

AmCham

Czech Republic
by the numbers

GDP per capita:

25,000 euros

(15th in EU)

(PPS, 2015)

GDP per capita increase:

34%

(10th best in EU)

(since 2005, PPS)

Gross National Income
per capita:**19,200 euros**

(PPS, 2013)

GNI per capita growth:

3,100 euros**+19%**

(since 2004, PPS)

GNI as % GDP

(per capita):

86%

(26th in EU)

(2013)

What else is going on?

AmCham's **Health Care Council** is creating a task force for advocating nationwide introduction of an e-health system that would monitor outcomes to determine what policies have the most beneficial impact on patient health (as measured by Healthy Life Years). *Individuals with expertise in e-health who wish to be a part of this task force should contact Veronika Szentivanyiova at veronika@amcham.cz with questions or comments.*

Prosperity: Has there been a price for too much dependence?

Recently, AmCham participated in a workshop on the development of economy held under the guidance of the Economic Committee of the Senate of the Czech Parliament. Speakers of all shapes and stripes were present: businesses, academics, union reps, and politicians. Everyone agreed that the country was at an economic crossroad (one could argue that every country always is at a crossroad), but disagreed on what directions we could choose to take. AmCham, of course, argued its usual— openness to the global market, development of cities through top universities and attraction of talent and capital, and intense focus on commercially useful technological advantage through public research that spurred private product development.

We were expecting some different views. We got them. One presenter complained that dividends flows out of the country were depriving workers of their income. An academic argued that the country was too dependent on foreign capital.

This caused us to take a look at the numbers. GDP represents the country's total output. Gross National Income (GNI) represents that output minus the flow of dividends and other payments outside the country. The Czech Republic has the third highest differential between the two in the EU. Is that necessarily a bad thing? That depends. Investors invest to get a return; high dividend flows could reflect high investment— a sign of a good investment environment. Today could be a temporary stage created by an attractive market and previous lack of local capital. And it should be noted that the two highest differentials belong to Luxembourg, which has the highest GDP and GNI in the EU, and Ireland (10th highest GNI). Greece and Spain are third and fourth when it comes to lowest differential. Would those speakers suggest changing places?

Checking out the
neighborhood

	GDP per Capita 2015 (growth since 2005)	GNI per Capita 2013 (growth since 2004)	GNI as % GDP, 2013
Austria	36,600 euros (26%)	32,900 euros (20%)	94% (-2%)
Czech Republic	25,000 euros (34%)	19,200 euros (19%)	86% (-5%)
Germany	35,900 euros (32%)	32,800 euros (30%)	99% (+2%)
Hungary	19,500 euros (13%)	16,100 euros (25%)	91% (-1%)
Poland	19,700 euros (70%)	16,400 euros (55%)	92% (-6%)
Slovakia	22,000 euros (59%)	19,200 euros (63%)	95% (0%)