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## High on Kalousek debt



Miroslav Kalousek has been Czech finance minister since 2007, with a one-year interlude in 2009/2010, when Eduard Janota acted as the "hand" of the absent king of finance. Over the five-year period from [2008](#) to [2012](#), Czech government spending rose from 41.1% of GDP to 44.5%; government debt grew by 60%, from Kč 1.10 trillion to Kč 1.76 trillion; and government debt as a percentage of GDP rose from 28.7% to 45.8%. Czech debt under Kalousek has risen so far by Kč 655bn, but this enormous increase looks less severe on paper, thanks to artificially low interest rates that reduce the country's borrowing costs. The finance ministry saves tens of billions of crowns each year thanks to this. The full effect of the Kalousek debt legacy will only be felt once central banks allow interest rates to freely fluctuate. In the meantime, the CR is acting like a crackhead who gets hooked on free samples from a dealer.

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