

ECONOMIC NEWS SUMMARY NOVEMBER 21 – NOVEMBER 27

注:本報告は、チェコ政府公表資料、新聞、インターネット等報道資料をとりまとめたもの。
詳細情報については、それぞれの情報ソースを参照願いたい。

ECONOMY & FINANCE

GIA FINCENTRUM: VOLUME OF MORTGAGES REACHES CZK 16.95BN – 21.11.

The volume of mortgage loans closed in October 2019 reached CZK 16.95bn. It was CZK 15.01bn one month earlier and CZK 24.28bn in October 2018. The number of newly closed mortgages reached 7,027 (September 2019: 6,359; October 2018: 10,590). An average mortgage reached CZK 2.41m. This stems from the survey Fincentrum Hypoindex. An average interest rate decreased by 0.11 percentage point to 2.36%. Financial institutions extended mortgages for CZK 145.29bn in the Jan-Oct period of 2019. The sum totalled CZK 183.98bn one year earlier.

GIA OECD: CZECH GDP GROWTH TO SLOW DOWN TO 2.1% IN 2020 – 22.11.

The Czech economic growth will slow down year-on-year in 2020 from 2.6% predicted for 2019 to 2.1%. In 2021, the GDP dynamic will rise again to 2.3%, according to the November forecast by the OECD. Slovak GDP should grow 2.5% in 2019, 2.2% in 2020 and 2.6% in 2021.

GIA PENSION-INSURANCE SURPLUS AT CZK 9.82BN – 22.11.

Revenues from pension insurance including voluntary insurance totalled CZK 407.34bn at the end of October 2019. They amounted to CZK 367.28bn one month earlier. Pension-insurance benefits including administrative expenses totalled CZK 397.53bn in the first ten months of the year. The resulting surplus of the pension-insurance system was CZK 9.82bn. This information was provided by the Czech Ministry of Finance (MF). At the end of 2018, there were 2.897m pensioners in the Czech Republic. The average old-age pension was CZK 12,418.

CTK CZECHS' DEBT GROWS BY Kc143.7BN TO Kc2,410BN IN Q3 – 22.11.

Czechs' debt grew annually by Kc143.7bn to Kc2,410bn at the end of Q3, with the volume of housing loans growing by Kc117.6bn even though the mortgage market has been cooling off, according to data the banking and non-banking registers released today.

Growth in new mortgages has been slowing down and the number of people with a housing loan fell annually by almost 9,000, the registers said.

The number of those who only have a housing loan decreased by 23,000, while the number of people with a housing loan and some other loan has been growing, banking register executive director Lenka Novotna said.

The average housing loan was Kc1.73m at the end of Q3, the registers said. It grew annually by 6-8 percent in all Czech regions.

The volume of debt where the debtor has not paid three instalments in a row or where the creditor demands immediate repayment fell by Kc5.3bn to Kc31.2bn.

The number of people with a short-term debt in default decreased year on year by 59,546 to 210,883, and the number

of clients with a long-term debt in default dropped by 4,415 to 17,837.

The number of those that have trouble paying off their housing loans has been falling for 14 quarters in a row and it dropped by 50 percent over the past five years, Novotna said. There is not much room for another drop in the number of people not repaying their consumer loans, as evidenced by the slower decrease in the volume of debt in default, non-banking register executive director Jiri Rajl said.

People under 24 represent high-risk clients of banks and financial institutions, while people in their thirties and forties are the most reliable.

CTK CZECH EXPORT BANK TO BE FULLY OWNED BY EGAP – 25.11.

The state-run Export Guarantee and Insurance Company (EGAP) will become a 100-percent shareholder of the Czech Export Bank (CEB), the government decided today, its press department said.

The aim of the approved proposal, which was submitted by the Finance Ministry, is to simplify and streamline the system of providing export insurance and state-supported funding. The approved option appears as the most appropriate for subsequent steps leading towards the creation of a new export-support agency within two years, according to the ministry's proposal.

Today's step will cut operating, marketing and other costs, and the money thus saved will flow to the state coffers, Finance Minister Alena Schillerova said on Twitter.

"CEB will no longer compete with commercial banks but will supplement their credit services in areas to which they cannot or do not want to go," Schillerova said.

CEB provides Czech exporters with financial products and consulting for exports to risky territories and to new, promising markets.

EGAP, which currently holds 16 percent in CEB, supports exporters by insuring loans for exports, mainly those to non-EU countries.

The state exercises its ownership rights in EGAP and CEB via the Finance Ministry under the government's decision made last year. Previously, the ministries of industry, agriculture and foreign affairs also held stakes in both institutions.

Other options listed by the Finance Ministry include the creation of a new export agency through a merger of CEB and EGAP or the establishment of a brand new agency without any links to CEB and EGAP. Such changes would, however, take up to five years after the government decision. CEB saw its net profit rise annually by 37 percent to Kc352m in 2018. Its total assets fell by 8.5 percent to Kc57.45bn.

EGAP posted a profit of Kc210m last year after 2017's loss of Kc2.7bn, being profitable for the first time since 2010. It supported 61 Czech exporters with deals worth almost Kc36bn, and concluded 203 new insurance contracts.

CTK THERE'S NO REASON TO CHANGE INTEREST RATES AT PRESENT – 27.11.

Czech National Bank (CNB) governor Jiri Rusnok can see no reason for any rate adjustments nowadays, however, he is

not against debates on potential changes to the rate-setting process, he told journalists at the conference on the insurance market.

The CNB governing board left interest rates on hold at its policy meeting on November 7, with the basic interest rate staying at 2 percent. The Bank Board also took a vote on a rate hike by a quarter point.

"I don't think there's anything extra special happening," said Rusnok.

According to him, a debate (at the next policy meeting) will be similar to the last meeting. There are still a few weeks to go that will bring some data but nothing special, he said.

He said he would back a debate on a possible rate hike by a quarter point or on leaving rates unchanged.

Bank Board member Vojtech Benda said last week a rate increase would correspond to the current economic situation because of domestic inflationary pressures and external developments being apparently better than expected.

AGRICULTURE & ENVIRONMENT

GA SZIF RECOMMENDS APPLICATIONS FOR CZK 2.5BN – 21.11.

The State Agriculture Intervention Fund (SZIF) has recommended for administration a total of 1,789 applications from the 8th round of the Rural Areas Development Programme (PRV). Some 235 projects are on a standby list. Applicants showed the highest interest in the acquisition of forestry technology and investments in manufacturing units. The applicants will now submit appendices with subsidy applications. The deadline is on January 7, 2020. Applicants holding public tender can submit their applications by February 18, 2020. SZIF has already paid CZK 13.7bn for PRV project measures in years 2014-2020.

GA FIRMS TO DELIVER PRODUCTION LINES AND HOPS TO LEBANON – 21.11.

Ravaco Bottling has agreed with Lebanese BEV Holding on the purchase of two lines for filling of mineral water to glass bottles and cans. The contract was closed in the framework of a project focused on the export participation of Czech firms in the modernisation of the Lebanese food production. The lines will likely be installed in 1Q 2020. TOP HOP agreed on regular supplies of hops for breweries Beirut Beer and Elmir Craft Beer. The project was organised by agriculture diplomat ZÚ Beirut together with the Ministry of Agriculture of the Czech Republic (MZ) and the Ministry of Foreign Affairs of the Czech Republic.

GA ERÚ SUBMITS DRAFT OF GREEN BONUS FOR 2021 – 21.11.

The Energy Regulatory Office of the Czech Republic (ERÚ) has submitted to the public consulting process draft methodology for the annual adjustment of the amount of annual green bonuses for electricity from RR, KVET and DZ. The office will inform about an eventual change in the calculation principles in advance to secure the readiness of entities active on the market. ERÚ thinks the methodology will take effect on January 1, 2021.

GA AGRICULTURE REVENUES FOR MAIN COMMODITIES TO GROW – 21.11.

According to estimations, revenues of agriculture enterprises for main commodities will grow by nearly CZK 2bn y/y in 2019. The information was provided to ČIANEWS by Vladimír Pícha,

the spokesman for the Agriculture Union of the Czech Republic. The main reason for the growth in the field of the crop farming is a higher harvest of cereal and potatoes and a growth in prices paid to agriculture producers. On the other hand, wages in farming, forestry and fishery grew by nearly 7%. Farmers also see growing prices of land and lease, feeding mixtures and almost all materials.

INDUSTRY & ENERGY & TRANSPORT

CTR CESKE DRAHY'S PASSENGER NUMBERS GROW THANKS TO DISCOUNTS – 21.11.

National railway operator Ceske drahy (CD) transported 137.5 million passengers in Q1-Q3, nearly 4 million more than a year ago, and the increase can be attributed to the 75-percent fare discounts for seniors and students, spokesman Radek Joklik said in a press release today.

The state-funded discounts, introduced in September last year, contributed about 50 percent to the 3-percent year-on-year rise in passenger numbers, CEO Vaclav Nebesky said.

The volume of passenger-kilometres increased by 7 percent as people travel more often and for longer distances, he added.

CD is planning to introduce several improvements as of Dec 15, when a new timetable takes effect.

It will equip about 1,000 trains with sockets and the same number of trains will offer WiFi connection on daily rides.

It will also introduce the possibility of payment by card in all trains, providing its employees with more than 1,600 mobile terminals.

Roughly two thirds of trains will be accessible for people with disabilities.

CD also plans to modernise its fleet, buying trains for about Kc40bn in the next five years.

CD, the biggest Czech railway carrier, posted a profit of Kc441m last year, which was an annual rise of Kc179m.

GA ŠKODA AUTO STARTS SERIES PRODUCTION OF MODEL CITIGOe IV – 21.11.

Czech automaker ŠKODA AUTO has started the series production of the battery-powered model CITIGOe iV. The first car was made at the Volkswagen plant in the Slovakian capital, Bratislava. The zero-emission city car uses a 32.2-kWh lithium-ion battery feeding a 61-kW engine with a torque of 212 Nm. The front-wheel-drive CITIGOe iV accelerates from 0 to 100 km/h in 12.3 seconds. Its top speed reaches 130 km/h and its range is up to 260 km.

GA ŠKODA CAN DELIVER TRAMS FOR CZK 1BN TO PMDP – 21.11.

Plzeň-based public transit company Plzeňské městské dopravní podniky (PMDP) will buy trams 40 T (ForCity Smart) from Škoda Transportation. The first two units will serve at lines 2 and 4 in 2H 2020. Costs on the acquisition of one tram Škoda 40 T reach CZK 55m and the total value of the contract might exceed CZK 1bn if an option is applied. The 29-meter long trams can gradually replace trams KT8 used during outages and at extraordinary events.

GA KIWI.COM BECOMES VIRTUAL GLOBAL CARRIER – 21.11.

Kiwi.com is changing from an online travel agency to a virtual global carrier. This was stated by Kiwi.com CEO and co-founder Oliver Dlouhý at the conference Phocuswright in Ft. Lauderdale, the USA. Its goal is to provide customers with a

complete solution for the most advantageous trip anytime, from anywhere and to anywhere. It wants to cover the process from the initial inspiration to the final destination. The extent of services provided by the single platform Kiwi.com will range from a cab ride to a restaurant to a trip to an exotic destination.

EMH AND ČEZ AGREE ON INVESTMENT IN LITHIUM – 21.11.

European Metals Holdings Limited (EMH) and Group ČEZ reached on November 20 a conditional agreement on a strategic partnership and significant investment in the lithium extraction project at the locality Cínovec. Once the contract is signed, ČEZ will become a majority shareholder (51%) in Geomet, EMH's subsidiary owning rights over the relevant extraction project. The transaction in the value of about EUR 34.06m will have a form of a new Geomet shares subscription. The information was provided by EMH.

ŠKODA TRANSPORTATION WINS TENDER FOR 37 TRAINS FOR JMK – 22.11.

Škoda Transportation has won the South Moravian Region's (JMK) tender for the supply of 37 electric train units. The value of the contract is CZK 6.65bn. This information was provided by the South Moravian Region whose councillors decided on the winning bid on November 21, 2019. Apart from the actual train sets, the contract also includes their full servicing for the period of 30 years.

AUTOSAP: CARMAKERS PRODUCE 1,197,650 VEHICLES UNTIL OCT – 22.11.

Between January and October 2019, Czech manufacturers produced 1,197,650 new motor vehicles, down 0.3% year-on-year. Cars contributed the most to the overall result. Their production dropped 0.3% to 1,192,320. Of this number, ŠKODA AUTO manufactured 747,340 vehicles (+1.5%) and Kolín-based TPCA 181,280 (+2.5%). Nošovice-based Hyundai, which is still operating under a lower production plan, made 263,700 vehicles. This information was provided by the Automotive Industry Association (AutoSAP). Bus production grew to 4,307 (+12.1%). The segment of motorcycles posted a 20.8% decrease and produced 1,023 machines.

SUAS TO PHASE OUT MINES, LAYING OFF HUNDREDS OF PEOPLE IN 2 YRS – 22.11.

Brown coal miner Sokolovska uhelna (SUAS) will gradually phase out its mines and lay off up to 1,000 employees in the next two years due to growing costs of carbon credits associated with pressures on restricting coal mining, company owner and supervisory board chairman Frantisek Stepanek has told CTK.

SUAS has about 3,000 employees at present, and another almost 700 people work with its subsidiaries.

SUAS plans to lay off about 700 employees next year and another 300 in 2021. Some of them may find work in the subsidiaries.

The Karlovy Vary region and the towns that will be most affected by the layoffs have already started preparing for the impact of SUAS's phaseout, according to information obtained by CTK.

Karlovy Vary, in cooperation with the Employment Office, wants to secure retraining courses or contact points for the laid off employees.

Stepanek said the state had done almost nothing for the region's transformation even though it had been warned several years ago that such a situation might occur soon.

SUAS is to pay about Kc1.4bn in carbon credits to the state budget this year and about Kc1.5bn next year.

Karlovy Vary ranks among coal regions that are phasing out coal mining and need to switch to new sources of energy, secure stable heat supplies to households, maintain social coherence and create new jobs.

According to Stepanek, the company has set aside funds for severance pays for the laid off employees equalling up to twelve times the size of their current monthly wages.

Industry and Trade Minister Karel Havlicek has said during a recent visit to the Karlovy Vary region that the ministry is preparing various types of business support and retraining as well as new sources from EU structural funds for the Karlovy Vary, Usti and Moravia-Silesia regions.

"We will have relatively large funds for support of smart economy and green economy. So we will support industry, industrial zones and entrepreneurs who will invest in something that is linked with higher value added," Havlicek said.

The Karlovy Vary region has an average unemployment rate of 2.5 percent, with 3.7 percent in the Sokolov district. There are 2,338 jobless people in the region.

With regard to the positive situation on the labour market, where employers are still looking for new employees, the employees laid off from SUAS will have very high chances of finding work, Employment Office spokeswoman Katerina Berankova told CTK.

Whenever the office learns of mass layoffs, it is ready to help, she added.

Companies in the Sokolov district, however, offer only 786 vacancies, including jobs for highly specialised experts. Its ratio of three job seekers per vacancy is one of the highest among districts in the Czech Republic. The layoffs at SUAS can therefore have sizeable local impacts.

The last massive layoffs in the Karlovy Vary region occurred with the bankruptcy of china maker Karlovarsky porcelan and its subsidiary Concordia. Out of their 1,700 employees, only about 700 found jobs at successor company Thun 1794.

END OF COAL IN THE CZECH REPUBLIC – 22.11.

Daily Hospodářské noviny reports that coal has become a number one enemy for many Europeans, who have been demanding its termination within the fight against global warming. Many Czech firms started to feel the pressure. However, so far the Czech energy industry cannot do without coal.

80% OF FIRMS READY FOR E-COMMUNICATION WITH AUTHORITIES – 22.11.

A total of 80% of entrepreneurs are ready to communicate digitally with state administration. On the other hand, 28% of them are convinced of the state administration's readiness for digital communication. A total of 75% of firms use at least one modern technology for their activities, for instance the Internet of Things and cloud. Entrepreneurs expect modern technologies to increase their productivity and lower their administration. These results stem from a survey by digital agency BlueGhost.

ŠKODA AUTO PLANS TWO A-SUV MODELS POWERED BY ELECTRICITY – 22.11.

In the next planning round, ŠKODA AUTO counts on two A-SUV models with an electric drive. Based on information from the company's board members, this information was provided by the Škodováký ODBORÁŘ weekly. According to the carmaker's management, it will be necessary to further expand the e-vehicle portfolio for the subsequent planning rounds.

SHARE OF FIRMS BUYING NEW CARS DOWN AT 72 PCT IN 5 YRS – 24.11.

Firms have bought 72 percent of new cars over the past five years, their share going down by 2.5 percentage points, the Car Importers Association and economists have said. EY partner Petr Knap attributed the fall to car leasing deals being less attractive because of their growing costs and households being more optimistic than businesses when it comes to buying a new car. Slower fleet renewal can be another reason, with firms waiting for a larger offer of cars with alternative drives next year, Knap told CTK. There is also an attractive offer in the category of cheaper cars, which raises households' demand, Knap said. Of total sales, Skoda cars went to 84 percent of corporate clients, and Audi and BMW cars to some 92 percent. Since 2016, Toyota's share has increased by 8 percentage points to 55 percent, while Dacia recorded a drop to 43 percent from 52 percent. Households were largely interested in Suzuki and Mitsubishi cars, 61 and 59 percent, respectively. New passenger car sales fell by an annual rate of 7.2 percent to 211,045 units in January to October. October alone saw a rise of 1.2 percent.

DRAFT AMENDMENT TO THE LAW ON LINEAR STRUCTURES APPROVED BY THE CABINET – 25.11.

Today, the government approved a draft amendment to the law on linear structures, such as roads, tunnels, rail tracks and utilities. The bill is aimed at shortening preparations of large transport infrastructure projects by about a third from the current 13 years, the cabinet said on Twitter. The bill should mainly simplify the building permit procedure, which often delays construction projects at the start. The state is to open 34 kilometres of new motorway sections this year, compared with mere 4 kilometres last year. A total of 260.3 kilometres of road projects are under construction at present, with 138 kilometres being new motorways, according to the ministry. Czechia has about 1,256 kilometres of motorways and over 5,642 kilometres of first-class roads. Regional Development Minister Klara Dostalova today signed the articulated version of a new construction bill which is to accelerate and simplify building permit proceedings and to enable to consolidate building, zoning and Environmental Impact Assessment (EIA) procedures into one. The government would like the new bill to come into force in 2021. "The current situation is unbearable," Dostalova said on her Facebook profile.

Building permit proceedings should accelerate by one year from the current average of 5.4 years under the new bill. However, critics say the bill plays into the hands of developers, neglects public interest, such as nature protection, and opens space for corruption.

CZECH STATE TAKES OVER NEW KC2.3BN TOLL SYSTEM FROM CZECHTOLL – 25.11.

The new Czech toll system worth Kc2.3bn is ready and the Road and Motorway Directorate (RSD) has taken it over from company CzechToll, the Transport Ministry said today, with the new satellite system to be launched on December 1. Kilometres of traffic jams are expected following the system's launch as hauliers have been delaying registrations. Some 251,000 vehicles had been registered midway through last week, with more than 200,000 remaining. Toll will be collected on 2,300 kilometres in total, with the new system to add some 860 kilometres of first-class roads in January 2020 to the current 1,400 kilometres. Toll revenues will go up by about Kc2.5bn per year, the ministry said. The state collected some Kc10.8bn in toll in 2018. Operating costs should decrease by Kc900m per year. "The Czech Republic will have one of the most efficient toll systems in the world thanks to the extensive operating savings," RSD's Vaclav Nestrasil said, adding that the system's costs will account for about 5 percent of the toll collected. Operating costs of the previous microwave system reached almost 15 percent, he said. The state will repay toll to CzechToll gradually over the following three years. The investment in developing the system will be recovered by the state during 2020 thanks to operating savings and a hike in toll collection. The new toll system will be operated by a consortium of Czech firm CzechToll, a unit of entrepreneur Petr Kellner's group PPF, and Slovakia's SkyToll. The consortium won the tender to operate the new system in the next decade with a Kc10.75bn bid last year. It will replace the existing microwave system which has been operated by Austria's Kapsch since 2007.

TRANSPORTMIN TO SPEND CZK 23.6BN ON NEW MOTORWAYS – 25.11.

The Ministry of Transport has allocated CZK 23.6bn for investments into motorways in 2020. In 2021, the ministry will spend CZK 51.3bn on new motorways. This was stated by the Minister of Transport Vladimír Kremlík (for ANO), who added that work will continue on the completion of the motorway network at D3 in South Bohemia, D6 in Karlovy Vary, D7 in Chomutov, D11 in Hradec Králové, D48 in Frýdek-Místek or the Otrokovice bypass on D48. Similarly, investments will be made in new railway corridors. In 2020, the ministry will spend CZK 27.1bn on investment projects, in 2021 it will be CZK 45.6bn and in 2022 a total of CZK 32.3bn.

ŠKODA AUTO TO OFFER KAMIQ GT ON CHINESE MARKET – 25.11.

ŠKODA AUTO expands its SUV range in China with the KAMIQ GT model. The compact SUV coupe is available with 1.5 MPI 82 kW (111 PS) and 1.2 TSI 85 kW (115 PS) engines. The model

will be available in Ambition and Style versions. The car can connect to smartphones with Apple CarPlay, Baidu CarLife and MirrorLink. The Czech car manufacturer offers five different SUVs in its largest market worldwide - KODIAQ, KODIAQ GT, KAROQ and KAMIQ.

CTK COMMISSION TO PREPARE END OF COAL SCENARIOS FROM 2030 ONWARDS – 25.11.

The Czech coal commission's working groups will prepare coal phaseout scenarios for individual years from 2030 to 2050 by January next year, environmentalists Jan Rovensky of the Czech branch of Greenpeace and Jiri Kozelouh of Friends of the Earth (Hnutí Duha) told journalists after the commission's meeting today.

The commission is to meet again on December 16.

Based on what scientists are recommending in order to avoid catastrophic impacts of climate change, the Czech Republic as well as other advanced countries should abandon coal around 2030, Kozelouh said.

In realistic terms, the end of coal may come between 2040 and 2050, MP and commission member Jan Zahradnik said.

The coal phaseout must go hand in hand with securing new sources of energy such as nuclear energy and renewable sources, the commission agreed, Industry and Trade Minister Karel Havlicek, who co-chairs the commission, said on Twitter. Havlicek along with Environment Minister Richard Brabec, the other co-chairman, and other commission members held talks with representatives of the German coal exit commission today.

Both commissions established close cooperation, Havlicek said.

The main task of the German commission was to find a solution for the regions that will be most affected by the phaseout, the commission's former chairwoman Barbara Praetorius told journalists after the talks.

The German commission decided in January that Germany will abandon coal energy by the end of 2038 at the latest. The most affected German regions are to receive support of EU40bn in the form of structural aid in the next 20 years.

Czech coal mining regions of Usti, Karlovy Vary and Moravia-Silesia would find solution mainly in shifting from coal to other sources of energy, particularly renewable sources, Kozelouh said.

The National Energy Strategy envisages that there will be more jobs in the sector of renewable sources than in the coal-mining industry in the future, Kozelouh added.

Some 50 activists, mainly from the Extinction Rebellion movement, staged a demonstration outside the government's office in Prague during the coal commission's meeting. They demanded an immediate shutdown of coal-fired power plants in the Czech Republic.

Along with the coal mining decline, the 19-member commission deals with the overall energy mix in the Czech Republic, including renewable sources and nuclear power. The commission meets once a month. Its first fundamental conclusions can be expected at the end of 2020, according to Brabec.

The Czech Republic is one of four European countries that mine both brown and black coal, the Europe in Data portal said in a press release today, adding that the remaining three countries are Germany, Poland and Romania.

Czechia's 48 percent share of energy generated from coal is more than twice higher than the EU's average, which is 20 percent, the portal said.

With last year's output of 39 million tonnes of brown coal, the Czech Republic is the third biggest brown coal miner in Europe after Germany and Poland, it added.

According to data from the Energy Regulatory Office (ERU) for last year, the biggest amount of electricity was generated in Czechia by brown-coal-fired power plants (43 percent), followed by nuclear power plants (about one third) and renewable sources (11 percent).

CIA ČEZ ISSUES BONDS TOTALLING EUR 750M – 25.11.

ČEZ has set the price of the bond issue totalling EUR 750m with a coupon of 0.875%, due in 2026, at 110 basis points above the reference mid-swap rate with a resulting issue price of 99.126%. The expected issue date is December 2, 2019. The issue will be issued under the existing Euro Medium Term Note program. Its leading managers are Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft and HSBC France.

CIA TRANSPORTMIN: GOVT APPROVES LINE ACT – 26.11.

The government has approved faster preparation of building projects and the so-called Line Act is now heading to the Chamber of Deputies of the Parliament. The Ministry of Transport of the Czech Republic informed that the amendment accelerating the construction of transport, water and energy infrastructure aims to shorten the preparation time of buildings under 10 years from the current 13. The proposed amendment also aims to simplify permitting processes that prevent the timely start of construction.

CTK SOME 60 PCT OF LORRIES REGISTERED IN NEW TOLL SYSTEM SO FAR – 26.11.

Road hauliers have registered 274,000 vehicles or 60 percent of the expected number, and over 180,000 lorries are yet to be registered in the toll system that will be launched in Czechia on December 1, system operator CzechToll said today.

Another problem is a low number of on-board units (163,000) distributed among the firms as they failed to meet conditions to get them, CzechToll said.

Traffic jams at borders may be up to 12 km long.

The new system will be operated by a consortium of Czech firm CzechToll, part of entrepreneur Petr Kellner's group PPF, and Slovak firm SkyToll.

Vehicle registrations in toll collection system by countries

Country	Estimated number of vehicles to get registered	Number of vehicles registered	Vehicle registrations (%)
Poland	54,000	64,000	54
Czechia	21,000	108,000	84
Germany	21,000	7,000	26
Romania	20,000	15,000	43
Hungary	6,000	16,000	72
Slovakia	8,000	18,000	70
Lithuania	2,000	14,000	88

CTK DIGITALISATION OF CZECH GOVERNANCE IS SLOW – 27.11.

The digitalisation of the civil service is slow even though the Czech Republic invested 75 billion crowns in it between 2012-2018, according to a Supreme Audit Office (NKU) report released today.

The NKU stated that the main causes of the slowness of the country's digitalisation are low access to information, slow legislative changes, obsolete information systems and a lack of experts.

There are 4,658 agenda information systems that provide online services in the Czech Republic, but only 26 percent of citizens used them in 2018.

"Out of the 97 million transactions made through data boxes, non-entrepreneur individuals only account for 0.65 percent," the NKU said, adding that citizens have only very little information about e-governance.

"It is also crucial that there is no legislation for many life situations the citizens should solve electronically and any law regulation usually comes into effect significantly later," the NKU said.

The Chamber of Deputies recently passed a bill on the citizens' right to digital services, according to which Czechs should be able to handle their official dealings with the state through electronic means.

The paper form of contact will stay in place, however, mainly for the sake of senior citizens.

In effect, institutions should require the citizens to enter the required data into the system only once and they should be able to find any additional information from registries.

The bill will be addressed by the Senate in the near future.

The NKU also stated that the modernisation of crucial civil service information systems, created in the 1990s, is also very slow and presents a significant obstacle to the development of public digital services.

"By a large margin, the reason behind the slow modernisation is the technological dependence on suppliers," the office said.

"In the long-term, the country is also unable to secure ICT personnel and supplements a large number of specialist positions through outsourcing," the NKU added.

The number of ICT experts in the overall number of specific positions within the state's organisational bodies is 3.3 percent. In comparison, the country's financial sector, which went through a wave of decisive digitalisation shifts, the proportion is 9.5 percent.

"Last but not least, a major complication for the effective development of the Czech Republic's e-governance is the fragmented system of applying the civil service's delegated power," the NKU said.

Czech regions and towns manage a total of 1,788 public administration information systems established at a cost of roughly nine billion crowns and incurring a yearly cost of 1.7 billion crowns.

TRADE & INVESTMENT

CTK GOVT TO PRESENT NATIONAL INVESTMENT PLAN BY CHRISTMAS – 22.11.

The Czech government will present a national investment plan by Christmas, Prime Minister Andrej Babis said today, adding that the plan gives a picture of the overall investment potential in the Czech Republic.

Last year, Babis said the plan comprised over 17,000 projects worth Kc3,450bn for 2019-2030.

At a meeting of Czech construction leaders, Babis revised the figures to 20,000 and Kc5,000bn, respectively.

The Czech economic activity is slowing down and the cabinet therefore prepared a plan of investments to boost GDP growth, in addition to export and consumption, Babis said.

The plan shows what investments are needed in the country in the years ahead, he said.

"It's not for us, it's for the future governments to get to know what the (investment) potential is," Babis said.

The plan will be submitted for public discussion, he added.

By 2022, the plan will finance projects worth Kc1,226bn.

As of December 1 this year, trucks will not be allowed to overtake on two sections of D1 motorway from Prague to Brno, Babis said at the meeting of the construction leaders, adding that he agreed on the measure with Interior Minister Jan Hamacek and police.

The ban will be imposed between kilometre 79 and 103.5 in the Brno direction and between kilometre 133.5 and 104 in the Prague direction, said Babis.

CTK STATE WANTS TO LAUNCH 21 KM OF NEW MOTORWAYS IN 2020 – 25.11.

A total of 21 kilometres of new motorways should be put into operation in 2020, which concerns two D6 sections and one D48 section, and the state also plans to finish an upgrade to three sections of the D1 motorway and 24 kilometres of town bypasses, the Czech Transport Ministry said.

The state has been facing criticism about slow construction. This year, 34 kilometres of new motorways will be launched, but it was a mere four kilometres last year.

The new motorways ready for launch in 2020 cost the state Kc23.6bn, and it wants to invest Kc51.3bn in new motorways in 2021, Transport Ministry Vladimir Kremlík said.

The ministry also plans to invest in railways, envisaging Kc27.1bn for 2020, Kc45.6bn for 2021 and Kc32bn for 2022.

The main problem in motorway construction is the preparation. The process often takes up to 13 years, which is much longer compared to other countries like Germany where it lasts about seven years on average, experts said.

The ministry expects a law amendment to speed up the preparation process by up to a third.

A total of 260.3 kilometres of road construction projects are under way, with 138 kilometres being new motorways, the ministry said.

Czechia has about 1,256 kilometres of operating motorways and over 5,642 kilometres of first-class roads.

LABOR & SOCIAL & HEALTH & EDUCATION

CTK UNIVERSITY STUDIES IN FOREIGN LANGUAGE MAY BE FOR FREE – 21.11.

People interested in university studies in a foreign language may be able to study for free under an amendment to the higher education law the Czech Education Ministry is drafting, Milan Pospisil, the chairman of the Council of Universities (RVS), told journalists today.

At present, the law stipulates that students have to pay for the studies in a foreign language, while in the future, the schools themselves are to decide on this. The universities would welcome the amendment, Pospisil said.

The change is mainly to relate to the foreign students who express interest in studying in the Czech Republic, Pospisil said.

"This is very important when it comes to gaining quality postgraduate students for the studies in the Czech Republic, which we consider a large contribution," he added.

Pospisil said at present, mainly medical faculties used the payment for studies in a foreign language, especially on the level of the bachelor's and master's studies.

"For them, this is quite a good source of income, which is good," Pospisil said.

However, other faculties often face difficulties with the compulsory fees for studies in a foreign language, he added.

"In technical and science studies, there are lots of students who would come to study to the Czech Republic if this were not paid," Pospisil said.

Foreigners can already study without fees in foreign-language programmes such as in Germany and other Western European countries, he added.

The ministry has finished the draft of the amendment and now experts from inside and outside it will send their comments on it, Pospisil said.

However, most of foreign university students are Slovaks. On the basis of a bilateral agreement, Slovaks are allowed to study in their mother tongue in the Czech Republic and vice versa. The Slovak and Czech languages are quite similar and people can understand the neighbouring country's language without major problems.

The Czech Republic and Slovakia formed one state, Czechoslovakia, until 1993.

In the past few years, the number of students from the post-Soviet republics has increased steeply. Most of them do not cover their studies either as they attend study programmes in Czech at public universities.

In the past decade, the number of foreigners at Czech higher education institutions surged from 8 percent to roughly 15.5 percent of all students, having reached about 44,800 last year.

Most of the foreigners studied in Czech, while 8,000 of them paid their studies in a foreign language. In all, there were 290,099 students in the latest academic year in the Czech Republic.

PWC: AUTOMOTIVE EMPLOYEES SICK THE LONGEST AT 13.6 DAYS – 22.11.

The highest number of absences from work comes from employees in the insurance business (17.9 days in 2018), the automotive industry (16.2) and industrial production (14.2). The lowest rate of absence is reported by employees in high-tech companies (6). From the survey of consulting company PricewaterhouseCoopers (PwC ČR), it further appears that the longest time on sick leave is spent by employees in the automotive segment. Their sick leave lasts 13.6 days on average.

DOCTORS COMPLAINING ABOUT UNPAID CARE – 23.11.

Outpatient doctors did not have their performed care for 5.5 billion crowns paid for six years, Milan Kubek, the chairman of the Czech Doctors Chamber (CLK), said at its national congress today.

Health insurance companies do not respect the relevant decrees, while the money on their accounts keeps growing, Kubek said.

Using the data from health insurance companies, the CLK compared the care recognised by them according to the list of the performed health work and the real payment from the health insurance companies.

"The gap is considerable. Outpatient doctors are the most hit group as 5.5 billion crowns or 4 percent of all the care were not paid to them over six years," Kubek said.

The figures are from 2012 to 2017, while in the latter year, 1.3 billion remained unpaid. "Naturally, there are individual differences between the providers as well as between individual groups and professional branches," Kubek said.

The health insurance companies do not pay according to the list of the performed health care, while the money on their bank accounts was growing. In 2018 alone, 14.5 billion crowns more were there, up from 30.5 billion in 2017, he added.

The approved plans reckoned with the growth of 1.7 billion crowns. "They planned 1.7 billion, but they saved 14.5 billion. How could they save the money? At the expense of patients and us, nowhere else," Kubek said.

The CLK is a professional organisation with compulsory membership. Now it has about 52,200 members, 43,000 of whom are active doctors.

In 2018, the number of doctors' full-time jobs increased, but doctors' departures to retirement increased as well, Ladislav Dusek, the director of the Institute of Health Information and Statistics (UZIS), said at the congress.

Dusek said medical faculties should enroll more students. Or else, the numbers of new doctors would not be sufficient to replace the retiring doctors and the access to healthcare might worsen.

According to the UZIS data, there were 42,012 full-fledged doctors' jobs in 2017. In 2018, there were 42,488 or 476 more. Medical faculties produced 1,420 doctors, 1,113 of whom were Czech citizens. According to the figures, roughly 800 new doctors should be added to the Czech healthcare.

"How comes that only 476 jobs were added? Many doctors are leaving for demographic reasons," Dusek said.

He warned that almost 37 percent of doctors in outpatient clinics were 60 and older.

If this does not change, more doctors will retire than enter the system, Dusek said.

CZECH DOCTORS UNIVERSALLY ISSUING E-PRESCRIPTIONS – 24.11.

Some 65 million e-prescriptions have been issued this year in the Czech Republic, while the figure for the whole of 2018 was 58.5 million, Health Minister Adam Vojtech (for ANO) told Czech Television today.

This year, the number of the doctors issuing e-prescriptions also rose to the current 44,790, who are in the relevant system, Vojtech (for ANO) said.

By the end of last year, the e-prescriptions system registered 42,000 actively cooperating doctors.

"As one can see, the number keeps rising," Vojtech said.

"Virtually everyone is in the system and the system fully works," he added.

In the Czech Republic, 95 percent of prescriptions are issued in the electronic form, which is not usual abroad.

"In our country, the system virtually surged from nil to all but '100' within a year," Vojtech said.

Doctors have the duty to register electronically all the issued prescriptions since January 2018. The Czech Doctors Chamber (CLK) had warned that the increase in the bureaucracy might make some doctors leave the job. The Health Ministry has said this has not been confirmed.

Electronic sick notes will be used as of January 2020. Vojtech said today doctors would be able to use the same certificate as for the e-prescriptions for their issuance.

CTK CZECHIA'S JOBLESS RATE LOWEST IN EU FOR THIRD TIME IN 2018 – 25.11.

The Czech Republic's jobless rate was 2.2 percent in 2018, making it the lowest level in the European Union for the third consecutive year, while Greece recorded the highest at 19.3 percent, according to the Statistical Yearbook 2019 made public by the Czech Statistical Office (CSU) today.

The EU average was 6.8 percent and the euro area recorded an 8.2 percent jobless rate last year.

Czechia's unemployment rate was also the lowest compared to countries outside the EU such as Japan (2.4 percent) and Iceland (2.7 percent).

The Czech economic growth rate was 3 percent last year, which was faster than both the EU's and the euro area's average, which was 2 percent and 1.9 percent, respectively. Ireland saw the biggest growth at 8.2 percent.

Czech living standards approached the average in the EU countries, with per capita gross domestic product, based on purchasing power parity, rising to 90 percent of the EU average from the previous 89 percent. The figure was the lowest in Bulgaria at 50 percent of the EU average.

Czechia's unemployment rate is higher this year than in 2018, but still remains low. It stood at 2.6 percent in October 2019, seeing 196,500 people without a job. Analysts expect the unemployment rate to grow next year as a result of an economic slowdown.

CTK MINIMUM WAGE TO RISE TO 14,600 CROWNS AS OF JANUARY – 27.11.

The minimum wage is to rise by 1250 crowns to 14,600 crowns as of January, representatives of the government coalition parties, ANO and the Social Democrats (CSSD) agreed today, public Czech Television (CT) has reported.

The government is yet to approve this.

PM Andrej Babis (ANO) confirmed to CTK that the coalition had reached consensus on the rise in the minimum wage.

The minimum wage, which was most recently raised in January 2019, stands at 13,350 crowns a month now. Trade unions demanded its increase by 1,640 crowns, to 15,000, at least, while employers offered a 700-crown increase.

As the Tripartite Council, comprised of the government, trade unions and employers, failed to strike a deal, the decision on the minimum wage level is up to the cabinet.

The Labour and Social Affairs Ministry has drafted three variants of a possible increase by 1,150, 1,350 or 1,650 crowns. Labour and Social Affairs Minister Jana Malacova has (CSSD) supported the medium rise by 1,350 crowns.

Finance Minister Alena Schillerova (for ANO) previously said the minimum wage increase should correspond to the growth of other wages. She originally supported the lowest proposed rise.

The guaranteed wage, that is the lowest pay according to professional qualification and the job's character, is also to rise with the minimum wage. It is to increase from the current scope of 13,350-26,700 crowns to 14,600-29,200 crowns as of January.

The Labour Ministry is to prepare the text of the government directive on the minimum wage rise and submit it to the government for approval. Its next meeting is scheduled for December 9.

The government never before decided on the minimum wage rise so late at the end of the year.

In the previous election term, Bohuslav Sobotka's (CSSD) the cabinet of the CSSD, ANO and the Christian Democrats (KDU-ČSL) almost always approved the minimum wage rise in August or September and only once in early October before the previous general election in October 2017. Babis's cabinet announced the minimum wage rise in mid-November last year.

CTK MEAL VOUCHERS ALTERNATIVE TO COST STATE BUDGET KC21BN A YR – 27.11.

Alternative to meal vouchers introducing a flat sum paid directly to employees could cost the state budget over Kc21bn a year, according to an analysis of Grant Thornton company presented at today's press conference by the Union of Employers' Association.

The Finance Ministry, planning to introduce the alternative system in 2021, rejects the study's outcome and methodology.

The Finance Minister Alena Schillerova said that the new system would not cost the state budget more than Kc2bn, however, a calculation of the audit and tax advisory company has shown that the amount reaches Kc21.4bn, the Union president Jiri Horecky said.

The actual impact will be Kc2bn a year, the ministry said.

The idea is not to introduce a new tax relief but easier and more effective employee benefits which one million people do not get because of high commissions of meal voucher companies, and administration, the ministry said.

If companies which do not offer meal vouchers or company cafeteria joined the flat sum system, the state budget's tax income would decrease by Kc8.6bn.

The impact of those that do offer meal benefits could hit the budget later but it could amount to up to Kc10.6bn, Grant Thornton's Jiri Kohler said.

Employers will introduce the new system because it will provide them with an option to raise employee income without higher taxes and mandatory payments, Kohler said.

The Kc21.4bn represents over 50 percent of this year's budget deficit. The sum would be enough to increase spending on research and innovations by more than 50 percent, for example, the Union's executive director Vit Jasek said.

The Finance Ministry is preparing an income tax law amendment introducing direct meal payments. It would include 25 percent of employees, which is about one million people, who do not get meal vouchers, according to the ministry.

The current system has a negative tax impact worth Kc3bn, the ministry said. The money gained by meal voucher companies mostly goes abroad.

If the amendment becomes effective, the tax income drop would be Kc5bn but it would, to a large extent, stay with Czech companies and sole traders. The study does not consider that money spent in the alternative flat-sum system would stay in Czechia, helping the state's tax income, the ministry said.

The Union represents 62 associations with more than 19,000 organisations and their more than 750,000 employees. Grant Thornton is active in 135 countries.

MISCELLANEOUS

CZECHIA EIGHTH IN SUSTAINABILITY GOALS AMONG EU COUNTRIES – 21.11.

The Czech Republic is eighth among EU member countries in fulfilling sustainability goals, improving mainly in the fight against poverty, but seeing a slight decline in its climate protection measures, according to the latest Europe Sustainable Development Report released on Tuesday.

The report measures each country's success in achieving the 17 sustainable development goals set by the United Nations organisation.

According to the report, the Czech Republic is in first place among the countries of Eastern and Central Europe, leaving behind even some of the older EU member countries like the UK, Belgium or the Netherlands.

"The report shows that in regards to its approach to sustainable development, the Czech Republic can stand among the most advanced countries of the world. We fulfilling the goals completely in the area of poverty, we are very good at fulfilling water management goals and our results are not bad even in the areas like the sustainability of cities and environmental protection. We can still do more in the fight against climate change, especially due to our high greenhouse gas emissions in energy production," Deputy Environment Minister Vladislav Smrz said.

The report emphasises environmental protection and the decrease in emissions, but its two other pillars are social and economic development.

Same as last year, the Czech Republic has the lowest number of citizens threatened by poverty among all EU countries. It also reached a high evaluation in the subcategory of the long-term unemployment rate, which is lowest among all EU countries.

The Czech Republic also achieved improvements in the extent of its protected areas, important for the protection of biodiversity, as well as in the high quality of its groundwater. In the category of fighting against climate change, the report shows a worsening trend, caused mainly by excessive CO2 emissions during energy production.

The report also notes some shortcomings in the health of the Czech population, threatened by excessive alcohol and tobacco consumption. The country also seems to suffer from a worsening obesity issue.

In regards to the education subcategory, the Czech Republic saw its assessment fall due to its worse results in PISA tests and a low share of scientists in the population.

The data used in the report were provided by the European Statistical Office (Eurostat) and the Sustainable Development Goals (SDG) Index, compiled by a team of authors led by Columbia University's Jeffrey Sachs.

The UN's 2030 Agenda for Sustainable Development was ratified in September 2015 and contains 17 different commitments that should lead to specific results by 2030, including the ending of poverty and hunger, ensuring good health and well-being for all at all ages, ensuring quality education and lifelong learning, achieving gender equality, availability of water and sanitation, affordable and reliable energy sources and others, including the taking of climate action by regulating emissions and promoting renewable sources of energy.

The goals were accepted in the Strategic Framework Czech Republic 2030 and the implementation plan of the framework was approved by the government in 2018.

AT LEAST 1,580 CZECH FIRMS VULNERABLE TO CYBER ATTACK – 26.11.

At least 1,580 industrial control systems used by companies in the Czech Republic are vulnerable to a cyber attack or hacking, according to a survey conducted by Soitron, a company engaged in implementing new technologies and innovative solutions.

The scope of vulnerable firms ranges from manufacturing companies to small power plants.

Even without having to "hack" the firms surveyed, Soitron's analysts were able to get in real time into the control systems of a brewery's production line, a photovoltaic power plant or a parking lot monitored by an industrial camera.

"According to our data, two thirds of Czech companies do not use cloud solutions and rely on their own, purely secured systems. This is mainly because they installed the systems at the times when it was not so common to put emphasis on security," Algotech technology company head Frantisek Zeman said.

The reasons behind the low protection of industrial control systems consists in the requirements placed on production companies by growing automation and digitisation of control systems, Zeman said.

PRAGUE APPROVES CZK 83.8BN BUDGET – 26.11.

Prague City Council approved on November 25, 2019, the city's budget for the year 2020 in the amount of CZK 83.8bn. Investments amount to CZK 16.8bn. In the future, the city should have a surplus budget, taking into account the possible slowdown of the economy and the related decline in revenues. Priorities include infrastructure, education, social, environment and IT. The deputies will discuss the budget in December 2019.

CZECHIA OPPOSES ANY EU ASYLUM POLICY THAT INCLUDES MIGRANT QUOTAS – 27.11.

The Czech Republic will continue opposing any EU asylum policy that would introduce obligatory migrant quotas, Foreign Minister Jan Hamacek (junior government Social Democrats, CSSD) and Prime Minister Andrej Babis (senior government ANO) said today.

"We will coordinate our stance with our Visegrad Four (V4; Czechia, Hungary, Poland, Slovakia) partners," Hamacek told CTK, commenting on the new German proposal to change the EU's asylum policy.

According to the proposal, after the migrants pass an initial check at the outer border of the EU, they would be

redistributed among the member countries which would then be tasked with handling the asylum procedures.

"We strongly refuse the redistribution of migrants and we also refuse the quotas," Babis told CTK, adding that the EU must solve illegal migration in a systemic manner.

According to EU sources, Germany sent out the new proposal for the voluntary acceptance of migrants from the Mediterranean region with a note saying "a suggestion for thought."

Germany claims that the current asylum system, known as Dublin, is in need of a significant revision that would include the EU's European Asylum Support Office (EUAA) in a crucial capacity.

According to the European Commission's proposal, the EUAA should be formed on the basis of the current asylum office. It should help border countries with the initial registration of migrants at the EU's outer border.

Germany said the initial registration should take several weeks at most.

"Before they step on EU territory, the EUAA will select which country will be responsible for processing their asylum application, as well as for the final decision on whether the applicant is to receive protection," Germany said in the four-page proposal it sent to other EU member countries.

The European Commission filed a lawsuit against the Czech Republic, Hungary and Poland last year for their refusal to join the previous system.

According to the statement of the Advocate General of the Court of Justice of the EU, the three countries did not fulfil the duties ensuing from EU law when rejecting the migrant quotas.

The EU's auditors released a report in November, saying the previous system failed not only because of the opposition from some member countries, but also because of the inability of the institutions of the border countries to secure enough migrants that would fulfil the requirements for their redistribution.

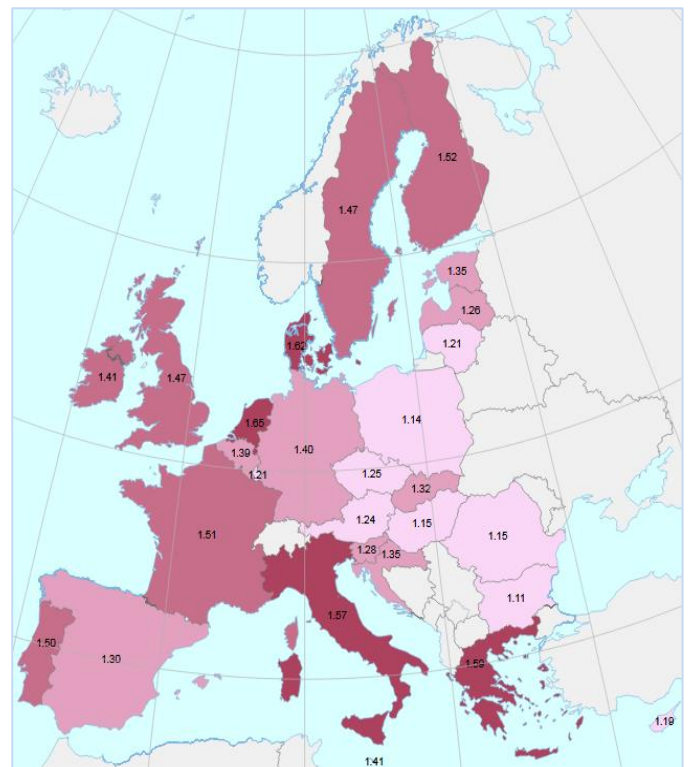
The member countries, except for the Czech Republic, Hungary and Poland, committed to accepting 98,256 migrants. The initial plan was to redistribute 160,000 migrants and in the end, the countries redistributed only 34,705 people.

The new proposal issued by Germany will be presented for a wider discussion among the interior ministers of EU member countries at their meeting in Brussels next week.

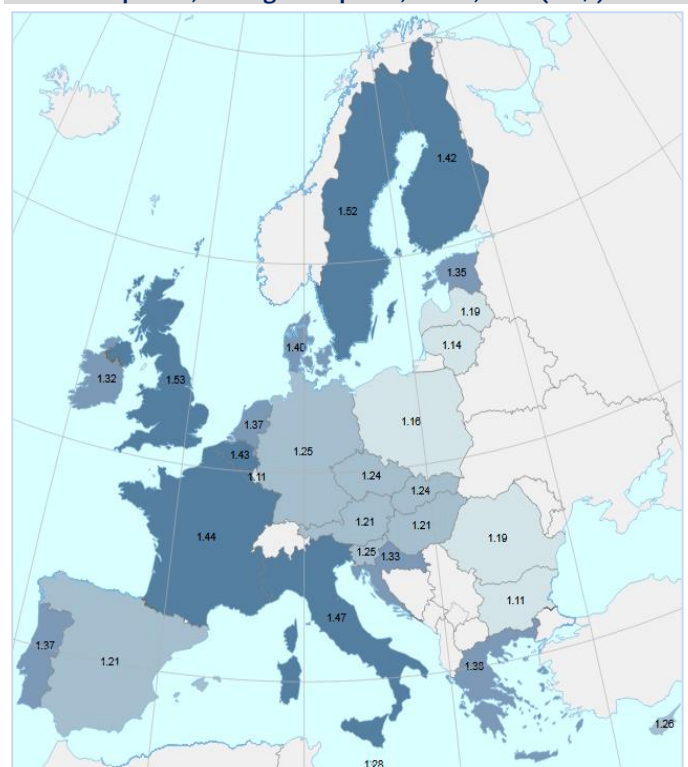
STATISTICS

FUEL PRICES IN THE EU – 18.11.

Map 1: EU, Average fuel prices, Natural 95, 18.11. (in €/l)¹

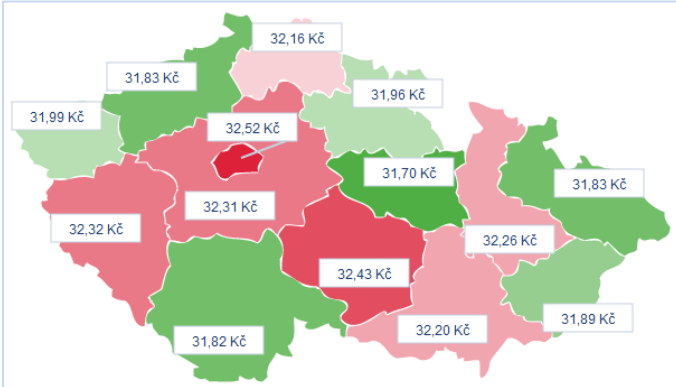


Map 2: EU, Average fuel prices, Diesel, 18.11. (in €/l)

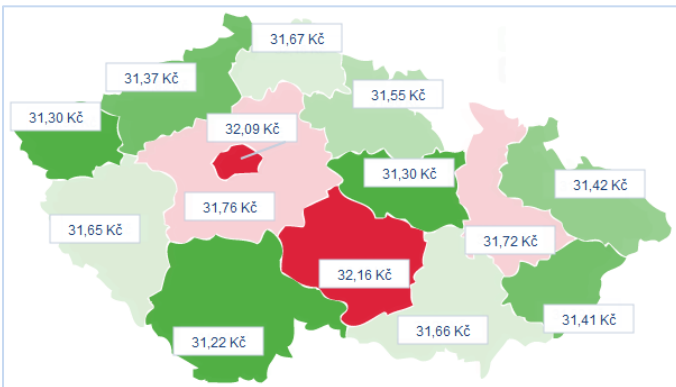


¹ data issued by the EC; <https://ec.europa.eu/energy/en/data-analysis/weekly-oil-bulletin>

Map 3: Regions, fuel prices, Natural 95, 24.11. (in CZK/l) ²

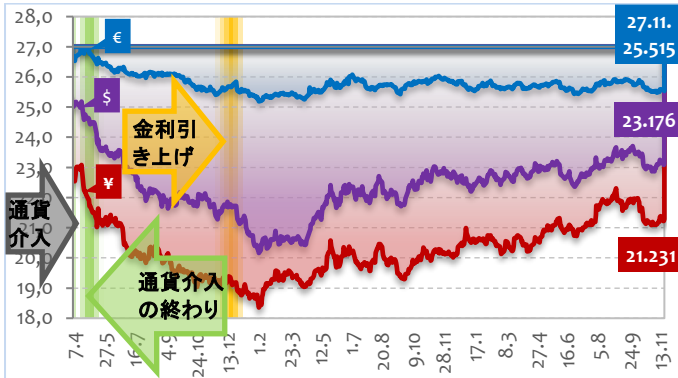


Map 4: Regions, fuel prices, Diesel, 24.11. (in CZK/l)



CZK vs. €, \$, ¥ – 27.11.

Graph 1: Exchange rates, CZK/€, \$, 100¥, 7. 4. 2017 – 27. 11. 2019



² data issued by the mBenzin.cz; <https://www.penize.cz/ceny-benzinu-a-ceny-nafty>

NEWS OUTSIDE OF THE GIVEN TIME SPAN

CIA CIA News (Česká informační agentura Ltd.); a news agency, specialising in the CR's economy and markets. It is owned by Inergo Slovakia Jsc., owned by Emil Hubinák.

CNB CNB, CNB (Česká národní banka); is the central bank and financial market supervisor in the CR and a member of the European System of Central Banks.

ČTK ČTK, Czech Press Agency (Česká tisková kancelář); a national news agency dealing with the gathering, processing, storing, and distributing of text and

pictorial information. CTK is a public corporation and is governed by the law on CTK number 517/1992 Coll.



European Commission; European Commission, is the executive body of the EU responsible for proposing legislation, implementing decisions, upholding the EU treaties and managing the day-to-day business of the EU.



Newton media; is a leading international media monitoring and analysis group with a strong operating and market presence throughout 19 offices on 10 European markets.



peníze.cz; is an online news magazine published by Partners Media, owned by Partners Financial Services, jsc.