

SPRING 2010 REFORM BAROMETER - CZECH REPUBLIC

1. SUMMARY TABLE

Czech Republic				<u>Rank among 29 **</u>			<u>Relative Gap</u>	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
GDP per capita (Purchasing Power Parity - PPP)	20308	18941	-6.7%	19	19	0	LU, IE, NL, AT, BE	-44%
GDP per capita (€ at 2000 prices)	8228	7779	-5.5%	22	22	0	LU, DK, SE, IE, UK	-77%
Labour Utilisation (Annual hours worked per capita)	913	877	-4.0%	5	5	0	CY, SI, GR, CZ, PL	-1%
Annual hours worked per person employed	1929	1906	-1.2%	6	5	1	GR, HU, PL, SI, CZ	-5%
Employment as % of labour force (100-unemployment rate)	95.6	93.1	-2.5	7	9	-2	NL, DK, AT, CY, LU	-2
Labour participation (labour force as % of active population)	69.7	69.9	0.3	18	17	1	NL, DK, SE, DE, UK	-11
Dependency ratio (working age population as % of total population)	71.1	70.6	-0.4	3	4	-1	SK, PL, CY, CZ, RO	-1
Labour Productivity (GDP per hour worked, in PPP)	20.7	20.1	-3.0%	22	22	0	LU, BE, NL, FR, DE	-53%
Labour Productivity (GDP per hour worked, € at 2000 prices)	8.4	8.2	-1.6%	22	24	-2	LU, SE, BE, DK, FR	-83%
Capital deepening (capital stock per hour worked)*	N/A	N/A	N/A	N/A	N/A	N/A	IE, FR, LU, AT, SE	N/A
Total Factor Productivity (level of economic efficiency per hour worked)*	N/A	N/A	N/A	N/A	N/A	N/A	LU, UK, DK, SE, BE	N/A
Corporate Investment (private investment excluding non-residential, % GDP)	10.2	8.7	-1.5	22	18	4	BE, RO, AT, DK, SK	-4.4
Current Account Balance (as % GDP)	-3.3	-2.5	0.8	13	20	-7	LU, SE, LV, DE, EE	-8.9
Export market share measured in volume relative to main 35 trading partners (from 2000)	52.0	45.0	-6.9	3	4	-1	RO, LT, HU, CZ, PL	-9.7
Unit labour Costs relative to main 35 trading partners (from 2000)	11.5	11.1	-0.4	21	18	3	DE, PL, AT, SE, GR	18.2
Government gross debt (as % GDP)	30.0	36.5	6.6	9	10	-1	EE, LU, BG, RO, LT	18.7
Net lending/net borrowing of general government (as % GDP)	-2.1	-6.6	-4.5	14	20	-6	BG, DK, SE, LU, FI	-4.7
Required budgetary adjustment related to ageing (as % GDP)	N/A	1.9	N/A	N/A	12	N/A	PL, EE, HU, BG, SE	1.8
Public Investment (as % total public expenditure)	13.6	13.7	0.0	7	4	3	BG, RO, EE, CZ, PL	-2.7
Tax burden (as % GDP)	36.2	35.1	-1.0	14	12	2	LV, RO, IE, SK, LT	7.3

Note: Labour utilisation and productivity are a product of its sub-components.

* Rank refers to EU15 ** EU 27, Norway and Switzerland

2. PRIORITIES FOR REFORM: ANSWERS FROM SPCR (CZECH REPUBLIC)

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	Orientation and sustainability of public finances	a. Auditing of the expenditures of the state budget b. Reduction of the deficit and expenditure structure change in favour of economic growth support	X	
Priority 2	Financial markets and access to finance	especially banking credits, combating late payment abuse among B2B and PA2B, better utilisation of the EU structure funds	X	
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	reduction of the administrative burden, support initiative stemming from the Small Business Act, launching e-government	X	
Priority 4	Labour market mismatch and labour mobility	Enhance the flexibility of the labour market, improve the educational system	X	
Priority 5	Market integration - Openness to trade and investment	Support of the WTO negotiations, elimination of the non-tariff barrier and protectionism, support of export financig	X	