

NEWS SUMMARY MARCH 23 – MARCH 29

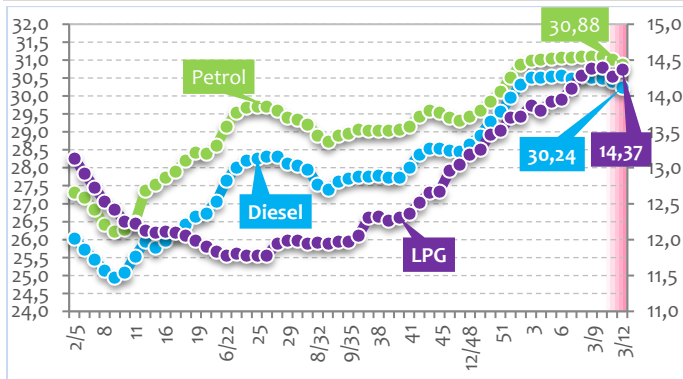
注:本報告は、チェコ政府公表資料、新聞、インターネット等報道資料をとりまとめたもの。
詳細情報については、それぞれの情報ソースを参照願いたい。

ECONOMY & FINANCE

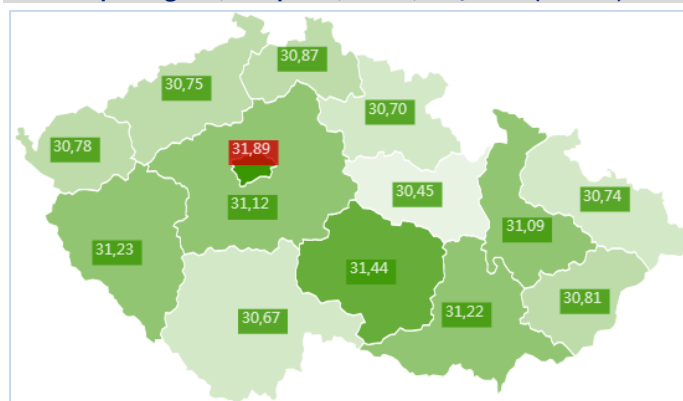
AVERAGE CONSUMER FUEL PRICES – 24. 3.

The average price of top-selling petrol Natural 95 decreased by ▲16 h¹ to CZK²31.07/ l³ over the past week. The average price of diesel oil decreased by ▲15h to CZK30.30/l.

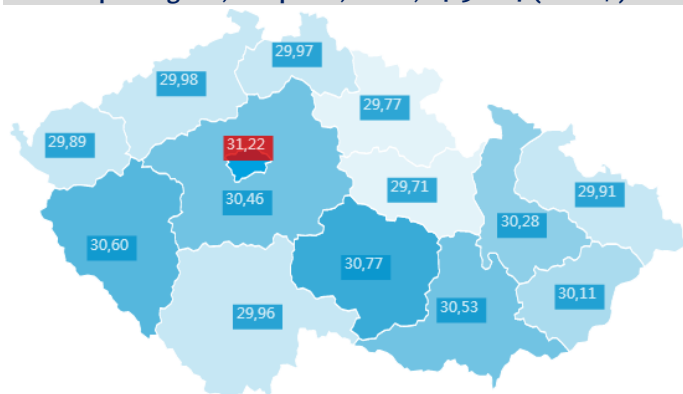
Graph 1: Average fuel prices⁴, 2016/2017, Month/Week (in CZK/l)



Map 1: Regions, fuel prices, Petrol, 24. 3. 2017 (in CZK/l)



Map 2: Regions, fuel prices, Diesel, 24. 3. 2017 (in CZK/l)



¹ 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.

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

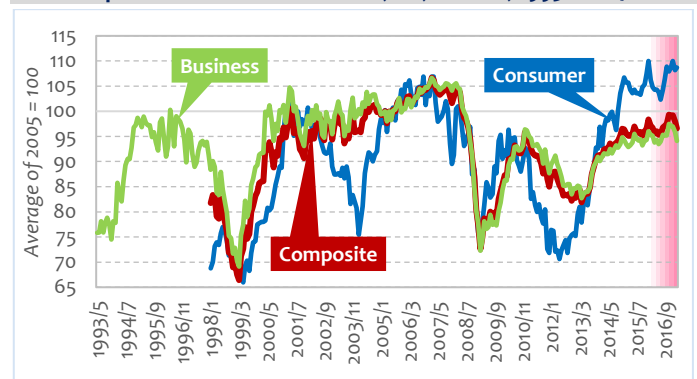
³ l: litre, is an SI accepted metric system unit of volume equal to 1 cubic decimetre (dm³), 1,000 cubic centimetres (cm³) or 1/1,000 cubic metre.

⁴ 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.

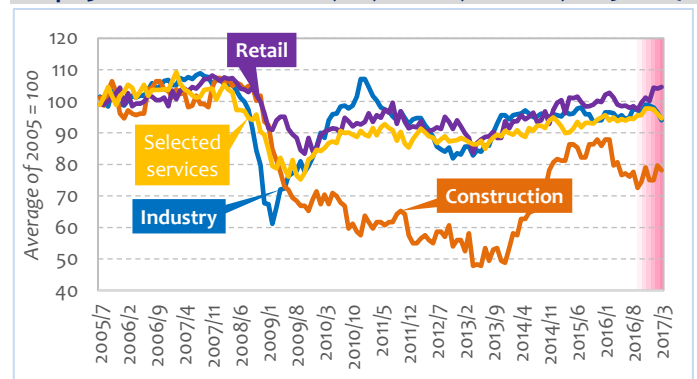
BUSINESS CYCLE SURVEY – 24. 3.

Overall confidence in domestic economy decreased in March. The composite confidence indicator⁵ that is stated by basic indices, decreased by 1.4 points to 96.6 m-o-m⁶. Confidence of entrepreneurs decreased by 1.8 p. p. to 94.1 compared to February. Consumer confidence indicator increased slightly by 0.5 points to 108.7, m-o-m. Composite confidence indicator and entrepreneur confidence indicator are lower, compared to March 2016, but consumer confidence indicator is higher.

Graph 2: Confidence Indicators, SA, Overall, 1993 – 2017⁷



Graph 3: Confidence Indicators, SA, Sectors, balances, 2005 – 2017

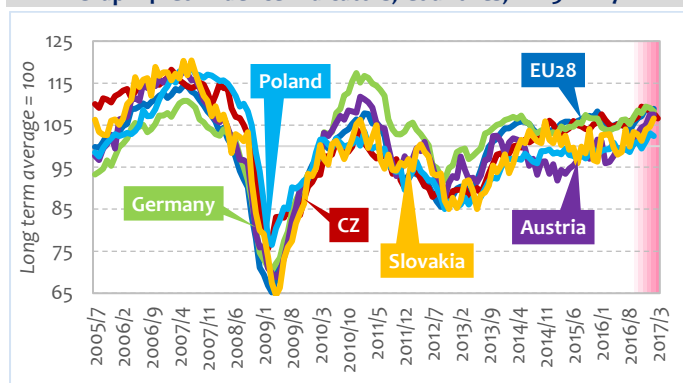


⁵ economic sentiment indicator, stated by basic indices

⁶ M-o-m: month-on-month

⁷ Base year: Base year refers to the base point in time of a time series. Normally, years divisible evenly by five are used as base years. In releases base year is noted, for example, as 2000 = 100 or 2005 = 100. The mean of the index point figures of a base year is 100. For example, in monthly indices the index point figures of the months of the base year disclose the distribution of an examined variable between different months.

Graph 4: Confidence Indicators, Countries, 2005 - 2017



CEB DOESN'T APPLY FOR SUBSIDIES FOR 2016'S

TRANSACTIONS – BURES – 28.3.

The CEB⁸ did not apply for any state budget subsidies in 2016 for business transactions carried out that year, for the first time in 12 years, and its net profit reached CZK418mn, CEB's CEO Karel Bureš said at today's Žofín Forum on exports.

In 2015, CEB reported a CZK141mn loss.

The share of CEB's loans in default decreased to roughly 43% of the total volume at the end of last year, according to a report discussed by the government in February. These loans totalled CZK42.2bn⁹ at the end of 2015, making up 51.8%.

The loans in default, dating back to 2007-2011, were linked to construction projects of glass factories, production plants and power plants to which Czech producers were supplying machinery and equipment. Some of the problematic business transactions from this period are being investigated by the police.

Based on CEB's request from January 2016, the government approved a CZK3.82bn subsidy to the bank for covering the losses from supported financing for the last quarter of 2015. The amount concerned losses connected with an unpaid loan for the construction of power plant Polyarnaya in Selechard, Russia.

Construction project of Yunus Emre power plant of Adulyarya company in Turkey, financed by CEB and insured by the EGAP,¹⁰ has not been developing positively. The loan is worth around CZK13bn, with the unpaid principal at CZK11.7bn and EGAP's involvement worth CZK16.1bn.

CEB is part of the state export support system. It provides financial products to Czech exporters and consults for exports to riskier territories and new promising markets.

CEB is owned by four ministries and EGAP.

CZECH MUNICIPALITIES, REGIONS SEE BUDGET SURPLUS RISE IN

2016 – 27.3.

Czech municipalities' budget surplus rose by CZK17.9bn to CZK39.7bn in 2016, and regions showed a CZK12.7bn surplus

after a deficit of about CZK400mn in 2015, according to data released by the MF.¹¹

Total revenues of the 6,248 municipalities amounted to about CZK279bn, which was an annual drop of CZK0.5bn. Their total expenditures fell by CZK18.4bn to CZK239.2bn.

Total revenues of regions rose by CZK7.5bn y-o-y¹² to CZK168.3bn, while their total expenditures decreased by CZK5.6bn to CZK155.6bn.

According to the ministry, the increase in regions' revenues can be contributed mainly to higher tax collection stemming from a good development of the economy. The rise was also influenced by a change in the distribution of tax revenues in favour of regions.

As of this year, regions' share in VAT¹³ revenues increased from 7.86 to 8.92%.

Last year, regions' revenues from VAT collection amounted to CZK29.5bn, CZK4.4bn more y-o-y.

Both municipalities and regions saw a notable fall in their investment expenditures. Regions' investment expenditures dropped by CZK12.8bn to CZK14.5bn.

The trend corresponds to the development of the state budget, which ended in a surplus of CZK61.8mn last year, which was the best result since the formation of the independent CR.

According to economists, the improved results are partly connected with a decrease in the government's investment expenditures on projects co-financed from EU funds.¹⁴

Total consolidated revenues of municipalities, regions, voluntary associations of regions and Regional Councils of Cohesion Regions rose by CZK0.6bn to CZK446.6bn last year. Their expenditures decreased by CZK31.8bn to CZK393.5bn.

Local budgets thus ended in a CZK53.1bn surplus, which is CZK0.7bn higher y-o-y.

Development of revenues and expenditures of local budgets (CZK mn)

Regions	2016	2015
Revenues	168,309.74	160,763.5
Expenditures	155,591.81	161,159.2
Surplus/deficit	12,717.93	-395.7
Municipalities		
Revenues	278,950.91	279,458.4
Expenditures	239,250.44	257,619.6
Surplus/deficit	39,700.46	21,838.8

FINANCIAL ADMINISTRATION COLLECTS 15% MORE Y-O-Y IN

VAT IN Q1¹⁵ – 26.3.

The Financial Administration collected CZK8.25bn more year on year in VAT in the Q1 of this year, which means nearly a 15%

⁸ CEB: Czech Export Bank

⁹ bn: billion

¹⁰ EGAP: Export Guarantee and Insurance Corporation is a credit insurance corporation insuring credit connected with exports of goods and services from the Czech Republic against political and commercial risks uninsurable by commercial insurance. EGAP was founded in 1992 as a joint stock company fully owned by the state. The Czech Republic exercises its shareholder rights through the Czech Ministry of Finance, the Czech Ministry of Industry and Trade, the Czech Ministry of Foreign Affairs and the Czech Ministry of Agriculture. Its activities are governed by the Insurance Law and the Act No. 58/1995 Coll., on insuring and financing state supported export.

¹¹ MF: Ministry of Finance

¹² Y-o-y: year on year

¹³ VAT: Value-added tax

¹⁴ 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.

¹⁵ Q1: 1st quarter of the year

increase, General Financial Directorate (GFR) director Martin Janeček said on public Czech Television today.

In particular the introduction of VAT ledger statements has helped. They were introduced last year as a measure against tax evasion. The data include economic growth, he added in discussion programme Questions of Václav Moravec.

The MF said at the beginning of this month already that, according to its estimates, VAT ledger statements for the year 2016 contributed CZK10.2bn to CZK12.6bn to better VAT collection.

Of the amount, almost CZK350bn went to the state coffers, roughly CZK18bn more y-o-y.

Janeček added today that VAT ledger statements have brought in CZK20bn thus far. "The CZK20bn is in the state budget," he said.

GFR former deputy director Jiří Zezulka, who was in charge of the Financial Administration's management before Janeček, noted that he did not understand too much the interpretation of the figures for last year.

"When we deduct the VAT ledger statements' influence as it is presented, it means that we have actually reached a growth in the collection (net economic growth) somewhere around 2% at most. But this is a very low figure," he declared. Janeček rejected Zezulka's interpretation.

Former deputy finance minister Simona Hornochová is of the opinion that it is impossible to make such calculations. "I agree that VAT does not generate the whole GDP¹⁶ growth," she said.

VAT ledger statements concern around 500,000 taxpayers. Companies have to submit these statement every month. Physical persons can submit the statements monthly or quarterly.

The participants in today's discussion also issued their opinions on bonds in CZK which concern also Finance Minister Andrej Babiš who in the past bought bonds in CZK for almost CZK1.5bn of group Agrofert which he then owned. He faces suspicion of tax evasion due to this.

Hornochová said that in her opinion of a tax expert, issues of bonds in CZK can mean abuse of law under certain conditions. "If you issue private bonds in the volumes of tens of mns to bns of CZK to private investors whom you know, the nominal value of every individual bond at CZK1 has no other meaning in the business than to gain a tax advantage. This can be exactly defined as abuse of law," she said.

Janeček countered that these rules had been set by the state so this is not a case of abuse of law.

"For abuse of law, many other criteria would be necessary," he added.

ANALYSTS EXPECT END TO CNB 'S FOREX INTERVENTIONS IN APRIL – 26.3.

The CNB¹⁷ will probably end its forex intervention regime already in April so the CNB Bank Board will not quit the regime at its policy meeting on Thursday, March 30, according to the estimates of analysts addressed by CTK.

The CNB governing board will thus keep its promise not to end the forex interventions earlier than at the end of the Q1 of this year.

The CNB Bank Board repeated at the beginning of February that it saw the middle of this year as the probable date for leaving the forex intervention regime. It also said that it would not end the forex interventions earlier than in the second quarter of 2017.

President Miloš Zeman said on Monday, referring to talks with CNB governor Jiří Rusnok, that the CNB could end the forex interventions against the crown's firming earlier than in the middle of this year.

"This will most likely be the last relatively calm Bank Board meeting where it will be only repeated that the exchange rate pledge will end sometimes in the second quarter of this year," said Deloitte chief economist David Marek.

The following weeks will be full of uncertainty about when the moment of the exchange rate pledge end arrives. "The conditions for the end to the interventions have already been met, now it will be mainly about the strategy vis-a-vis the forex market," he added.

Bank Česká spořitelna analyst Michal Skořepa also believes that the CNB Bank Board's meeting this Thursday will most likely bring no new information.

"The Bank Board will strictly stick to the current communication autopilot - the words that the end to the intervention regime will certainly not arrive before the end of March and probably will come in the middle of the year," he said.

It would be no surprise if the governing board stressed that the decision on the end to the intervention regime can be made at any of its regular meetings, that is on any Thursday, or at an extraordinary meeting called for the purpose, Skořepa noted.

He estimates that the CNB will leave its exchange rate pledge already in the course of April.

ING chief economist Jakub Seidler has similar expectations. "We believe that the end to the exchange rate regime will arrive in the first days of April, at the Bank Board's extraordinary meeting. If the CNB wants to avoid further inflow of speculative capital, it will end the pledge before the release of inflation data for March on April 10," he said.

Company ACZKenta analyst Miroslav Novák is also of the opinion that at the economic level, nothing stands in the way of the central bank to announce the end to the exchange rate pledge after over three years.

"Despite that, it will not announce the end to the exchange rate pledge at the upcoming March meeting. However, a definitive end to the exchange rate pledge can then arrive any time after March 31," he stated.

On the other hand, Cyrrus chief economist Lukáš Kovanda thinks that the CNB Bank Board may decide on the end to the forex interventions already this Thursday.

"The intervention regime will most likely end in the first half of April already. It cannot be ruled out that the CNB Bank Board will decide on its end already at the regular policy

¹⁶ GDP: Gross domestic product, an aggregate measure of production equal to the sum of all resident and institutional units engaged in production in a period (plus any taxes, and minus any subsidies, on products not included in the value of their outputs).

¹⁷ CNB: Czech National Bank

meeting on March 30 and that it will officially announce the end to the interventions on Saturday, April 1," he forecast. Such course of action would be good because forex markets in the world are closed on the weekend and forex dealers would thus have more than 24 hours to process the new piece of information. They would thus not be acting under the influence of immediate emotions at the markets' opening on Monday, Kovanda said.

"The CNB would thus ease the considerable volatility of the crown's rate," he added.

The central bank launched the forex interventions at the beginning of November 2013 due to concerns about deflation with the aim to weaken the crown and keep its rate near CZK27/EUR.

From that time to the end of January this year, it intervened for around CZK1,300bn. Interventions in the order of hundreds of bns of CZK continued also in February and March, according to estimates of analysts.

The CNB has not yet disclosed official data on the latest interventions. "Daily liquidity of the banking sector indicates that the CNB has intervened for CZK30bn daily on average in the last few days," Seidler said.

"Monday's comment of President Zeman on the CNB has not contributed to excessive raising of the volume of the interventions," he added.

All seven CNB Bank Board members will attend the governing board's policy meeting on Thursday, March 30.

AGRICULTURE & ENVIRONMENT

JUREČKA WANTS TO CUT AGRICULTURAL TRADE DEFICIT TO ZERO BY 2020 – 28.3.

The deficit of the CR's agricultural foreign trade should fall to zero by 2020, Agriculture Minister Marian Jurečka said at the Žofín Forum on the EU and Czech exports today.

Last year's gap widened by CZK3.3bn to CZK22.6bn.

Jurečka said he does not want the CR's agriculture trade to be in the red by the year 2020.

He did not give any details. He only said the country is not using its export potential. It is not taking advantage of the "Made in Czechoslovakia" label, for instance, on a number of markets.

In the long run, the ministry is seeking a growth in the production of commodities with a high value added in an effort to improve the trade balance. Fruit growing and agriculture produce processing should be raised in the country, according to the ministry.

The idea of agricultural diplomats aimed at helping Czech exporters is another measure to boost exports. So far the country has four diplomats - in Saudi Arabia, Serbia, China and Russia. Within a few months, diplomats will take up their posts in Lebanon and the USA, with Japan to follow. One diplomat will be in Iran, with one person to possibly have joint accreditation for Cuba and Mexico.

Czech agriculture imports totalled CZK224.6bn last year, with exports at CZK202bn. Major export commodities were cigarettes, wheat and colza oil, and major import items were pork, chocolate, coffee and baker's goods.

According to the Agricultural Association, the foreign trade structure has not been improving, with meat constituting roughly 90% of the trade deficit.

Most products were exported to Slovakia, Germany, Poland and Italy. Russia, Turkey, Iraq and Switzerland were major export destinations outside the EU.

PKČR: RETAIL CHAINS' MARGIN ON FOOD REACHES 80 - 90% - 29.3.

According to findings of the Chamber of Food of the CR²⁰ (PKČR), Czech retail chains' margin on food range from 80% to 90%. The margin reaches nearly 60% in case of milk. According to PKČR President Miroslav Toman, the segment was able to reduce imports of some commodities from Poland. The imports fell from CZK 33bn to CZK 31bn in 2016. Imports of animal and vegetable commodities increased compared with the year 2014. According to PKČR, there are many reasons for the cancellation of so-called sweets regulation.

SMALL INVESTORS INFLUENCED BY EXPECTATION OF STRONGER CROWN—POLL – 24.3.

The expectation of the Czech crown's strengthening after the planned end of the forex intervention regime has already influenced the behaviour of small investors, with some of them hedging themselves and others getting rid of foreign shares and buying Czech ones, according to a poll conducted by CTK among securities dealers.

The CNB considers the middle of this year the probable date of abandoning the forex intervention regime. A number of analysts, however, estimate that the interventions will be ended as early as in April.

"As a result of the crown's strengthening, which will occur after the end of the interventions, Czech investors will get fewer CZK for foreign currency. This is discouraging them from investing in foreign assets," Cyrrus analyst Lukáš Kovanda said.

"Since expectations of an earlier end of the CNB's currency commitment have appeared on the market, it is logical that investors are locking their gains by selling their foreign share positions and lowering the potential impact of the exchange rate movement on their portfolios by selling USD¹⁸ or EUR,"¹⁹ Creditas bank analyst Roman Kodera said.

Actively trading small investors take the forthcoming end of interventions into consideration. "Most of them are hedging their positions by forwards or certificates and about one third of them have decided to transit to Czech dividend shares," Česká spořitelna analyst Petr Bártek said.

¹⁸ USD: \$, USD, the United States dollar is the official currency of the United States and its overseas territories. It is the currency most used in international transactions and is the world's most dominant reserve currency.

¹⁹ EUR: (€) Euro is the official currency of the Eurozone, which consists of 19 of the 28 member states of the European Union

²⁰ CR: the Czech Republic

LABOUR & SOCIAL & HEALTH

IT, BANKING STUDENTS HAVE HIGHEST STARTING SALARIES – PORTAL – 28.3.

Students of information technology, banking and the car and pharmaceutical industries have the highest starting salaries in the CR at present, with CZK20,621 in the case of secondary graduates and CZK28,746 in the case of university graduates, according to data of the portal Platy.cz.

More than 60% of graduates find jobs within a month, according to the portal.

The average wage in the CR reached CZK29,320 in Q1. The median was CZK 25,061.

In terms of regions, the best conditions for graduates can be found in Prague, where starting salaries of secondary school graduate are reaching CZK23,554 and those of university graduates CZK31,763.

The lowest starting salaries (CZK22,598) are offered in the Zlín region.

Category	Average starting salary in CZK - university graduates
Information technology	36,688
Banking	31,083
Automotive industry	30,192
Quality management	30,171
Pharmaceutical industry	30,051
	Average starting salary in CZK - secondary school graduates
Information technology	27,293
Customer support	23,827
Construction and real estate	22,602
Wood-processing industry	22,418
Automotive industry	22,223

CAR MAKER HYUNDAI NOŠOVICE TO RAISE WAGES BY SOME 12% – 28.3.

Hyundai Nošovice will raise wages by around 12% on average with validity as of March 1, according to the collective agreement signed today by the management and representatives of both trade union organisations, the car maker's spokesman Petr Vaněk told CTK.

The average gross monthly wage in blue-collar professions in Hyundai Nošovice was CZK34,512 last year. The average wage in the Moravia-Silesia region was CZK25,171 a month in the year.

The collective bargaining at the company had seven rounds. The agreement was signed for the years 2017 and 2018.

"Base pay in Hyundai Motor Manufacturing's Czech plant will increase by 4.56% from March 1 and by 4.66% in 2018, with the validity from January 1," Vaněk said.

"All bonuses and extra payments will be raised proportionally so the total hike will reach 12%," he added.

The employees deserve the wage increase because their hard work, flexibility and quality of work contributed to reaching

the best results in the plant's history last year, said the car maker's president Dongwoo Choi.

Hyundai Nošovice has almost 3,400 employees and another 7,000 people work for its sub-suppliers.

The car maker produced a record-breaking number of 358,400 cars last year, 16,200 cars (4.7%) more than in 2015 and 8,400 cars (2.4%) more than was its target.

The company plans to manufacture 350,000 units this year, that is the same amount as last year.

In 2015, Hyundai Nošovice saw a CZK3.47bn drop in profit to CZK5.5bn, while its sales grew by CZK19.3bn to CZK125.7bn.

PM SOBOTKA WANTS FURTHER GROWTH IN WAGES PAID TO REGIONAL TEACHERS – 29.3.

The government of the CR wants to continue in the improvement of working conditions for employees in the education system and raise their wages. Czech PM²¹ Bohuslav Sobotka (ČSSD²²) wants to raise wages paid to teachers in regions to at least 130% of the average wage in 2020. He said that it was necessary to approve an amendment of the Pedagogical Workers Act and focus on the withdrawal of EU funds from the operational programme Science, Research and Education. Income of pedagogical workers increased 14.5% in last three years. Other employees in education saw their wages rising by 12.2%.

INDUSTRY & ENERGY & INVESTMENT TRADE

MERO ČR WANTS TO EXPAND OIL TANKING POINT FOR HUNDREDS OF MNS – 23.3.

MERO ČR is readying the expansion of the capacity of the central oil tanking point in Nelahozeves near Prague. The preliminarily proposed 17th reservoir, H13, would boost the tanking point's capacity by 125,000 m³ to total of 1,675,000 m³. According to MERO ČR, the public contract will be worth several hundreds of mns of CZK.

THE JAPANESE WILL SETTLE IN CENTRAL BOHEMIAN SILICON VALLEY - 23. 3.

By spring of next year, a building of administrative-technological center of top Japanese company Rigaku will be built in Dolní Břežany, close to the laser centers HiLASE and ELI. Rigaku company is engaged in research, development and production of X-ray optics and detectors.

JAPANESE FIRM HI-LEX TO BUILD FACTORY FOR AUTOMOTIVE DOOR SYSTEMS IN MOST – 27.3.

Another Japanese investor is entering the CR. HI-LEX Corp., a manufacturer of components for vehicles, construction and industrial machines, and household appliances, has established the firm HI-LEX Czech, s.r.o., which will manufacture door systems for automobiles. The company is investing CZK 1.16bn for its new factory in Most.

"The majority of Japanese firms in the CR operate in the automotive industry and manufacture quality products for the German market. A number of them are supplied by Czech subcontractors," says Karel Kučera, CEO of CzechInvest.

Construction of the company's factory in Most should be completed in June 2018. HI-LEX Czech intends to hire 100

²¹ PM: Prime Minister

²² ČSSD: Czech Social Democratic Party, centre-left party

employees in the first phase and plans to eventually employ up to 250 people in 2023.

"We chose the CR as our important production and supply base, because the country provides mature business environment, as well as a strategic location from which we can expand business globally, especially towards the European automotive markets," says Taro Teraura, president and CEO of HI-LEX Europe GmbH, commenting on the reasons for the company's selection of the CR for its further activities. Japanese companies are the second most important investors in the CR behind German firms. CzechInvest has arranged Japanese investments worth nearly CZK 124bn, which have created 28,706 jobs. In most case, these involve investments in the automotive industry and related sectors such as electronics and mechanical engineering.

CTK OKD WILL MANAGE TO PHASE OUT MINES WITHOUT DIAMO'S HELP – BABIŠ – 28.3.

Black-coal miner OKD,²³ which was declared insolvent last year, will manage to phase out its mines without the assistance of of state-run company Diamo, Finance Minister Andrej Babiš told CTK today.

Babiš intends to submit a proposal that state-run company Prisko buy OKD for CZK80m to the government next Monday. This proposal has, however, being rejected by the MIT,²⁴ which exercises shareholder rights in Diamo.

The MF exercises shareholder rights in Prisko.

Diamo had expressed interest in OKD but the cabinet failed to approve its plan to buy the coal miner for CZK1 in February. Industry minister designate Jiří Havlíček said on Monday that Diamo is a better option than Prisko since it has more experience regarding the phase out of mining.

Babiš noted that Prisko is OKD's financial investor.

Last year, the government lent CZK700m to OKD through Prisko. The MF said earlier that OKD had used less than CZK150m of the amount so far.

According to Babiš, Prisko wants to submit a bid to buy OKD since private investors have not submitted a bid that would enable the mining company's reorganisation.

According to information available to CTK, a bid to buy OKD has been submitted by EP Industries, which is majority owned by Daniel Křetínský. According to the daily Hospodářské noviny, the other bidder is a foreign hedging fund.

OKD became insolvent last year, with more than 550 creditors lodging claims against it and demanding more than CZK23bn from the coal miner. The creditors gave the green light to OKD's reorganisation, but its success depends on the company finding a strategic partner.

Coal mining continues at OKD. It employs roughly 11,000 people including those working at supplier companies.

CTK INDUSTRY MINISTRY AGAINST BABIŠ'S PROPOSAL THAT PRISKO BUY OKD – 27.3.

The MIT is rejecting Finance Minister Andrej Babiš's proposal that the state-run company Prisko submit a binding bid for

insolvent black-coal mining company OKD, minister designate Jiří Havlíček said today.

The MF exercises shareholder rights at Prisko. Under the proposal, Prisko is to pay roughly CZK80m for OKD.

The state-run company Diamo, in which shareholder rights are exercised by the Industry Ministry, has more experience regarding the phase out of mining than Prisko, which is why it is a better option, Havlíček said after a meeting with President Miloš Zeman whom he informed about the ministry's stance.

Diamo expressed interest in OKD but the cabinet failed to approve the plan to buy the coal miner for CZK1 in February.

"Mr. President was impressed by the plan to solve the situation at OKD that was illegally robbed of assets by Bakala," Zeman's spokesman Jiří Ovčáček said on Twitter referring to Havlíček's proposal.

Zdeněk Bakala used to be a co-owner of New World Resources (NWR), OKD's parent company.

Havlíček said today Diamo's long-term experience is a guarantee that the mining slowdown in the Moravia-Silesia region will proceed in the right direction.

Prisko has experience in the field of financial management, said Havlíček.

"Diamo is clearly a better and more natural option than Prisko, which currently has only three employees," Havlíček pointed out. Diamo has 2,500 employees, he added.

The state provided a CZK700m loan to OKD via Prisko last year.

The MF said the mining company has used less than CZK150m of the amount so far.

Prisko nominated two people who have become members of OKD's management team, namely CFO Michal Sládek and board member Michal Kuča.

Babiš said during his visit to Jihlava, south Moravia, today that he does not want Diamo to buy into OKD, citing bad experience with Diamo, for instance, in connection with tenders for the liquidation of oil lagoons, former dump toxic waste produced by the now defunct chemical works in the Ostrava area.

Babiš said he may submit the proposal for OKD's takeover by Prisko to the cabinet for discussion next week already.

According to CTK's information, EP Industries, whose majority shareholder is entrepreneur Daniel Křetínský, has submitted a bid for OKD. The second bidder is a foreign hedge fund, according to business daily Hospodářské noviny. OKD became insolvent last year, with more than 550 creditors lodging claims against it and demanding more than CZK23bn from the coal miner. The creditors gave the green light to OKD's reorganisation, however, its success depends on the company finding a strategic partner.

Coal mining continues at OKD. It employs roughly 11,000 people including those working at supplier companies.

OKD will close the loss-making mine Paskov at the end of March. Paskov has a 1,350-strong workforce. Some of the employees will be transferred to mines in the Karvina area, with around 300 to be involved in the technical liquidation of the mine. Hundreds of workers will be dismissed.

²³ 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.

²⁴ MIT: Ministry of Industry and Trade

CTK EXERCISE OF REACTION TO ACCIDENT TAKES PLACE IN TEMELÍN PLANT – 28.3.

A two-day exercise started in NPP²⁵ Temelín today, the staff is training reaction to accident and today it was exercised how to get most of the almost 1,000 employees to covers, Temelín's spokesman Marek Sviták told CTK.

This first exercise at the power plant this year will continue on March 29. Twelve exercises will be held at Temelín this year, including one secret and one for protection from terrorist attack.

Power company ČEZ,²⁶ which owns the power plant, has doubled the number of exercises in Temelín after the disastrous accident in Fukushima, Japan, in 2011.

A fictitious serious accident in the second unit's nuclear part started the two-day exercise today. All employees except for those necessary for the power plant's real operation took part in it, 900 in total. People from the SONS²⁷ also take part in the exercise.

"The exercise does not concern people in the nearby towns except for the fact that they could hear the sound of warning sirens at 07:45," Sviták said.

According to the scenario, a serious failure occurs in the power plant's nuclear part. All 13 ways of the safety systems' electrical feed get out of operation and all reactor cooling systems fail as well. Radiation leaks from the protective building around the reactor after several hours.

"We intentionally picked the scenario so as to train getting all employees on the power plant's premises to cover, 833 people in total. Operators, people in the health centre and kitchen were the exception," Sviták noted.

Temelín has four covers for 1,775 people, two of them on its premises. The biggest one is for up to 900 people and the smallest one for 40 people.

Temelín is the CR's biggest electricity source, covering a fifth of the country's consumption.

The NPP started producing electricity in December 2000. Last year, Temelín produced 12.1TWh²⁸ of electricity, almost 2TWh less than in 2015. The lower production was caused by shutdowns.

ČEZ WANTS TO INCREASE NUCLEAR GENERATION BY 18% TO 28TWH – 23.3.

For 2017, the ČEZ Group plans a 7% y-o-y increase in production from conventional energy to 64TWh.

Nuclear-source generation should grow 18% to 28TWh as a result of shorter shutdowns, particularly in the Temelín NPP. According to estimates, on the other hand, coal-fired power plants should lower their production by 1% to 31TWh.

This information was provided by ČEZ deputy general director for operations and Finance division director Martin Novák in connection with the publishing of financial results for 2016.

²⁵ NPP: Nuclear Power Plant

²⁶ 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.

²⁷ SONS: State Office for Nuclear Safety, a governmental body as stipulated by Act. No. 2/1969 Coll., headed by Chairman appointed by the Government of the Czech Republic. The SÚJB is a regulatory body responsible for governmental administration and

CTK CR IS MOST ATTRACTIVE COUNTRY FOR GERMAN INVESTORS IN CEE –SURVEY – 28.3.

The CR is the most attractive country for German investors in CEE,²⁹ shows a survey that the Czech-German Chamber of Industry and Trade (CNOPK) made among predominantly German companies this year.

EU membership remains the most important factor for business activities, followed by the quality and availability of local suppliers and economic stability, the survey showed.

The latest results reached the record values registered in 2004, a year the CR entered the EU.

However, the outlook for this year is more cautious, with growing costs being one of the reasons.

Just like 13 years ago, 64% of respondents described the economic situation as good, while 32% see it as satisfactory and only 4% said it was bad.

In 2015, the number of firms seeing the economic situation as good was 50% lower than this year.

Only 26% of businesses expect an improvement in economic conditions this year, a drop from over 40% in 2014.

The better the economic situation, the lower the share of companies predicting a further strong growth, said executive member of the CNOPK board Bernard Bauer.

A quarter of firms envisage a wage growth of more than 8%, with one in two employers predicting a pay rise of 3 to 8%, which means their costs will go up markedly this year.

For the first time in more than five years, firms have plans to reduce their recruitment activities.

The outlook for turnover and exports, having a big weight in a number of German companies, remained stable to optimistic.

As much as 57% of respondents said they predict a growth in turnover and over 40% envisaged a rise of exports in spite of the central bank's plan to end its forex intervention regime soon.

A robust Czech economic output will see a stable and healthy growth even after the CNB's exit from the weak crown policy, said Michael Kruger, head of the Czech and Slovak branches of Commerzbank.

The survey proved there is a dramatic lack of labour force. Like last year, the factor of the availability of qualified workforce occupied the last position out of 21 investment factors. This is why the Czech vocational education system ranked 17th and employees' skills fell four places, said the survey.

"A shortage of qualified labour, in manufacturing industry in particular, poses a threat to the Czech economy," said CNOPK vice-president Pavel Roman.

In the short term, the unemployed should be retrained to meet market demand, he said, adding that the government should be more active in taking measures to handle the unsatisfactory situation.

supervision in the fields of uses of nuclear energy and radiation and of radiation protection. The authority and responsibilities of the SÚJB, as stipulated by on Peaceful Utilisation of Nuclear Energy and Ionising Radiation (Atomic Act).

²⁸ TWh: terawatt-hour, a measure of electrical energy, 10¹² watt-hours

²⁹ CEE: Central and Eastern Europe, is a generic term for the group of countries in Central Europe, Southeast Europe, Northern Europe (Baltic countries), and Eastern Europe

Still, however, the CR ranked first among the 16 investment destinations in the CEE region, ahead of Poland and Slovakia.

CZECH STEEL EXPORTS GROW BY 8% IN 2016 – 26.3.

Czech exports of iron and steel grew by 7.8% to 5.01mn tonnes last year and imports increased by 5.8% to 6.6mn tonnes, according to data provided to CTK by Hutnictví železa (the Steel Federation).

Pig iron production rose by 3.3% to 4.17mn tonnes and raw steel production by 0.8% to 5.31mn tonnes.

"In particular exports of semi-completed products for distribution and of flat rolled products went up last year. Imports of semi-completed products for flat products of company Vítkovice Steel has the main share in the growth of the total volume of imports," said the Steel Federation.

Imports of these products grew because raw steel production in Vítkovice Steel was halted at the end of September. The shutdown caused a shortfall of around 370,000 tonnes of products.

Steel products' consumption rose by less than 1% to 6.63mn tonnes last year. An increase was seen in the consumption of flat rolled products, used mainly in the automotive industry which did well last year.

On the other hand, consumption of long rolled products and steel tubes, used mainly in construction, decreased.

According to CSO data, Czech construction output dropped by 5.9% last year.

Hutnictví železa announced last year in spring that profit and sales of domestic steel makers had fallen in 2015, mainly due to excessive steel production in China.

Their pre-tax profit sank to less than a third in 2015, from CZK10.2bn to CZK3.1bn. Sales fell by 6.7% to CZK84.3bn.

Hutnictví železa does not yet have business results of companies in the sector for last year.

"We will have data on profit of steel companies for 2016 only sometimes around May after the audit of annual results of the individual companies," Hutnictví železa said.

It expects a growth between 2.5 and 3.5% in production volume.

Members of the Steel Federation include leading Czech and Slovak steel companies. Among the biggest companies in the CR are ArcelorMittal Ostrava and Třinecké železářny.

EXPANSION PROGRAMME HAS CZK8.8BN FOR SUPPORT OF SMALL BUSINESSES – 24.3.

The MIT and the guarantee and development bank CMZRB today signed an agreement on creating a credit and guarantee fund for the Expansion programme that is aimed at facilitating the access of small businesses to loans, both institutions' representatives said at a press conference.

A total of CZK8.8bn have been earmarked for the support of small and medium-sized enterprises in the form of interest-free loans and guarantees.

About 900 businesses can be supported from the fund.

³⁰ **CTU:** Czech Technical University (also ČVUT in Czech)

³¹ **CEITEC BUT:** an independent institute at Brno University of Technology which was established within the framework of the CEITEC - Central European Institute of Technology. CEITEC includes the leading Brno universities and two research institutes who joined forces in order to establish a centre of scientific excellence.

³² **DFKI:** The German Research Center for Artificial Intelligence

The loans will be provided mainly for the purchase of long-term tangible and intangible assets.

Besides advantageous loans, the Expansion programme will also offer guarantees to small and medium-sized businesses for loans granted to them by commercial banks.

The Expansion programme is part of the Operational Programme Enterprise and Innovations for Competitiveness.

CTU AND PARTNERS TO REQUEST UP TO EUR 30M FOR INDUSTRY 4.0 – 29.3.

The Czech Institute of Robotics and Cybernetics of the CTU,³⁰ together with partners CEITEC-BUT,³¹ DFKI³² and ZeMA,³³ received in the first round of H2020 program's Teaming call a subsidy of EUR 400,000 for the development of the Czech-German Industry 4.0 research centre. The consortium will apply for a subsidy totalling up to EUR 30mn for the centre's operation and related investments in the second round.

ŠKODA AUTO INCREASES NET PROFIT BY 34.3% TO EUR 951M – 23.3.

ŠKODA AUTO posted a net profit of EUR 951m for 2016, up 34.3% on the year. The growth was spurred on primarily by a higher number of sold vehicles, a high utilisation rate of the carmaker's plants, a better model mix and optimised product costs. As ČIANEWS reported earlier, the carmaker posted revenues of EUR 13.7bn (+9.8%) for 2016. Its operating profit was EUR 1.19bn (+30.8%). Global deliveries to customers were 6.7% higher and totalled 1,126,500 vehicles.

TRANSPORT & ICT & RDI

TA ČR SUPPORTS ELECTRON MICROSCOPY WITH CZK 157M SUBSIDY – 24.3.

Components, parts or know-how from the CR are used in ca. 40% of electron microscopes around the world, said the head of FEI CR's Electron Microscopy project, Petr Burian. Scintillators formed thanks to the Electron Microscopy project will head to the entire world. The chairman of the TACR,³⁴ Petr Očko, has stated that this was one of the reasons why TAČR granted a subsidy of over CZK 157mn to the project.

ŠKODA AUTO WILL MARKET PURELY BATTERY-POWERED MODEL IN 2020 – 24.3.

ŠKODA AUTO will market its first purely battery-powered model in 2020. According to Škoda Auto CEO Bernhard Maier, the first idea of how the electric future of ŠKODA might look will be presented at the motor show in Shanghai. The event takes place on April 21-28, 2017. China is the strongest market for the automaker. Its deliveries on the Chinese market increased 12.6% y-o-y to 317,100 units in 2016.

SUMMARY: SALE OF ALTERNATIVE FUEL GROWING BY TENS OF % – 27.3.

In 2017 Pražská Plynárenská wants to build four new CNG³⁵ filling stations, it operated seven of them at the end of 2016.

³³ **ZeMA:** Center for Mechatronics and Automation Engineering (Germany)

³⁴ **TACR:** The Technology Agency of the Czech Republic is an organizational unit of the stat that was founded in 2009 by the Act No. 130/2002 Coll. on the support of research, experimental development and innovation.

³⁵ **CNG:** Compressed natural gas

Customers can pay with conventional payment cards and CNG CardCentrum cards at the stations.

In 2016 sales totaled 1.775m kg of CNG, a y-o-y increase of 13 %. This year MOL Česká Republika is planning to open roughly nine gas stations offering CNG, it now has seven in the CR. They accept cash, card payments and CNG cards.

The y-o-y increase in sales totals tens of %.

In 2017 and 2018 group ČEZ will build 42 public quick-charging stations; through the Electromobility project ČEZ has to date installed 70 public charging stations in the CR, 25 of them quick-charging.

This year it will also expand payment methods, especially one-off payments which take into account actual energy consumed to charge an electric car.

OSTRAVA TRANSPORT PROJECTS FUNDED FROM CZECH-SWISS PROGRAMME – 27.3.

The public transport company (DPO) in Ostrava launched transport infrastructure projects worth CZK183m in four years, with 85% of funds contributed within the Czech-Swiss Cooperation Programme, DPO representatives have said.

Swiss, Ostrava and DPO representatives today officially ended the projects that included the modernisation of tram stops or the construction of a new trolleybus line.

Ostrava municipality financed 15% of the project costs.

DPO head Daniel Morys described the new trolleybus line as the most important project as it makes public transport in Ostrava more environmentally friendly.

"I hope there will be more such projects in Ostrava," he said. DPO, a joint-stock company owned by the city, employs roughly 1,900 people. Its annual budget is some CZK1.5bn, with CZK1bn provided by the city and the rest collected in fares.

Last year DPO transported more than 88.5mn passengers, 300,000 more than in the previous year.

CTO ANNOUNCES AUCTION FOR 5G MOBILE FREQUENCIES – 27.3.

The CTO³⁶ has announced an auction of frequencies for 5G fast mobile networks in the 3.7Ghz band at an aggregate starting price of CZK145m, the office said today.

Prospective buyers can send their applications by May 9.

Five 40Mhz blocks will be offered in the auction.

The winning operators will have to launch the networks within two years.

Current mobile operators, O2, T-Mobile, and Vodafone, will be able to bid for one 40Mhz block each at the most.

The auction conditions have opened space for a potential new bidder interested in providing high-speed Internet. Such bidder would be able to bid for a 80Mhz block.

If no such bidder takes part in the auction, the current three operators will be able to bid for two blocks each.

The three main operators said today they will study the auction documentation first, after which they will decide whether they will take part in the auction.

"One of aims of auction is to support economic competition in the area of electronic communication, both on the

wholesale and retail level, from which end users will profit," CTO board chairman Jaromír Novák said.

The choice of technology for the frequency allotted for 15 years will be up to the respective operator.

The 3.7Ghz band, delimited by the 3,600MHz to 3,800MHz frequencies, is not used at present.

Within 5 years from the launch of the 5G networks, 40% of small municipalities and 45% of medium-sized municipalities are expected to be covered.

Originally, CTO intended to announce the auction in the first half of 2015. In comparison with the original plan, CTO has increased the aggregate price of all the five blocks by CZK60m.

The 5G networks promise transmission speed reaching units of Gbit/s, which is markedly more than the currently used LTE networks.

Operators want the launch of the first commercial 5G networks in 2020.

Last year, CTO allotted frequencies in 1,800 and 2,600Mhz bands for LTE networks. Current operators paid CZK2.643bn in total for them, which was over 3.5 times more than the starting price.

LTE networks cover about 99% of the CR and are offered by all the three operators.

SHARE OF INTERNET USERS IN CR UP AT 76.5% IN 2016 – CSO – 27.3.

A total of 76.5% of Czechs older than 16 used the Internet in 2016, with nearly two fifths of people younger than 24 spending over 20 hours a week online, according to data published by the CSO today.

The share of Internet users in the number of Czechs older than 16 has increased by 36% since 2006, the number amounting to 6.7mn people.

A total of 1.6mn people have never went online. It is mostly people older than 65 and those who have elementary education or are unemployed, with their share declining every year, the CSO chairwoman Iva Ritschelová said.

Most Internet users go online every or almost every day, spending one to five hours a week online for private reasons. Almost everyone uses the Internet to connect with others and the popularity of social networks rises, while online calls report a drop.

Roughly two thirds of people access the Internet on laptop, about a 50% of people use desktop PC and those going online via mobile phone account for a similar share.

The portion of mobile broadband users has grown quickly over the past few years, increasing from 20% registered three years ago to last year's 54%.

The CR is below the EU average of 65% of mobile broadband users. On the other hand, the overall share of Internet users in the country slightly exceeded the EU average last year.

CRR: 35 TERMINAL PROJECTS TO RECEIVE CZK733MN – 28.3.

The Centre for Regional Development of the CR (CRR) has completed the evaluation of projects submitted within the Integrated Regional Operational Programme call no. 24 - Transit Terminals.

³⁶ 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 (also ČTÚ in Czech).

CRR has recommended 35 projects for co-financing from European funds. The projects will be supported with more than CZK 733mn from the European Regional Development Fund.

The call's goal is to support the construction and modernization of transport terminals, incl. barrier-free, information systems and separate parking lots in the CR outside Prague.

EIA DPMB TO BUY 60 CNG BUSES FOR CZK 411M FROM IROP – 29.3.

Brno Public Transit Company (DPMB) has succeeded with its applications for subsidies from the Regional Integrated Operational Programme (IROP). The firm plans to buy 60 CNG (compressed natural gas) buses for CZK 411m. DPMB will also invest up to CZK 21m into ELP electronic information panels, which will be located on 35 stops. DPMB currently owns 100 CNG vehicles and 65 ELPs on 36 public transit stops. DPMB obtained subsidies totalling more than CZK 1.7bn from IROP in the 2007-2013 period.

EIA TA ČR: ZÉTA PROGRAM STARTS, SUPPORTED WITH CZK 720MN – 29.3.

The TACR opened on March 28, 2017, the first tender as part of the ZÉTA program. The program's goal is to involve the young generation in research and development heading towards practical utilization of results in practice. The program's goal is to connect the academic and business spheres. The program should run until 2025. The state budget spending will total CZK 720mn. The subsidy may reach up to 85% of accepted costs, with the maximum limit of CZK 5mn.

EIA RYANAIR AND AIR BERLIN EXPAND FLIGHTS FROM PRAGUE – 29.3.

On March 26, 2017, Ryanair launched a new line between Prague and Liverpool that will be operated four times a week. Air Berlin will also fly from Prague to Berlin/Tegel and back four times a week, too. The number of connections rose from two flights a week. This information was provided by Letiště Praha.

EIA SMARTWINGS WILL OFFER 20 NEW LINES FROM FIVE AIRPORTS – 24.3.

Airline SmartWings will offer 20 new regular lines from five airports in France this year. It will fly from Paris to Palermo, Brindisi, Heraklion, and Canary Islands. It will be also possible to fly from Lille to islands of Mallorca and Tenerife, Heraklion, and Faro. SmartWings will also connect Lyon with Canary Islands, Madeira, and Palermo. It will add lines from Nantes to Canary Islands and Palermo and from Brest to Lanzarote.

EIA ENVMIN EXTENDS EIA FOR NEW RUNWAY CONSTRUCTION TO PRAGUE AIRPORT – 23.3.

At the request of Prague Airport, the Czech Ministry of the Environment has extended the validity of its consent to the construction of a new parallel runway in terms of its EIA³⁷ until October 2021. This information was confirmed to ČIANEWS by ME³⁸ spokeswoman Dominika Pospíšilová.

Prague Airport spokeswoman Marika Janoušková added that the completion of documentation for a zoning procedure was being prepared. According to the currently valid schedule, the runway could be commissioned in 2025. The statement's validity can be extended repeatedly, always by another five years.

CTK VÁCLAV HAVEL AIRPORT TO GAIN 9 NEW LINES – 23.3.

Two new carriers will fly to Václav Havel Airport Prague under the new summer timetable (March 26-October 28, 2017) and Prague will be linked to nine new destinations.

Totally 66 airlines will offer regular connections to 154 destinations around the world from Prague.

Countries with the most destinations served by airlines from Prague this coming summer season will include Italy (17 destinations), UK and Spain (14 destinations each).

Flight frequency will be boosted on more than 20 existing routes. Airport operator Letiště Praha's board of directors chairman Václav Řehoř has stated that last year's 8% y-o-y increase in passenger numbers could be exceeded.

POLITICS & OTHER

CTK INTRODUCTION OF TOLLS FOR CARS IN GERMANY IS DISCRIMINATORY – PM – 24.3.

The introduction of tolls for passenger cars in Germany as of 2019 is discriminatory, Czech PM Bohuslav Sobotka told journalists before departure for an EU summit in Rome.

If there are sufficient arguments the CR might join a lawsuit that is being prepared by other countries against this measure, Sobotka said.

The measure, which was passed by German parliament today, has been criticised by the country's opposition as well as by some European countries.

The introduction of tolls will hit Czech drivers who use the German motorway network quite frequently.

It is not only the CR that considers the measure discriminatory. This opinion is also shared by Austria, Poland and many other countries, Sobotka said.

Czech authorities are going to analyse the document, Sobotka said.

Transport Minister Dan Ťok was mandated to pay attention to this issue. After it is clear the lawsuit will be filed Ťok should submit a report to the cabinet with a recommendation whether or not the CR should join it.

CTK ASSOCIATIONS WELCOME NOMINATION OF HAVLÍČEK AS INDUSTRY MINISTER – 23.3.

Czech industry associations welcome the nomination of Jiří Havlíček, current Deputy Industry Minister, to the post of industry minister, their representatives told CTK today.

With regard to the fact that general election will take place in the autumn, the associations appreciate mainly the fact that Havlíček will not have to get acquainted with the work of the ministry at great length.

PM Bohuslav Sobotka proposed the nomination of Havlíček, 40, to President Miloš Zeman today. Zeman reacted to the proposal positively.

³⁷ EIA: Environmental Impact Assessment

³⁸ ME: Ministry of the Environment

Sobotka said he expects Havlíček to be appointed within a matter of days.

"Jiří Havlíček is the most reasonable choice, because at this moment ... the point is to complete all the activities started. And this can be logically done by the person who has been present at all talks and projects so far," Association of Small and Medium-Sized Enterprises head Karel Havlíček said.

According to Havlíček, the ministry has launched a lot of important projects and they should not be delayed by a single day. "Operational programme Enterprise and Innovations for Competitiveness, which has become delayed notably, needs to be accelerated," he said.

Other tasks of the new minister will include support of export tools and clarification of further roles of the CEB and export insurer EGAP, Havlíček said.

The Confederation of Industry has been cooperating with Havlíček for a long time, so his nomination is good news for the institution, its vice-president Radek Špicar said.

"The ministry has a broad agenda, and a lot of issues need to be solved. For domestic companies and the economy it is important to ensure that drawing of EU funds works and that support to Czech exports and planned foreign missions continue," Špicar said.

According to the Economic Chamber, the new minister should focus mainly on the digital agenda, particularly the development of high-speed Internet, for which EU subsidies worth CZK14bn have been earmarked.

Havlíček will replace Jan Mládek, whom Sobotka dismissed as from February 28. He explained the dismissal by Mládek procedure regarding mobile data tariffs, which are among the highest in Europe.

Sobotka has headed the ministry since Mládek departure.

PRESIDENT ZEMAN SIGNS LAW AMENDMENTS – 23.3.

Operators of some small hydroelectric power plants will be entitled to retroactively receive state aid which they were not paid last year, according to an amendment to the law on supported energy sources, which was signed by President Miloš Zeman today, his spokesman Jiří Ovčáček told CTK.

The amendment concerns 62 small hydroelectric power plants restored or modernised between October 2013 and the end of 2015, according to the MIT.

Zeman also signed an amendment to the law on international cooperation in tax administration today, Ovčáček said. The legislation is aimed at preventing international tax evasion.

In reaction to a new EU directive, the amendment adds to automatic exchange of tax information a regime concerning preliminary tax decisions and preliminary evaluation of transfer prices.

³⁹ **STAN:** The Mayors and Independents (Czech: Starostové a nezávislí), abbreviated to STAN, is a political party in the CR. The Mayors and Independents focus on localism and promoting powers for municipalities. The party grew out of the Independent Mayors for Region, which allied itself to the liberal conservative SNK European Democrats, but now cooperates with the similarly liberal conservative TOP 09.

⁴⁰ **KDU-ČSL:** Christian and Democratic Union – Czechoslovak People's Party, centre party

⁴¹ **SNK ED:** a liberal conservative party, which was created by merge of Independent candidates association and European Democrats in 2006.






STAN CONVENTION APPROVES CO-OPERATION WITH KDU-ČSL AND SNK ED – 25.3.

On March 25, 2017, the national convention of Starostové a Nezávislí (STAN, Mayors and Independents)³⁹ approved in a secret ballot the co-operation with KDU-ČSL,⁴⁰ SNK ED⁴¹ and regional parties for the parliamentary election. The delegates also approved STAN programme priorities that should form a basis for the preparation of the future coalition's election programme. STAN will enforce as close decision-making to people as possible, public administration digitisation, high-speed internet, completion of the transport skeleton, stabilisation of the educational system and retention of water as a strategic raw material in the landscape.

NEW EXECUTIVE DIRECTOR APPOINTED AT TOYODA GOSEI CZECH – 23.3.

Mr. Kazatsuka Murakami is Toyoda Gosei Czech's new executive director, according to the register.



News outside the time span of this News summary	
	CIA News (Česká informační agentura)
	CzechInvest
	Czech Press Agency (Česká tisková kancelář)
	CSO (Český statistický úřad)
	Newton media