stock exchange markets
(indices in percent; 2 Jan. 2007=100)

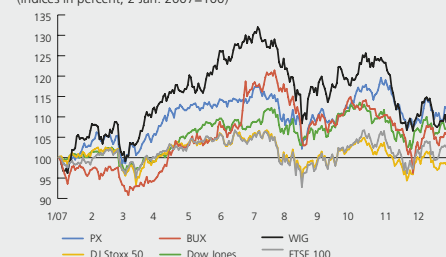
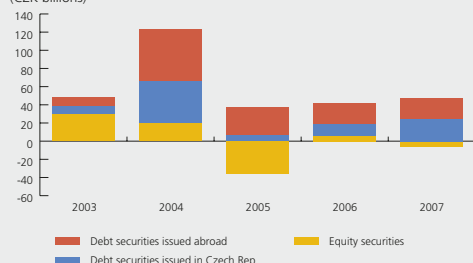


CHART II.3.4.**Czech bonds attracted non-resident investments in particular**

(CZK billions)



3.2.2 Portfolio investment

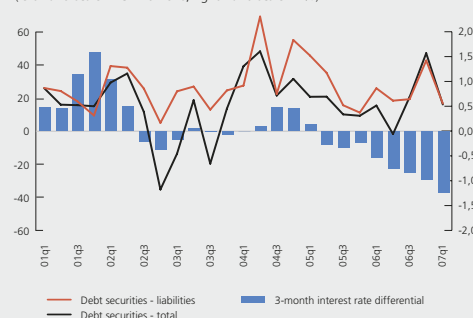
The net outflow of portfolio investment increased to CZK 53.2 billion year on year. Czech investors showed increased interest in foreign equity and debt instruments. Foreign investors purchased debt securities issued by Czech entities both on the local market and internationally.

On the asset side, there was a capital outflow of CZK 94.6 billion. Around 65% was invested in foreign equity securities, while residents invested 35% in bonds.

The inflow of foreign capital in the form of portfolio investment totalled CZK 41.4 billion. Foreign investors were particularly interested in domestic koruna bonds and bonds issued by residents on foreign markets. By contrast, investment in Czech stocks and fund units declined.

CHART 1 (Box)**The volatility of debt securities flows depends to some extent on the change in the interest rate differential**

(left-hand scale in CZK billions; right-hand scale in %)

**BOX****Impact of changes in the interest rate differential on portfolio investment in the case of debt securities**

Debt portfolio investment flows are quite volatile (see the chart). Nevertheless, the evolution of portfolio investment flows is explained to some extent by the change in the interest rate differential. This relationship can be estimated using regression analysis (moving OLS, time window of three years) applied to the quarterly data from the period 1998:1–2007:2. Annual changes in debt securities (the overall balance and liabilities only) are explained by changes in the 3-month interest rate differential (DIF 3M) and the change in the real GDP growth rate differential (DIF GR). As more than 90% of foreign holders of portfolio debt securities issued in the Czech Republic come from the euro area,² the differentials are computed against the euro area (EU-12). The specification used has a relatively good explanatory power: R^2 ranges between 0.37 and 0.65 for total debt securities and between 0.28 and 0.50 for liabilities. The table summarises the results of the individual equations where the coefficient of the change in the interest rate differential is statistically significant; the t-statistics are given in parentheses. The change in the investment volume is significantly affected by the change in the interest rate differential (see the table). A one percentage point increase in the 3-month interest rate differential on average increases the net inflow of debt securities by CZK 31.5 billion and liabilities by CZK 25.4 billion. The negative correlation (sometimes statistically insignificant) between the economic growth differential and investment, which is probably due to the low correlation of economic cycles between the Czech Republic and the euro area, appears to be in line with the available surveys of transition economies³ and advanced economies⁴, which suggest that macroeconomic variables have a weak explanatory power for portfolio investment.

2 Lane P. R., Milesi-Ferretti G. M. (2007): "Capital Flows to Central and Eastern Europe", *Emerging Markets Review*, vol. 8, pp. 106–123.

3 Garibaldi P., Mora N., Sahay R., Zettelmeyer J. (2001): "What Moves Capital to Transition Economies?", *IMF Staff Papers*, International Monetary Fund, vol. 48(4), pp. 109–145.

4 Simpson N., Tomljanovich M., Georgiev, G. (2005): "Macroeconomic Fundamentals and Net Portfolio Investment Between Developed Regions", *International Finance*, Blackwell Publishing, vol. 8(2), pp. 303–327.

TAB. 1 (Box)

Regression analysis

Dependent variable: debt securities

	Total			Liabilities		
	const	DIF 3M	DIF GR	const	DIF 3M	DIF GR
01q2 - 04q1	20.64 (1.73)	27.64 (3.40)	-13.62 (-1.47)			
01q3 - 04q2	19.83 (2.04)	27.72 (3.45)	-13.37 (-1.71)			
01q4 - 04q3	20.65 (2.32)	28.27 (3.54)	-13.64 (-1.90)			
02q1 - 04q4	23.44 (2.74)	32.08 (3.93)	-14.54 (-2.16)	18.31 (3.81)	11.87 (2.59)	-10.32 (-2.73)
02q2 - 05q1	25.60 (3.00)	34.01 (4.16)	-15.89 (-2.61)	18.59 (3.39)	12.59 (2.40)	-8.38 (-2.14)
02q3 - 05q2	25.49 (2.85)	33.87 (4.13)	-15.40 (-2.84)	19.77 (3.10)	13.54 (2.32)	-11.14 (-2.89)
02q4 - 05q3	23.34 (2.51)	35.02 (4.00)	-13.06 (-2.39)	18.91 (2.88)	14.17 (2.30)	-10.30 (-2.68)
03q1 - 05q4	23.47 (2.44)	34.45 (2.81)	-13.25 (-2.29)	14.98 (1.88)	24.81 (2.44)	-9.04 (-1.88)
03q2 - 06q1	23.19 (2.66)	30.35 (2.19)	-13.02 (-2.49)	9.94 (1.34)	34.32 (2.90)	-6.07 (-1.36)
03q3 - 06q2	15.07 (1.72)	38.42 (2.45)	-7.87 (-1.51)	6.71 (1.02)	38.14 (3.24)	-4.40 (-1.13)
03q4 - 06q3	17.25 (2.42)	42.29 (3.12)	-5.26 (-1.17)	8.62 (1.44)	38.83 (3.43)	-3.84 (-1.02)
04q1 - 06q4	16.46 (2.39)	30.62 (2.38)	-9.93 (-2.55)	10.57 (1.53)	30.71 (2.37)	-7.71 (-1.97)
04q2 - 07q1	11.26 (1.93)	24.85 (2.40)	-9.91 (-3.26)	11.55 (1.58)	33.27 (2.56)	-7.44 (-1.96)
04q3 - 07q2	11.04 (1.67)	21.77 (1.93)	-9.64 (-2.94)	9.28 (1.20)	27.40 (2.07)	-6.64 (-1.73)

3.3 FINANCIAL DERIVATIVES

The year-on-year changes in the fair values of derivatives in banks' balance sheets were not large. Considerable volatility was observed in individual quarters. The surplus derivatives position vis-à-vis non-residents decreased in the third quarter and was probably related to changing flows of carry trades, a change in the koruna's exchange rate trend and later also to movements in koruna interest rates.

3.4 OTHER INVESTMENT

A net outflow of capital of CZK 2.3 billion was recorded under other investment.

The banking sector recorded an outflow of funds abroad of CZK 16.7 billion (excluding portfolio investment). In particular, there was a rise in short-term deposits with foreign banks and lending to non-residents.

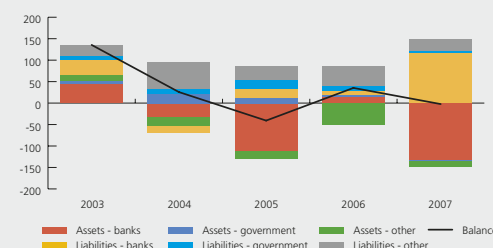
CHART II. 3.5.

The net balance with derivatives was volatile in the third quarter 2007
(CZK billions)



CHART II.3.6.

Other investment flows were almost in balance
(CZK billions)



In net terms, the government sector obtained funds from abroad totalling CZK 2.2 billion. On the assets side, the main factor was an increase in the Czech Republic's deposits with international institutions. The liabilities side was affected above all by drawdowns of long-term EIB loans at both central and regional levels for infrastructure development.

The corporate sector recorded the highest inflow of capital, drawing foreign funds of CZK 12.2 billion in net terms. On the assets side, the outflow of funds mainly involved growth in export credits. On the liabilities side, there was an increase in import liabilities and drawdowns of financial loans.

TAB. II.4.1.

The CNB's international reserves cover almost three months' worth of goods and services imports
(CZK billions; months)

	2006	2007	Change
CNB international reserves	656.6	631.0	-25.6
Coverage of goods and services imports	3.4	2.9	-0.5

4. CNB INTERNATIONAL RESERVES

CNB international reserves adjusted for valuation changes increased by CZK 15.7 billion as a result of investment returns, only part of which were sold by the CNB on the foreign exchange market, and of transactions carried out for CNB clients. However, the international reserves fell by CZK 25.6 billion year on year due to valuation changes related to the koruna's appreciation against the dollar and the euro. The reserves cover almost three months' worth of goods and services imports.

TAB. II.5.1.

The Czech Republic's debtor position increased year on year
(CZK billions)

	2006	2007	Change
Assets	1,888.2	2,089.0	200.8
Liabilities	2,969.2	3,329.3	360.1
Net investment position	-1,081.0	-1,240.3	-159.3

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.

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 1,240.3 billion at the end of 2007, which represents a year-on-year increase in its net debtor position. The resulting balance was affected mainly by a year-on-year increase in liabilities to CZK 3,329.3 billion. Foreign-owned companies recorded the largest growth in liabilities. Assets grew more moderately than liabilities. The largest increase in assets was recorded under other investment.

The debtor position under direct investment rose to CZK 1,701.2 billion year on year as a result of increases in the equity capital of foreign investors in domestic companies, including reinvested earnings. Direct investment liabilities rose to CZK 1,827.2 billion, while assets increased to CZK 126.0 billion.

Under portfolio investment (excluding the CNB), the net creditor position increased year on year to CZK 50.1 billion. The stock of non-residents' portfolio investments totalled CZK 556.3 billion at the year-end. The foreign investor portfolio showed a slight predominance of debt instruments (53%). Investment by Czech residents in foreign securities increased to CZK 606.4 billion. In terms of structure, investment in debt instruments also dominated.

The fair value of financial derivatives closed in a surplus of CZK 15.1 billion.

The CNB has the largest external creditor position (CZK 632.7 billion), owing to its international reserves holdings.

The net international position of commercial banks (excluding portfolio investment) showed a surplus of CZK 77.1 billion at the year-end.

The general government position (excluding portfolio investment) contributed a deficit of CZK 36.8 billion to the overall investment position balance. The government's debtor position widened moderately year on year.

TAB. II.5.2.

The investment position was most affected by direct investment
(CZK billions)

	2006	2007	Change
Direct investment	-1,562.1	-1,701.2	-139.1
Portfolio investment	44.3	50.1	5.8
Financial derivatives	16.9	15.1	-1.8
CNB	657.9	632.7	-25.2
Commercial banks	65.4	77.1	11.7
Government	-31.8	-36.8	-5.0
Corporations	-271.6	-277.3	-5.7
Net investment position	-1,081.0	-1,240.3	-159.3

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.

Government assets fell as a result of deblocking operations and repayments of government loans. On the liabilities side, long-term loans obtained from international institutions increased.

The debtor position of the corporate sector (CZK 277.3 billion) increased year on year, mostly due to a rise in short-term liabilities.

5.2 EXTERNAL DEBT

The total external debt of the Czech Republic stood at CZK 1,348.8 billion at the end of 2007. According to estimates, koruna-denominated debt accounted for around 37.3% of this figure. The external debt of the Czech Republic rose by CZK 155.1 billion year on year. Short-term liabilities with maturities of up to one year recorded a higher increase, accounting for 31.3% of the total debt.

The corporate sector accounted for 51.4% of the total debt. Commercial banks contributed 28.4% and general government (central government and municipalities) 20.2%.

Loans had the biggest share in the total external debt (38.1%). Debt in the form of bonds stood at 21.1%. Deposits by non-residents with domestic banks accounted for 18.6% of the total. Direct investment loans contributed 12% and trade credits 8.1%.

5.3 DEBT SERVICE

Debt service on long-term foreign liabilities amounted to CZK 125.2 billion in 2007. Repayments of principal totalled CZK 81.7 billion, while CZK 43.5 billion was paid in interest.

The largest portion of the debt service, at around 81%, was paid by the corporate sector. Corporations primarily repaid loans from foreign banks and investors. Commercial banks accounted for around 7% of the debt service, primarily through repayments of their long-term foreign liabilities. Repayments by the government sector, including municipalities and cities, represented 12% of the debt service. The CNB's debt repayments to the EIB were insignificant in terms of volume.

Debt-service financing represented around 4.4% of exports of goods and services for 2007.

TAB. II.5.3.

The share of short-term debt increased slightly
(CZK billions)

	2006	2007	Change
External debt, total	1,193.7	1,348.8	155.1
short-term	321.6	422.1	100.5
long-term	872.1	926.7	54.6
Share of short-term debt	26.9%	31.3%	4.4%

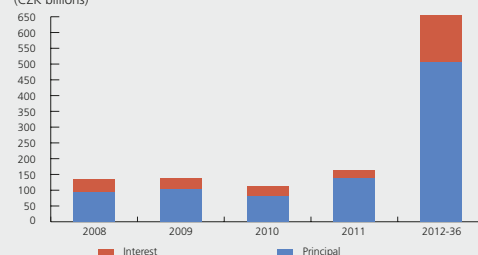
TAB. II.5.4.

Broken down by instrument, the biggest increase in debt was recorded for deposits and bonds
(CZK billions)

	2006	2007	Change
Money market instruments	3.1	9.8	6.7
Bonds and notes	243.3	284.0	40.7
Loans	486.4	513.6	27.2
Deposits	173.0	250.7	77.7
Trade credits	98.6	109.2	10.6
Other liabilities	20.0	19.9	-0.1
Intercompany FDI loans	169.3	161.6	-7.7
Total debt	1,193.7	1,348.8	155.1

CHART II.5.1.

Debt service will rise after 2011, owing mainly to repayments of government liabilities
(CZK billions)



FINANCIAL FLOWS BETWEEN THE CZECH REPUBLIC AND THE EUROPEAN UNION IN 2007

	2004 – 2006		2007	
	EUR millions	CZK millions	EUR millions	CZK millions
INCOME				
Pre-accession aid	255.9	7,758.7	4.5	124.1
PHARE	172.2	5,177.7	-0.1	-3.4
ISPA	35.8	1,086.8		
SAPARD	47.9	1,494.1	4.6	127.5
Agriculture	1,022.7	29,804.0	704.6	19,238.7
Market measures	138.5	4,020.6	5.5	154.5
Direct payments	467.8	13,568.6	392.9	10,669.4
Rural development	408.3	11,987.7	304.4	8,366.3
Veterinary measures	8.1	227.0	1.8	48.6
Structural actions	913.8	26,689.1	1,009.9	27,274.4
Structural Fund	548.6	16,203.9	762.5	20,608.3
Cohesion Fund	365.2	10,485.2	247.4	6,666.1
Internal policies	66.0	1,947.3	35.3	975.2
Institution building	14.5	420.4	10.9	296.0
Internal policies	51.5	1,526.9	24.4	679.1
Compensation	833.1	25,119.6		
<i>Total income from EU budget</i>	<i>3,091.6</i>	<i>91,318.8</i>	<i>1,754.3</i>	<i>47,612.4</i>
EEA Financial Instrument/Norway	3.3	91.6	2.8	77.0
Bilateral aid from Switzerland				
<i>Total income</i>	<i>3,094.9</i>	<i>91,410.4</i>	<i>1,757.1</i>	<i>47,689.4</i>
PAYMENTS				
Traditional own resources	357.7	10,516.9	182.7	5,055.1
VAT resource	404.3	11,953.4	198.8	5,500.6
GNI-based resource	1,695.3	50,287.0	704.2	19,496.9
UK rebate	212.3	6,312.2	77.7	2,157.0
<i>Total own resources</i>	<i>2,669.7</i>	<i>79,069.5</i>	<i>1,163.5</i>	<i>32,209.5</i>
<i>Net position in respect of EU budget</i>	<i>421.9</i>	<i>12,249.2</i>	<i>590.9</i>	<i>15,402.9</i>
Payments to EIB	83.3	2,497.3	55.5	1,549.2
Contribution to capital	23.6	708.0	15.7	439.2
Contribution to reserves	59.6	1,789.3	39.8	1,110.0
Payments to ECB	5.7	184.9	-0.1	-2.3
Contribution to capital	5.7	184.9	-0.1	-2.3
Research Fund for Coal and Steel	6.0	173.8	8.0	220.4
<i>Total payments in respect of EU institutions</i>	<i>2,764.6</i>	<i>81,925.5</i>	<i>1,226.9</i>	<i>33,976.8</i>
<i>Net position in respect of EU institutions</i>	<i>330.3</i>	<i>9,484.8</i>	<i>530.3</i>	<i>13,712.6</i>
Source: Ministry of Finance, CNB calculation				

The balance of payments statistics monitor transactions on accounts associated with transfers of funds between EU institutions, the Commission budget and institutions in the Czech Republic. Money from EU funds is credited to the National Fund of the Ministry of Finance, which is the payment agency for the implementation of structural operations. Payments for agricultural policy are revenues of a Ministry of Agriculture account established specifically for the purpose. The revenues are implemented in euros and for the purposes of the balance of payments are converted at the exchange rate used for the given

transaction. The amounts given in the survey in individual years refer to payments into the Czech Republic onto the accounts of central institutions, not the volumes of financial drawings by economic entities in the Czech Republic. Transfers of own resources are implemented in korunas from the Ministry of Finance account and are converted into euros using the exchange rate midpoint effective on the transaction date.

1. REVENUES FROM THE EU BUDGET

Since 2007, **the pre-accession aid** programmes have been closed to the Czech Republic with respect to new applications. Only final payments upon completion of projects or returns of unused funds are being carried out. In January 2007, the Czech Republic received the final payment of CZK 124.1 million under the SAPARD programme. Returns from PHARE amounted to CZK 3.4 million. The ISPA instrument was terminated for new applicants back on 30 April 2004 and replaced by drawings from the Cohesion Fund under the Structural Operations⁵ chapter.

EU subsidies for farmers totalled CZK 19.2 billion in 2007. The Czech Republic received almost CZK 0.2 billion under **Agriculture** for market measures. Revenues for direct payments to farmers amounted to CZK 10.7 billion in 2007. For projects under the Rural Development programme, the Czech Republic received total payments of CZK 8.4 billion from the EU in 2007 (of which CZK 3 billion under the 2004–2006 budget period and advance payments of CZK 5.4 billion under the 2007–2013 budget period). A total of CZK 49 million was received for the veterinary measures in 2007. Agricultural subsidies represent revenue to the account of the Ministry of Agriculture chapter and will subsequently be credited to the State Agricultural Intervention Fund, which is the payment agency for the administration of subsidies and payments to farmers.

Under **Structural Operations**, the Czech Republic received a total of CZK 27.3 billion in 2007. CZK 20.6 billion was received from the structural funds, of which CZK 13.8 billion under the 2004–2006 budget period. At the year-end, advance payments of CZK 6.8 billion were received under the 2007–2013 period. Euro-denominated resources from the EU represent revenue to the National Fund of the Ministry of Finance and, after conversion into korunas, are transferred in tranches to the accounts of payment units and from there paid out to the final recipients. The Czech Republic received CZK 6.7 billion from the Cohesion Fund in 2007, of which CZK 3.7 billion under the 2004–2006 budget period and CZK 3 billion under the 2007–2013 budget period. Applications for payments from the Cohesion Fund are settled on the basis of specific infrastructure or environmental projects.

Under **Internal Policies**, the Czech Republic received almost CZK 1 billion in 2007. The Czech Republic, as an EU Member State, is a recipient of aid from the EC's Transitional Instrument. Funds received under this instrument in 2007 totalled CZK 0.3 billion. Internal policies are also implemented with the use of Community programmes, which are focused on supporting "smaller" programmes in education, science and research, business and research capacities, culture, the information society, consumer protection and many others. The 2007 survey of financial flows includes payments for Community programmes totalling CZK 0.7 billion. Payments for programmes organised by the largest national agencies (the Czech National Agency Mládež (Youth) and Eurodesk, the Centre for International Services of the Ministry of Education and the National Education Fund) were included in the survey on the basis of direct statistical determination.

Revenues include also the off-budgetary assistance funds — the EEA Financial Instrument and bilateral aid from Norway. Under these two financial mechanisms, the EEA countries/Norway have undertaken to contribute to the economically weaker states in the European Economic Area by providing grants for investment and development projects in priority areas, such as conservation and renewal of cultural heritage, environmental protection, support for the judicial system, and health and childcare. In 2007, the Czech Republic received CZK 77 million in aid from the EEA countries (the approved projects are posted on the Ministry of Finance website).

⁵ Payments from the Cohesion Fund received for earlier approved ISPA projects are shown in the survey under the item Structural Operations – Cohesion Fund.

2. PAYMENTS TO THE EU BUDGET

The Czech Republic's payments to the EU budget are made in Czech korunas in regular monthly instalments and totalled CZK 32.2 billion in 2007. These are advance payments, and final settlement will always be performed retrospectively after the end of the period according to the relevant definitive statistical data and taking into consideration the euro-koruna exchange rate in the given period. The largest-volume item is the GNI-based resource, followed by the VAT resource and the UK rebate. Traditional EU resources, such as customs duties and sugar levies, account for the smallest share.

3. PAYMENTS OF CAPITAL TO THE EIB AND THE ECB AND CONTRIBUTION TO THE RESEARCH FUND FOR COAL AND STEEL

Further payments of capital and reserves of the European Investment Bank, totalling CZK 1.5 billion, were made in March and September 2007. Owing to the accession of Bulgaria and Romania to the EU and Slovenia's entry into the euro area, **the capital of ECB** and the key for the subscription of capital by the individual national central banks changed as of 1 January 2007. This resulted in a slight reduction in the Czech Republic's share in the subscribed capital and the CNB obtained a rebate of CZK 2.3 million against the amount paid on 1 May 2004. The Czech Republic's second contribution to **the Research Fund for Coal and Steel** of CZK 220.4 million was paid in January 2007.

4. SUMMARY

The net position of the Czech Republic in respect of the EU budget, calculated as the difference between total revenues from and payments to the EU budget, ended 2007 in a surplus of CZK 15.4 billion. Including payments outside the Commission budget, the surplus with the EU fell to CZK 13.7 billion. In the balance of payments, mutual transfers are recorded on the current account under government transfers. The deficit on current transfers from the EU was CZK 4.4 billion in 2007. Transfers from the EU Cohesion Fund and the transfer of part of the advance and ongoing payments under structural operations are recorded on the capital account. The capital transfers surplus associated with EU structural operations amounted to CZK 19.6 billion. The payment of capital and reserves of the EIB is included in the financial account and showed a deficit of CZK 1.5 billion.

EXCHANGE RATE OF THE KORUNA

1. NOMINAL EXCHANGE RATE OF THE KORUNA

CHART 1:
CZK/EUR and CZK/USD exchange rates appreciated in 2007
(in CZK/foreign currency unit)



In the course of the year, the koruna appreciated by almost 4% against the euro and nearly 13% against the dollar. During the first half of the year, the koruna had a depreciation tendency, due to traditional dividend conversions and also to koruna sales linked with carry trades featuring the koruna as the financing currency. There was also a transitory effect of negative sentiment towards the CEE currencies.

The koruna started strengthening in July, due partly to the termination of carry trades, i.e. sales of higher-yielding currencies and purchases of the koruna, and also to the sharp depreciation of the dollar on world markets. Technical factors, financial investment in the koruna by foreign investors and interest rate increases by the CNB also gradually started to have an effect. At the end of the year, the koruna reversed its gains slightly as foreign investors realised the profit on their long positions in koruna.

2. EFFECTIVE EXCHANGE RATES OF THE KORUNA

Nominal effective exchange rate of the koruna

The nominal effective exchange rate (NEER), expressed as a basic index, shows the appreciation (index > 100) or depreciation (index < 100) of the national currency against a basket of selected currencies for a certain time period relative to a base period (2005). The NEER index is calculated in two alternatives as the weighted geometrical average of the nominal exchange rates taking into account the weighted shares of 26 countries covering approximately 90% of the total Czech foreign trade. The NEER is computed in a time series as the monthly average and yearly average on the 2005 base for 12 currency areas. In the calculation, the euro area countries' exports and imports are taken into consideration as a single weight using the koruna-euro exchange rate.

TABLE 1:
Nominal effective exchange rate of the koruna in %

(monthly figures; year 2005 = 100)	2007											
	1	2	3	4	5	6	7	8	9	10	11	12
Weights: foreign trade turnover	106.2	104.8	105.4	105.5	104.8	103.7	104.3	106.2	107.5	108.5	111.1	112.9
Weights: foreign trade turnover SITC 5-8	106.5	105.1	105.7	105.9	105.1	104.0	104.7	106.6	107.9	108.9	111.5	113.3

appreciation > 100; depreciation < 100

The koruna's NEER index strengthened by 1.9% year on year on average in 2007. The same trend was seen for the koruna NEER index that uses the foreign trade turnovers for SITC 5–8 as the weights (a year-on-year appreciation of 2.0%). The appreciation trend of the koruna's NEER, which had emerged back in the second quarter of 2004, thus continued into 2007. Most of the 2007 appreciation occurred in the first and, in particular, the fourth quarter. The koruna's NEER strengthened by 6.4% year on year in December 2007. The year-on-year appreciation was supported primarily by the koruna's appreciation against the euro and the dollar. The magnitude of that appreciation was moderated by movements in the exchange rates of the Slovak koruna, Hungarian forint and Polish zloty, against which the koruna depreciated.

Real effective exchange rates of the koruna

In 2007, the koruna's average real effective exchange rate (REER) index rose by 2.5% year on year when deflated by consumer prices and by 2.4% when deflated by industrial producer prices (foreign trade turnover weights). The REER was affected mainly by the koruna's nominal exchange rate. The effect of higher domestic consumer and producer price inflation compared to the euro area countries, Poland and Slovakia was less significant.

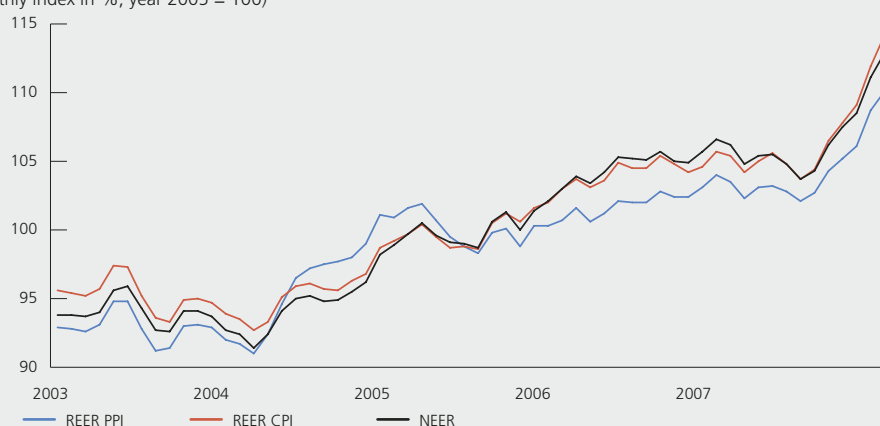
TABLE 2:
Real effective exchange rate of the koruna in % deflated by price indices

Weights: foreign trade turnover	2007											
(monthly figures; year 2005 = 100)	1	2	3	4	5	6	7	8	9	10	11	12
Industrial producer prices	103.5	102.3	103.1	103.2	102.8	102.1	102.7	104.3	105.2	106.1	108.7	110.1
Consumer prices	105.4	104.2	105.0	105.6	104.8	103.7	104.4	106.5	107.8	109.1	111.9	114.2

Source: CNB calculations using ECB price indices

CHART 2:
The koruna's real effective exchange rate deflated by price indices and the nominal effective exchange rate both appreciated

(monthly index in %, year 2005 = 100)

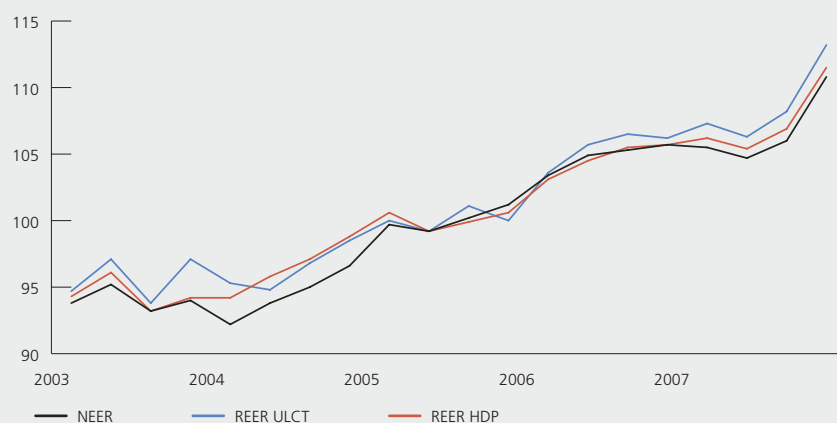


Source: CNB calculations using ECB price indices

The koruna's REER index deflated by unit labour costs increased by 3.1% year on year on average, owing to faster growth in domestic unit labour costs than foreign unit labour costs. Using the GDP deflator, the average REER index of the koruna increased by 2.7% year on year.

CHART 3:

The koruna's real effective exchange rate deflated by unit labour costs and GDP deflator appreciated as well
(quarterly index in %, year 2005 = 100)

**TABLE 3:**

REER of the koruna in % deflated by unit labour costs and GDP deflator

Weights: foreign trade turnover (quarterly figures; year 2005 = 100)	2007			
	I.	II.	III.	IV.
ULCT	107.3	106.3	108.2	113.2
GDP	106.2	105.4	106.9	111.5
NEER	105.5	104.7	106.0	110.8

Source: CNB calculations using ECB statistics

CHART 1

The six month exports of goods and services cover the external debt
(in %)

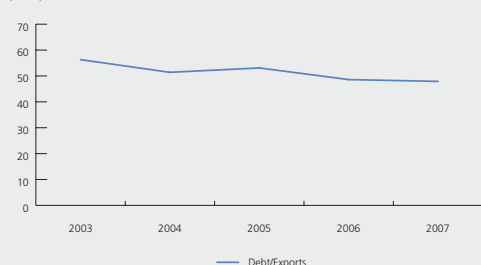


CHART 2

The short-term external debt/external reserves ratio is above 100 %
(in %)

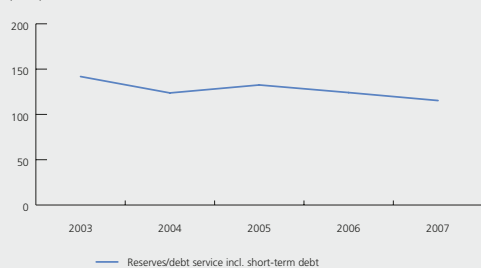


CHART 3

GDP growth figure exceeded debt service payments
(in %)

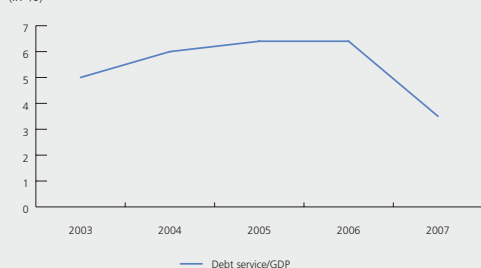
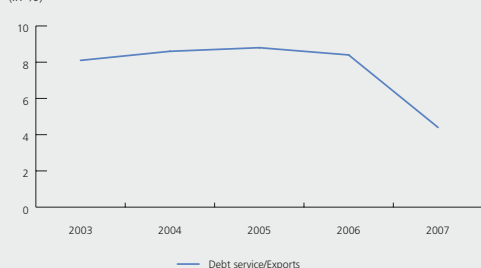


CHART 4

Debt service/exports ratio decreased
(in %)



DEBT INDICATORS OF EXTERNAL STABILITY

The debt indicators of the external stability of the Czech Republic, which focus on the amount and dynamics of external debt and debt service, comply with the recommendations contained in the International Monetary Fund and World Bank publication "External Debt Statistics" (2003).

The indicators were favourably affected in 2007 by growth in the performance and export capacity of the economy. The ability of the economy to repay external liabilities remains stable.

External debt/GDP

The external debt to GDP ratio in 2007 (38%) stayed constantly above the level considered sensitive. The slight year-on-year increase in the indicator was related to growing indebtedness of the banking and corporate sectors.

External debt/exports

The ability of the economy to repay the external debt by exports of goods and services improved. Around six months' worth of goods and services exports were sufficient to repay the external debt in 2007.

International reserves/short-term debt

The CNB's international reserves at the end of 2007 exceeded the level of rapidly mobilisable external debt (short-term liabilities including debt service on long-term debt in the respective year) by around 15%. Despite a downward trend, the level of coverage can be considered sufficient.

Debt service/GDP

Debt service expenditure dropped below the GDP growth figure in 2007 (to 3.5%) as a result of the faster pace of growth of the Czech economy and a lower rate of use of long-term loans by the corporate sector.

Debt service/exports

Approximately 5% of annual goods and services exports were sufficient to cover repayments of medium-term and long-term debt in 2007. The year-on-year decline in the indicator reflected a nominal decline in debt service and dynamic growth in goods and services exports.

BALANCE OF PAYMENTS FOR JANUARY TO DECEMBER 2007

(preliminary data – 6 March 2008)

	in CZK millions	in EUR millions	in USD millions
A. CURRENT ACCOUNT	-88,959.4	-3,221.7	-4,534.2
Trade balance	117,461.0	4,227.8	5,755.3
Exports	2,472,350.8	89,142.1	122,340.6
Imports	2,354,889.8	84,914.3	116,585.3
Services	55,421.9	1,989.8	2,717.2
Credit	341,470.9	12,307.4	16,899.1
Transport	101,691.6	3,664.1	5,027.8
Travel	133,772.3	4,820.1	6,618.1
Other services	106,007.0	3,823.2	5,253.2
Debit	286,049.0	10,317.6	14,181.9
Transport	72,972.9	2,631.3	3,613.1
Travel	73,450.3	2,648.4	3,643.5
Other services	139,625.8	5,037.9	6,925.3
Income	-253,778.7	-9,154.2	-12,625.8
Credit	141,589.4	5,095.5	6,971.9
Debit	395,368.1	14,249.7	19,597.7
Current transfers	-8,063.6	-285.1	-380.9
Credit	82,379.1	2,977.9	4,092.1
Debit	90,442.7	3,263.0	4,473.0
B. CAPITAL ACCOUNT	19,655.2	723.3	1,024.7
Credit	21,273.7	782.3	1,107.2
Debit	1,618.5	59.0	82.5
Total A + B	-69,304.2	-2,498.4	-3,509.5
C. FINANCIAL ACCOUNT	104,474.2	3,826.4	5,427.1
Direct investment	158,185.5	5,731.9	7,929.8
Abroad	-27,088.9	-978.9	-1,354.9
Equity capital and reinvested earnings	-16,033.2	-575.3	-785.1
Other capital	-11,055.7	-403.6	-569.8
In the Czech Republic	185,274.4	6,710.8	9,284.7
Equity capital and reinvested earnings	188,103.8	6,780.1	9,299.9
Other capital	-2,829.4	-69.3	-15.2
Portfolio investment	-53,232.1	-1,882.4	-2,500.5
Assets	-94,653.0	-3,401.8	-4,658.4
Equity securities	-61,643.8	-2,215.7	-3,024.6
Debt securities	-33,009.2	-1,186.1	-1,633.8
Liabilities	41,420.9	1,519.4	2,157.9
Equity securities	-5,855.7	-204.5	-268.6
Debt securities	47,276.6	1,723.9	2,426.5
Financial derivatives	1,799.6	56.7	55.0
Assets	-14,081.6	-527.4	-780.9
Liabilities	15,881.2	584.1	835.9
Other investment	-2,278.8	-79.8	-57.2
Assets	-148,727.3	-5,363.8	-7,358.6
Long-term	-47,220.2	-1,697.8	-2,331.5
CNB	2.3	0.1	0.1
Commercial banks	-45,465.8	-1,635.2	-2,246.5
Government	-691.7	-24.6	-32.5
Other sectors	-1,065.0	-38.1	-52.6
Short-term	-101,507.1	-3,666.0	-5,027.1
Commercial banks	-88,574.5	-3,211.6	-4,440.1
Government	0.0	0.0	0.0
Other sectors	-12,932.6	-454.4	-587.0
Liabilities	146,448.5	5,284.0	7,301.4

BALANCE OF PAYMENTS FOR JANUARY TO DECEMBER 2007 – continued

(preliminary data – 6 March 2008)

	in CZK millions	in EUR millions	in USD millions
Long-term	39,116.3	1,406.7	1,915.0
CNB	-18.1	-0.6	-0.8
Commercial banks	28,170.7	1,013.0	1,380.0
Government	2,935.0	105.5	147.1
Other sectors	8,028.7	288.8	388.7
Short-term	107,332.2	3,877.3	5,386.4
CNB	-552.8	-20.5	-27.3
Commercial banks	89,693.2	3,221.8	4,442.9
Government	0.0	0.0	0.0
Other sectors	18,191.8	676.0	970.8
Total A + B + C	35,170.0	1,328.0	1,917.6
D. NET ERRORS AND OMISSIONS, VALUATION CHANGES	-19,503.5	-736.8	-1,049.5
Total A + B + C + D	15,666.5	591.2	868.1
E. CHANGE IN RESERVES (- increase)	-15,666.5	-591.2	-868.1

Notes: Data for the year have been obtained by summing the data for individual quarters.
Definitive data will be published following the release of definitive CZSO figures on the trade balance

BALANCE OF PAYMENTS FOR JANUARY TO DECEMBER 2007

(preliminary data – 6 March 2008)

	in CZK millions	in EUR millions	in USD millions
A. CURRENT ACCOUNT	-88,959.4	-3,221.7	-4,534.2
Trade balance	117,461.0	4,227.8	5,755.3
Exports	2,472,350.8	89,142.1	122,340.6
Imports	2,354,889.8	84,914.3	116,585.3
Services	55,421.9	1,989.8	2,717.2
Credit	341,470.9	12,307.4	16,899.1
Transport	101,691.6	3,664.1	5,027.8
Pipeline transport	6,887.9	247.8	338.6
Other	94,803.7	3,416.3	4,689.2
Travel	133,772.3	4,820.1	6,618.1
Other business and non-business services	106,007.0	3,823.2	5,253.2
Communication services	11,626.1	418.4	572.8
Postal and messenger services	936.6	33.9	46.9
Telecommunication services	10,689.5	384.5	525.9
Construction and assembly work	6,264.1	225.9	311.0
Insurance services	236.6	8.6	11.7
Life insurance and pension funding	27.1	1.1	1.4
Freight insurance	2.7	0.0	0.1
Other direct insurance	154.4	5.6	7.7
Reinsurance	48.8	1.8	2.4
Auxiliary insurance services	3.6	0.1	0.1
Financial services	6,058.5	218.2	299.0
Computer and information services	12,804.2	461.3	633.2
Computer services	12,662.9	456.2	626.2
Information services	141.3	5.1	7.0
Royalties, licences, fees, etc.	673.4	24.3	33.3
Other business services	63,637.8	2,298.0	3,162.8
Merchandising and other trade-related services	-3,215.9	-114.5	-155.5
Merchandising	-6,143.8	-220.1	-300.9
Other trade related services	2,927.9	105.6	145.4
Rental and leasing of machinery and equipment	2,863.2	102.9	140.1
Miscellaneous business, professional and technical services	63,990.5	2,309.6	3,178.2
Legal, accounting and consulting services	10,906.4	392.5	537.4
Legal services	1,097.3	39.5	54.3
Accounting and auditing services	4,131.0	148.7	203.8
Business and management consultancy, public relations	5,678.1	204.3	279.3
Advertising services	12,800.7	461.9	635.2
Research and development	3,592.3	129.7	178.7
Technical services	9,994.7	361.7	500.7
Agricultural and mining services	1,375.8	49.7	68.5
Waste treatment and depollution services	438.6	16.2	23.2
Other business services	18,229.7	657.8	903.8
Direct investment business-to business services	6,652.3	240.1	330.7
Cultural, recreational, sporting, health and educational services	3,894.1	139.3	189.5
Audio-visual services	3,596.5	128.7	174.8
Health and veterinary services	59.6	2.0	2.9
Educational services	119.4	4.3	6.0
Others	118.6	4.3	5.8
Government services	727.1	26.1	35.6
Czech diplomatic and consular missions abroad	727.0	26.1	35.6
Government revenues (NATO, UN peacekeeping forces, etc.)	0.0	0.0	0.0
Other government revenues	0.1	0.0	0.0
Services not classified elsewhere	85.1	3.1	4.3
Debit	286,049.0	10,317.6	14,181.9
Transport	72,972.9	2,631.3	3,613.1
Pipeline transport	5,426.5	195.4	267.8
Other	67,546.4	2,435.9	3,345.3
Travel	73,450.3	2,648.4	3,643.5
Other business and non-business services	39,625.8	5,037.9	6,925.3

BALANCE OF PAYMENTS FOR JANUARY TO DECEMBER 2007 – continued

(preliminary data – 6 March 2008)

	in CZK millions	in EUR millions	in USD millions
Communications services	10,627.0	382.2	523.0
Postal and messenger services	1,926.8	69.4	95.1
Telecommunication services	8,700.2	312.8	427.9
Construction and assembly work	3,665.6	132.5	183.3
Insurance services	4,979.3	179.3	244.5
Life insurance and pension funding	1.8	0.1	0.1
Freight insurance	87.8	3.1	4.3
Other direct insurance	351.9	12.7	17.1
Reinsurance	4,515.2	162.5	222.0
Auxiliary insurance services	22.6	0.9	1.0
Financial services	15,164.6	545.1	743.1
Computer and information services	13,285.8	479.8	661.4
Computer services	12,811.2	462.7	637.9
Information services	474.6	17.1	23.5
Royalties, licences, fees, etc.	13,104.3	473.0	651.1
Other business services	73,768.8	2,664.7	3,670.8
Merchanting and other trade-related services	7,126.1	256.5	351.0
Merchanting	0.0	0.0	0.0
Other trade related services	7,126.1	256.5	351.0
Rental and leasing of machinery and equipment	5,490.6	197.8	271.4
Miscellaneous business, professional and technical services	61,152.1	2,210.4	3,048.4
Legal, accounting and consulting services	16,001.4	577.2	791.9
Legal services	529.2	19.1	26.2
Accounting and auditing services	3,201.1	115.8	160.4
Business and management consultancy, public relations	12,271.1	442.3	605.3
Advertising services	6,199.3	225.0	312.2
Research and development	5,753.5	208.4	289.0
Technical services	6,684.5	241.8	334.3
Agricultural and mining services	815.2	29.5	40.5
Waste treatment and depollution services	47.7	1.7	2.3
Other business services	13,863.1	501.3	691.7
Direct investment business-to business services	11,787.4	425.5	586.5
Cultural, recreational, sporting, health and educational services.	3,178.7	115.0	158.8
Audio-visual services	1,829.5	66.3	92.0
Health and veterinary services	132.0	4.8	6.5
Educational services	430.3	15.4	21.2
Others	786.9	28.5	39.1
Government services	1,836.8	65.7	88.5
Czech diplomatic and consular missions abroad	935.0	33.6	45.9
Government revenues (NATO, UN peacekeeping forces, etc.)	222.0	8.0	10.8
Other government revenues	679.8	24.1	31.8
Services not classified elsewhere	14.9	0.6	0.8
Income	-253,778.7	-9,154.2	-12,625.8
Credit	141,589.4	5,095.5	6,971.9
Compensation of employees	23,756.0	855.7	1,172.7
Investment income	117,833.4	4,239.8	5,799.2
Direct investment	14,288.9	514.0	700.7
Dividends	3,585.1	128.4	172.0
Earnings reinvested abroad	10,463.8	377.0	516.8
Interest	240.0	8.6	11.9
Portfolio investment	27,928.4	1,000.6	1,360.9
Dividends	8,694.3	310.8	422.9
Interest	19,234.1	689.8	938.0
Other investment - interest, income on CNB reserve assets	75,616.1	2,725.2	3,737.6
Debit	395,368.1	14,249.7	19,597.7
Compensation of employees	75,907.0	2,739.9	3,770.0
Investment income	319,461.1	11,509.8	15,827.7
Direct investment	247,640.8	8,922.6	12,277.6
Dividends	108,832.4	3,920.8	5,421.2

BALANCE OF PAYMENTS FOR JANUARY TO DECEMBER 2007 – continued

(preliminary data – 6 March 2008)

	in CZK millions	in EUR millions	in USD millions
Earnings reinvested in the Czech Republic	130,648.4	4,707.6	6,453.4
Interest	8,160.0	294.2	403.0
Portfolio investment	18,754.1	674.2	925.5
Dividends	4,877.8	176.4	245.4
Interest	13,876.3	497.8	680.1
Other investment - interest	53,066.2	1,913.0	2,624.6
Current transfers	-8,063.6	-285.1	-380.9
Credit	82,379.1	2,977.9	4,092.1
General government	59,333.0	2,145.6	2,944.7
Private	23,046.1	832.3	1,147.4
Debit	90,442.7	3,263.0	4,473.0
General government	42,546.7	1,535.8	2,106.0
Private	47,896.0	1,727.2	2,367.0
B. CAPITAL ACCOUNT	19,655.2	723.3	1,024.7
Credit	21,273.7	782.3	1,107.2
Debit	1,618.5	59.0	82.5
Total A + B	-69,304.2	7,122.8	9,754.6
C. FINANCIAL ACCOUNT	104,474.2	3,826.4	5,427.1
Direct investment	158,185.5	5,731.9	7,929.8
Czech abroad	-27,088.9	-978.9	-1,354.9
Equity capital	-5,569.4	-198.3	-268.3
Reinvested earnings	-10,463.8	-377.0	-516.8
Other capital	-11,055.7	-403.6	-569.8
Foreign in the Czech Republic	185,274.4	6,710.8	9,284.7
Equity capital	57,455.4	2,072.5	2,846.5
Reinvested earnings	130,648.4	4,707.6	6,453.4
Other capital	-2,829.4	-69.3	-15.2
Portfolio investment	-53,232.1	-1,882.4	-2,500.5
Assets	-94,653.0	-3,401.8	-4,658.4
Equity securities	-61,643.8	-2,215.7	-3,024.6
CNB	0.0	0.0	0.0
Commercial banks	-1,834.8	-65.8	-90.0
Government	-79.6	-3.0	-4.1
Other sectors	-59,729.4	-2,146.9	-2,930.5
Debt securities	-33,009.2	-1,186.1	-1,633.8
CNB	0.0	0.0	0.0
Commercial banks	-13,907.3	-491.3	-664.4
Government	704.2	25.0	33.9
Other sectors	-19,806.1	-719.8	-1,003.3
Liabilities	41,420.9	1,519.4	2,157.9
Equity securities	-5,855.7	-204.5	-268.6
Commercial banks	5,075.7	180.0	244.7
Other sectors	-10,931.4	-384.5	-513.3
Debt securities	47,276.6	1,723.9	2,426.5
CNB	0.0	0.0	0.0
Commercial banks	6,465.2	231.4	318.9
Government	21,486.9	774.8	1,073.3
Other sectors	19,324.5	717.7	1,034.3
Financial derivatives	1,799.6	56.7	55.0
Assets	-14,081.6	-527.4	-780.9
Liabilities	15,881.2	584.1	835.9
Other investments	-2,278.8	-79.8	-57.2
Assets	-148,727.3	-5,363.8	-7,358.6
Long-term	-47,220.2	-1,697.8	-2,331.5

BALANCE OF PAYMENTS FOR JANUARY TO DECEMBER 2007 – continued

(preliminary data – 6 March 2008)

	in CZK millions	in EUR millions	in USD millions
CNB	2.3	0.1	0.1
Commercial banks	-45,465.8	-1,635.2	-2,246.5
Government	-691.7	-24.6	-32.5
Other sectors	-1,065.0	-38.1	-52.6
Short-term	-101,507.1	-3,666.0	-5,027.1
Commercial banks	-88,574.5	-3,211.6	-4,440.1
Government	0.0	0.0	0.0
Other sectors	-12,932.6	-454.4	-587.0
Liabilities	146,448.5	5,284.0	7,301.4
Long-term	39,116.3	1,406.7	1,915.0
CNB	-18.1	-0.6	-0.8
Commercial banks	28,170.7	1,013.0	1,380.0
Government	2,935.0	105.5	147.1
Other sectors	8,028.7	288.8	388.7
Short-term	107,332.2	3,877.3	5,386.4
CNB	-552.8	-20.5	-27.3
Commercial banks	89,693.2	3,221.8	4,442.9
Government	0.0	0.0	0.0
Other sectors	18,191.8	676.0	970.8
Total A + B + C	35,170.0	1,328.0	1,917.6
D. NET ERRORS AND OMISSIONS, VALUATION CHANGES	-19,503.5	-736.8	-1,049.5
Total A + B + C + D	15,666.5	591.2	868.1
E. CHANGE IN RESERVES (- increase)	-15,666.5	-591.2	-868.1

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS*

broken down by territory

Outward flows in 2007				
Eurostat/ OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
A1	TOTAL WORLDWIDE	27,088.9	1,333,900.7	975,753.1
E1	EUROPE	20,209.3	995,140.0	727,948.4
	of which			
BE	Belgium	253.1	12,461.9	9,115.9
FR	France	-1,586.6	-78,128.4	-57,151.2
IE	Ireland	1,414.0	69,627.8	50,933.0
IT	Italy	76.7	3,776.2	2,762.3
LU	Luxembourg	15.7	774.9	566.9
DE	Germany	1,209.3	59,546.1	43,558.2
NL	Netherlands	5,543.8	272,988.3	199,691.9
AT	Austria	559.6	27,554.6	20,156.3
ES	Spain	-1.4	-71.2	-52.1
SE	Sweden	183.6	9,039.6	6,612.5
GB	United Kingdom	-314.5	-15,484.4	-11,326.9
CY	Cyprus	494.6	24,352.9	17,814.3
EE	Estonia	0.9	46.4	33.9
LT	Lithuania	3.3	161.0	117.8
LV	Latvia	2.0	96.6	70.7
HU	Hungary	-543.0	-26,737.4	-19,558.5
PL	Poland	5,745.6	282,920.6	206,957.5
SI	Slovenia	-1,702.0	-83,806.9	-61,305.1
SK	Slovakia	3,422.7	168,540.1	123,287.7
BG	Bulgaria	-1,687.6	-83,100.5	-60,788.3
RO	Romania	1,155.8	56,915.7	41,634.1
IS	Iceland	0.2	8.4	6.1
LI	Liechtenstein	422.7	20,814.4	15,225.8
CH	Switzerland	1,226.2	60,378.7	44,167.2
E2	OTHER EUROPEAN COUNTRIES	150.9	7,431.3	5,436.0
	of which			
BY	Belarus	-30.4	-1,494.7	-1,093.4
BA	Bosnia and Herzegovina	0.4	20.6	15.1
GG	Guernsey	-0.1	-3.5	-2.5
HR	Croatia	3.5	174.4	127.6
MK	Macedonia	74.1	3,646.7	2,667.6
RU	Russian Federation	25.3	1,246.0	911.5
TR	Turkey	-0.1	-5.1	-3.7
UA	Ukraine	-25.7	-1,266.0	-926.1
CS	Serbia and Montenegro	0.7	32.1	23.5
E7	AMERICA	-122.4	-6,029.0	-4,410.2
E8	NORTH AMERICAN COUNTRIES	419.8	20,670.9	15,120.9
	of which			
US	USA	436.8	21,507.5	15,732.8
E9	CENTRAL AMERICAN COUNTRIES	-545.2	-26,845.4	-19,637.5
	of which			
VG	Virgin Islands, British	-488.3	-24,045.8	-17,589.6
MX	Mexico	-1.7	-85.0	-62.1
F1	SOUTH AMERICAN COUNTRIES	3.0	145.5	106.4
	of which			
AR	Argentina	-3.2	-158.7	-116.1
BR	Brazil	9.9	486.5	355.9
PE	Peru	-3.7	-182.3	-133.3
F2	ASIA	7,002.0	344,789.7	252,214.9
F3	NEAR AND MIDDLE EAST	6,527.5	321,427.2	235,125.1
	of which			
IR	Iran	-1.7	-82.8	-60.6
AE	United Arab Emirates	-1.8	-88.8	-65.0
GE	Georgia	6,531.0	321,598.8	235,250.6
F6	OTHER ASIAN COUNTRIES	474.4	23,362.5	17,089.8
	of which			
CN	China	14.9	732.1	535.5
IN	India	460.4	22,669.0	16,582.4
MN	Mongolia	0.8	40.6	29.7

* - preliminary data

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS* – continued

broken down by territory

Outward flows in 2007				
Eurostat/ OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
MM	Myanmar (Burma)	0.6	30.7	22.4
SG	Singapore	-2.3	-113.5	-83.0
UZ	Uzbekistan	0.1	4.4	3.2
I3	Euro Area (EUR-13)	9,906.0	487,786.9	356,817.8
J3	Extra Euro Area (EUR-13)	17,182.9	846,113.8	618,935.3
U2	EUR-12	11,607.9	571,593.8	418,122.9
U4	Extra EUR-12	15,480.9	762,306.9	557,630.2
V1	EU-27	18,409.4	906,507.3	663,113.3
V2	Extra EU-27	8,679.5	427,393.4	312,639.8
D3	EU-25	18,941.1	932,692.1	682,267.5
D5	Extra EU-25	8,147.7	401,208.7	293,485.5
D8	New EU Member States 2004	7,464.1	367,543.0	268,859.0
D2	EU-15	11,477.0	565,149.1	413,408.6
D4	Extra EU-15	15,611.8	768,751.6	562,344.5
A8	OECD	21,746.6	1,070,840.4	783,323.5
A5	EFTA	1,649.0	81,201.4	59,399.1
B1	NAFTA	418.1	20,586.0	15,058.7
C4	Offshore financial centres	-68.0	-3,349.2	-2,449.9

* - preliminary data

FOREIGN DIRECT INVESTMENT OUTWARD FLOWS*

broken down by economic activity

Outward flows in 2007					
Code	NACE	Sectors and industries	Total in CZK millions	Total in USD thousands	Total in EUR thousands
1495	10-14	MINING AND QUARRYING	2,061.2	101,494.7	74,243.7
3995	15-37	MANUFACTURING	955.3	47,039.7	34,409.7
		of which			
1605	15-16	Manufacture of food products, beverages and tobacco	-311.2	-15,323.5	-11,209.2
1805	17-18	Manufacture of textiles and wearing apparel	2.8	136.3	99.7
2205	20-22	"Manufacture of wood and wood products, paper and paper products, publishing and printing"	893.5	43,999.1	32,185.5
2300	23		3.2	157.5	115.2
2400	24	Manufacture of coke, refined petroleum products and nuclear fuel	-118.1	-5,814.6	-4,253.4
2500	25	Manufacture of chemicals and chemical products	144.5	7,116.6	5,205.8
2600	26	Manufacture of rubber and plastic products	-684.0	-33,679.3	-24,636.5
2805	27-28	Manufacture of other non-metallic mineral products	-17.8	-876.9	-641.5
2900	29	Manufacture of basic metals and fabricated metal products	456.0	22,453.7	16,425.0
3000	30	Manufacture of machinery and equipment n.e.c.	0.0	0.0	0.0
3100	31	Manufacture of office machinery and computers	776.7	38,246.3	27,977.3
3200	32	Manufacture of electrical machinery and apparatus n.e.c.	-137.9	-6,789.9	-4,966.9
3300	33	Manufacture of radio, television and communication equipment and apparatus	-30.3	-1,489.6	-1,089.6
3400	34	Manufacture of medical, precision and optical instruments, watches and clocks	308.9	15,211.7	11,127.4
3500	35	Manufacture of motor vehicles, trailers and semi-trailers	-490.5	-24,151.5	-17,666.9
3600	36	Manufacture of other transport equipment	143.4	7,061.4	5,165.5
		Manufacture of furniture; manufacturing n.e.c.			
4195	40-41		11,159.5	549,512.9	401,970.6
4500	45	ELECTRICITY, GAS AND WATER SUPPLY	132.9	6,546.5	4,788.8
5295	50-52	CONSTRUCTION	3,741.2	184,221.0	134,758.3
5500	55	WHOLESALE AND RETAIL TRADE; REPAIRS	396.9	19,546.1	14,298.0
6495	60-64	HOTELS AND RESTAURANTS	415.0	20,433.0	14,946.8
6895	65-67	TRANSPORT AND COMMUNICATION	204.4	10,062.7	7,360.9
7395	70-74	FINANCIAL INTERMEDIATION	8,004.4	394,148.8	288,321.2
9995	75-99	REAL ESTATE AND BUSINESS ACTIVITIES	-21.8	-1,074.4	-785.9
9999	01-99	OTHER SERVICES	27,088.9	1,333,900.7	975,753.1

* - preliminary data

FOREIGN DIRECT INVESTMENT INWARD FLOWS*
broken down by territory

Inward flows in 2007				
Eurostat/ OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
A1	TOTAL WORLDWIDE	185,274.4	9,123,221.2	6,673,668.6
E1	EUROPE	176,104.7	8,671,691.2	6,343,372.8
	of which			
BE	Belgium	6,672.2	328,552.4	240,337.2
DK	Denmark	4,498.7	221,521.2	162,043.5
FI	Finland	97.3	4,790.2	3,504.0
FR	France	19,886.2	979,231.1	716,311.0
IE	Ireland	-986.6	-48,582.2	-35,538.1
IT	Italy	1,942.0	95,626.9	69,951.4
LU	Luxembourg	23,812.9	1,172,585.3	857,750.3
DE	Germany	15,434.5	760,020.3	555,957.5
NL	Netherlands	53,371.4	2,628,095.5	1,922,461.2
PT	Portugal	-129.2	-6,363.0	-4,654.5
AT	Austria	21,704.2	1,068,750.0	781,794.4
GR	Greece	-58.0	-2,858.2	-2,090.8
ES	Spain	-863.0	-42,497.6	-31,087.1
SE	Sweden	6,531.0	321,595.2	235,248.0
GB	United Kingdom	6,894.4	339,491.0	248,338.9
CY	Cyprus	5,387.5	265,289.6	194,060.3
LT	Lithuania	104.7	5,153.1	3,769.5
HU	Hungary	-9,243.2	-455,150.9	-332,944.5
MT	Malta	-2,283.4	-112,438.5	-82,249.2
PL	Poland	6,988.6	344,132.5	251,734.1
SI	Slovenia	549.7	27,070.2	19,801.9
SK	Slovakia	1,630.2	80,275.5	58,721.8
BG	Bulgaria	45.5	2,242.6	1,640.4
RO	Romania	638.9	31,460.7	23,013.6
IS	Iceland	19.3	951.1	695.7
LI	Liechtenstein	547.7	26,968.8	19,727.8
NO	Norway	98.9	4,870.2	3,562.6
CH	Switzerland	10,158.2	500,208.6	365,904.4
E2	OTHER EUROPEAN COUNTRIES	2,652.2	130,601.2	95,535.2
	of which			
AD	Andorra	-6.9	-338.0	-247.2
BY	Belarus	45.9	2,262.3	1,654.9
BA	Bosnia and Herzegovina	-24.0	-1,181.1	-864.0
GI	Gibraltar	4,851.1	238,874.0	174,737.2
GG	Guernsey	-33.4	-1,645.6	-1,203.8
HR	Croatia	1.7	85.1	62.2
JE	Jersey	-350.0	-17,236.3	-12,608.4
IM	Isle of Man	-422.5	-20,805.3	-15,219.2
RU	Russian Federation	-1,452.7	-71,534.9	-52,328.0
UA	Ukraine	35.4	1,745.4	1,276.8
E4	AFRICA	-44.6	-2,194.6	-1,605.4
SC	Seychelles	-35.4	-1,743.1	-1,275.1
E7	AMERICA	-5,682.3	-279,805.1	-204,678.4
E8	NORTH AMERICAN COUNTRIES	7,081.7	348,713.0	255,084.8
	of which			
CA	Canada	37.4	1,840.2	1,346.1
US	USA	7,044.3	346,872.8	253,738.7
E9	CENTRAL AMERICAN COUNTRIES	-10,375.9	-510,926.4	-373,744.5
	of which			
BS	Bahamas	-231.0	-11,374.3	-8,320.4
BZ	Belize	197.8	9,741.5	7,125.9
BM	Bermuda	-5,100.8	-251,173.0	-183,733.9
VG	Virgin Islands, British	425.9	20,973.6	15,342.3
KY	Cayman Islands	-125.0	-6,153.7	-4,501.4
MX	Mexico	-5,435.2	-267,637.4	-195,777.7
PA	Panama	-93.4	-4,597.7	-3,363.2
VC	St Vincent and the Grenadines	0.2	11.2	8.2
F1	SOUTH AMERICAN COUNTRIES	-2,388.1	-117,591.6	-86,018.7
	of which			
GY	Guyana	-11.4	-561.2	-410.5
F2	ASIA	13,424.7	661,055.8	483,564.6
F3	NEAR AND MIDDLE EAST	61.8	3,044.0	2,226.7
	of which			

FOREIGN DIRECT INVESTMENT INWARD FLOWS* – continued

broken down by territory

Inward flows in 2007				
Eurostat/ OECD	Geographical and economic zones	Total in CZK millions	Total in USD thousands	Total in EUR thousands
IR	Iran, Islamic Republic of	2.0	98.5	72.0
IL	Israel	72.0	3,544.2	2,592.6
SA	Saudi Arabia	0.5	25.6	18.7
AZ	Azerbaijan	2.0	98.5	72.0
F6	OTHER ASIAN COUNTRIES	13,362.9	658,011.7	481,337.9
	of which			
CN	China	98.9	4,871.2	3,563.3
HK	Hong Kong	433.6	21,350.0	15,617.6
IN	India	466.0	22,947.2	16,786.0
JP	Japan	5,045.6	248,453.5	181,744.6
KZ	Kazakhstan	-2.2	-110.7	-81.0
KR	Korea, Republic of (South Korea)	7,914.8	389,738.5	285,095.1
MY	Malaysia	-355.7	-17,517.3	-12,813.9
SG	Singapore	-55.9	-2,752.1	-2,013.1
TW	Taiwan, Province of China	-184.9	-9,104.6	-6,660.0
F7	OCEANIA AND POLAR REGIONS	-28.2	-1,388.6	-1,015.8
	of which			
AU	Australia	-26.1	-1,287.5	-941.8
I3	Euro Area (EUR-13)	141,433.5	6,964,420.9	5,094,498.5
J3	Extra Euro Area (EUR-13)	43,840.9	2,158,800.3	1,579,170.1
U2	EUR-12	140,883.7	6,937,350.7	5,074,696.6
U4	Extra EUR-12	44,390.7	2,185,870.5	1,598,972.0
V1	EU-27	162,628.3	8,008,091.3	5,857,947.1
V2	Extra EU-27	22,646.1	1,115,129.9	815,721.5
D3	EU-25	161,943.9	7,974,388.0	5,833,293.0
D5	Extra EU-25	23,330.5	1,148,833.2	840,375.5
D8	New EU Member States 2004	3,136.2	154,429.9	112,966.0
D2	EU-15	158,807.7	7,819,958.1	5,720,327.0
D4	Extra EU-15	26,466.7	1,303,263.1	953,341.6
A8	OECD	183,038.6	9,013,126.0	6,593,133.6
A5	EFTA	10,824.1	532,998.7	389,890.5
B1	NAFTA	1,646.5	81,075.5	59,307.0
C4	Offshore financial centres	10.8	529.5	387.4

* - preliminary data

FOREIGN DIRECT INVESTMENT INWARD FLOWS*

broken down by economic activity

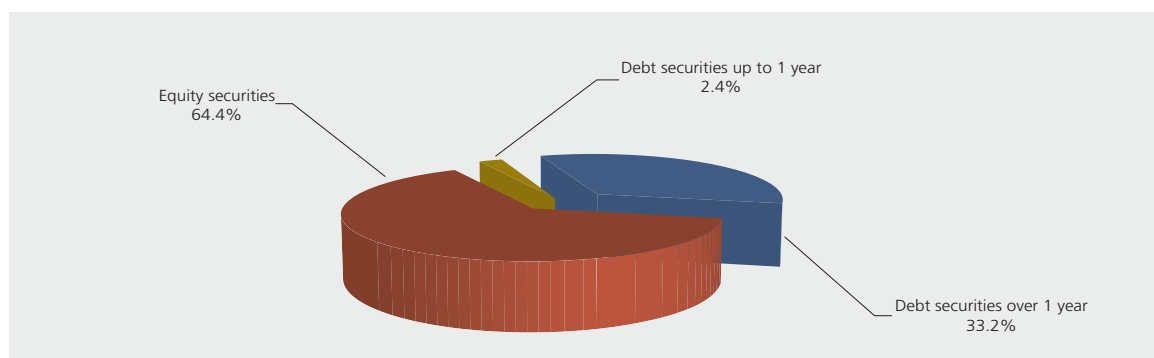
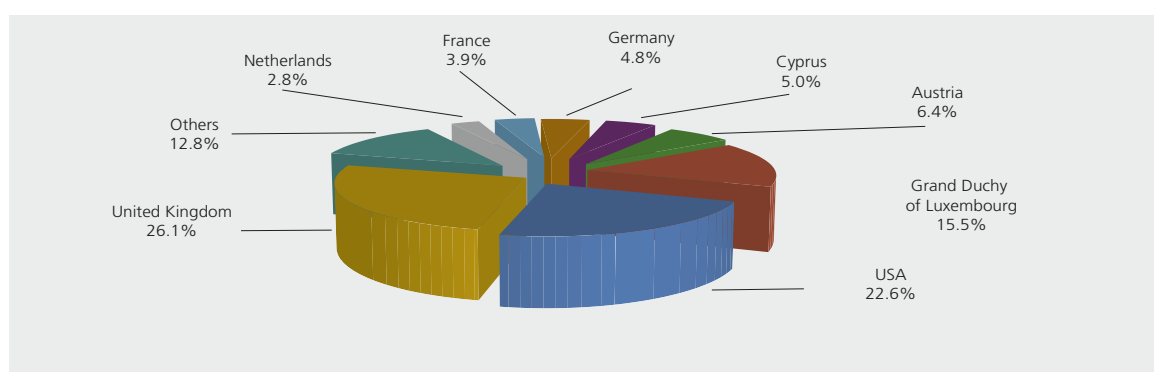
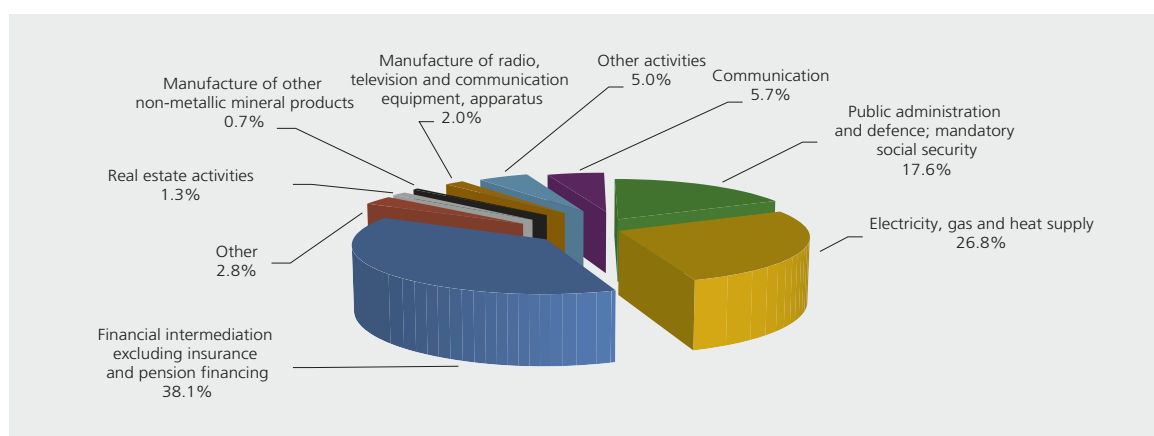
Inward flows in 2007					
Code	NACE	Sectors and industries	Total in CZK millions	Total in USD thousands	Total in EUR thousands
595	01-05	AGRICULTURE, FORESTRY AND FISHING			
1495	10-14	MINING AND QUARRYING	8,767.1	431,707.0	315,795.2
3995	15-37	MANUFACTURING	78,226.6	3,852,008.3	2,817,757.7
		of which			
1605	15-16	Manufacture of food products, beverages and tobacco	7,391.2	363,956.8	266,235.7
1805	17-18	Manufacture of textiles and wearing apparel	1,730.7	85,221.9	62,340.1
1900	19	Tanning and dressing of leather, manufacture of luggage, handbags and footwear	1.9	92.8	67.9
2205	20-22	Manufacture of wood and wood products, paper and paper products, publishing and printing	86.6	4,262.5	3,118.1
2300	23	Manufacture of coke, refined petroleum products and nuclear fuel	-22.1	-1,088.2	-796.1
2400	24	Manufacture of chemicals and chemical products	9,619.4	473,677.1	346,496.5
2500	25	Manufacture of rubber and plastic products	4,132.2	203,476.7	148,843.9
2600	26	Manufacture of other non-metallic mineral products	7,146.8	351,918.7	257,429.8
2805	27-28	Manufacture of basic metals and fabricated metal products	12,093.4	595,499.7	435,610.2
2900	29	Manufacture of machinery and equipment n.e.c.	5,894.0	290,231.8	212,305.6
3000	30	Manufacture of office machinery and computers	-438.8	-21,609.5	-15,807.4
3100	31	Manufacture of electrical machinery and apparatus n.e.c.	5,194.6	255,790.8	187,111.9
3200	32	Manufacture of radio, television and communication equipment and apparatus	-4,012.1	-197,562.1	-144,517.4
3300	33	Manufacture of medical, precision and optical instruments, watches and clocks	670.1	32,995.2	24,136.1
3400	34	Manufacture of motor vehicles, trailers and semi-trailers	26,302.4	1,295,172.8	947,423.5
3500	35	Manufacture of other transport equipment	1,908.6	93,981.5	68,747.8
3600	36	Manufacture of furniture; manufacturing n.e.c.	849.7	41,840.4	30,606.4
3700	37	Recycling	-321.9	-15,850.8	-11,594.9
4195	40-41	ELECTRICITY, GAS AND WATER SUPPLY	-3,527.9	-173,721.0	-127,077.6
4500	45	CONSTRUCTION	3,066.2	150,987.1	110,447.6
5295	50-52	WHOLESALE AND RETAIL TRADE; REPAIRS	14,698.6	723,783.7	529,450.3
5500	55	HOTELS AND RESTAURANTS	1,110.9	54,704.7	40,016.6
6495	60-64	TRANSPORT AND COMMUNICATION	2,681.4	132,037.9	96,586.2
6895	65-67	FINANCIAL INTERMEDIATION	37,681.1	1,855,479.5	1,357,289.8
7395	70-74	REAL ESTATE AND BUSINESS ACTIVITIES	40,877.5	2,012,878.5	1,472,427.7
9995	75-99	OTHER SERVICES	1,221.9	60,168.5	44,013.5
9999	01-99	TOTAL	185,274.4	9,123,221.2	6,673,668.6

* - preliminary data

PORTFOLIO INVESTMENT IN KORUNA INSTRUMENTS

broken down by economic activity, territory and type of instrument as at 31 December 2007

in CZK billions					
ECONOMIC ACTIVITY	Market value	TERRITORIAL STRUCTURE	Market value	INSTRUMENT TYPE	Market value
Financial intermediation excluding insurance and pension financing	155.24	United Kingdom	106.41	Equity securities	262.52
Electricity, gas and heat supply	109.45	USA	92.07	Debt securities over 1 year	135.29
Public administration and defence; mandatory social security	71.69	Luxembourg	63.12	Debt securities up to 1 year	9.85
Communication	23.43	Austria	26.29		
Other activities	20.26	Cyprus	20.53		
Manufacture of radio, television and communication equipment, apparatus	8.15	Germany	19.56		
Real estate activities	5.13	France	15.92		
Manufacture of other non-metallic mineral products	2.68	Netherlands	11.59		
Others	11.61	Others	52.17		
TOTAL	407.7	TOTAL	407.7	TOTAL	407.7



RESIDENTS' PORTFOLIO INVESTMENT ABROAD AS AT 31 DECEMBER 2007*
broken down by territory and type of security

Eurostat/OECD Code	Geographical and economic zones	in CZK millions			
		Equity securities	Long-term bonds	Short-term bonds	Total
A1	TOTAL WORLD	256,779.1	348,773.4	854.3	606,406.8
E1	EUROPE	226,231.8	305,675.4	842.7	532,749.9
	of which				
AT	Austria	38,173.4	6,662.1	132.9	44,968.4
BE	Belgium	73,552.5	2,056.9		75,609.4
BG	Bulgaria	15.8			15.8
CY	Cyprus	6,248.3	763.7		7,012.0
DE	Germany	14,028.5	38,402.9	625.9	53,057.3
DK	Denmark	28.8	1,044.2		1,073.0
EE	Estonia	69.7	201.8		271.5
ES	Spain	311.7	10,902.0	6.5	11,220.2
FI	Finland	361.8	491.5		853.3
FR	France	11,220.8	25,302.2		36,523.0
GB	United Kingdom	5,260.8	27,037.7	29.0	32,327.5
GR	Greece	142.1	20,555.6		20,697.7
HU	Hungary	3,259.7	7,644.9		10,904.6
CH	Switzerland	770.1	7.7		777.8
IE	Ireland	7,488.7	16,718.6		24,207.3
IS	Iceland	0.1	6,198.9		6,199.0
IT	Italy	407.6	22,499.7		22,907.3
LT	Lithuania	12.1			12.1
LU	Luxembourg	41,013.6	18,932.8	28.7	59,975.1
LV	Latvia	5.7			5.7
NL	Netherlands	16,446.0	41,873.6	19.7	58,339.3
NO	Norway	110.2	2,940.5		3,050.7
PL	Poland	3,258.1	16,640.5		19,898.6
PT	Portugal	7.0	3,582.5		3,589.5
RO	Romania	210.2	210.3		420.5
SE	Sweden	112.4	1,717.8		1,830.2
SI	Slovenia	15.7	838.1		853.8
SK	Slovakia	3,648.5	9,638.2		13,286.7
4A	International organisations	51.9	22,810.7		22,862.6
E2	OTHER EUROPEAN COUNTRIES	4,382.2	8,171.0	9.4	12,562.6
	of which				0.0
GG	Guernsey	219.9	15.1		235.0
GI	Gibraltar	3.7	1,115.3		1,119.0
HR	Croatia	30.9	287.2		318.1
JE	Jersey	723.8	5,571.4		6,295.2
RU	Russian Federation	1,933.6	910.4	9.4	2,853.4
TR	Turkey	1,469.5	201.3		1,670.8
UA	Ukraine	0.8	70.3		71.1
E4	AFRICA	165.8	0.0	0.0	165.8
BI	Burundi	0.1			0.1
MU	Mauritius	125.7			125.7
EG	Egypt	0.3			0.3
ZA	South Africa	39.7			39.7
E7	AMERICA	22,311.4	31,438.8	1.8	53,752.0
E8	NORTH AMERICAN COUNTRIES	15,272.1	26,645.6	1.8	41,919.5
	of which				
CA	Canada	739.3	782.9		1,522.2
US	USA	14,532.8	25,862.7	1.8	40,397.3
E9	CENTRAL AMERICAN COUNTRIES	6,928.8	4,745.5	0.0	11,674.3
	of which				
AN	Netherlands Antilles	2,046.6	1,084.0		3,130.6
BB	Barbados	2.1			2.1
BS	Bahamas	1.7	26.9		28.6
BZ	Belize		150.0		150.0
BM	Bermuda	1,395.3	12.5		1,407.8
VG	Virgin Islands, British	701.3			701.3
KY	Cayman Islands	2,771.4	3,472.1		6,243.5
MX	Mexico	9.8			9.8
PA	Panama	0.6			0.6
F1	SOUTH AMERICAN COUNTRIES	110.5	47.7	0.0	158.2
	of which				
AR	Argentina	0.2	2.1		2.3
BR	Brazil	108.1	45.6		153.7
PE	Peru	2.2			2.2

RESIDENTS' PORTFOLIO INVESTMENT ABROAD AS AT 31 DECEMBER 2007* – continued
 broken down by territory and type of security

Eurostat/OECD Code	Geographical and economic zones	in CZK millions			
		Equity securities	Long-term bonds	Short-term bonds	Total
F2	ASIA	3,551.3	1,805.1	0.0	5,356.4
F3	NEAR AND MIDDLE EAST COUNTRIES	45.0	667.9	0.0	712.9
	of which				
IL	Israel	45.0			45.0
IQ	Iraq		667.9		667.9
F6	OTHER ASIAN COUNTRIES	3,506.3	1,137.2	0.0	4,643.5
	of which				
CN	China	1,120.3			1,120.3
HK	Hong Kong	862.7	916.7		1,779.4
IN	India	6.1			6.1
JP	Japan	298.5	2.2		300.7
KR	Korea, Republic of (South Korea)	271.2			271.2
KZ	Kazakhstan	870.1	218.3		1,088.4
MY	Malaysia	9.0			9.0
SG	Singapore	47.7			47.7
VN	Vietnam	0.7			0.7
TH	Thailand	0.1			0.1
TW	Taiwan, Province of China	19.9			19.9
F7	OCEANIA AND POLAR REGIONS	136.6	1,683.1	0.4	1,820.1
	of which				
MH	Marshall Islands	11.1			11.1
AU	Australia	125.5	1,683.1	0.4	1,809.0
I3	Euro Area (EUR-13)	203,169.4	208,818.5	813.7	412,801.6
J3	Extra Euro Area (EUR-13)	22,182.0	87,709.8	29.0	109,920.8
V1	EU-27	225,351.4	296,528.3	842.7	522,722.4
V2	Extra EU-27	31,427.7	52,245.1	11.6	83,684.4

* - preliminary data

INTERNATIONAL INVESTMENT POSITION

in CZK millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
ASSETS	1,537,284.6	1,549,333.7	1,875,403.8	1,888,248.1	2,088,989.0
Direct investment abroad	58,581.5	84,087.4	88,772.7	104,743.3	126,025.0
Equity capital	50,965.5	70,664.0	80,061.1	96,748.8	107,880.0
Other capital	7,616.0	13,423.4	8,711.6	7,994.5	18,145.0
Portfolio investment	343,968.7	372,237.6	467,808.5	532,163.4	606,406.8
Equity securities	47,337.7	76,121.3	146,957.6	202,322.0	256,779.1
Debt securities	296,631.0	296,116.3	320,850.9	329,841.4	349,627.7
Financial derivatives	24,129.5	39,695.3	42,556.2	53,406.7	67,488.3
Other investment	419,090.0	417,071.9	549,564.4	541,297.0	658,052.7
Long-term	157,598.6	118,432.7	136,314.1	128,334.6	163,697.5
CNB	468.4	600.0	3,184.5	2,993.8	2,848.9
Commercial banks	66,121.3	58,137.8	83,231.1	87,666.2	126,639.6
Government	79,483.9	48,574.9	38,408.5	29,894.6	27,359.0
Other sectors	11,525.0	11,120.0	11,490.0	7,780.0	6,850.0
Short-term	261,491.4	298,639.2	413,250.3	412,962.4	494,355.2
CNB	98.8	71.7	71.1	131.3	102.1
Commercial banks	161,150.2	184,588.0	273,879.1	233,831.1	310,703.1
of which gold and foreign exchange	115,884.8	128,119.8	198,042.8	166,588.9	200,945.9
Government	102.4	9.5	0.1		
Other sectors	100,140.0	113,970.0	139,300.0	179,000.0	183,550.0
CNB reserve assets	691,514.9	636,241.5	726,702.0	656,637.7	631,016.2
Gold	4,784.3	4,253.9	5,526.8	5,690.9	6,431.6
SDR	238.7	118.0	289.8	346.0	363.3
Reserve position in the IMF	11,949.9	9,137.5	4,447.7	2,324.6	1,521.6
Foreign exchange	674,451.8	610,657.9	716,315.2	648,192.1	618,048.0
Other reserve assets	90.2	12,074.2	122.5	84.1	4,651.7
LIABILITIES	2,064,768.3	2,374,328.4	2,710,646.3	2,969,225.5	3,329,266.4
Direct investment in the Czech Republic	1,161,783.6	1,280,594.8	1,491,564.0	1,666,760.7	1,827,224.6
Equity capital	1,009,391.8	1,121,842.3	1,316,101.8	1,497,465.8	1,665,564.6
Other capital	152,391.8	158,752.5	175,462.2	169,294.9	161,660.0
Portfolio investment	223,620.4	381,019.4	437,806.0	487,994.5	556,342.4
Equity securities	140,788.6	208,872.1	220,495.8	241,594.8	262,518.8
Debt securities	82,831.8	172,147.3	217,310.2	246,399.7	293,823.6
Financial derivatives	19,448.3	31,806.1	31,868.4	36,482.0	52,363.2
Other investment	659,916.0	680,908.1	749,407.9	777,988.3	893,336.2
Long-term	360,279.2	373,456.4	417,645.7	464,073.2	485,570.5
CNB	96.1	70.2	47.8	27.2	8.8
Commercial banks	58,056.3	52,020.8	51,639.8	62,263.6	87,448.8
Government	22,456.0	32,065.4	52,322.1	61,686.4	64,197.4
Other sectors	279,670.8	289,300.0	313,636.0	340,096.0	333,915.5
Short-term	299,636.8	307,451.7	331,762.2	313,915.1	407,765.7
CNB	22.8	866.5	5,926.5	1,779.0	1,226.2
Commercial banks	208,534.0	185,025.2	201,315.7	193,816.1	272,729.5
Government					
Other sectors	91,080.0	121,560.0	124,520.0	118,320.0	133,810.0
NET INVESTMENT POSITION	-527,483.7	-824,994.7	-835,242.5	-1,080,977.4	-1,240,277.4

1) revised data

2) preliminary data

INTERNATIONAL INVESTMENT POSITION

in EUR millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
ASSETS	47,439.8	50,856.2	64,657.9	68,676.1	78,474.4
Direct investment abroad	1,807.8	2,760.1	3,060.6	3,809.6	4,734.2
Equity capital	1,572.8	2,319.5	2,760.2	3,518.8	4,052.6
Other capital	235.0	440.6	300.4	290.8	681.6
Portfolio investment	10,614.7	12,218.6	16,128.5	19,354.9	22,780.1
Equity securities	1,460.8	2,498.7	5,066.6	7,358.5	9,646.1
Debt securities	9,153.9	9,719.9	11,061.9	11,996.4	13,134.0
Financial derivatives	744.6	1,303.0	1,467.2	1,942.4	2,535.3
Other investment	12,932.9	13,690.2	18,947.2	19,687.1	24,720.2
Long-term	4,863.4	3,887.5	4,699.7	4,667.6	6,149.4
CNB	14.4	19.7	109.8	108.9	107.0
Commercial banks	2,040.5	1,908.3	2,869.6	3,188.4	4,757.3
Government	2,452.8	1,594.5	1,324.2	1,087.3	1,027.8
Other sectors	355.7	365.0	396.1	283.0	257.3
Short-term	8,069.5	9,802.7	14,247.5	15,019.5	18,570.8
CNB	3.0	2.4	2.4	4.8	3.8
Commercial banks	4,973.0	6,059.0	9,442.5	8,504.5	11,671.8
of which gold and foreign exchange	3,576.1	4,205.5	6,827.9	6,058.9	7,548.7
Government	3.2	0.3			
Other sectors	3,090.3	3,741.0	4,802.6	6,510.2	6,895.2
CNB reserve assets	21,339.8	20,884.3	25,054.4	23,882.1	23,704.6
Gold	147.6	139.6	190.6	207.0	241.6
SDR	7.4	3.9	10.0	12.6	13.6
Reserve position in the IMF	368.8	299.9	153.3	84.5	57.2
Foreign exchange	20,813.2	20,044.6	24,696.3	23,574.9	23,217.4
Other reserve assets	2.8	396.3	4.2	3.1	174.8
LIABILITIES	63,717.6	77,936.3	93,454.4	107,991.5	125,066.3
Direct investment in the Czech Republic	35,852.0	42,035.0	51,424.4	60,620.5	68,641.0
Equity capital	31,149.3	36,824.0	45,375.0	54,463.2	62,568.1
Other capital	4,702.7	5,211.0	6,049.4	6,157.3	6,072.9
Portfolio investment	6,900.8	12,506.8	15,094.1	17,748.5	20,899.4
Equity securities	4,344.7	6,856.2	7,602.0	8,786.9	9,861.7
Debt securities	2,556.1	5,650.6	7,492.1	8,961.6	11,037.7
Financial derivatives	600.1	1,044.0	1,098.7	1,326.9	1,967.1
Other investment	20,364.7	22,350.5	25,837.2	28,295.6	33,558.8
Long-term	11,118.1	12,258.5	14,399.1	16,878.5	18,240.8
CNB	3.0	2.3	1.6	1.0	0.3
Commercial banks	1,791.6	1,707.5	1,780.4	2,264.5	3,285.1
Government	693.0	1,052.5	1,803.9	2,243.6	2,411.6
Other sectors	8,630.5	9,496.2	10,813.2	12,369.4	12,543.8
Short-term	9,246.6	10,092.0	11,438.1	11,417.1	15,318.0
CNB	0.7	28.4	204.3	64.7	46.1
Commercial banks	6,435.2	6,073.4	6,940.7	7,049.1	10,245.3
Government					
Other sectors	2,810.7	3,990.2	4,293.1	4,303.3	5,026.6
NET INVESTMENT POSITION	-16,277.8	-27,080.1	-28,796.5	-39,315.4	-46,591.9

1) revised data

2) preliminary data

INTERNATIONAL INVESTMENT POSITION

in USD millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
ASSETS	59,923.8	69,274.9	76,273.2	90,450.7	115,554.2
Direct investment abroad	2,283.5	3,759.8	3,610.4	5,017.4	6,971.2
Equity capital	1,986.6	3,159.6	3,256.1	4,634.4	5,967.5
Other capital	296.9	600.2	354.3	383.0	1,003.7
Portfolio investment	13,408.0	16,643.7	19,025.9	25,491.6	33,543.9
Equity securities	1,845.2	3,403.6	5,976.8	9,691.6	14,203.9
Debt securities	11,562.8	13,240.1	13,049.1	15,800.0	19,340.0
Financial derivatives	940.6	1,774.9	1,730.8	2,558.3	3,733.2
Other investment	16,336.3	18,648.4	22,350.9	25,929.2	36,400.7
Long-term	6,143.3	5,295.4	5,543.9	6,147.5	9,055.1
CNB	18.3	26.8	129.5	143.4	157.6
Commercial banks	2,577.4	2,599.5	3,385.0	4,199.4	7,005.2
Government	3,098.3	2,171.9	1,562.1	1,432.0	1,513.4
Other sectors	449.3	497.2	467.3	372.7	378.9
Short-term	10,193.0	13,353.0	16,807.0	19,781.7	27,345.6
CNB	3.8	3.2	2.9	6.3	5.6
Commercial banks	6,281.7	8,253.5	11,138.7	11,201.0	17,186.8
of which gold and foreign exchange	4,517.2	5,728.6	8,054.4	7,979.9	11,115.5
Government	4.0	0.4			
Other sectors	3,903.5	5,095.9	5,665.4	8,574.4	10,153.2
CNB reserve assets	26,955.4	28,448.1	29,555.2	31,454.2	34,905.2
Gold	186.5	190.2	224.8	272.6	355.8
SDR	9.3	5.3	11.8	16.6	20.1
Reserve position in the IMF	465.8	408.6	180.9	111.4	84.2
Foreign exchange	26,290.3	27,304.1	29,132.7	31,049.6	34,187.8
Other reserve assets	3.5	539.9	5.0	4.0	257.3
LIABILITIES	80,485.3	106,162.7	110,242.7	142,231.5	184,161.2
Direct investment in the Czech Republic	45,286.7	57,258.9	60,662.3	79,841.0	101,074.5
Equity capital	39,346.4	50,160.6	53,526.2	71,731.4	92,132.1
Other capital	5,940.3	7,098.3	7,136.1	8,109.6	8,942.4
Portfolio investment	8,716.8	17,036.4	17,805.7	23,375.8	30,774.6
Equity securities	5,488.0	9,339.2	8,967.6	11,572.8	14,521.5
Debt securities	3,228.8	7,697.2	8,838.1	11,803.0	16,253.1
Financial derivatives	758.1	1,422.2	1,296.1	1,747.6	2,896.5
Other investment	25,723.7	30,445.2	30,478.6	37,267.1	49,415.6
Long-term	14,043.8	16,698.2	16,985.8	22,230.0	26,859.7
CNB	3.7	3.1	1.9	1.3	0.5
Commercial banks	2,263.1	2,326.0	2,100.2	2,982.6	4,837.3
Government	875.4	1,433.7	2,128.0	2,954.9	3,551.1
Other sectors	10,901.6	12,935.4	12,755.7	16,291.2	18,470.8
Short-term	11,679.9	13,747.0	13,492.8	15,037.1	22,555.9
CNB	0.9	38.7	241.1	85.2	67.8
Commercial banks	8,128.7	8,273.0	8,187.5	9,284.1	15,086.3
Government					
Other sectors	3,550.3	5,435.3	5,064.2	5,667.8	7,401.8
NET INVESTMENT POSITION	-20,561.5	-36,887.8	-33,969.5	-51,780.8	-68,607.0

1) revised data

2) preliminary data

EXTERNAL DEBT by debtor and creditor

in CZK millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
DEBT IN CONVERTIBLE CURRENCIES	895,139.6	1,011,807.9	1,142,180.3	1,193,682.9	1,348,819.8
of which:					
Long-term	535,995.9	667,327.6	783,533.1	872,113.2	926,756.3
by debtor					
CNB	96.1	70.2	47.8	27.2	8.8
Commercial banks	73,276.4	64,346.5	65,418.9	76,426.6	107,852.7
Government	69,029.9	147,729.1	221,003.4	247,019.8	266,992.2
Other sectors	393,593.5	455,181.8	497,063.0	548,639.6	551,902.6
by creditor					
Foreign banks	251,535.3	269,081.3	276,594.3	324,908.9	348,801.1
Government institutions			9,636.0	9,555.5	8,686.0
Multilateral institutions	83,779.6	84,862.4	105,187.7	107,043.6	99,219.6
Suppliers and direct investors	109,287.9	143,301.2	170,586.6	179,903.7	173,410.0
Other investors	91,393.1	170,082.7	221,528.5	250,701.5	296,639.6
Short-term	359,143.7	344,480.3	358,647.2	321,569.7	422,063.5
by debtor					
CNB	22.8	866.5	5,926.5	1,779.0	1,226.2
Commercial banks	210,017.0	188,495.9	202,616.9	196,529.5	274,731.5
Government	710.0	3,334.6	1,102.4	350.0	5,722.8
Other sectors	148,393.9	151,783.3	149,001.4	122,911.2	140,383.0
by creditor					
Foreign banks	218,436.1	202,372.6	197,820.7	187,186.7	240,864.7
Multilateral institutions		861.3	5,918.8	1,768.2	1,220.3
Suppliers and direct investors	105,563.9	98,611.3	102,235.6	78,391.2	88,700.0
Other investors	35,143.7	42,635.1	52,672.1	54,223.6	91,278.5
DEBT IN NON-CONVERTIBLE CURRENCIES	0.0	0.0	0.0	0.0	0.0
of which:					
Long-term					
Short-term					
TOTAL EXTERNAL DEBT	895,139.6	1,011,807.9	1,142,180.3	1,193,682.9	1,348,819.8
of which:					
Long-term	535,995.9	667,327.6	783,533.1	872,113.2	926,756.3
Short-term	359,143.7	344,480.3	358,647.2	321,569.7	422,063.5
Total long-term debt	535,995.9	667,327.6	783,533.1	872,113.2	926,756.3
of which:					
- IMF loans					
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	222,120.9	272,202.1	322,498.4	342,241.9	375,189.8
- Liabilities of entities with majority private ownership	313,875.0	395,125.5	461,034.7	529,871.3	551,566.5

1) revised data

2) preliminary data

EXTERNAL DEBT
by debtor and creditor

in EUR millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
DEBT IN CONVERTIBLE CURRENCIES	27,623.5	33,212.1	39,378.7	43,414.5	50,669.4
of which:					
Long-term	16,540.5	21,904.7	27,013.7	31,719.0	34,814.3
by debtor					
CNB	3.0	2.3	1.6	1.0	0.3
Commercial banks	2,261.3	2,112.1	2,255.4	2,779.7	4,051.6
Government	2,130.2	4,849.1	7,619.5	8,984.2	10,029.7
Other sectors	12,146.0	14,941.2	17,137.2	19,954.1	20,732.7
by creditor					
Foreign banks	7,762.2	8,832.5	9,536.1	11,817.0	13,103.0
Government institutions			332.2	347.6	326.3
Multilateral institutions	2,585.4	2,785.5	3,626.5	3,893.2	3,727.2
Suppliers and direct investors	3,372.6	4,703.8	5,881.3	6,543.1	6,514.3
Other investors	2,820.3	5,582.9	7,637.6	9,118.1	11,143.5
Short-term	11,083.0	11,307.4	12,365.0	11,695.5	15,855.1
by debtor					
CNB	0.7	28.4	204.3	64.7	46.1
Commercial banks	6,481.0	6,187.3	6,985.6	7,147.8	10,320.5
Government	21.9	109.5	38.0	12.7	215.0
Other sectors	4,579.4	4,982.2	5,137.1	4,470.3	5,273.5
by creditor					
Foreign banks	6,740.8	6,642.8	6,820.2	6,808.0	9,048.3
Multilateral institutions		28.3	204.0	64.3	45.8
Suppliers and direct investors	3,257.7	3,236.8	3,524.8	2,851.1	3,332.1
Other investors	1,084.5	1,399.5	1,816.0	1,972.1	3,428.9
DEBT IN NON-CONVERTIBLE CURRENCIES	0.0	0.0	0.0	0.0	0.0
of which:					
Long-term					
Short-term					
TOTAL EXTERNAL DEBT	27,623.5	33,212.1	39,378.7	43,414.5	50,669.4
of which:					
Long-term	16,540.5	21,904.7	27,013.7	31,719.0	34,814.3
Short-term	11,083.0	11,307.4	12,365.0	11,695.5	15,855.1
Total long-term debt	16,540.5	21,904.7	27,013.7	31,719.0	34,814.3
of which:					
- IMF loans					
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	6,854.5	8,934.9	11,118.7	12,447.4	14,094.3
- Liabilities of entities with majority private ownership	9,686.0	12,969.8	15,895.0	19,271.6	20,720.0

1) revised data

2) preliminary data

EXTERNAL DEBT

by debtor and creditor

in USD millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
DEBT IN CONVERTIBLE CURRENCIES	34,892.8	45,240.7	46,452.8	57,179.7	74,611.1
of which:					
Long-term	20,893.3	29,838.0	31,866.5	41,775.9	51,264.3
by debtor					
CNB	3.7	3.1	1.9	1.3	0.5
Commercial banks	2,856.4	2,877.1	2,660.6	3,661.0	5,965.9
Government	2,690.8	6,605.4	8,988.3	11,832.7	14,768.9
Other sectors	15,342.4	20,352.4	20,215.7	26,280.9	30,529.0
by creditor					
Foreign banks	9,804.9	12,031.3	11,249.2	15,563.8	19,294.2
Government institutions			391.9	457.7	480.5
Multilateral institutions	3,265.8	3,794.4	4,278.0	5,127.6	5,488.4
Suppliers and direct investors	4,260.1	6,407.4	6,937.8	8,617.7	9,592.3
Other investors	3,562.5	7,604.9	9,009.6	12,009.1	16,408.9
Short-term	13,999.5	15,402.7	14,586.3	15,403.8	23,346.8
by debtor					
CNB	0.9	38.7	241.1	85.2	67.8
Commercial banks	8,186.5	8,428.2	8,240.5	9,414.1	15,197.0
Government	27.7	149.1	44.8	16.8	316.6
Other sectors	5,784.4	6,786.7	6,059.9	5,887.7	7,765.4
by creditor					
Foreign banks	8,514.7	9,048.6	8,045.4	8,966.6	13,323.6
Multilateral institutions		38.5	240.7	84.7	67.5
Suppliers and direct investors	4,114.9	4,409.2	4,158.0	3,755.1	4,906.5
Other investors	1,369.9	1,906.4	2,142.2	2,597.4	5,049.2
DEBT IN NON-CONVERTIBLE CURRENCIES	0.0	0.0	0.0	0.0	0.0
of which:					
Long-term					
Short-term					
TOTAL EXTERNAL DEBT	34,892.8	45,240.7	46,452.8	57,179.7	74,611.1
of which:					
Long-term	20,893.3	29,838.0	31,866.5	41,775.9	51,264.3
Short-term	13,999.5	15,402.7	14,586.3	15,403.8	23,346.8
Total long-term debt	20,893.3	29,838.0	31,866.5	41,775.9	51,264.3
of which:					
- IMF loans					
- Liabilities of government sector and guaranteed by government, and of entities majority-owned by state	8,658.3	12,170.9	13,116.1	16,394.0	20,753.9
- Liabilities of entities with majority private ownership	12,235.0	17,667.1	18,750.4	25,381.9	30,510.4

1) revised data

2) preliminary data

EXTERNAL DEBT by instrument

in CZK millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
I. Government	69,739.9	151,063.7	222,105.8	247,369.8	272,715.0
Short-term	710.0	3,334.6	1,102.4	350.0	5,722.8
Money market instruments	710.0	3,334.6	1,102.4	350.0	5,722.8
Loans					
Trade credits					
Other debt liabilities					
Long-term	69,029.9	147,729.1	221,003.4	247,019.8	266,992.2
Bonds and notes	46,573.9	115,663.7	168,681.3	185,333.4	202,794.8
Loans	22,456.0	32,065.4	42,686.1	52,130.9	55,511.4
Trade credits			9,636.0	9,555.5	8,686.0
Other debt liabilities					
II. CNB	118.9	936.7	5,974.3	1,806.2	1,235.0
Short-term	22.8	866.5	5,926.5	1,779.0	1,226.2
Money market instruments					
Loans					
Deposits	22.8	866.5	5,926.5	1,779.0	1,226.2
Other liabilities					
Long-term	96.1	70.2	47.8	27.2	8.8
Bonds and notes					
Loans	96.1	70.2	47.8	27.2	8.8
Deposits					
Other liabilities					
III. Commercial banks	283,293.4	252,842.4	268,035.8	272,956.1	382,584.2
Short-term	210,017.0	188,495.9	202,616.9	196,529.5	274,731.5
Money market instruments	1,483.0	3,470.7	1,301.2	2,713.4	2,002.0
Loans	5,194.2	10,600.3	15,463.9	20,656.7	32,393.3
Deposits	195,009.1	164,499.8	173,228.7	160,336.4	227,794.1
Other debt liabilities	8,330.7	9,925.1	12,623.1	12,823.0	12,542.1
Long-term	73,276.4	64,346.5	65,418.9	76,426.6	107,852.7
Bonds and notes	15,220.1	12,325.7	13,779.1	14,163.0	20,403.9
Loans	49,314.3	44,290.6	41,648.5	50,987.6	65,260.5
Deposits	8,319.4	7,321.3	9,523.3	10,866.1	21,720.5
Other debt liabilities	422.6	408.9	468.0	409.9	467.8
IV. Other sectors	389,595.6	448,212.6	470,602.2	502,255.9	530,625.6
Short-term	91,080.0	123,432.0	125,465.8	118,320.0	135,933.0
Money market instruments		1,872.0	945.8		2,123.0
Loans	42,830.0	51,300.0	45,820.0	44,520.0	49,560.0
Deposits					
Trade credits	48,250.0	70,260.0	78,700.0	73,800.0	84,250.0
Other debt liabilities					
Long-term	298,515.6	324,780.6	345,136.4	383,935.9	394,692.6
Bonds and notes	18,844.8	35,480.6	31,500.4	43,839.9	60,777.1
Loans	255,520.0	270,490.0	288,180.0	318,100.0	310,750.0
Deposits					
Trade credits	14,210.0	12,900.0	18,660.0	15,200.0	16,200.0
Other debt liabilities	9,940.8	5,910.0	6,796.0	6,796.0	6,965.5
V. Direct investment: Intercompany lending	152,391.8	158,752.5	175,462.2	169,294.9	161,660.0
Liabilities to affiliated enterprises					
Liabilities to direct investors	152,391.8	158,752.5	175,462.2	169,294.9	161,660.0
TOTAL EXTERNAL DEBT	895,139.6	1,011,807.9	1,142,180.3	1,193,682.9	1,348,819.8

1) revised data

2) preliminary data

EXTERNAL DEBT

by instrument

in EUR millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
I. Government	2,152.1	4,958.6	7,657.5	8,996.9	10,244.7
Short-term	21.9	109.5	38.0	12.7	215.0
Money market instruments	21.9	109.5	38.0	12.7	215.0
Loans					
Trade credits					
Other debt liabilities					
Long-term	2,130.2	4,849.1	7,619.5	8,984.2	10,029.7
Bonds and notes	1,437.2	3,796.6	5,815.6	6,740.6	7,618.1
Loans	693.0	1,052.5	1,471.7	1,896.0	2,085.3
Trade credits			332.2	347.6	326.3
Other debt liabilities					
II. CNB	3.7	30.7	205.9	65.7	46.4
Short-term	0.7	28.4	204.3	64.7	46.1
Money market instruments					
Loans					
Deposits	0.7	28.4	204.3	64.7	46.1
Other liabilities					
Long-term	3.0	2.3	1.6	1.0	0.3
Bonds and notes					
Loans	3.0	2.3	1.6	1.0	0.3
Deposits					
Other liabilities					
III. Commercial banks	8,742.3	8,299.4	9,241.0	9,927.5	14,372.1
Short-term	6,481.0	6,187.3	6,985.6	7,147.8	10,320.5
Money market instruments	45.8	113.9	44.9	98.7	75.2
Loans	160.3	348.0	533.1	751.3	1,216.9
Deposits	6,017.8	5,399.6	5,972.4	5,831.4	8,557.3
Other debt liabilities	257.1	325.8	435.2	466.4	471.1
Long-term	2,261.3	2,112.1	2,255.4	2,779.7	4,051.6
Bonds and notes	469.7	404.6	475.0	515.2	766.5
Loans	1,521.8	1,453.8	1,435.9	1,854.4	2,451.6
Deposits	256.7	240.3	328.3	395.2	815.9
Other debt liabilities	13.1	13.4	16.2	14.9	17.6
IV. Other sectors	12,022.7	14,712.4	16,224.9	18,267.1	19,933.3
Short-term	2,810.7	4,051.6	4,325.7	4,303.3	5,106.4
Money market instruments		61.4	32.6	0.0	79.8
Loans	1,321.7	1,683.9	1,579.8	1,619.2	1,861.7
Deposits					
Trade credits	1,489.0	2,306.3	2,713.3	2,684.1	3,164.9
Other debt liabilities					
Long-term	9,212.0	10,660.8	11,899.2	13,963.8	14,826.9
Bonds and notes	581.5	1,164.6	1,086.0	1,594.4	2,283.1
Loans	7,885.2	8,878.7	9,935.5	11,569.4	11,673.5
Deposits					
Trade credits	438.5	423.5	643.4	552.8	608.6
Other debt liabilities	306.8	194.0	234.3	247.2	261.7
V. Direct investment: Intercompany lending	4,702.7	5,211.0	6,049.4	6,157.3	6,072.9
Liabilities to affiliated enterprises					
Liabilities to direct investors	4,702.7	5,211.0	6,049.4	6,157.3	6,072.9
TOTAL EXTERNAL DEBT	27,623.5	33,212.1	39,378.7	43,414.5	50,669.4

1) revised data

2) preliminary data

EXTERNAL DEBT
by instrument

in USD millions	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
				1)	2)
I. Government	2,718.5	6,754.5	9,033.1	11,849.5	15,085.5
Short-term	27.7	149.1	44.8	16.8	316.6
Money market instruments	27.7	149.1	44.8	16.8	316.6
Loans					
Trade credits					
Other debt liabilities					
Long-term	2,690.8	6,605.4	8,988.3	11,832.7	14,768.9
Bonds and notes	1,815.4	5,171.7	6,860.3	8,877.8	11,217.8
Loans	875.4	1,433.7	1,736.1	2,497.2	3,070.6
Trade credits			391.9	457.7	480.5
Other debt liabilities					
II. CNB	4.6	41.8	243.0	86.5	68.3
Short-term	0.9	38.7	241.1	85.2	67.8
Money market instruments					
Loans					
Deposits	0.9	38.7	241.1	85.2	67.8
Other liabilities					
Long-term	3.7	3.1	1.9	1.3	0.5
Bonds and notes					
Loans	3.7	3.1	1.9	1.3	0.5
Deposits					
Other liabilities					
III. Commercial banks	11,042.9	11,305.3	10,901.1	13,075.1	21,162.9
Short-term	8,186.5	8,428.2	8,240.5	9,414.1	15,197.0
Money market instruments	57.8	155.2	53.0	130.0	110.7
Loans	202.5	474.0	628.9	989.5	1,791.9
Deposits	7,601.5	7,355.2	7,045.2	7,680.4	12,600.6
Other debt liabilities	324.7	443.8	513.4	614.2	693.8
Long-term	2,856.4	2,877.1	2,660.6	3,661.0	5,965.9
Bonds and notes	593.3	551.1	560.4	678.4	1,128.6
Loans	1,922.3	1,980.4	1,693.9	2,442.4	3,609.9
Deposits	324.3	327.3	387.3	520.5	1,201.5
Other debt liabilities	16.5	18.3	19.0	19.7	25.9
IV. Other sectors	15,186.5	20,040.8	19,139.5	24,059.0	29,352.0
Short-term	3,550.3	5,519.0	5,102.7	5,667.8	7,519.2
Money market instruments		83.7	38.5	0.0	117.4
Loans	1,669.5	2,293.8	1,863.5	2,132.6	2,741.4
Deposits					
Trade credits	1,880.8	3,141.5	3,200.7	3,535.2	4,660.4
Other debt liabilities					
Long-term	11,636.2	14,521.8	14,036.8	18,391.2	21,832.8
Bonds and notes	734.6	1,586.4	1,281.1	2,100.0	3,362.0
Loans	9,960.2	12,094.3	11,720.4	15,237.6	17,189.4
Deposits					
Trade credits	553.9	576.8	758.9	728.1	896.1
Other debt liabilities	387.5	264.3	276.4	325.5	385.3
V. Direct investment: Intercompany lending	5,940.3	7,098.3	7,136.1	8,109.6	8,942.4
Liabilities to affiliated enterprises					
Liabilities to direct investors	5,940.3	7,098.3	7,136.1	8,109.6	8,942.4
TOTAL EXTERNAL DEBT	34,892.8	45,240.7	46,452.8	57,179.7	74,611.1

1) revised data

2) preliminary data

AMORTISATION SCHEDULE FOR LONG-TERM DEBT

AS AT 31 DEC. 2007

(in CZK millions)						
	Debt as at 31 Dec. 2006	Drawings	Repayments		Difference	Debt as at 31 Dec. 2007
			Principal	Interest		
1. FINANCIAL LOANS	428,041.7	93,973.2	70,558.3	20,808.9	-12,960.4	438,496.2
Commercial banks	50,987.6	20,484.2	4,431.7	2,906.2	-1,779.6	65,260.5
CNB	27.2		18.1	1.9	-0.3	8.8
Government	52,130.9	5,839.7	2,035.2	1,514.2	-424.0	55,511.4
Corporations	324,896.0	67,649.3	64,073.3	16,386.6	-10,756.5	317,715.5
2. BONDS	243,336.3	42,954.7		13,859.6	-2,315.2	283,975.8
Commercial banks	14,163.0	7,781.3		560.3	-1,540.4	20,403.9
Government	185,333.4	16,168.9		10,677.3	1,292.5	202,794.8
Corporations	43,839.9	19,004.5		2,622.0	-2,067.3	60,777.1
3. DEPOSITS	11,276.0	12,118.2		200.8	-1,205.9	22,188.3
Commercial banks	11,276.0	12,118.2		200.8	-1,205.9	22,188.3
4. TRADE CREDITS	189,459.2	11,854.1	11,100.3	8,639.5	-8,117.0	182,096.0
Government (import liabilities)	9,555.5		869.5	430.7	0.0	8,686.0
Corporations (import liabilities)	15,200.0	11,854.1	7,401.4		-3,452.7	16,200.0
Corporations (other capital)	164,703.7		2,829.4	8,208.8	-4,664.3	157,210.0
5. TOTAL	872,113.2	160,900.2	81,658.6	43,508.8	-24,598.5	926,756.3
Amort./Exports of goods and services			4,4%			

(in EUR millions)						
	Debt as at 31 Dec. 2006	Drawings	Repayments		Difference	Debt as at 31 Dec. 2007
			Principal	Interest		
1. FINANCIAL LOANS	15,568.0	3,385.0	2,541.5	749.5	61.0	16,472.4
Commercial banks	1,854.4	737.9	159.6	104.7	18.9	2,451.6
CNB	1.0		0.7	0.1	0.0	0.3
Government	1,896.0	210.3	73.3	54.5	52.3	2,085.3
Corporations	11,816.5	2,436.8	2,307.9	590.3	-10.1	11,935.2
2. BONDS	8,850.2	1,547.2		499.2	270.3	10,667.8
Commercial banks	515.1	280.3		20.2	-28.9	766.5
Government	6,740.6	582.4		384.6	295.1	7,618.1
Corporations	1,594.5	684.6		94.4	4.1	2,283.1
3. DEPOSITS	410.1	436.5		7.2	-13.1	833.5
Commercial banks	410.1	436.5		7.2	-13.1	833.5
4. TRADE CREDITS	6,890.7	427.0	399.8	311.2	-77.3	6,840.6
Government (import liabilities)	347.5	0.0	31.3	15.5	10.1	326.3
Corporations (import liabilities)	552.8	427.0	266.6		-104.7	608.6
Corporations (other capital)	5,990.3		101.9	295.7	17.3	5,905.7
5. TOTAL	31,719.0	5,795.7	2,941.4	1,567.2	241.0	34,814.3
Amort./Exports of goods and services			4,4%			

(in USD millions)						
	Debt as at 31 Dec. 2006	Drawings	Repayments		Difference	Debt as at 31 Dec. 2007
			Principal	Interest		
1. FINANCIAL LOANS	20,504.0	4,627.4	3,474.4	1,024.7	2,598.8	24,255.8
Commercial banks	2,442.4	1,008.7	218.2	143.1	377.1	3,609.9
CNB	1.3	0.0	0.9	0.1	0.1	0.5
Government	2,497.2	287.6	100.2	74.6	386.2	3,070.7
Corporations	15,563.1	3,331.2	3,155.1	806.9	1,835.5	17,574.7
2. BONDS	11,656.3	2,115.2		682.5	1,936.9	15,708.4
Commercial banks	678.4	383.2		27.6	67.1	1,128.7
Government	8,877.8	796.2		525.8	1,543.8	11,217.8
Corporations	2,100.0	935.8		129.1	326.1	3,361.9
3. DEPOSITS	540.1	596.7		9.9	90.5	1,227.4
Commercial banks	540.1	596.7		9.9	90.5	1,227.4
4. TRADE CREDITS	9,075.5	583.7	546.6	425.4	960.2	10,072.8
Government (import liabilities)	457.7		42.8	21.2	65.6	480.5
Corporations (import liabilities)	728.1	583.7	364.5	0.0	-51.3	896.1
Corporations (other capital)	7,889.6		139.3	404.2	945.9	8,696.2
5. TOTAL	41,775.9	7,923.0	4,021.0	2,142.4	5,586.4	51,264.3
Amort./Exports of goods and services			4,4%			

AMORTISATION SCHEDULE FOR LONG-TERM DEBT IN CONVERTIBLE CURRENCIES, BY CREDITOR AND DEBTOR

AS AT 31 DEC. 2007

(in CZK millions)							
Debt							
	as at 31 Dec. 2007	2008	2009	2010	2011	2012-36	
CREDITORS	principal	926,756.3	93,554.3	104,947.1	82,524.9	138,359.3	507,370.7
	interest		40,400.7	33,346.3	29,768.7	24,787.2	146,254.4
Foreign banks	principal	348,801.1	39,031.1	48,206.5	40,186.6	63,102.7	158,274.2
	interest		17,793.1	13,606.9	11,750.0	9,293.5	75,971.4
Government institutions	principal	8,686.0	1,437.0	1,500.5	1,570.0	1,520.0	2,658.5
	interest		359.3	293.1	223.9	154.2	179.8
Multilateral institutions	principal	99,219.6	3,808.1	4,935.6	5,790.0	9,125.1	75,560.8
	interest		2,526.1	2,858.5	2,684.1	2,458.8	24,344.2
Suppliers and direct investors	principal	173,410.0	26,204.1	21,325.8	19,457.3	58,144.2	48,278.7
	interest*		7,428.4	5,901.0	5,468.1	3,600.0	1,082.4
Other investors	principal	296,639.6	23,074.1	28,978.8	15,521.0	6,467.3	222,598.5
	interest		12,293.8	10,686.8	9,642.6	9,280.8	44,676.6
DEBTORS	principal	926,756.3	93,554.3	104,947.0	82,524.9	138,359.3	507,370.7
	interest		40,400.7	33,346.3	29,768.7	24,787.3	146,254.4
CNB	principal	8.8	8.8				
	interest		0.5				
Commercial banks	principal	107,852.7	14,972.1	21,335.3	12,420.7	14,528.5	44,596.1
	interest		5,153.3	2,464.1	1,869.6	1,467.5	4,844.6
Government institutions	principal	266,992.2	10,860.1	20,389.7	14,890.7	11,153.0	209,698.7
	interest		8,981.2	8,060.5	7,434.9	7,062.5	47,271.2
Other sectors	principal	551,902.6	67,713.3	63,222.0	55,213.5	112,677.8	253,075.9
	interest		26,265.7	22,821.7	20,464.2	16,257.3	94,138.6
TOTAL	principal	926,756.3	93,554.3	104,947.0	82,524.9	138,359.3	507,370.7
	interest		40,400.7	33,346.3	29,768.7	24,787.3	146,254.4
TOTAL DEBT SERVICE			133,955.0	138,293.3	112,293.6	163,146.7	653,625.1

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

(in EUR millions)							
Debt							
	as at 31 Dec. 2007	2008	2009	2010	2011	2012-36	
CREDITORS	principal	34,814.3	3,514.4	3,942.4	3,100.1	5,197.6	19,059.8
	interest		1,517.7	1,252.7	1,118.3	931.2	5,494.2
Foreign banks	principal	13,103.0	1,466.2	1,810.9	1,509.6	2,370.5	5,945.7
	interest		668.4	511.2	441.4	349.1	2,853.9
Government institutions	principal	326.3	54.0	56.4	59.0	57.1	99.9
	interest		13.5	11.0	8.4	5.8	6.8
Multilateral institutions	principal	3,727.3	143.1	185.4	217.5	342.8	2,838.5
	interest		94.9	107.4	100.8	92.4	914.5
Suppliers and direct investors	principal	6,514.3	984.4	801.1	730.9	2,184.2	1,813.6
	interest*		279.1	221.7	205.4	135.2	40.7
Other investors	principal	11,143.5	866.8	1,088.6	583.1	242.9	8,362.1
	interest		461.8	401.5	362.2	348.6	1,678.3
DEBTORS	principal	34,814.3	3,514.4	3,942.4	3,100.1	5,197.6	19,059.8
	interest		1,517.7	1,252.7	1,118.3	931.2	5,494.2
CNB	principal	0.3	0.3				
	interest		0.0				
Commercial banks	principal	4,051.6	562.4	801.5	466.6	545.8	1,675.3
	interest		193.6	92.6	70.2	55.1	182.0
Government institutions	principal	10,029.8	408.0	766.0	559.4	419.0	7,877.5
	interest		337.4	302.8	279.3	265.3	1,775.8
Other sectors	principal	20,732.6	2,543.7	2,375.0	2,074.1	4,232.8	9,507.0
	interest		986.7	857.3	768.8	610.7	3,536.4
TOTAL	principal	34,814.3	3,514.4	3,942.4	3,100.1	5,197.6	19,059.8
	interest		1,517.7	1,252.7	1,118.3	931.2	5,494.2
TOTAL DEBT SERVICE			5,032.1	5,195.1	4,218.4	6,128.7	24,553.9

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

AMORTISATION SCHEDULE FOR LONG-TERM DEBT IN CONVERTIBLE CURRENCIES, BY CREDITOR AND DEBTOR

AS AT 31 DEC. 2007

(in USD millions)							
		Debt					
		as at 31 Dec. 2007	2008	2009	2010	2011	2012-36
CREDITORS	principal	51,264.3	5,175.0	5,805.2	4,564.9	7,653.5	28,065.6
	interest		2,234.8	1,844.6	1,646.7	1,371.1	8,090.2
Foreign banks	principal	19,294.2	2,159.0	2,666.6	2,223.0	3,490.6	8,755.1
	interest		984.2	752.7	650.0	514.1	4,202.4
Government institutions	principal	480.5	79.5	83.0	86.8	84.1	147.1
	interest		19.9	16.2	12.4	8.5	9.9
Multilateral institutions	principal	5,488.4	210.6	273.0	320.3	504.8	4,179.7
	interest		139.7	158.1	148.5	136.0	1,346.6
Suppliers and direct investors	principal	9,592.3	1,449.5	1,179.7	1,076.3	3,216.3	2,670.6
	interest*		410.9	326.4	302.5	199.1	59.9
Other investors	principal	16,408.9	1,276.4	1,603.0	858.6	357.7	12,313.2
	interest		680.0	591.1	533.4	513.4	2,471.3
DEBTORS	principal	51,264.3	5,175.0	5,805.2	4,564.9	7,653.5	28,065.6
	interest		2,234.8	1,844.6	1,646.7	1,371.1	8,090.2
CNB	principal	0.5	0.5				
	interest		0.0				
Commercial banks	principal	5,966.0	828.2	1,180.2	687.1	803.7	2,466.9
	interest		285.1	136.3	103.4	81.2	268.0
Government institutions	principal	14,768.9	600.7	1,127.9	823.7	616.9	11,599.7
	interest		496.8	445.9	411.3	390.7	2,614.8
Other sectors	principal	30,529.0	3,745.6	3,497.2	3,054.2	6,232.9	13,999.1
	interest		1,452.9	1,262.4	1,132.0	899.3	5,207.4
TOTAL	principal	51,264.3	5,175.0	5,805.2	4,564.9	7,653.5	28,065.6
	interest		2,234.8	1,844.6	1,646.7	1,371.1	8,090.2
TOTAL DEBT SERVICE			7,409.8	7,649.8	6,211.6	9,024.6	36,155.8

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