

CR: Industry and foreign trade growing, construction industry continues to fall

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Recent CSO figures provide a positive image of Czech economic development. Results of Czech industry, which according to statisticians, accelerated its growth to 5.4% in November, surpassed even the most optimistic expectations. Foreign trade also brought a pleasant surprise, its turnover reached its highest monthly value since the formation of the Czech Republic. Construction output fell again, but the decline eased to 2.3% from October's 8%. These figures cannot be overstated, according to economists. It was significantly contributed again only by car production and engineering from relevant sectors, however, while foreign sales increased by 15.7%, domestic sales dropped by 0.7% - but export can expect a slowdown due to the "euro" problems. However, prospects for the first half of this year are not optimistic. "Throughout the first half of the year we expect a decline in industrial production of up to three per cent, and the industry should then return to black numbers at the end of this year. We estimate that industry improved last year by about 7% but we fear a decline of 1.2% for this year," said analyst at Komerční banka Jan Vejmělek.

Construction in November fell despite good weather favourable for builders. Václav Matyáš , president of Association of Building Entrepreneur,s commented on the November figures. "The worst situation is in transport infrastructure, which is almost entirely dependent on listing of public procurement - and there are increasingly fewer of those due to government policy of cuts," he told the Czech News Agency (ČTK).

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