

NEWS SUMMARY JANUARY 19 – JANUARY 25

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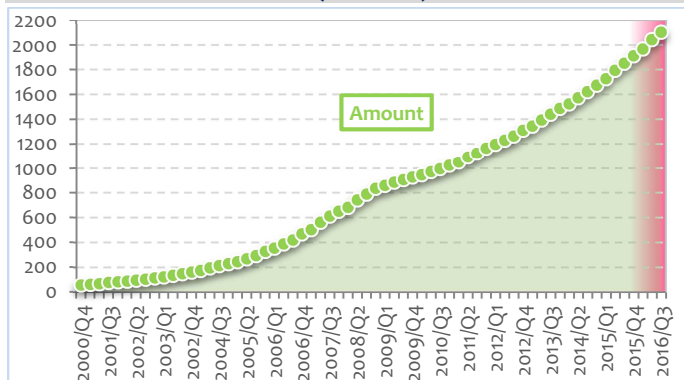
ECONOMY & FINANCE



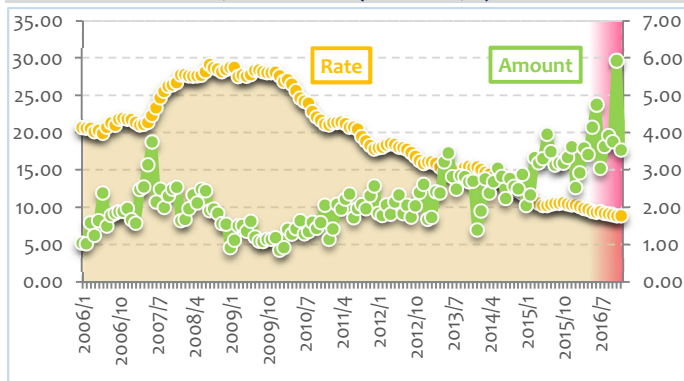
MORTGAGE MARKET – 19. 1.

The average interest rate on mortgages hit record-low of 1.77% in November, stagnated at 1.77% in December.

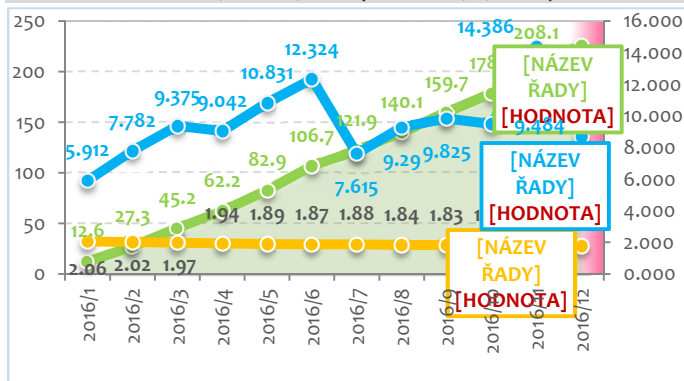
Graph 6: Total mortgage development, total amount, q-o-q¹, 2000-2016 (in CZK bn)



Graph 6: Mortgage development, households, amount, rate, m-o-m, 2006 – 2016 (in CZK bn, %)



Graph 6: Mortgage development, households, total amount, rate, number, m-o-m, 2016 (in CZK bn, %, units)



The value of new mortgages extended in December 2016 dropped to CZK²17.66bn³ from CZK 29.68bn in November. The number of signed contracts dropped to 8,684 from 14,386.

¹ Q-o-q: quarter on quarter

² CZK: Czech Crown, the currency of the CR since 8 February 1993

³ Bn: billion

Czech mortgage numbers increased by nearly 10,000 y-o-y⁴ to a record-breaking 114,550 last year and the volume of mortgages grew from 2015's CZK190.42bn to CZK225.8bn. The previous record of 104,639 mortgage loans was registered in 2015.

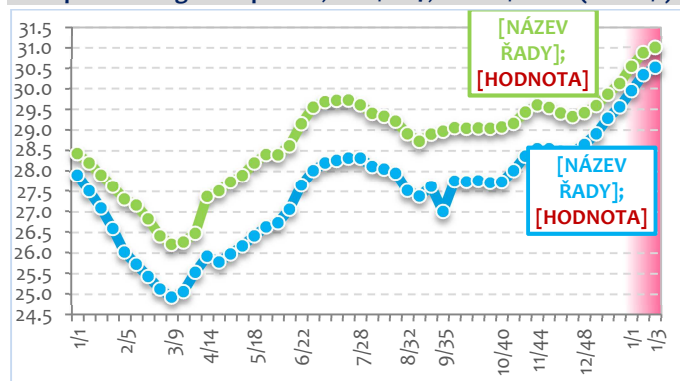
As of October of last year the CNB⁵ recommended that banks should not provide 100% mortgage loans. Another - more important - change whose impacts have not yet been visible is the new law on consumer loans that took effect in December. The CNB is ready to toughen housing loan conditions if the domestic property market is overheated.



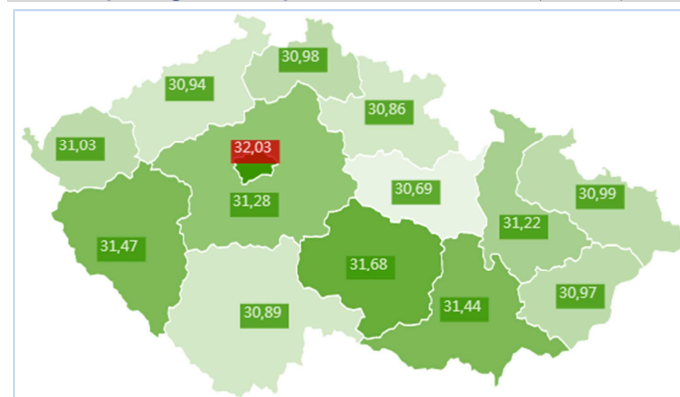
AVERAGE CONSUMER FUEL PRICES – 20. 1.

Fuel prices rose again over the past week and the price of petrol Natural 95 has added 8h⁶ to CZK31.16/l⁷. The price of diesel oil grew by 10h to CZK30.45/l.

Graph 1: Average fuel prices⁸, 2016/2017, Month/Week (in CZK/l)



Map 1: Regions, fuel prices, Petrol, 20. 1. 2017 (in CZK/l)



⁴ Y-o-y: year on year

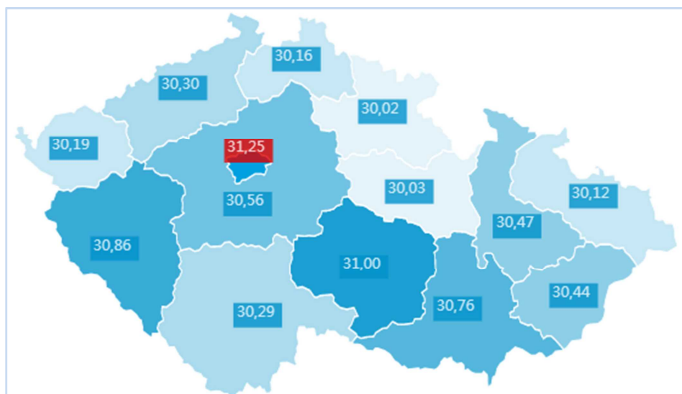
⁵ CNB: Czech National Bank, is the central bank and financial market supervisor in the CR with its headquarters in Prague and a member of the European System of Central Banks. In accordance with its primary objective, the CNB sets monetary policy, issues banknotes and coins and manages the circulation of currency, the payment system and settlement between banks. It also performs supervision of the banking sector, the capital market, the insurance industry, pension funds, credit unions and electronic money institutions, as well as foreign exchange supervision.

⁶ H: Heller, a term was used for a coin valued at 1/100 of a CZK, it continues to be used as a means of calculation since the CNB removed the coins themselves from circulation in 2008 and notionally replaced them with rounding to the next CZK.

⁷ l: litre, is an SI accepted metric system unit of volume equal to 1 cubic decimetre (dm³), 1,000 cubic centimetres (cm³) or 1/1,000 cubic metre.

⁸ Consumer price indices calculated from the weekly price survey are not qualitatively adjusted and thus do not express the net price development applied at inflation measurement.

Map 2 Regions, fuel prices, Diesel, 20. 1. 2017 (in CZK/l)

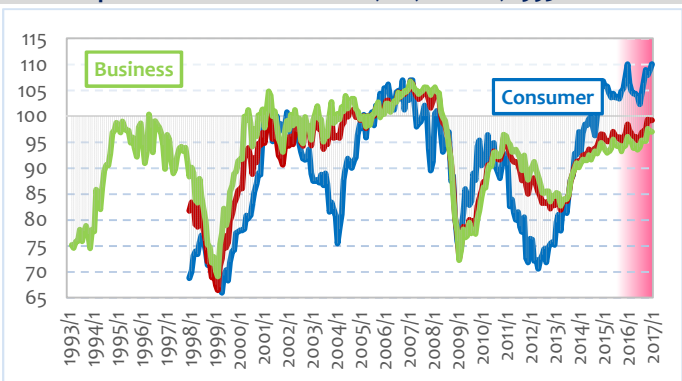


Czech fuel prices have been growing steadily since the end of November 2016. The growth in fuel prices in the CR⁹ has lately slowed down significantly. The price of oil fell moderately on the global market in the last 2 weeks and the rate CZK/\$ got stabilised. Therefore fuel prices are expected to stagnate or grow by just a few hellers in the coming week.

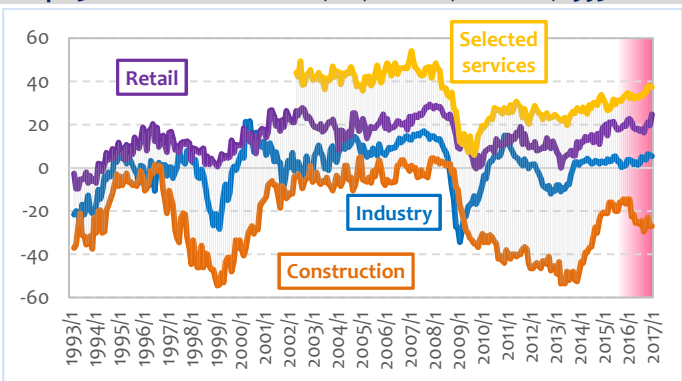
BUSINESS CYCLE SURVEY¹⁰ – 24. 1.

Overall confidence in domestic economy almost unchanged in January. The composite confidence indicator¹¹ increased very slightly by 0.1 p.p.¹² to 99.2, m-o-m¹³.

Graph 2: Confidence Indicators, SA, Overall, 1993 – 2016



Graph 3: Confidence Indicators, SA, Sectors, balances, 1993 – 2016



Confidence of entrepreneurs decreased very slightly by 0.1 p.p. to 97.0 compared to December. Consumer confidence indicator increased by 1.3 p.p. to 110.0, m-o-m. Composite confidence indicator and entrepreneurs' confidence

⁹ CR: the Czech Republic

¹⁰ monthly data (long term average = 100), seasonally adjusted

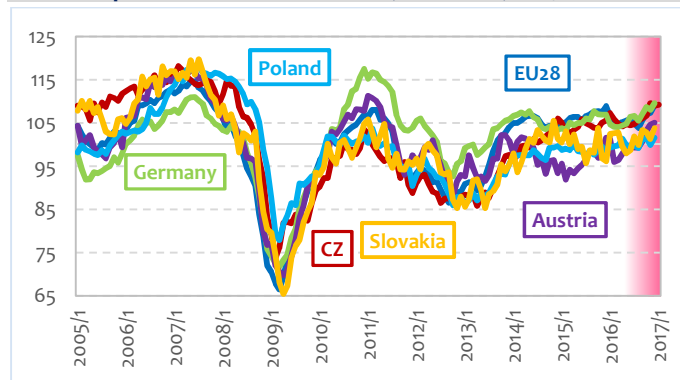
¹¹ economic sentiment indicator, stated by basic indices

¹² P.p.: percentage point

¹³ M-o-m: month-on-month

indicator are higher, consumer confidence indicator is the same, compared to January 2016.

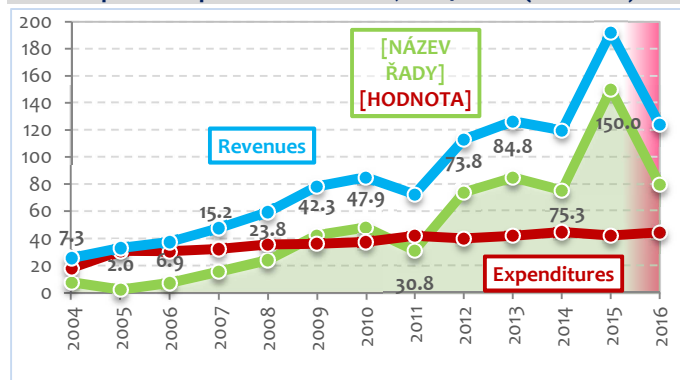
Graph 4: Confidence Indicators, Countries, 2005 - 2016



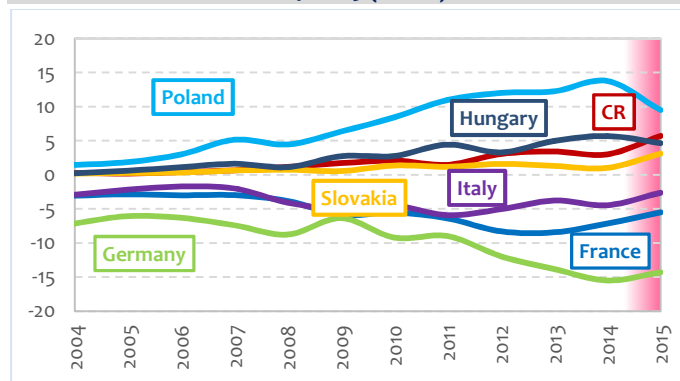
3RD HIGHEST NET GAIN FROM EU IN 2016 – 24. 1.

Last year the CR received some CZK79.6bn more from the EU¹⁴ than it paid into the EU27¹⁵, according to the MF¹⁶. It was the 3rd highest net gain for the CR since it joined the EU in 2004. The CR has obtained more from the EU than it has paid in for each of the last 12 years.

Graph 6: Net position¹⁷ of the CR, 2004 - 2016 (in CZK bn)



Graph 5: Operating budgetary balances, selected EU countries, 2004 - 2015 (in €bn)



¹⁴ EU: European Union, is a politico-economic union of 28 member states that are located primarily in Europe. It has an area of 4,324,782 km², and an estimated population of over 510mn. The EU has developed an internal single market through a standardised system of laws that apply in all member states. EU policies aim to ensure the free movement of people, goods, services, and capital within the internal market, enact legislation in justice and home affairs, and maintain common policies on trade, agriculture, fisheries, and regional development. Within the Schengen Area, passport controls have been abolished. A monetary union was established in 1999 and came into full force in 2002, and is composed of 19 EU member states which use the euro currency.

¹⁵ EU27: 27 member states of the EU, which are party to the founding treaties of the union and thereby subject to the privileges and obligations of membership.

¹⁶ MF: Ministry of Finance

¹⁷ Net position: difference between revenues from EU and payments to it

ENVIRONMENT & HEALTH & SOCIAL

SENATE APPROVES ANTI-SMOKING BILL – 19. 1.

The Senate¹⁸ has approved a bill that should introduce a broad ban on smoking in pubs and restaurants. According to MH¹⁹ Minister Ludvík, the bill is a vital step in protecting public health and particularly that of the young generation which frequently tops the European ladder in tobacco and alcohol abuse. If the draft bill is signed by the president it should come into force in May of this year.

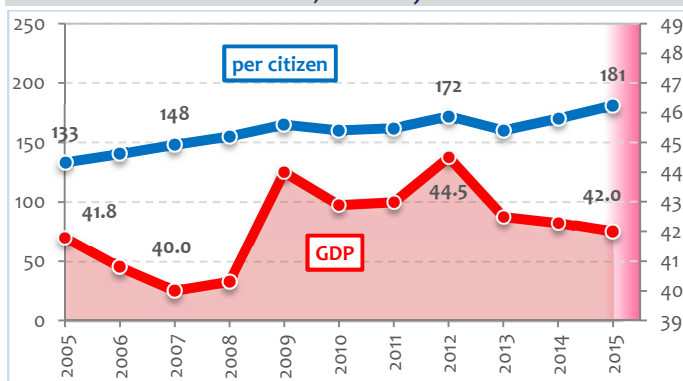
ME TO SUPPORT TERRITORIAL INVESTMENTS – 19. 1.

The ME²⁰ together with the SFŽP²¹ opened 7 new calls from the OPŽP²². The authority will support projects of strategic importance contributing to the development of the given region and/or municipality, such as water management projects and/or removal of old environmental burdens. Applicants will divide more than CZK1.4bn.

SPENDING ON SOCIAL BENEFITS – 19. 1.

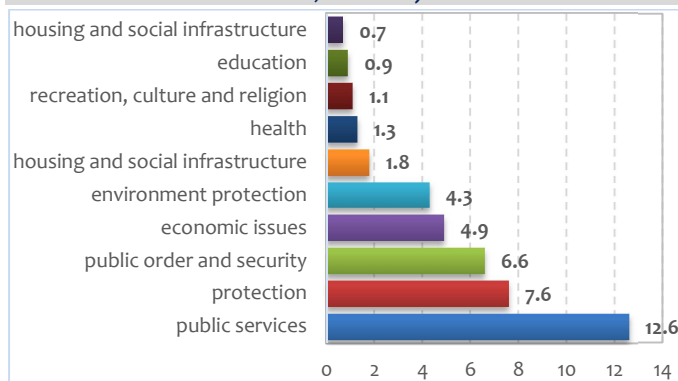
Spending on social benefits accounted for 12.5% of GDP²³ in 2015, being the biggest part of ministries' and other government institutions' expenditures, which amounted to 42% of GDP.

Graph 6: Government institutions' expenditures, 2005 – 2015 (in CZK, % of GDP)



Ministries, health insurers and institutions including schools and hospitals spent CZK1,900bn in 2015, which is p.p. less compared to 2014.

Graph 6: Government institutions' expenditures, 2005 – 2015 (in CZK, % of GDP)



Spending on employees' wages and salaries represented 8.7% of GDP. Other major government institutions' expenditures included health care, accounting for 7.6% of GDP, and economic spending such as investment subsidies with 6.6% of GDP.

On the other hand, housing and social infrastructure expenditure represented a mere 0.7% of GDP, defence accounted for 0.9% and environment protection for 1.1%. Government institutions spent CZK225bn on education, which is 4.9% of GDP, and CZK84bn on public order and security, accounting for 1.8% of GDP. Expenditure on transport saw the biggest annual increase due to a y-o-y growth in investment subsidies.

The CR's expenditure on social protection was lower compared to spending in the EU countries, while Czech spending on health care and education was higher.

There are 18,000 government institutions in the CR.

SUBSIDIES DID NOT IMPROVE STATE OF ENVIRONMENT – 23. 1.

The SAO²⁴ reports that CZK9.4bn allotted by the ME from EU and state funds in the years 2013 – 2015 did not improve the state of the environment. The SAO says the ME failed to assess the suitability and effectiveness of some projects. The ME denies that the subsidies did not bring improvements.

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SLOVAKS' INTEREST IN WORKING IN CR IN DECLINE – 24. 1.

Slovak wages are growing faster than Czech ones, which is why Slovaks' interest in working in the CR is in decline, and Czechs still do not show a big interest in relocating to Slovakia, employment agencies said.

Czech and Slovak wages are more or less the same and so people are not motivated enough to move for work to the neighbouring country, the agencies agreed.

The Q3²⁵ average wage in the CR grew by CZK1,170 y-o-y to CZK27,220.

According to data of the Slovak Statistical Office, the average wage reached EUR889 (CZK24,020) in the same year-ago period.

The CSO's²⁶ data shows that more than 105,000 Slovaks currently live in the CR. The biggest influx was registered

¹⁸ Senate: the Senate of the Parliament of the CR, usually referred to as the Senate, is the upper chamber of the Parliament of the Czech Republic. The seat of the Senate is Wallenstein Palace in Prague.

¹⁹ MH: Ministry of Health

²⁰ ME: Ministry of Environment

²¹ SFŽP: State Environmental Fund

²² Environment Operational Programme

²³ GDP: Gross domestic product

²⁴ SAO: Supreme Audit Office

²⁵ Q3: 3rd quarter of the year

²⁶ CSO: Czech Statistical Office, is the main organization which collects, analyses and disseminates statistical information for the benefit of the various parts of the local and national governments of the CR. It accomplishes this goal through the management of the Czech Statistical Service.

after the split of the then Czechoslovakia in 1993. Slovaks' inflow continued until the start of the crisis in 2008, when the average wage in Slovakia was 14% lower than that in its western neighbour.

Platy.cz portal said that Slovak wages are now 2% higher (than Czech ones). "The situation changed markedly after Slovakia joined the euro in 2009 ..., " and if Slovaks want to work abroad, they go further westwards to find an economically attractive job.

The number of foreigners has nearly doubled in the CR since 2004. The biggest groups are Ukrainians (23%), Slovaks (22%) and Vietnamese people (12%). There are 8% of Russians, 5% of Germans and 4 % of Polish living in the CR.

The number of EU people may be higher than registered by Czech authorities because they do not need any residence permits.

ENERGY & INDUSTRY & TRANSPORT & TRADE



SALES IN EET SYSTEM – 19. 1.

More than 43,000 entrepreneurs are in EET²⁷ system in which the MF registers 119mn²⁸ receipts and sales reported for December reached almost CZK20bn.

A year earlier, CZK10bn was reported in sales. The CZK10bn difference are sales which were not earlier reported, MF Minister Babiš added.

The reported sales have exceeded the original estimates by roughly a ¼ and further growth is expected this year. According to a conservative estimate, the growth in VAT²⁹ collection will reach only some CZK4.3bn thanks to EET this year.



FANTA RECONSTRUCTION TARGET SET FOR 2022 – 19. 1.

Reconstruction of the Fanta building, the historical part of Prague's Main Train Station, should be completed by 2022. It is expected to cost the RIA³⁰ CZK730mn. The 1st phase of the reconstruction, which includes renovation of the historical façade, windows and doors, should get underway in 2018. The RIA refused to extend the lease of Italian firm Grandi Stazioni after it failed to complete a renovation of the historical part of the building by October 2016.



INCREASE OF TOURISTS – 19. 1.

The number of tourists visiting the CR has been on the increase in recent years, according to Czech Tourism agency. Between 8 – 9mn tourists visited the CR last year, which is around 7% more than in 2015. According to Czech Tourism agency, the CR was regarded one of the safest countries in the world, adding to the country's popularity as a tourist destination and which is likely to continue in the future.

²⁷ **EET**: electronic cash registers system, a method of online registration of sales, when the data on each transaction of merchant are sent online to the financial administration. EET system was launched in the CR on December 1, 2016, it has been introduced already in other countries: in Croatia (2013), in Hungary (2015), where it is operated via a hybrid system of cash registers and online registration, in Slovenia (early 2016); in Slovakia, where online registration of sales is optional. Offline registration of sales using cash registers was introduced also in other 15 EU countries by 2016.

²⁸ **Mn**: Million

²⁹ **VAT**: Value-added tax

³⁰ **RIA**: Railway Infrastructure Administration



DUKOVANY PLANT HAS CLEAR PREFERENCE – 19. 1.

The SCNE³¹ gives clear preference to Dukovany NPP³² regarding the construction of a new nuclear unit in the country, MIT³³ Mládek said after meeting.

However, there is also a variant on building a new reactor unit at the other nuclear power plant at Temelín if Dukovany's enlargement is made impossible because of some technical, political and other problems, Mládek said.

The committee failed to agree on the way of financing new nuclear units in the CR, Mládek said.

Apart from Mládek, the meeting was attended by PM³⁴ Sobotka, ME Minister Brabec and MF Minister Babiš.

The MIT said that the new unit at Dukovany might replace the old units sometime between 2035 and 2037.

With regard to the current length of the permission procedure, the new unit could launch operation not sooner than in 2039, so the process should be accelerated, the ministry said.

Babiš said to LN³⁵ that as long as he serves as MF Minister the State will provide no money for the construction of new reactors. ČEZ³⁶ can easily borrow in the market, he added.

Mládek said he would prefer if a new unit was built without any guarantees from the state.

However, he is convinced that the state will have to clearly declare it is supporting the building of the new unit.

If CEZ alone financed the unit construction, an analysis should be worked out regarding the impacts of such action on its dividend policy, Mládek said.

The State has a 70% stake at ČEZ via the MF, 20% is in the hands of legal persons and the rest is held by natural persons.

6 entities have expressed interest in building a new nuclear unit in the CR, namely Rosatom³⁷, EDF³⁸, Westinghouse³⁹, KHNP⁴⁰, CGN⁴¹ and Atmea⁴².

³¹ **SCNE**: Standing Committee for Nuclear Energy

³² **NPP**: Nuclear Power Plant

³³ **MIT**: Ministry of Industry and Trade

³⁴ **PM**: Prime Minister

³⁵ **HN**: Lidové noviny Daily

³⁶ **ČEZ**: ČEZ Group is a conglomerate of 96 companies (including the parent company ČEZ, a.s.), 72 of them in the CR. It is involved in the electricity generation, trade, distribution and heat, as well as coal mining.

³⁷ **Rosatom**: Rosatom State Atomic Energy Corporation, a state corporation (non-profit organization) in Russia, established in 2007, the regulatory body of the Russian nuclear complex. It is headquartered in Moscow. Rosatom is the only vendor in the world able to offer the nuclear industry's entire range of products and services. It runs all nuclear assets of the Russian Federation, both civil and weapons. Along with commercial activities which move forward nuclear power and nuclear fuel cycle facilities, it acts as a governmental agent, primarily in the field of national security (nuclear deterrence), nuclear and radiation safety, basic and applied science.

³⁸ **EDF**: Électricité de France S.A., a French electric utility company, largely owned by the French government. Headquartered in Paris, France, with €65.2 billion in revenues in 2010, EDF operates a diverse portfolio of 120+ gigawatts of generation capacity in Europe, South America, North America, Asia, the Middle East and Africa.

³⁹ **Westinghouse**: Westinghouse Electric Company LLC, a US based nuclear power company founded in 1999 offering nuclear products and services to utilities internationally, including nuclear fuel, service and maintenance, instrumentation, control and design of nuclear power plants. As of 2014 Westinghouse builds and operates approximately one-half of the world's operating nuclear plants. Toshiba Group is the majority owner of Westinghouse.

⁴⁰ **KHNP**: Korea Hydro & Nuclear Power, a subsidiary of the Korea Electric Power Corporation (KEPCO). It operates large nuclear and hydroelectric plants in South Korea, which are responsible for about 40% of the country's electric power supply. It was formally established in 2001 as part of a general restructuring at KEPCO,

⁴¹ **CGN**: China General Nuclear Power Group is a major clean energy corporation under the State-owned Assets Supervision and Administration Commission of the State Council of the State Council. CGN has operating nuclear plants at Daya Bay Nuclear Power Plant, Ling Ao Nuclear Power Plant, Hongyanhe Nuclear Power Plant and Ningde Nuclear Power Plant, with five new nuclear power stations under construction

Intensive talks with the potential investors will be held in the CR between January 26 and February 10. According to earlier information, the talks will be led by Ján Štuller, the Government Envoy for Nuclear Energy.

SMALL WATER POWER PLANTS TO GET STATE AID – 20. 1.

The ChD⁴³ passed a draft amendment the law on supported energy sources under which operators of some small hydroelectric power plants will be entitled to receive retroactively state aid which they were not paid last year. The amendment concerns sources that were restored or modernised between October 2013 and the end of 2015. The bill is yet to be passed by the Senate⁴⁴. According to the MIT, the change involves 88 facilities. The producers had been eligible for state aid until the end of 2015, but last year's modification of the law stated that the sources in question were launched as of January 2016 although they had actually been operating by that time.

PASSENGERS IN AIRPORT PRAGUE – 20. 1.

Václav Havel Airport Prague handled totally 13,074,517 passengers in 2016, up 8.7% y-o-y. There were totally 64 airlines flying to/from Prague on scheduled flights connecting to 146 destinations. European flights accounted for 90.2% of the traffic. Flights to UK held a share of 13%. They were followed by flights to destinations in Germany (9%) and Italy (8%). The no. of local passengers for whom Prague was the entry point or final destination grew by 9.7% y-o-y.

INVESTMENTS IN DUKOVANY MODERNISATION – 20. 1.

Investments in the Dukovany NPP related to the possibility of producing electricity in the power plant for a minimum of another 20 years have exceeded CZK18bn in the past years. The NPP will pass the related documentation on to the SONS⁴⁵ in the year 2017, which will be the last period, during which the remaining modernising projects, tests, control and checks of the equipment will be carried out in the course of several-months production stoppages. The most significant projects will include renewal of the system of management of the 2 central service stations, which will require two 50day concurrent stoppages of blocks in the course of the year.

CTO PUSHES FOR CUT LTE PRICES – 20. 1.

The CTO⁴⁶ has warned operators Vodafone⁴⁷ and O2⁴⁸ to cut wholesale prices for mobile internet services charged to

and another 2 planned. CGN operates in other emerging energy industries like wind energy and solar energy, as well as more traditional industries like hydroelectricity.

⁴² **Atmea:** a joint venture between Mitsubishi Heavy Industries and Areva that develops, markets, licenses and sells the ATMEA1 reactor, a new generation III+, medium-power pressurized water reactor. The company is headquartered in Paris.

⁴³ **ChD:** Chamber of Deputies, is the lower house of the bicameral Parliament of the CR. The seat of the Chamber of Deputies is Thun Palace in Malá Strana, Prague.

⁴⁴ **Senate:** the Senate of the Parliament of the CR, usually referred to as the Senate, is the upper chamber of the Parliament of the Czech Republic. The seat of the Senate is Wallenstein Palace in Prague.

⁴⁵ **SONS:** State Office for Nuclear Safety

⁴⁶ **CTO:** Czech Telecommunication Office, a central administrative body for the execution of state administration in matters of Electronic Communications, including market regulation and definition of the conditions for business activities in the areas of electronic communications and postal services.

⁴⁷ **Vodafone:** Vodafone Czech Republic, is a Czech telecommunications company. It is among the largest Czech companies by revenue. In 2005 the international company Vodafone, a British multinational telecommunications company, with headquarters in London, became the sole shareholder.

virtual operators or risk losing their license. The regulator said a condition of the auction of frequencies for LTE⁴⁹ network at which they acquired the licenses was to set wholesale prices that would allow virtual operators to operate profitably. CTO has given Vodafone and O2 a month in which to comply before it starts proceedings to strip them of their licenses.

ŠKODA TO DOUBLE ANNUAL SALES – 23. 1.

Škoda Auto⁵⁰ will double its annual deliveries to 2 million cars by 2025. Last year, Škoda sold a record of 1.13mn cars. According to Škoda, in 8 years, innovative infotainment and mobility services will generate the same revenues for Škoda Auto as the conventional car market does at present, which means return ability of around €1bn.

MLÁDEK PROPOSES TO BUY OKD – 23. 1

MIT Minister Mládek said he would submit a proposal to the cabinet that state-run company Diamo buy insolvent OKD⁵¹ for CZK1 and that he would send the proposal to other ministries for comments soon.

According to MF Minister Babiš, Mládek's proposal is a nonsense and a waste of taxpayer money. He sees it as a populist proposal given the approaching parliamentary election (October). He reiterated that OKD should be acquired by a private investor.

NUMBER OF CARS GROWS – 25. 1.

The number of passenger cars registered in the CR increased y-o-y by nearly 210,000 to 5.37mn units in 2016, with the average vehicle age rising by 0.2 to 14.5 years, according to the CIA⁵².

The share of passenger cars older than 10 years in the total number has been growing since 2007 despite the increase in new cars sales.

Škoda is the most common brand accounting for a 1/3 of the total number with 1.82mn registered cars. Other brands include VW⁵³ with 458,060 registered passenger cars, Ford with 403,406 units, Renault with 321,306 units and Peugeot with 300,761 vehicles.

In 1994, the share of cars with diesel engine was a mere 6.4% in the car fleet, while it was more than 35% 21 years later and the total number of diesel engine cars increased 10-fold.

⁴⁸ **O2:** O2 Czech Republic (operating under the O2 brand) is a major integrated operator in the Czech Republic. It is now operating more than six million lines, both fixed and mobile, making it one of the Czech Republic's leading providers of fully converged services. O2 Czech Republic operates a fixed and mobile network including a 3rd generation network, CDMA (for data), UMTS and EDGE, enabling voice, data and video transmission. O2 Czech Republic is also a provider of ICT services.

⁴⁹ **LTE:** Long-Term Evolution, is a standard for high-speed wireless communication for mobile phones and data terminals, based on the GSM/EDGE and UMTS/HSPA technologies. It increases the capacity and speed using a different radio interface together with core network improvements.

⁵⁰ **Škoda Auto:** is a Czech automobile manufacturer founded in 1895 as Laurin & Klement. It is headquartered in Mladá Boleslav, Bohemia, Czech Republic. The car manufacturer was acquired by Škoda Works in 1925 and became a wholly owned subsidiary of the Volkswagen Group in 2000, positioned as the entry brand to the group. Its total global sales reached 1.04 million cars in 2014.

⁵¹ **OKD:** Ostrava-Karviná Mines, a major mining company in the CR, the only producer of hard coal in the CR with an annual production of around 8-9mn tonnes from 4 mines with 23 shafts extracting coal from depths ranging from 600 to 1,300 metres below the surface.

⁵² **CIA:** Car Importers Association

⁵³ **VW:** Volkswagen is a German car manufacturer headquartered in Wolfsburg, Lower Saxony, Germany. Established in 1937, Volkswagen is the top-selling and namesake marque of the Volkswagen Group, the holding company created in 1975 for the growing company, and is now the second-largest auto maker in the world

Petrol engines with volume of up to 1,400cm³ account for the biggest share in the statistics.

HYUNDAI WINS CONTRACT FROM LČR – 25. 1.

Hyundai⁵⁴ has won LČR's⁵⁵ tender for the delivery of 411 Hyundai Tucson vehicles.

The contract is worth CZK153.2mn, i.e. CZK 362,763 per one vehicle excluding VAT and including 3-year servicing.

Hyundai is obliged to deliver the cars by September 2017.

Lesy ČR also plans to open a tender for 16 pick-up cars this year.

GREATER BOOST NEEDED FOR ELECTRIC CARS – 25. 1.

PM Sobotka has suggested that the CR should do more to increase the uptake of electric cars following the recent smog problem across most of the CR. He said that EU funds⁵⁶ could be pumped to help encourage the purchase and use of electric cars. He pointed out that the lack of a dense network of charging stations was one of the main problems and added that government ministries themselves could do more to boost their use of clean transport. A smog warning still applies in some parts of the country.

POLITICS & POLLS & SECURITY

EMPLOYERS STRESS NEED FOR MORE WORKERS – 20. 1.

Employers have criticized MI⁵⁷ Minister Chovanec for advocating a tough line with foreign workers who violate the law. The MI Minister said a foreign worker who violated the law should be sacked on the spot and should be banned from working in the country thereafter. According to a legal expert for the CCC⁵⁸, this practice would be in violation of the Labour Code, since employers can only fire an employee who has been found guilty of intentionally breaking the law. MI Minister Chovanec based his proposal on statistics that suggest a growing number of foreign workers, predominantly from Poland and Ukraine, had in recent months committed petty crime or broken the law in some way. The CCC has stressed the CR badly needs foreign workers and their lack could be a brake for future economic growth.

PM SOBOTKA SUPPORTED BY ČSSD – 22. 1.

PM Sobotka has won the support of 12 regional branches of the ČSSD⁵⁹ for defending his post at the party's national election congress in spring. He was nominated by the delegates at regional conferences in Olomouc and South Moravia. Most of the regional branches, with the exception of South Moravia, have nominated MI Minister Chovanec to defend the post of 1st deputy chairman. Mr Chovanec is also

⁵⁴ **Hyundai CZ:** Hyundai Motor Manufacturing Czech based in the Industrial Zone of Nošovice was founded in 2006.

⁵⁵ **LČR:** Forests of the Czech Republic, state enterprise based in Hradec Kralove founded by the Ministry of Agriculture. LCR main activity is the management of the majority of forests (over 1.3 million ha), which are owned by the CR. Furthermore, the company is in charge of nearly 20,000 kilometers of small watercourses.

⁵⁶ **EU Funds:** financial tools set up to implement the regional policy of the EU (CP – Cohesion Policy and CAP – Common Agricultural Policy), funds under CP consist of the Structural Funds (the ERDF – the European Regional Development Fund and the ESF – the European Social Fund), and the CF – the Cohesion Fund. Funds under the CAP, consist of the EAGF – the European Agricultural Guarantee Fund, the EAFRD – the European Agricultural Fund for Rural Development, and the EFF – the European Fisheries Fund.

⁵⁷ **MI:** Ministry of the Interior

⁵⁸ **CCC:** Czech Chamber of Commerce

⁵⁹ **ČSSD:** Czech Social Democratic Party, centre-left party

supported by the Prime Minister. The ČSSD's biggest rival in the upcoming general elections in late 2017 will be the ANO⁶⁰, which has been consistently ahead in opinion polls.

ASYLUM REQUESTS IN THE CR – 25. 1.

The CR is one of the states with the lowest per capita number of asylum applications in the EU, according to an international study conducted in the Q3 2016 by Eurostat⁶¹. While the EU average was 702 asylum requests per million residents, in the CR the number was only 28. Eurostat said that almost 1.28mn people had applied for asylum in the EU between the start of October 2015 and the end of September 2016. Only 1,265 of those requests were made in the CR.

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⁶⁰ **ANO:** ANO 2011, centre-right party

⁶¹ **Eurostat:** Eurostat is a Directorate-General of the European Commission. Its main responsibilities are to provide statistical information to the institutions of the EU and to promote the harmonisation of statistical methods across its member states and candidates for accession as well as EFTA countries.



News outside the time span of this News summary

CIA News (Česká informační agentura)
Czech Statistical Office (Český statistický úřad)
Czech Press Agency (Česká tisková kancelář)
Ministry of Finance of the Czech Republic
Radio Prague (Český rozhlas)