

Market research
Czech Republic

“Think Twice, debt is a serious issue”

DEBTLESS

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Aging Europe

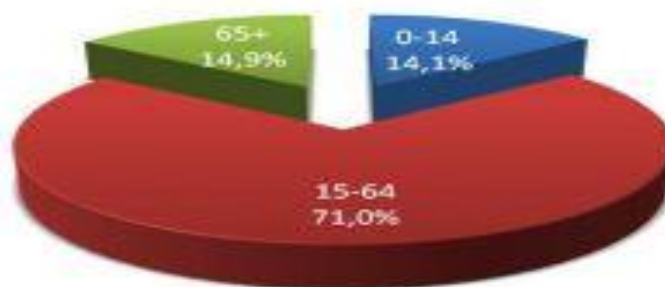
The ageing of Europe's population will put an enormous strain on public finances and the labour supply. Expected demographic changes have important economic consequences.

Few people will be of working age in the next decades. Currently for every elderly citizen four people are at work, but by 2050 the ratio will be two to one. Europe's workforce will start to shrink from roughly 300 million people today, to approximately 250 million by 2050.

Population-numbers and development in the Czech Republic

Developmental trends in age structure of the Czech Republic in recent years are not too optimistic due to its aging. The last really big birth (so-called "baby-boom") was recorded in the first half of the 80 of the 20th century. In the coming years are expected to further increases of the proportion of the oldest component and a decrease in the youngest. As a result, will increase demands on pension, health and social services, etc..

Věková struktura obyvatel ČR v roce 2008



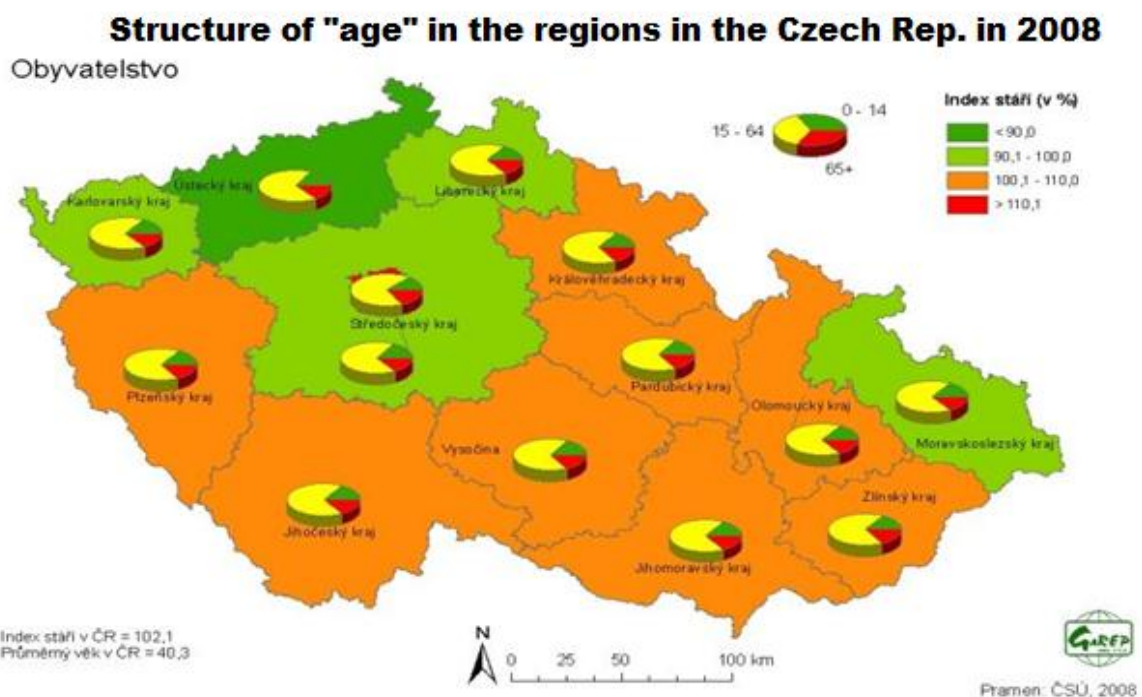
Age structure of population in 2008.

Population rates

	2001	2002	2003	2004	2005	2006	2007	2008
Population rates in thousands	10 206	10 203	10 211	10 221	10 251	10 287	10 381	10 468
Population by age in thousands								
0-14	1 622	1 590	1 554	1 527	1 501	1 480	1 477	1 480
15-64	7 170	7 196	7 234	7 259	7 293	7 325	7 391	7 431
65 and more	1 415	1 418	1 423	1 435	1 456	1 482	1 513	1 556
By %								
0-14	15,9	15,6	15,2	14,9	14,6	14,4	14,2	14,1
15-64	70,2	70,5	70,8	71,0	71,1	71,2	71,2	71,0
65 and more	13,9	13,9	13,9	14,0	14,2	14,4	14,6	14,9

Source: Czech Statistical office, <http://www.czso.cz>

The demographic position of the Czech Republic is expected to change dramatically over the next few decades. A demographic projection of the Czech Statistical Office highlights negative trends of ageing population, reduction of share of the young generation due to the past and present low birth rates and a growing number of seniors thanks to the extending average life expectancy.



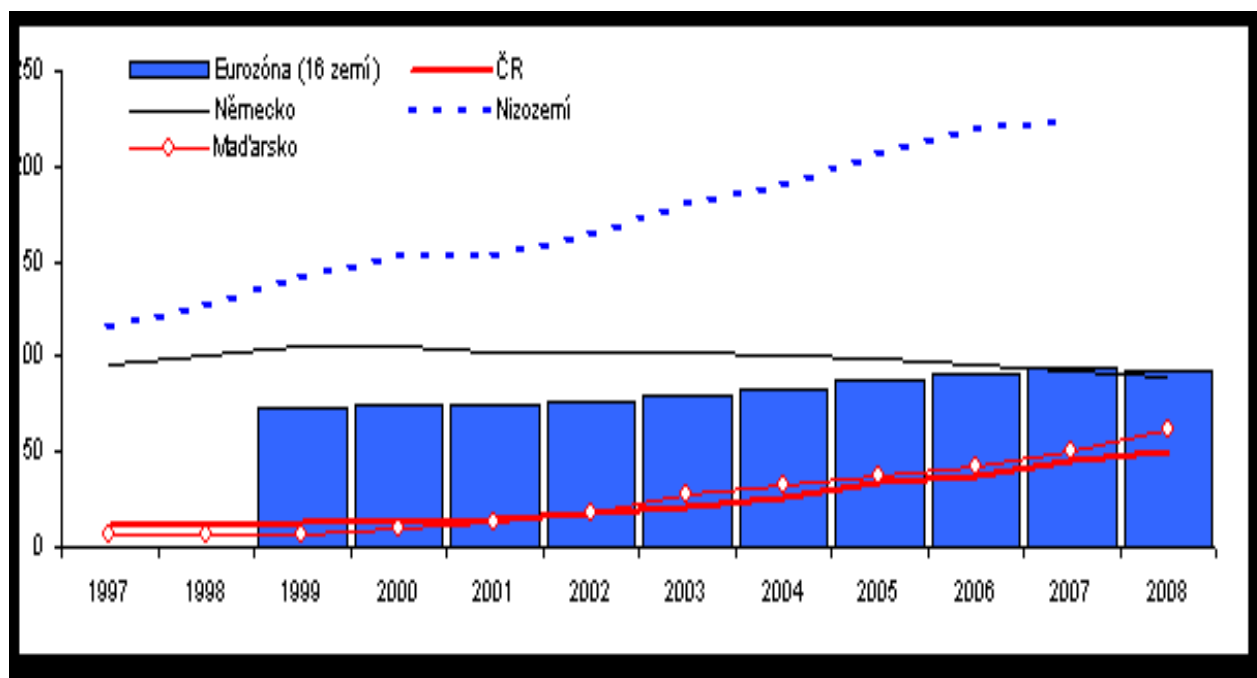
The rate of gross indebtedness of households in selected countries and the Eurozone

Mortgage debt

The largest accounting driver of indebtedness is mortgage debt as in most Member States it typically represents the largest component in the liabilities side of household balance sheets. Across the EU as a whole this accounts for 67 per cent of debt, in the Eurozone it is 72 per cent, and in the high household indebtedness countries Ireland, Spain and United Kingdom it averages 80 per cent.

Consumer debt

Consumer credit is the second largest component of household liabilities in Europe. Again, the cross-country differences are significant. The most striking feature of the chart is that in the rapidly rising indebtedness Member States the level of consumer debt is much higher — 33 per cent compared with an EU average of just 19 per cent.



The rate of gross indebtedness of households in selected countries and the Eurozone (Eurostat).

Situation in the Czech Republic

The public debt in the Czech Republic is increasing every year. Regarding the economic crisis and trends in the last few years, people don't have enough money to pay their loans. Afterward, they can easily get to the financial troubles. The measures regarding the loans are not unfortunately regulated in the our country.



Bank loans for housing
Bank loans
Non-bank loans

