

Press Release

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CFOs Expect Positive Economic Development, Increased Salaries and Higher Labour Costs This Year

- **Deloitte survey among 600 CFOs across Central Europe, including the Czech Republic**

Prague, 15 March 2017 – CFOs' optimism in respect of economic development continues despite the expected slow-down in economic growth in 2016. Deloitte's survey shows that more than half of CFOs in the Czech Republic estimate the GDP growth to range between 1.5 and 2.5 percent. The concerns about low unemployment and lack of qualified labour persist. 95% of CFOs consider the growth in salaries to be one of the largest expenses to influence business in 2017. That is the reason why they want to reduce costs of production rather than labour.

"This year's survey showed that 80% of CFOs consider finding a sufficient number of qualified employees to be a critical issue. The increasing demand for labour is connected to the pressure on growth in salaries. The sources of inflation are also expected to include growing rentals and real estate prices. Another critical issue for 2017 will be the termination of the CNB's exchange rate commitment and returning the Czech crown exchange rate to the market regime, albeit with possible significant interventions of the central bank in case of excessive fluctuation," reminded **Martin Tesař**, Audit Partner of Deloitte.

According to CFOs in the Czech Republic, the GDP will continue to grow while unemployment will remain very low. CFOs' opinions show that the Czech economy will thrive despite the UK leaving the EU. They also admit a lower risk appetite with 28% of CFOs considering the business environment very uncertain.

CFO Survey in Central Europe

Deloitte has already organised its eighth confidence survey among CFOs, covering nearly 600 respondents seated in 12 countries in Central Europe, including the Czech Republic, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Lithuania, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine. The study included a regional survey among 115 CFOs seated in the Czech Republic.

To download the survey results visit www.deloitte.cz/cfo

Other news from Deloitte Press Centre:

- Do you know that the set-up of a new organisation is addressed more intensely by HR and business leaders than recruitment of new people? We did a study among 10 thousand HR professionals from 140 countries around the world, including the Czech Republic. For further information, refer to our research **Global Trends in Human Capital**.
- **Praque 2030: Investment plans**. We analysed 25 investment plans the implementation of which is considered in Prague in 2030 and assessed which projects seem to be a priority according to the plans and which do not. In a professional public survey, we found that 90% of respondents are for completing the Prague bypass.
- Czechs will work 169 days to pay their taxes this year. **The tax freedom day is on 17 June 2017 according to Deloitte**.

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