

NEWS SUMMARY JUNE 10 – JUNE 14

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

OECD ECONOMIC SURVEYS – 10. 6.

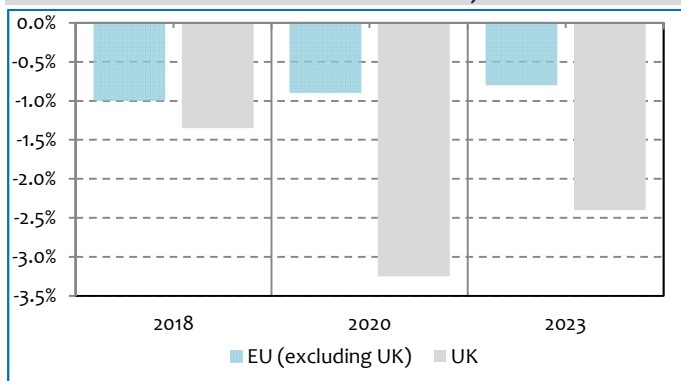
The latest OECD¹ Economic Surveys of the EU² and of the Euro Area³ underline the challenges facing European policymakers. Although growth has gradually strengthened, unemployment in many countries is still high, investment remains below pre-crisis levels in most European countries, and credit growth is still sluggish.

The European economy is gradually recovering but further policy action will be required to address unresolved legacies of the global economic crisis that are weighing on growth and major new concerns that have emerged.

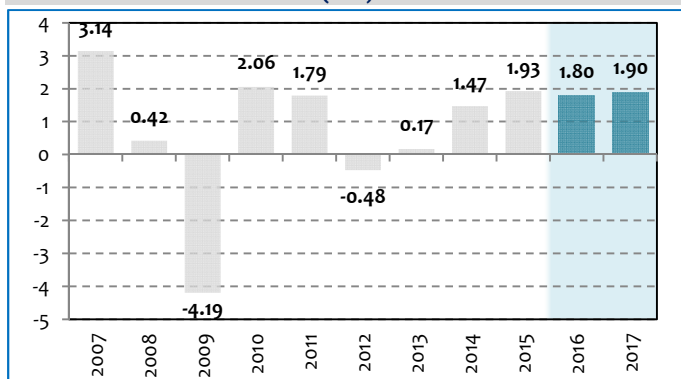
The Surveys project EU GDP⁴ will grow by 1.8% this year and 1.9% in 2017, while GDP in the euro area will grow by 1.6% this year and 1.7% in 2017.

The OECD addresses a number of downside risks facing the European economy, most immediately that posed by a possible United Kingdom vote to leave the EU. Brexit would lead to economic uncertainty and hinder trade and foreign direct investment flows both of the UK and the EU, hurting growth. EU GDP would decline by 1% in 2018 and still be almost 1% lower in 2023 than without Brexit.

Graph 1: Effects of Brexit on real GDP in the UK and the EU (in %, difference from baseline)



Graph 2: Real GDP growth in the EU (21 OECD member countries), (in %)



¹ OECD: Organisation for Economic Development and Cooperation

² EU: European Union

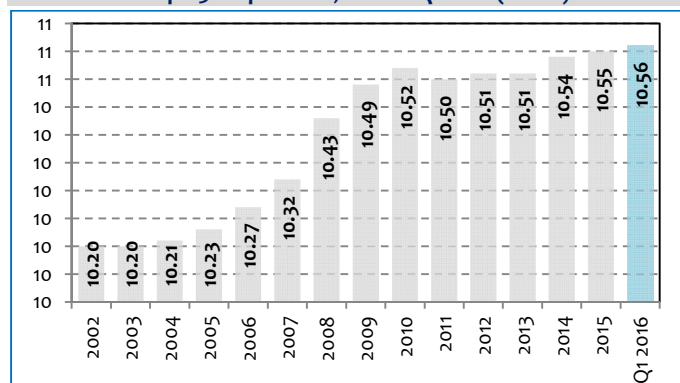
³ Euro Area: is a monetary union of 19 European Union (EU) member states that have adopted the euro (€) as their common currency and sole legal tender.

⁴ GDP: Gross domestic product

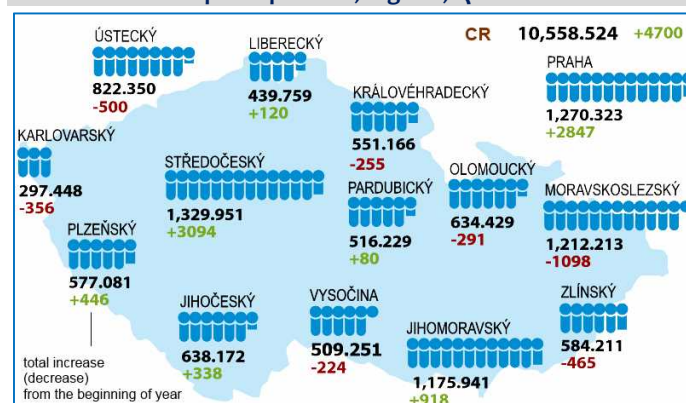
POPULATION GROWTH – 13. 6.

The population of the CR increased by 4,700 to 10,558,500 during the Q1⁵ 2016. The increase resulted from the positive net migration (5,500) only; the natural change was negative (-900). In the y-o-y⁶ comparison the number of live births (27,100) slightly increased, the number of deaths (28,000) increased as well as the number of marriages and divorces.

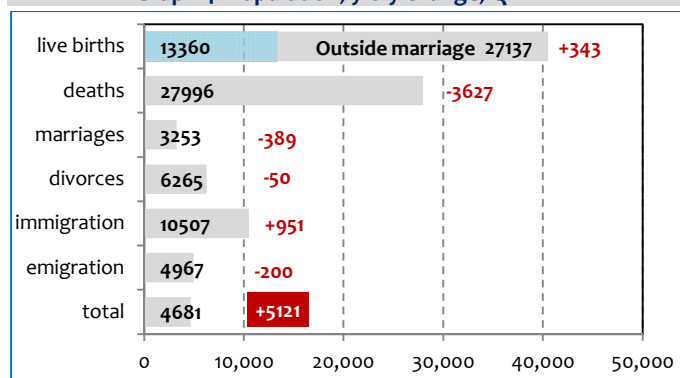
Graph 3: Population, 2002 – Q1 2016 (in mn)



Map 1: Population, regions, Q1 2016



Graph 4: Population, y-o-y change, Q1 2016



According to the preliminary data there were 10,500 people immigrated to the CR from abroad and 5,000 people emigrated from the CR in the Q1 2016. The net migration was positive at the level of 5,500 and it was by 1,200 higher than in the Q1 in 2015. The highest net migration was registered with citizens of Slovakia (1,400) and Ukraine

⁵ Q1: 1st quarter of the year

⁶ Y-o-y: Year on year

(700), who dominated in the immigration flow. The 3rd highest migration balance belonged to citizens of Romania (300) and the citizens of Vietnam took the 4th place (300). The net migration of the Czechs remained positive (+17), but they formed the largest group among the emigrants.

AGRICULTURE & ENVIRONMENT

ME PREPARES PROGRAMS TO FIGHT DROUGHT – 10. 6.

The ME⁷ will launch a new programme for municipalities focused on securing drinking water for people and searching for new sources in July, ME Minister Brabec said, adding that CZK⁸ 300mn⁹ will be set aside for this.

The sum will be provided from national sources, but the ministry wants to spend almost CZK 7bn¹⁰ from European subsidies on further programmes.

In a 2nd subsidy programme, the ministry wants to motivate people to better use rainwater.

People could get a subsidy of up to 50% to buy large barrels for rainwater in gardens.

The ME wants to test the programme mainly in dry regions, such as southern Moravia and in the Labe (Elbe) valley and the Ohře valley in west Bohemia.

The ME announced conditions by the end of this summer, depending on how much money will be available.

Brabec said he would like up to CZK 1bn to be spent on the measures to fight drought that cannot be covered by EU subsidies from national sources in the future.

The ME is preparing other programmes to fight drought that hit the county in the past years and this year. The flow in some streams is at 20% of the July values now.

Brabec said the price of both ground and surface water will be gradually raised in the years to come.

ENERGY & TRANSPORT & CONSTRUCTION

DIRECT AIR LINK BETWEEN VIETNAM AND CR – 12. 6.

MF¹¹ Minister Babiš will push to establish a direct air link between the CR and Vietnam. He made the statement ahead of a conference on electronic cash registers in the Vietnamese SAPA market in Prague. The aim of the conference is to launch cooperation between the MF and Finance Administration and the country's Vietnamese community.

INDUSTRY & TRADE

FIRMS PLANNING TO EXPAND WORKFORCE – 14. 6.

9% of Czech firms plan to take on more employees in the Q3¹², according to a survey conducted by Manpower Group¹³. The survey was conducted among 750 employers in the public and private sector. 3% of firms said they would be laying off staff in that period. According to the Manpower there is a growing demand on the market not just for highly qualified workers but for low-skilled workers as well.

86% of employers do not expect any changes. The Net Employment Outlook for the CR in the Q3 2016 is +6%,

⁷ ME: Ministry of Environment

⁸ CZK: Czech Crown, the currency of the CR since 8 February 1993

⁹ Mn: Million

¹⁰ Bn: billion

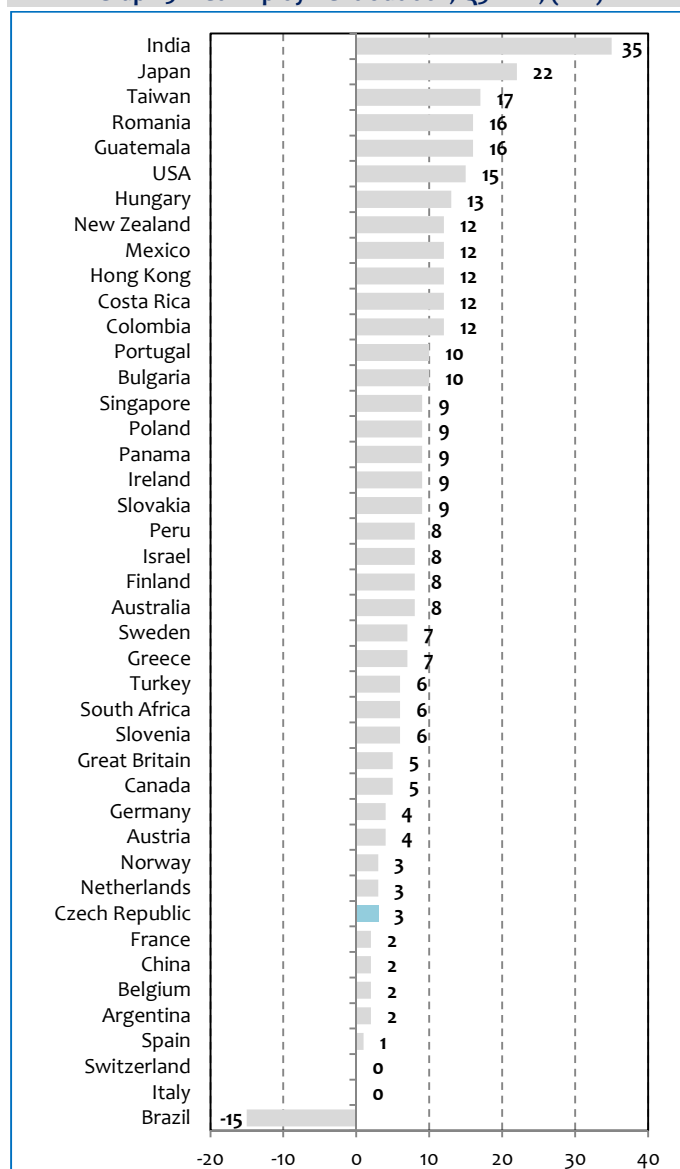
¹¹ MF: Ministry of Finance

¹² Q3: 3rd quarter of the year

¹³ Manpower: Manpower Group is an American multinational human resource consulting firm headquartered in Milwaukee, Wisconsin, USA. Manpower provides recruitment and assessment, training and development, career management, outsourcing, and workforce consulting.

seasonally adjusted +3%. Compared with the previous quarter and compared to the same period last year, the Index is relatively stable.

Graph 5: Net Employment Outlook, Q3 2016, (in %)



LABOUR & SOCIAL & HEALTH

PART OF STATE LOAN TO OKD MIGHT NOT BE REPAYED – 12. 6.

MIT Minister Mládek has conceded that part of the CZK 1bn loan that the state is considering lending the bankrupt coal mining company OKD might not be repaid. Mládek said the money should be used primarily to pay wages to employees and to finance requalification courses, adding that in such case the state should undergo the risk. OKD declared bankruptcy at the beginning of May, following a long decline due in large part to plummeting coal prices. The right-wing opposition is against the state providing assistance to the private company.

POLITICS & SECURITY

CZECH POLITICIANS FOR BRITAIN TO STAY IN EU – 13. 6.

Czech politicians from parties across the political spectrum support Britain's remaining in the EU and believe that its

departure would harm the EU as well as Czech citizens in Britain, a survey CTK¹⁴ conducted has shown.

Czech politicians also fear a possible further splitting of the EU and the emergence of similar referendums in other countries. PM¹⁵ Sobotka previously said he does not wish Brexit because it could foment a wave of nationalism and separatism across Europe.

POLICE PRESIDENT TO COMPLETE REFORM – 14. 6.

Police President Tuhy wants to complete the police overhaul even after having given his explanation to the state attorneys relating to the plan earlier on Monday, MI¹⁶ Minister Chovanec said.

The state attorneys are checking whether the prepared police overhaul may be connected with the plan to get rid of Robert Šlachta, head of the elite police UOOZ¹⁷, which appeared 3 years ago.

On Friday, Šlachta resigned in protest against the restructuring. He is to leave the police on June 30.

The police command wants to build a single NCOZ¹⁸ that is newly to be comprised of the UOOZ and the UOKFK¹⁹.

The police command wants to build the NCOZ as a body with 5 special departments dealing with organised crime, terrorism, cyber-crime, most serious financial crime and corruption, headed by a single director.

Critics say the changes might affect the investigation into some complicated cases.

The overhaul, backed by MI Minister Chovanec (ČSSD²⁰), is rejected by MF Minister Babiš (ANO²¹). The issue has caused a serious rift between two major coalition government partners, the ČSSD and ANO.

Chovanec said he resented the fact that the investigation was being conducted "with a live transmission." Chovanec and Tuhy also discussed the issue with President Zeman. Chovanec said Zeman would express his attitude to the affair on Tuesday.

Chovanec said he had asked Tuhy whether his questioning had changed his view of the restructuring. "He said absolutely not. He is firmly decided to submit and complete it," Chovanec said.

He said it had never happened before that this type of investigation was conducted "live" and that both police and state attorneys expressed their views publicly. "I hope that this will stop very soon," Chovanec said.

NSC TO DEBATE POLICE REFORM – 14. 6.

The NSC²² is to meet on Tuesday evening to discuss a planned reform of the police force which has divided the governing coalition and sparked concerns regarding its possible impact on the investigation of ongoing corruption cases. MI Minister Chovanec is to present the planned changes in greater detail and address the reservations of those present. Besides the members of the NSC the PM has invited MJ²³ Minister Pelikán, Supreme State Attorney

¹⁴ CTK: The Czech News is a national public service news agency in the Czech Republic. It publishes in Czech, Slovak, and English

¹⁵ PM: Prime Minister

¹⁶ MI: Ministry of the Interior

¹⁷ UOOZ: Squad for Uncovering Organised Crime

¹⁸ NCOZ: National Centre against Organised Crime

¹⁹ UOKFK: Office for Uncovering of Corruption and Financial Crime

²⁰ ČSSD: Czech Social Democratic Party, centre-left party

²¹ ANO: ANO 2011, centre-right party

²² NSC: National Security Council

²³ MJ: Ministry of Justice

Zeman, Prague High State Attorney Bradáčová, Olomouc State Attorney Ištván, Police President Tuhy and his deputy Laube. MF Minister Babiš, who threatened to walk out of the coalition if the reform were implemented, has confirmed that he will attend the meeting.

POLLS & SURVEY & OTHERS

POLL: MOST CZECHS ARE SATISFIED WITH THEIR LIFE

2/3 of the Czech public are satisfied with their life, according to a poll conducted by the CVVM²⁴.

Dissatisfaction was expressed by 12% and over 1/5 of Czechs gave the neutral answer "neither satisfied nor dissatisfied." Compared to April and last year, the satisfaction with life has not much changed.

Sociologists have found out that in the past 3 years, roughly since mid-2013, there has been an obvious trend of growth in satisfaction, which followed a decrease between the 2nd half of 2011 and 2012.

Satisfaction with life grows along with education, income and subjectively perceived living standards of one's own household.

It falls along with growing age. A relatively high satisfaction with life was expressed by managers, senior professionals, people living in households with three to five members and voters of the right and ANO.

Pensioners, divorced, widowed people, people from one-member households and voters of the left as well as undecided voters tend to be less satisfied than the rest.

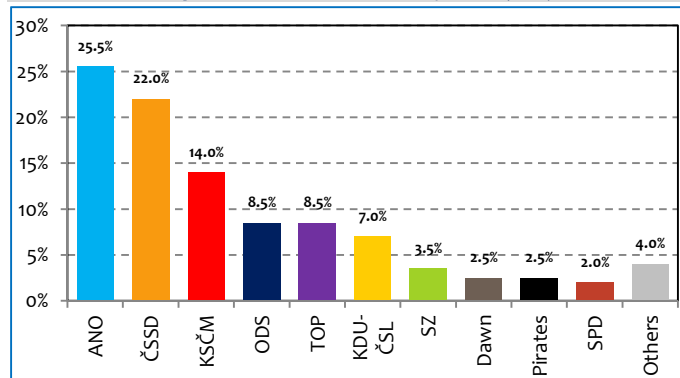
CHINA'S LOAN FOR MUCHA'S SLAV EPIC - 11. 6.

China is to pay CZK 2.7mn to Prague City Hall for the planned loan of the Slav Epic, a series of paintings by Alphonse Mucha, the CNA²⁵ reported, citing the draft of a memorandum concerning the loan. The paintings are set to be displayed in Japan during the Q1 2017 and in China from mid-2017 until May 2018. According to the memorandum, the Chinese party should also finance the transfer of the paintings and the insurance costs. The Slav Epic will be on display in Prague until the end of the year. John Mucha, the grandson of the Art Nouveau painter, had previously said he was against the plan to exhibit the painting in China.

ANO WOULD WIN ELECTIONS AHEAD OF ČSSD – 14. 6.

The ANO movement would win a general election in the CR with 25.5% of the vote ahead of ČSSD with 22%, according to an election model of the Median²⁶.

Graph 6: Election model, May 2016 (in %)



²⁴ CVVM: Public Opinion Research Centre of the Institute of Sociology of the Academy of Sciences of the CR

²⁵ CNA: Czech News agency

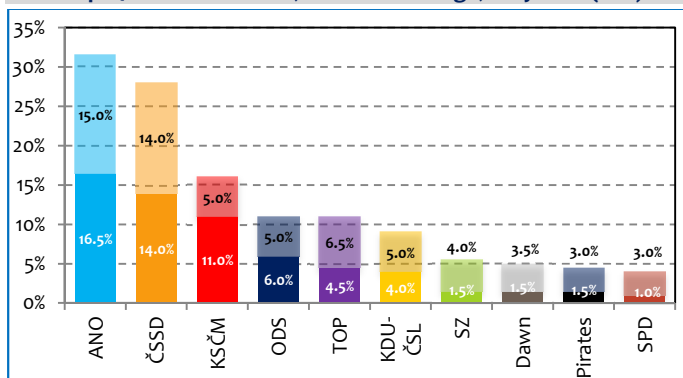
²⁶ Median: a research agency in the area of market research, media and public opinion.

The difference between the election gain of the first two parties has slightly increased in the past quarter, compared to the end of last year.

The poll was conducted before a dispute between the ČSSD and ANO about the police restructuring erupted.

Support for the ODS has decreased, but so slightly that it might be within the statistical margin of error.

Graph 7: Election model, Potential change, May 2016 (in %)



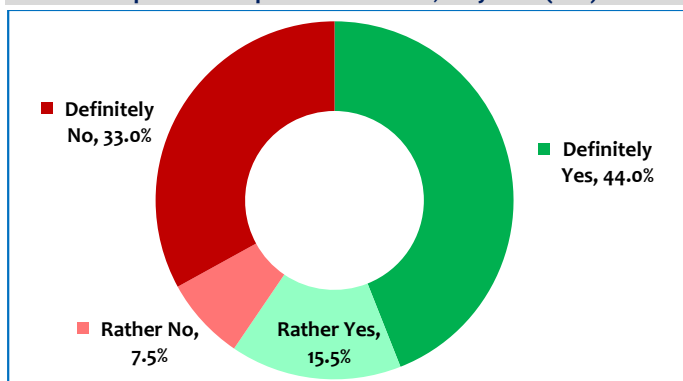
However, the core of the ODS voters has been a bit stronger than that of TOP 09 in the past few months, Median said.

The SZ²⁷ would win 3.5%, which is 1% more than the Dawn²⁸ and the Pirates²⁹ would get each. The FDD³⁰ would be supported by 2%. However, the election potential of the Greens is over 5% and the potential of the Dawn, Pirates and Okamura's movement is about 5%.

It cannot be ruled out that parties would enter the lower house, agency noted. Support for Dawn slightly dropped after it withdrew from cooperation with the Bloc against Islam.

The statistical margin of error is up to 3.5% for large parties and 1% for small parties. Election turnout would be 59.5%.

Graph 8: Participation in election, May 2016 (in %)



The Median poll was conducted on a sample of 1034 people over 18 years from May 5 to 7.

²⁷ SZ: The Green Party is a Czech political party, based on the principles of green politics, such as social justice and nonviolence

²⁸ Dawn: Dawn - National Coalition, formerly (from June 2014 to August 2015) Dawn of Direct Democracy or (from June 2013 to June 2014) Tomio Okamura's Dawn of Direct Democracy, is a right-wing populist and Eurosceptic political party in the Czech Republic.

²⁹ Pirates: The Czech Pirate Party is a political party in the Czech Republic, founded in 2009. It is a member of the European Pirate Party. The main topic of the Pirate Party is information and its fundamental meaning in modern society. The Pirates are focused mainly on civil liberties, sharing of information, effective use of technologies and privacy protection.

³⁰ FDD: Freedom and Direct Democracy is an Eurosceptic, national-liberal and pro-direct democracy political party in the Czech Republic. The party was founded in May 2015 by Tomio Okamura and Radim Fiala after a split of a few MPs from the Dawn of Direct Democracy, now Dawn - National Coalition.

© CIA News (Česká informační agentura)
 Czech Press Agency (Česká tisková kancelář)
 Czech Statistical Office (Český statistický úřad)
 Public Opinion Research Centre (Centrum pro Výzkum Veřejného Mínění)
 EBS.cz E15
 European Commission
 Hospodářské noviny
 Labour Office of the Czech Republic
 Lidové noviny
 ManpowerGroup
 Median
 Organisation for Economic Development and Cooperation
 Právo
 Radio Prague (Český rozhlas)