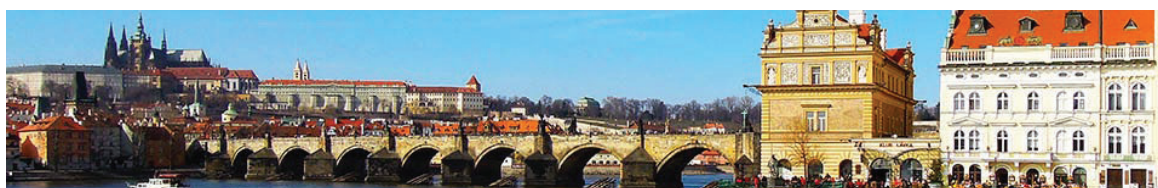




Czech Association Hydraulics and Pneumatics (CAHP)

Jiří Tlustoš

Czech Republic Economic Outlook 2Q 2024



03/06/2024



CETOP Market Outlook conf. Hydraulic & Pneumatic Country market trend

Hydraulic Industry

- National Home sales 2023 170 M EUR (estimate)
- Recorder trend Jan/Dec.2023 + 5,5%
- Trend for May 2024 Orders – Down
- Forecast 2024 Sales – Down
- Forecast 2024 + 3% (After Summer recovery)



Pneumatic Industry

- National Home sales 2023 75 M EUR (estimate)
- Recorder trend Jan/Dec.2023 + 4%
- Trend for May 2024 Orders – Down
- Forecast 2024 Sales - Down
- Forecast 2024 + 2% (After Summer recovery)



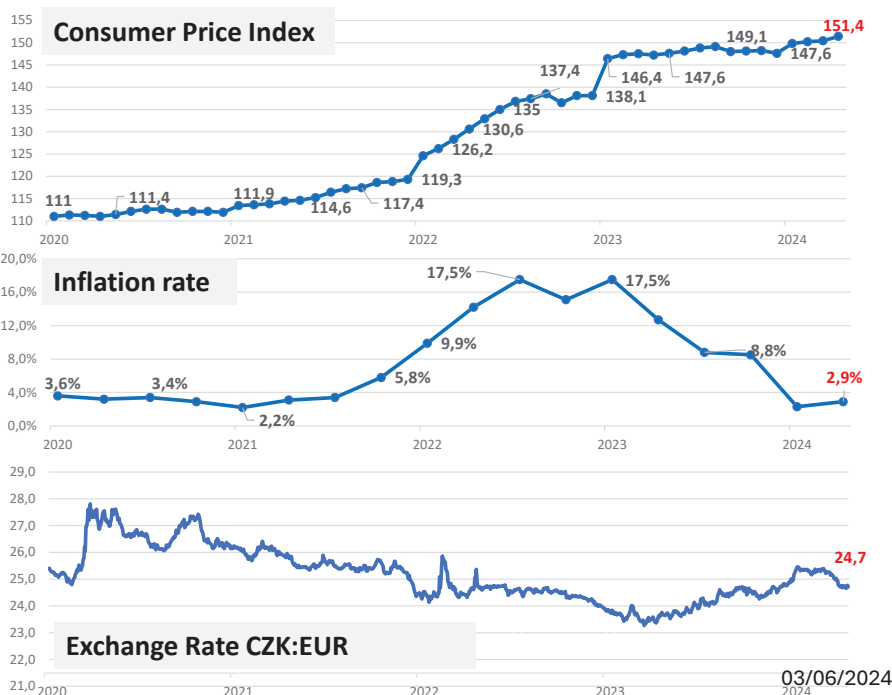
03/06/2024



CETOP Market Outlook conf. TOP 4 general market trends in country



- 1. Consumer Price Index** CPI in Czech Republic is expected to be **152** points by the end of 2Q/2024.
- 2. Inflation Rate** - The current rate of inflation in April 2024 was **2.9%** compared to the same month of the previous year. Inflation in 2024 is expected to stay above 2% and to fall to around 1.7% in 1Q/2025.
- 3. Currency CZK:EUR** – In 2023 CZK got weaker in 2023, YOY +4% improving a bit competitiveness on export markets. The Czech National Bank lowered interest rates for the third time in a row.
4. Following the supply chain crisis during the covid-19 pandemic or the war in Ukraine, producers are intensively addressing the issue of industrial self-sufficiency, ideally that raw materials, components, labor, machinery and equipment come from the sources of the domestic economy.



CETOP Market Outlook conf. CZ country market trend



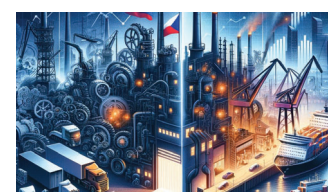
Labour market still under pressure

Expected to remain **around 2.8%** in 2024. This is still one of the lowest levels in the EU and the labour market is set to remain tight in the years ahead, adding to pressures on wages. Shortages of skilled workers persist and population ageing adds additional pressure, limiting potential growth.

Inflation decline confirmed

Headline inflation slowed down from 12.0% on average in 2023 to **2.4%** in 2024-Q1. Energy contributed positively to inflation in the first quarter as government measures to mitigate the effects of high energy prices expired.

According to the Czech Statistical Office (ČSÚ), significant changes were recorded in March, with a **decrease in industrial production and construction**, mainly due to the decrease in the automotive sector and in the production of machinery and equipment. This apparent decline could be attributed to the high growth recorded the previous year, which affected the overall trend in industrial production.





CAHP – The Executive Committee



President CAHP

Ing. Jiří Tlustoš



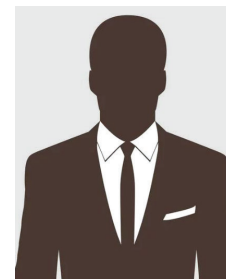
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