

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S DATED 13-03-2024**  
**INDIA-CZECH REPUBLIC BILATERAL TRADE RELATIONS**

**INTRODUCTION & BRIEF ECONOMIC OVERVIEW**

The Czech Republic lies in central Europe. It comprises the Czech Lands of Bohemia and Moravia and part of country of Silesia. Its neighbours are Poland to the north, Germany to the northwest and west, Austria to the south and Slovakia to the east. The Czech Republic is a member of the UN, WTO, NATO, OECD, Council of Europe and the Antarctic Treaty, and is an associate member of the EU. This report emphasises on India-Czech Republic trade relations, inter-alia. As per available data from DGCI&S database India and Czech Republic have observable bilateral (goods) trade relations. It has been observed that compared FY2021-22, percentage of India's Export value with Czech Republic has increased significantly in FY2022-23 by 86.65%. Czech Republic falls under Region 16 European Union as per India's foreign trade by economic classification and during April '23 to January 2024 India's export to Czech Republic was INR 559456 lakhs.

2. The Czech Republic has a developed, high-income export-oriented social market economy based in services, manufacturing and innovation, that maintains a welfare state and the European social model and a part of the economy of the European Union, but uses its own currency, the Czech koruna, instead of the euro. As per available report of IMF Executive Board Concludes 2023 Article IV Consultation with Czech Republic January 29, 2024, Economic activity slowed down notably in 2023 but a rebound is expected in 2024, driven by a recovery in domestic demand. Growth is projected to increase to about 1.2 percent in 2024, mainly driven by consumption and fixed investment, as inflation declines, and real wages recover. Inflation is projected to meet the Czech National Bank's target by early 2025. Directors welcomed the resilience of the financial sector, noting that banks are well-capitalized, liquid, and profitable while asset quality remains strong. They concurred that macroprudential policy settings are broadly adequate but called for vigilance as pockets of vulnerabilities warrant close monitoring, including in the housing market, foreign currency corporate loans, and cyber security.

A snapshot of Czech Republic's select economic indicators is as under.

<b>Czech Republic: Selected Economic Indicators, 2020–28</b>									
	2020	2021	2022	2023	2024	2025	2026	2027	2028
				Staff projections					
<b>NATIONAL ACCOUNTS</b>									
Real GDP (expenditure)	-5.5	3.5	2.4	-0.4	1.2	2.5	2.7	2.6	2.5
Domestic demand	-5.6	8.2	2.6	-3.7	0.6	2.3	2.6	2.6	2.7
Consumption	-4.1	3.3	-0.3	-1.5	2.2	2.4	2.7	2.6	2.5
Public	4.2	1.4	0.6	2.5	1.1	1.1	1.2	1.4	1.4
Private	-7.2	4.1	-0.8	-3.2	2.6	3.0	3.3	3.2	3.0
Investment	-9.3	20.4	8.8	-8.2	-2.7	2.1	2.5	2.7	3.0
Exports	-8.0	6.8	7.2	2.7	2.5	5.0	5.1	5.2	5.4
Imports	-8.2	13.2	6.3	-0.3	1.9	4.9	5.1	5.3	5.3
Contribution to GDP									
Domestic demand	-5.1	7.8	1.5	-3.0	0.6	2.2	2.5	2.5	2.5
Net exports	-0.4	-4.3	0.9	2.6	0.6	0.4	0.2	0.1	0.0

Investment (percent of GDP)	26.5	26.0	26.8	25.9	26.2	25.6	25.5	25.6	25.7
Gross domestic investments (percent of GDP)	26.2	30.2	32.2	28.9	27.2	26.7	26.5	26.5	26.6
Gross national savings (percent of GDP)	28.1	27.5	26.0	28.1	27.0	27.0	27.4	28.0	28.6
Output gap (percent of potential output)	-0.6	0.8	0.4	-0.5	-0.3	0.0	0.5	0.1	0.0
Potential growth	-2.2	2.1	2.8	0.5	1.0	2.2	2.2	2.9	2.6
<b>LABOR MARKET</b>									
Employment	-1.4	0.3	-1.6	-0.1	0.9	-0.6	-0.4	-0.1	0.3
Total labor compensation	1.5	6.1	7.9	6.8	4.9	3.9	4.3	4.4	4.8
Unemployment rate (average, in percent)	2.4	2.7	2.1	2.7	2.6	2.5	2.4	2.4	2.4
<b>PRICES</b>									
Consumer prices (average)	3.2	3.8	15.1	10.6	2.8	2.0	2.0	2.0	2.0
Consumer prices (end-of-period)	2.3	6.6	15.8	7.4	2.9	2.0	2.0	2.0	2.0
Producer price index (average)	0.1	7.1	...	...	...	...	...	...	...
GDP deflator (average)	4.3	3.3	8.6	9.0	3.7	2.2	1.6	1.7	2.0
<b>MACRO-FINANCIAL</b>									
Money and credit (end of year, percent change)									
Broad money (M3)	10.0	6.8	6.1	8.5	4.9	4.8	4.3	4.3	4.6
Private sector credit	3.6	8.9	5.0	4.5	4.0	3.5	3.5	3.5	3.5
Interest rates (in percent, year average)									
Three-month interbank rate	0.9	1.1	...	...	...	...	...	...	...
Ten-year government bond	1.1	1.9	4.2	1.2	1.7	1.7	1.7	1.7	1.7
Exchange rate									
Nominal effective exchange rate (index, 2005=100)	99.7	103.6	...	...	...	...	...	...	...
Real effective exchange rate (index, CPI-based; 2005=100)	100.0	104.6	...	...	...	...	...	...	...
<b>PUBLIC FINANCE (percent of GDP)</b>									
General government revenue	41.5	41.4	41.4	42.6	41.9	41.6	41.5	41.5	41.4
General government expenditure	47.2	46.5	44.6	46.2	44.1	43.3	43.0	42.6	42.2
Net lending / Overall balance	-5.8	-5.1	-3.2	-3.6	-2.2	-1.7	-1.5	-1.2	-0.8
Primary balance	-5.2	-4.5	-2.7	-2.8	-1.2	-0.7	-0.5	-0.2	0.2
Structural balance (percent of potential GDP)	-5.5	-5.4	-3.4	-3.4	-2.1	-1.8	-1.8	-1.3	-0.8
General government debt	37.7	42.0	44.2	44.2	44.3	44.2	44.0	43.6	42.5
<b>BALANCE OF PAYMENTS (percent of GDP)</b>									
Trade balance (goods and services)	6.7	2.8	-0.1	3.5	3.9	4.9	5.0	5.0	5.0
Current account balance	2.0	-2.8	-6.1	-0.9	-0.2	0.3	1.0	1.5	2.0
Gross international reserves (billions of euros)	135.4	153.3	131.3	140.3	149.3	158.3	166.3	172.3	176.9
(in months of imports of goods and services)	11.9	11.0	7.6	8.4	8.8	8.9	8.8	8.5	8.2

(in percent of short term debt, remaining maturity)	142.8	136.7	116.2	117.5	119.3	122.4	126.5	131.2	137.0
<b>MEMORANDUM ITEMS</b>									
Nominal GDP (USD billions)	246.0	281.8	290.5	335.5	350.4	368.4	385.1	400.1	416.8
Population (millions)	10.7	10.5	10.8	11.0	11.1	11.1	11.0	11.0	11.0
Real GDP per capita	-5.6	5.4	-0.6	-2.0	0.4	2.8	3.0	2.9	2.8
GDP per capita (USD thousands)	22.98	26.79	26.83	30.50	31.61	33.33	34.94	36.42	38.06
Sources: Czech National Bank; Czech Statistical Office; Ministry of Finance; Haver Analytics, and IMF staff estimates and projections.									
Structural balances are net of temporary fluctuations in some revenues and one-offs. COVID and energy price-related one-offs are however included.									

**Source: IMF Executive Board Concludes 2023 Article IV Consultation with Czech Republic January 29, 2024.**

## FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Czech Republic are Germany, Slovak Republic, Poland, France and Austria. On the other hand five major import partners of Czech Republic are Germany, China, Poland, Slovak Republic and Italy. Major five exported goods of Czech Republic are (i) Transmission apparatus, for radioteleph incorpo (ii) Automobiles nes including gas turbine powered (iii) Storage units (iv) Parts and accessories of automatic data process and (v) Parts and accessories of bodies nes for motor vehicles. On the other hand major five imported goods of Czech Republic are (i) Transmission apparatus, for radioteleph incorpo, (ii) Parts and accessories of automatic data process, (iii) Storage units, (iv) Other medicaments of mixed or unmixed products and (v) Monolithic integrated circuits, digital.

4. Czech Republic's total exports to the world in 2018 were of the order of US\$ 202,522million. It has scaled upto US\$ 241,689 million in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of exports was 4.52%.

5. Czech Republic's total imports in 2018 were of the order of US\$ 184,924 million which has touched US\$ 236,320 million mark in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of imports was 6.32%.

6. Czech Republic runs an overall Balance of Trade surplus from 2018 to 2022. However, balance of trade surplus has reduced and was recorded at USD 5,369 million in 2022 vis-à-vis 14688 million in 2023. During the period from 2018 to 2022, the annual average compound rate of growth of total volume of trade was 5.39%.

A snapshot of Czech Republic's overall Trade Statistics is presented in **Table 2 and Figure 1 below**.

**TABLE - 2**  
**CZECH REPUBLIC'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND**  
**BALANCE OF TRADE BETWEEN 2018 TO 2022**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2018	202522		184924		3,87,446		17598
2019	199470	-1.51	179273	-3.06	3,78,743	-2.25	20197
2020	192307	-3.59	171440	-4.37	3,63,747	-3.96	20867
2021	227168	18.13	212480	23.94	4,39,648	20.87	14688
2022	241689	6.39	236320	11.22	4,78,009	8.73	5369

**Annual  
Compound  
Growth Rate**

**4.52**

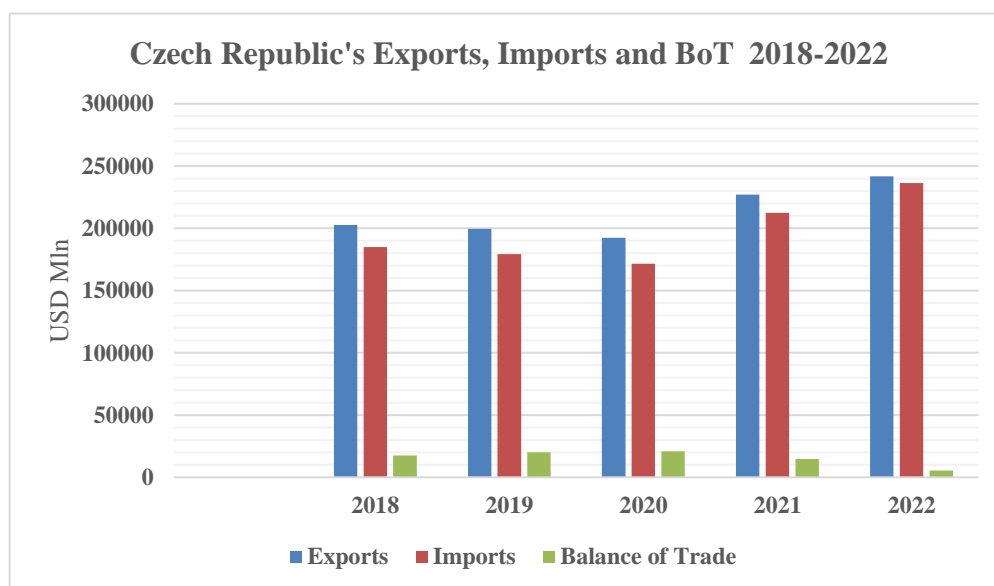
**6.32**

**5.39**

**NOTE : Figures relate to calendar year (January to December)**

**SOURCE : UN COMTRADE PUBLICATION**

**Figure - 1**



## BILATERAL TRADE WITH INDIA

### Merchandise Trade

7. Trade ties between India and the Czech Republic, formerly Czechoslovakia, preceded India's independence. Czechoslovakia established its consulate in Mumbai in October 1920 and in Calcutta in December 1929. Czech Republic ranked 52nd as an export destination of India in FY 2022-23. India's exports to Czech Republic 0.26 % of it's total export value in FY2022-23. In the same financial year imports from Czech Republic was 0.93% of India's total import value. Czech Republic ranked 65th as an import partner of India in FY 2022-23.

8. Indo- Czech Republic total volume of bilateral trade in FY 2018-19 was of the order of US\$ 687.97 million. It has scaled upto US\$ 1,947.41 million in FY 2022-23 with major positive incremental change of export to the tune of 86.12% recorded in 2022-23 over 2021-22. The annual compound growth rate of total volume of trade during the period from 2018-19 to 2022-23 has been of the order of 29.71%.

9. Imports from Czech Republic to India has been a positive trend from 2018-19 till 2022-23 and India maintains a balance of trade surplus with Czech Republic. During the period from 2018-19 to 2022-23, the annual average compound rate of growth of imports was 31.67%.

A snapshot of India's merchandise trade statistics w.r.t. Czech Republic is presented in **Table 3 Figure 2**.

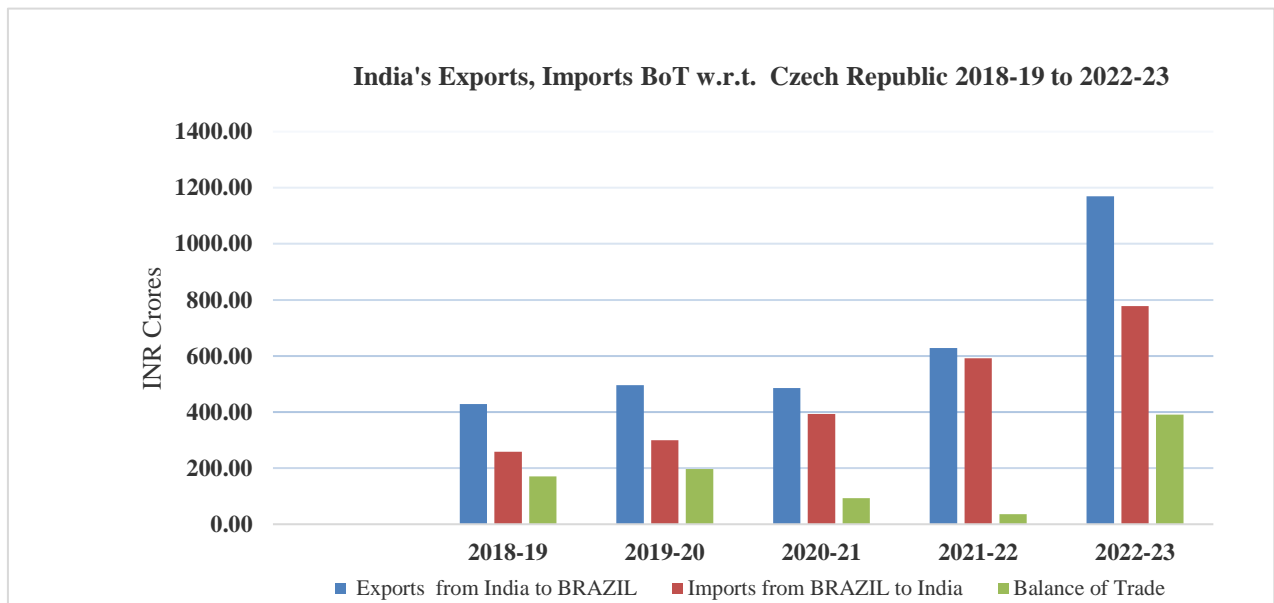
**TABLE - 3**  
**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. CZECH REPUBLIC**  
**FY 2018-2019 to 2022-2023**

Year	Exports from India to Czech Republic	Percentage Growth in Exports	Imports from Czech Republic to India	Percentage Growth in Imports	(Value in USD Million)		Balance of Trade
					Volume of Trade	Percentage Growth in Vol. of Trade	
2018-19	429.13		258.84		687.97		170.29
2019-20	496.37	15.67	299.42	15.68	795.79	15.67	196.95
2020-21	485.48	-2.19	393.12	31.29	878.60	10.41	92.36
2021-22	628.25	29.41	592.10	50.62	1220.35	38.90	36.15
2022-23	1169.32	86.12	778.09	31.41	1947.41	59.58	391.23
<b>Annual Compound Growth Rate</b>		<b>28.48</b>		<b>31.67</b>		<b>29.71</b>	

**NOTE : Figures relate to Financial Year (April to March).**

**SOURCE : DGCI&S, M/o C&I.**

**Figure 2**



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. **Telecom Instruments, Electric Machinery and Equipments, and Products of Iron and Steel** have occupied the top three slots in India's exports to Czech Republic in the year 2022-23. The share of Telecom Products was a whopping the 56.80% share of export value India to Czech Republic.
- b. **Auto Components/Parts; IC Engine and Parts and Indl. Machinery for Dairy Etc.** are the three major commodities in India's imports list from Czech Republic in the year 2022-23, India imported **Auto Components/Parts** from Czech Republic with a share of 24.56% of total imports from Czech Republic recorded in 2022-23.

**TABLE -4**  
**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO CZECH REPUBLIC**  
**2018-2019 TO 2022-2023 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	<b>Telecom Instruments</b>	<b>4.61</b>	<b>51.42</b>	<b>52.45</b>	<b>106.49</b>	<b>664.19</b>	<b>1015.40</b>	<b>2.00</b>	<b>103.03</b>	<b>523.71</b>
	Share in total export	1.07	10.36	10.80	16.95	56.80				
2	<b>Electric Machinery And Equipments</b>	<b>37.88</b>	<b>28.81</b>	<b>23.83</b>	<b>44.97</b>	<b>60.59</b>	<b>-23.94</b>	<b>-17.29</b>	<b>88.71</b>	<b>34.73</b>
	Share in total export	8.83	5.80	4.91	7.16	5.18				
3	<b>Products Of Iron And Steel</b>	<b>63.09</b>	<b>57.00</b>	<b>46.04</b>	<b>56.74</b>	<b>60.54</b>	<b>-9.65</b>	<b>-19.23</b>	<b>23.24</b>	<b>6.70</b>
	Share in total export	14.70	11.48	9.48	9.03	5.18				
4	<b>Auto Components/Parts</b>	<b>22.05</b>	<b>34.03</b>	<b>44.17</b>	<b>56.56</b>	<b>47.21</b>	<b>54.33</b>	<b>29.80</b>	<b>28.05</b>	<b>-16.53</b>
	Share in total export	5.14	6.86	9.10	9.00	4.04				
5	<b>RMG Cotton Including Accessories</b>	<b>41.47</b>	<b>43.06</b>	<b>35.78</b>	<b>36.48</b>	<b>42.19</b>	<b>3.83</b>	<b>-16.91</b>	<b>1.96</b>	<b>15.65</b>
	Share in total export	9.66	8.67	7.37	5.81	3.61				
6	<b>Drugs Formulations Biologicals</b>	<b>43.92</b>	<b>59.18</b>	<b>54.55</b>	<b>47.33</b>	<b>38.92</b>	<b>34.74</b>	<b>-7.82</b>	<b>-13.24</b>	<b>-17.77</b>
	Share in total export	10.23	11.92	11.24	7.53	3.33				
7	<b>Indl. Machinery For Dairy Etc.</b>	<b>9.57</b>	<b>21.46</b>	<b>19.05</b>	<b>27.01</b>	<b>25.27</b>	<b>124.24</b>	<b>-11.23</b>	<b>41.78</b>	<b>-6.44</b>
	Share in total export	2.23	4.32	3.92	4.30	2.16				
8	<b>Residual Chemicals And Allied Products</b>	<b>23.29</b>	<b>27.50</b>	<b>19.91</b>	<b>16.42</b>	<b>22.73</b>	<b>18.08</b>	<b>-27.60</b>	<b>-17.53</b>	<b>38.43</b>
	Share in total export	5.43	5.54	4.10	2.61	1.94				
9	<b>Electronics Instruments</b>	<b>12.34</b>	<b>11.43</b>	<b>12.26</b>	<b>16.97</b>	<b>17.89</b>	<b>-7.37</b>	<b>7.26</b>	<b>38.42</b>	<b>5.42</b>
	Share in total export	2.88	2.30	2.53	2.70	1.53				
10	<b>Electronic Components</b>	<b>8.50</b>	<b>7.07</b>	<b>6.93</b>	<b>16.33</b>	<b>15.52</b>	<b>-16.82</b>	<b>-1.98</b>	<b>135.64</b>	<b>-4.96</b>
	Share in total export	1.98	1.42	1.43	2.60	1.33				
	<b>Total export to CZECH REPUBLIC</b>	<b>429.13</b>	<b>496.37</b>	<b>485.48</b>	<b>628.25</b>	<b>1169.32</b>	<b>15.67</b>	<b>-2.19</b>	<b>29.41</b>	<b>86.12</b>

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM CZECH REPUBLIC  
2018-2019 TO 2022-2023 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports				Annual Growth Rates				
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	<b>Auto Components/Parts</b>	<b>11.74</b>	<b>31.99</b>	<b>59.99</b>	<b>191.15</b>	<b>191.10</b>	<b>172.49</b>	<b>87.53</b>	<b>218.64</b>	<b>-0.03</b>
	Share in total imports	4.54	10.68	15.26	32.28	24.56				
2	<b>IC Engine And Parts</b>	<b>15.11</b>	<b>15.20</b>	<b>39.97</b>	<b>31.06</b>	<b>97.86</b>	<b>0.60</b>	<b>162.96</b>	<b>-22.29</b>	<b>215.07</b>
	Share in total imports	5.84	5.08	10.17	5.25	12.58				
3	<b>Indl. Machinery For Dairy Etc.</b>	<b>29.47</b>	<b>25.33</b>	<b>26.16</b>	<b>41.86</b>	<b>61.44</b>	<b>-14.05</b>	<b>3.28</b>	<b>60.02</b>	<b>46.77</b>
	Share in total imports.	11.39	8.46	6.65	7.07	7.90				
4	<b>Electric Machinery And Equipment</b>	<b>21.49</b>	<b>22.81</b>	<b>18.04</b>	<b>31.97</b>	<b>57.11</b>	<b>6.14</b>	<b>-20.91</b>	<b>77.22</b>	<b>78.64</b>
	Share in total import	8.30	7.62	4.59	5.40	7.34				
5	<b>Pump Of All Types</b>	<b>14.50</b>	<b>15.31</b>	<b>47.17</b>	<b>27.89</b>	<b>40.80</b>	<b>5.59</b>	<b>208.10</b>	<b>-40.87</b>	<b>46.29</b>
	Share in total import	5.60	5.11	12.00	4.71	5.24				
6	<b>Electronic Components</b>	<b>8.04</b>	<b>8.12</b>	<b>7.59</b>	<b>14.55</b>	<b>34.77</b>	<b>1.00</b>	<b>-6.53</b>	<b>91.70</b>	<b>138.97</b>
	Share in total import	3.11	2.71	1.93	2.46	4.47				
7	<b>Other Misc. Engineering Items</b>	<b>11.00</b>	<b>9.46</b>	<b>13.26</b>	<b>20.92</b>	<b>29.85</b>	<b>-14.00</b>	<b>40.17</b>	<b>57.77</b>	<b>42.69</b>
	Share in total import	4.25	3.16	3.37	3.53	3.84				
8	<b>Electronic Instruments</b>	<b>9.09</b>	<b>11.09</b>	<b>11.40</b>	<b>14.58</b>	<b>27.36</b>	<b>22.00</b>	<b>2.80</b>	<b>27.89</b>	<b>87.65</b>
	Share in total import	3.51	3.70	2.90	2.46	3.52				
9	<b>Other Rubber Products Except FTWR</b>	<b>8.77</b>	<b>7.08</b>	<b>10.43</b>	<b>20.49</b>	<b>24.67</b>	<b>-19.27</b>	<b>47.32</b>	<b>96.45</b>	<b>20.40</b>
	Share in total import	3.39	2.36	2.65	3.46	3.17				
10	<b>Products Of Iron And Steel</b>	<b>6.92</b>	<b>7.83</b>	<b>6.88</b>	<b>12.91</b>	<b>20.54</b>	<b>13.15</b>	<b>-12.13</b>	<b>87.65</b>	<b>59.10</b>
	Share in total import	2.67	2.62	1.75	2.18	2.64				
	<b>Total import from CZECH REPUBLIC</b>	<b>258.84</b>	<b>299.42</b>	<b>393.12</b>	<b>592.10</b>	<b>778.09</b>	<b>15.68</b>	<b>31.29</b>	<b>50.62</b>	<b>31.41</b>

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&amp;S, M/o C&amp;I

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