Monday, December 1, 2009

Central European Economic Outlook

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Czech Republic

Macroeconomic development

		2005	2006	2007	2008	2009f	2010f
GDP (real)	y/y, %	6.3	6.8	6.1	2.7	-4.5	1.0
Private consumption (real)	y/y, %	2.5	5.0	4.8	3.4	0.8	0.0
Investment (gross fixed capital formation, real)	y/y, %	1.8	6.0	10.8	-1.1	-7.5	-0.5 ↓
GDP (nominal)	CZK bn	2,983.9	3,222.4	3,535.5	3,693.5	3,626.1 ↓	3,699.0 ↓
GDP (nominal)	EUR bn	100.2	113.7	127.3	148.1	137.4 ↓	146.8 ↓
Industrial production	y/y, %	3.9	8.3	10.6	-1.8	-12.5 ↑	3.0
Construction output	y/y, %	5.2	6.0	7.1	0.0	-1.5	0.0
Retail sales	y/y, %	8.1	10.9	10.0	2.8	-4.5 ↓	-0.5
CPI	y/y, %	2.2	1.7	5.4	3.6	0.9	2.2
Inflation	average, y/y, %	1.9	2.5	2.8	6.3	1.0	1.5
Net (core) inflation	y/y, %	0.5	1.2	3.8	-1.0	0.4	1.1
PPI	y/y, %	-0.3	2.6	5.3	-0.2	-1.3 ↓	1.9
Trade balance	CZK bn	38.6	39.8	87.9	67.2	110.0 ↑	120.0
Current Account (annual basis)	% of GDP	-1.3	-2.4	-3.2	-3.1	-2.3 ↑	-1.9 ↑
Current Account	EUR bn	-1.6	-3.8	-4.1	-4.6	-3.1 ↑	-2.8 ↑
FDI net	% of GDP	8.9	11.0	2.1	3.6	2.6 ↑	2.3 ↑
Foreign exchange reserves	EUR bn	25.1	23.9	23.7	26.6	28.4 ↓	30.0 ↓
Unemployment rate	e-o-p, %	8.9	7.7	6.0	6.0	9.2	9.6
Real wages	y/y, %	3.0	4.0	4.3	1.9	1.8	-1.0 ↑
Central government budget (GFS)	CZK bn	-56.6	-97.3	-66.4	-19.4	-180.0	-170.0
Central government debt (GFS)	CZK bn	691.2	802.5	892.3	999.5	1,179.5	1,349.5
Money supply (M2)	y/y, %	8.0	9.9	13.2	6.6	4.0	5.5 ↓
CZK/EUR	average	29.78	28.34	27.76	24.94	26.40 ↑	25.20 ↑
CZK/EUR	e-o-p	29.01	27.50	26.62	26.93	25.30 ↓	23.80
2w CNB repo rate	e-o-p, %	2.00	2.50	3.50	2.25	1.25 ↑	1.25
3m PRIBOR	average, %	2.01	2.30	3.09	4.04	2.20	1.73 ↑
3m PRIBOR	e-o-p, %	2.17	2.55	4.11	3.63	1.70	1.85
10y IRS	average, %	3.48	3.79	4.23	4.23	3.70	3.95 ↑

Convergence

		2005	2006	2007	2008	2009f	2010f
GDP per capita	euroarea=100	68	70	73	73	73 ↑	74 ↑
Price level	euroarea=100	57	60	61	70	68 ↓	71 ↓
HICP	average, %	1.6	2.1	3.0	6.3	0.8	1.3
Public budgets (ESA-95)	% of GDP	-3.6	-2.6	-0.7	-2.1	-5.8	-5.5 ↓
Public debt (ESA-95)	% of GDP	29.7	29.4	29.0	30.0	36.3 ↑	41.1 ↑
Long term interest rate	spread in bps	16	2	6	65	168 ↑	100 ↑
Currency in ERM-II		no	no	no	no	no	no

Hungary

Macroeconomic development

		2005	2006	2007	2008	2009f	2010f
GDP (real)	y/y, %	4.2	3.9	1.5	2.0	-6.5	-0.8 ↓
Private consumption (real)	y/y, %	3.8	3.2	-2.0	0.5	-7.8	-0.5
Investment (gross fixed capital formation, real)	y/y, %	5.3	-2.1	0.0	3.0	-5.2	2.4
GDP (nominal)	HUF bn	21,785	23,562	25,585	27,270	27,500	28,200
GDP (nominal)	EUR bn	87.8	89.2	102.8	107.2	98.2	102.5 ↓
Industrial production	y/y, %	7.0	10.1	8.1	6.0	-18.7	3.5
Construction output	y/y, %	16.6	-0.5	-14.1	-5.0	2.5	2.6
Retail sales	y/y, %	4.5	4.4	-3.0	-1.5	-5.5 ↓	0.5
CPI	e-o-p, y/y, %	3.3	6.5	7.4	5.5	5.8 ↑	3.2
Inflation	average, y/y, %	3.6	3.9	8.0	6.5	4.1 ↓	3.7
Net (core) inflation	y/y, %	1.3	5	5.3	5.3	4.5 ↓	3.1
PPI	y/y, %	4.4	5.0	5.3	6.0	1.8	2.8
Trade balance	HUF bn	-720.1	-522.4	-145	-150	4000 ↑	2000
Current Account (annual basis)	% of GDP	-7.3	-5.8	-5.4	-6.0	-2.5 ↓	-3.2 ↓
Current Account	EUR bn	-6.4	-5.197	-5.5	-6.4	-2.5 ↓	-3.3 ↓
FDI net	% of GDP	4.9	2.0	1.0	2.4	1.0	1.7
Foreign exchange reserves	EUR bn	15.7	16.4	16.5	16.5	30.0	31.0
Unemployment rate	e-o-p, %	7.2	7.5	8.1	8.0	10.5 ↑	11.5 ↑
Real wages	y/y, %	6.3	3.6	-5.2	1.0	-3.5 ↓	-1.0 ↑
General gvt budget (GFS)	HUF bn	-984	-2,034	-1480	-1111	-1073	-1692 ↓
General gvt budget (GFS)	% of GDP	-4.5	-8.7	-5.8	-3.4	-3.9	-6.0 ↓
Central gvt gross debt	HUF bn	12,766	14,706	15,576	16,800	15,728	14,036 ↓
Money supply (M3)	y/y, %	13.9	16	9.0	9.0	10.0	10.0
HUF/EUR	average	248.1	264.1	251.3	250.0	280.0	275.0 ↑
HUF/EUR	e-o-p	252.7	251.5	253.0	255.0	270.0	275.0 ↑
2w NBH depo rate	e-o-p	6.00	8.00	7.50	11.50	6.25 ↓	6.00
3m BUBOR	average	7.05	6.99	7.75	10.00	8.75	6.75
3m BUBOR	e-o-p	6.27	8.05	7.50	11.50	6.25 ↓	6.00
10y IRS	average	6.49	7.05	6.73	9.00	8.25 ↑	7.25 ↑

Convergence

		2005	2006	2007	2008	2009f	2010f
GDP per capita	euroarea=100	57	58	57	56	55	54
Price level	euroarea=100	62	59	65	67	64	69
HICP	average, %	3.5	3.9	8.0	6.5	4.2	3.8
Public budgets	% of GDP	-7.8	-9.8	-6.0	-2.9	-2.9 ↑	-3.0 ↑
Public debt	% of GDP	61.7	67.5	66.0	65.0	84.0 ↑	82.0
Long term interest rate	spread in bps	364	276	270	500	500 ↑	400 ↑
Currency in ERM-II		no	no	no	no	no	no

Poland

Macroeconomic development

		2005	2006	2007	2008	2009f	2010f
GDP (real)	y/y, %	3,6	6,1	6,4	5,0	1,8 ↓	3,5 ↓
Inflation	average, y/y, %	2,1	1,0	2,5	4,2	3,5	2,0
Unemployment rate	e-o-p, %	18,2	14,9	11,3	9,5	11,9 ↑	11,5 ↑
PLN/EUR	average	4,03	3,90	3,78	3,48	4,20	3,70 ↑
PLN/EUR	e-o-p	3,86	3,83	3,60	3,90	4,00	3,30
NBP intervention rate	e-o-p, %	4,50	4,00	5,00	5,25	3,50	4,00
3m WIBOR	average, %	5,20	4,21	4,73	6,17	4,20 ↑	4,60
10y IRS	average, %	5,14	5,12	5,47	5,75	6,10 ↑	5,50

Convergence

		2005	2006	2007	2008	2009f	2010f
GDP per capita	euroarea=100	46	47	49	50	54	55
Price level	euroarea=100	60	61	62	66	57	69
Public budgets (ESA-95)	% of GDP	-4,3	-3,8	-2,0	-2,7	-5,0	-6,0
Public debt (ESA-95)	% of GDP	47,1	47,8	49,0	46,0	50,0	53,0
Long term interest rate	spread in bps		144	116	270	270 ↑	160 ↑
Currency in ERM-II		no	no	no	no	no	yes

Slovakia

Macroeconomic development

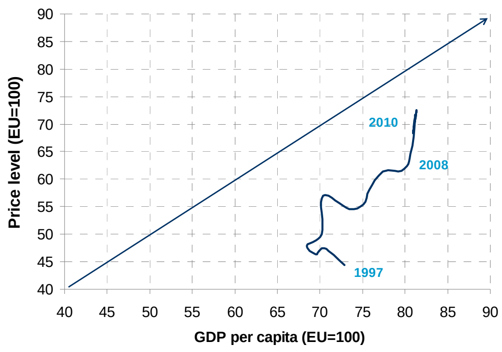
		2005	2006	2007	2008	2009f	2010f
GDP (real)	y/y, %	6.5	8.5	10.4	6.4	-5.0	1.5
Private household consumption (real)	y/y, %	6.6	5.9	7.1	6.1	-0.5	1.0
Investment (gross fixed capital formation, real)	y/y, %	17.6	9.3	8.7	6.8 ↓	-8.0 ↓	2.5 ↓
GDP (nominal)	SKK bn	1,485.7	1,659.4	1,852.8	2,028.4 ↑	1,949.5 ↑	2,027.5 ↑
GDP (nominal)	EUR bn	38.5	44.5	54.8	64.8 ↑	64.7 ↑	67.3 ↑
Industrial production	y/y, %	3.3	10.1	12.8	6.5 ↓	-20.0 ↓	3.0 ↓
Construction output	y/y, %	15.0	16.1	5.4	12.7 ↑	-9.0 ↑	6.0 ↑
Retail sales	y/y, %	9.7	8.8	5.5	5.3 ↑	-12.0 ↓	3.5 ↑
CPI	y/y, %	3.7	4.2	3.4	4.4 ↓	1.7 ↓	2.4
Inflation	average, y/y, %	2.7	4.5	2.8	4.6 ↑	2.1 ↑	2.4 ↑
Core inflation	y/y, %	1.7	2.7	4.2	3.3 ↓	0.5 ↑	1.5 ↓
PPI	y/y, %	4.7	5.4	2.8	6.6 ↑	-2.0 ↓	2.0 ↑
Trade balance	EUR bn	-2.5	-2.5	-0.7	-0.7 ↑	-0.2 ↑	-1.2 ↑
Current Account (annual basis)	% of GDP	-8.5	-7.0	-5.3	-4.6 ↑	-6.5 ↓	-6.0 ↓
Current Account	USD bn	-4.0	-3.9	-4.0	-5.3 ↓	-4.8 ↓	-3.5 ↓
FDI net	USD bn	0.7	2.1	1.1	1.3 ↓	0.6 ↓	1.1 ↓
FDI net	% of GDP	1.8	4.7	2.0	2.0 ↓	0.9 ↓	1.6 ↓
Unemployment rate	e-o-p, %	11.4	9.4	8.0	8.4 ↑	13.0 ↑	13.5 ↑
Real wages	y/y, %	6.3	3.3	4.3	3.3 ↓	0.3 ↓	0.5 ↓
Central government budget	EUR bn	-1.1	-1.1	-0.8	-0.7 ↓	-2.5 ↓	-1.5 ↓
Central government debt	EUR bn	16.7	16.8	18.1	19.7	24.3 ↑	27.7 ↑
Money supply (M3)	y/y, %	7.4	15.3	13.0	5.0	1.0 ↓	7.0
10y IRS	average, %	3.70	4.44	4.51	4.52	n/a	n/a

Convergence

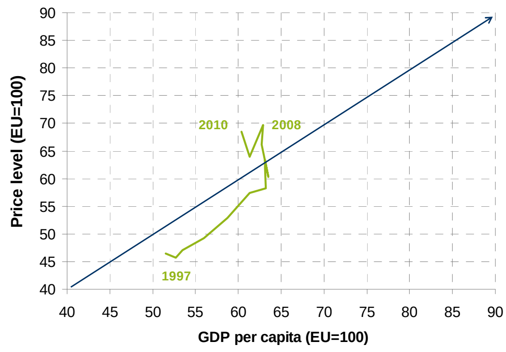
		2005	2006	2007	2008	2009f	2010f
GDP per capita	euroarea=100	54	58	61	65 ↑	68 ↑	70 ↑
Price level	euroarea=100	54	57	62	68 ↑	71 ↑	72 ↑
HICP	average, %	2.8	4.3	1.9	4.0 ↓	1.3 ↓	2.0 ↓
Public budgets (ESA-95)	% of GDP	-2.8	-3.5	-1.9	-2.2 ↓	-6.3 ↓	-6.0 ↓
Public debt (ESA-95)	% of GDP	34.2	30.4	29.4	27.6	30.7 ↑	40.0 ↑
Long term interest rate	spread in bps	10	57	17	120	120 ↑	100 ↑
Currency in ERM-II		yes	yes	yes	yes	EUR	EUR

Real Convergence in Pictures

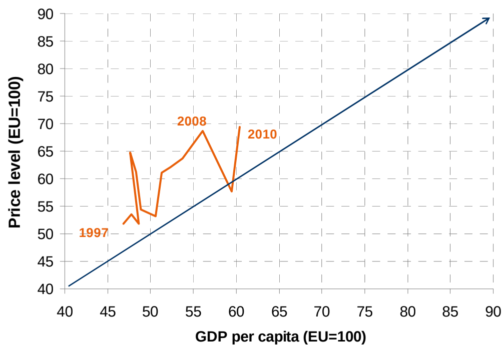
CZ: Convergence



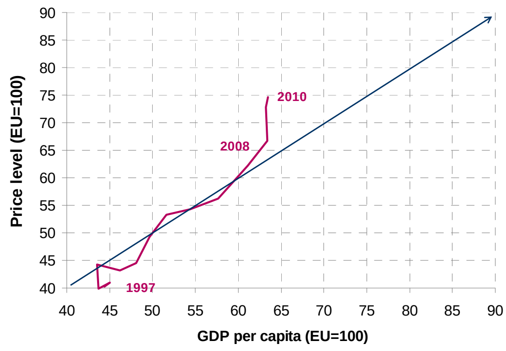
HU: Convergence



PL: Convergence



SK: Convergence



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