

NEWS SUMMARY AUGUST 17 – AUGUST 23

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ECONOMY & FINANCE

**ČIA BISNODE: 44% OF COMPANIES PAY INVOICES IN TIME IN CR;
IT IS 39% IN EUROPE – 17.8.**

In 2016, 44.7% of local companies paid their invoices in time while in Europe, this share was at 39.1%. A total of 49.3% of enterprises paid invoices within 30 days in the CR. The study was prepared by Bisnode and Dun & Bradstreet. The share of firms paying their invoices in time had increased in 2014-2016 from 38.2% to 44.7%. The most reliable payers are Danes, Germans and Hungarians while the least reliable are Romanians and Portuguese payers.

**ČIA REGIONMIN: CR HAS SECURED CZK199BN FROM EU FUNDS
– 17.8.**

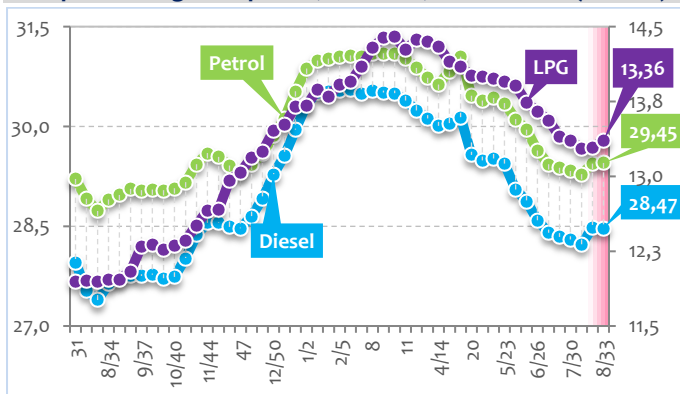
CR secured as of July 31, 2017, contractually 33.6% of EU funds' allocation for the 2014-2020 program period. The contractually secured sum totals CZK199.2bn and the total allocation amounts to CZK593.1bn.



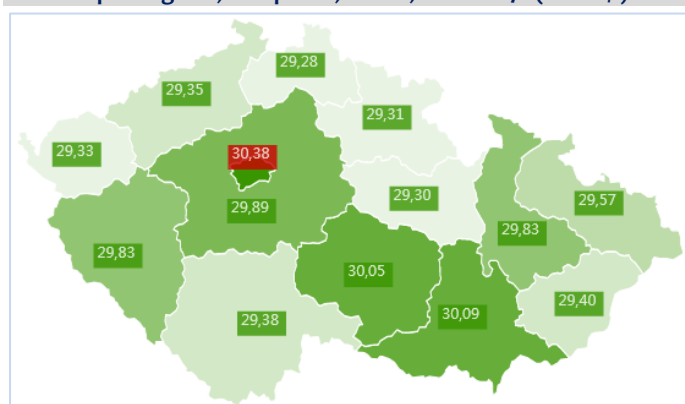
FUEL PRICES – 18. 8.

Natural gas increased moderately by ▲1h¹ to CZK29.45/l² over the past week. Diesel oil decreased by ▲1h to CZK29.47/l.

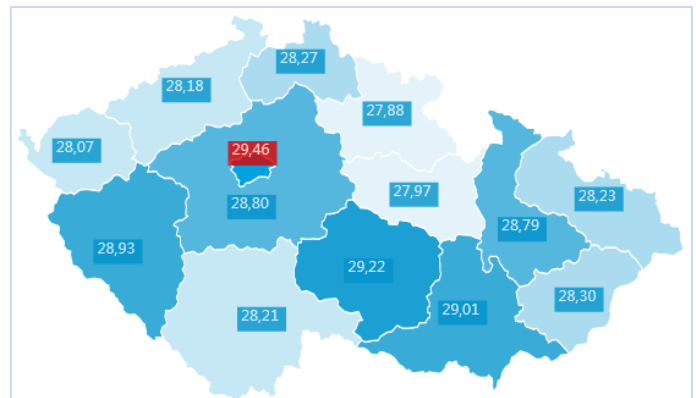
Graph 1: Average fuel prices³, 2016/2017, Month/Week (in CZK/l)



Map 1: Regions, fuel prices, Petrol, 18. 8. 2017⁴ (in CZK/l)



Map 2: Regions, fuel prices, Diesel, 18. 8. 2017 (in CZK/l)



ČIK CZECH GOVT OKS EUR1.5BN LOAN TO IMF – 21.8.

The Czech government today approved the provision of EUR1.5bn (about CZK40bn) loan to the International Monetary Fund (IMF), according to information published on the government's website.

The loan will be provided from the Czech National Bank's (CNB) forex reserves and will be guaranteed by state. The CNB will be compensated for selected expenses and lost profit from the state budget.

The government had first discussed the proposal in mid-January but it suspended the debate then. The material was submitted again in May but was withdrawn due to the absence of the Finance Minister.

The positions of the Finance Ministry and the CNB concerning the conditions of the loan differed at that time. While the CNB insisted on maintaining the same conditions as under the previous loan, the ministry demanded that the agreement on compensation to the CNB be abandoned and that only the state guarantee be kept.

Eventually, a compromise was reached in July with both parties approving conditions that correspond to the current economic situation and under which the CNB is willing to provide the bilateral loan from its forex reserves, the ministry said.

The CR has been the only creditor in the EU that has not confirmed its intention to provide a new loan yet. The total loan amounts to EUR182.2bn.

In the past, the CNB granted two loans worth EUR2.53bn to IMF. Between 2010 and the end of 2016, the CNB received CZK120.6mn in compensation.

**ČIA MPO: ČMZRB TO CHANGE INTO NATIONAL DEVELOPMENT
BANK – 22.8.**

The Czech-Moravian Guarantee and Development Bank (ČMZRB) will transform into a national development bank. This announcement was made by the Czech Ministry of Industry and Trade (MPO), which added that the

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 l: litre

³ 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, data issued by the CSO

⁴ data issued by the CCS Company

transformation project was approved by the Czech government on August 21, 2017. Minister Jiří Havlíček (ČSSD) said that through financial instruments, the bank will help with economic development and achievement of goals of the economic policy by the government, regions and the EU. The bank-provided support will be focused on the development of small and medium-sized businesses, energy savings, the use of renewable sources, the development of municipalities and infrastructure, and the support of science, research and innovations. The project also includes the preparation of the act on the CR's development bank. The submission of the substance of the law is expected by the end of 2017.

ČZCHS' DEBT RISES BY 9% TO CZK2,060BN IN H1 – REGISTERS – 23.8.

Czechs' debt totalled CZK2,060bn at the end of the first half of this year, with the amount growing by 9% y-o-y, and the second quarter alone saw an increase of CZK50.3bn, which is the biggest quarterly rise in three years, according to data from the banking and non-banking registers of client information.

On the other hand, the volume of debts with default risk dropped annually by nearly 14% to CZK40.6bn, the registers said. The long-term debt accounted for a third. The total volume has dropped by a fifth in the past 2 years.

The debt volume rose y-o-y by CZK168.5bn, where long-term and short-term debts made up CZK146.3bn and CZK22.2bn, respectively.

Interest in housing loans continued to grow in Q2, with their volume rising by nearly 10% y-o-y, the banking register executive director Lenka Novotna said.

The Q2 increase in the total debt was impacted by a very good economic situation and people's worries about a future hike in mortgage loan interest rates, she added.

The total growth in Czechs' debt was influenced mainly by an increase in the average sum set by a contract, with long-term loans adding y-o-y CZK154,000 to CZK1.2mn and short-term loans CZK13,000 to CZK96,000.

The number of people with debt decreased annually by 29,106 to 3.03mn at the end of the second quarter. The fall was caused by the number of people with a short-term debt declining by nearly 33,000, while the number of those with long-term debts rose by more than 5,000.

The number of people with debt default risk dived annually by 3,251 to 27,494 of those with long-term debt and by nearly 16,000 to 296,000 short-term debtors.

Quarterly the number of short-term debtors with default risk increased. However, nothing suggests that it will continue growing, the non-banking register executive director Jiri Rajl said.

The current economic situation and low unemployment positively affect the ability to pay off debts, Rajl stated.

ČIA B. SOBOTKA: GOVERNMENT MANAGED TO ACCELERATE EURO FUNDS' DRAWING – 23.8.

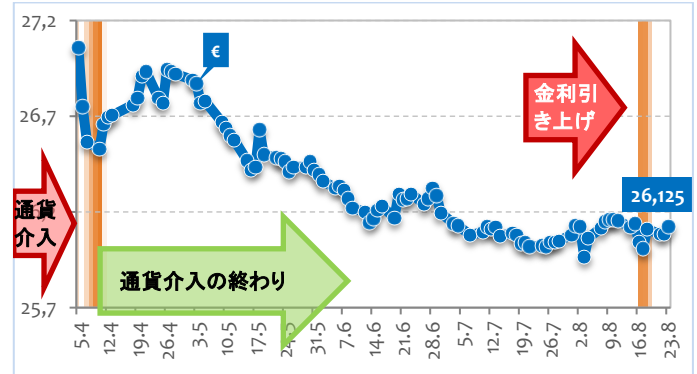
Czech government managed to fulfil most of its commitments in the field of regional and local development.

⁵ €: (€) € is the official currency of the €zone, which consists of 19 of the 28 member states of the European Union

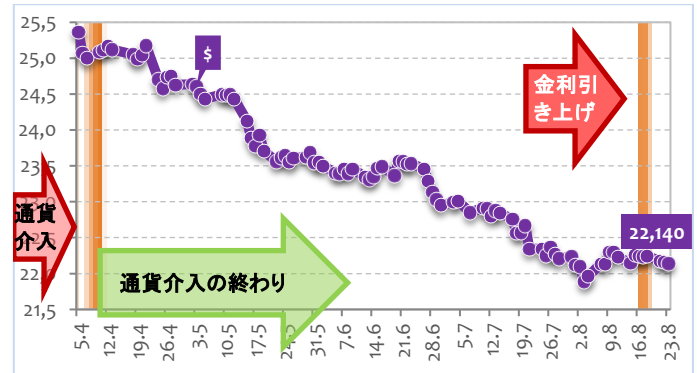
This was stated by Prime Minister Bohuslav Sobotka (ČSSD) on August 22, 2017, following an evaluation meeting with Minister for Regional Development Karla Šlechtová (ANO). Drawing of the balance of European structural and investment funds for the 2007-2013 period was accelerated and CR used 96.4% of the allocated funding. The ministry's fulfilled tasks include e.g. the amendment to the building act and new act on public contracts. According to the PM, commitments with ongoing work include change of the act on public auctions, the bill on real estate brokering and amendment to the act on doing business in tourism.

CZKVS EURO⁵, US DOLLAR⁶, YEN – 23.8.

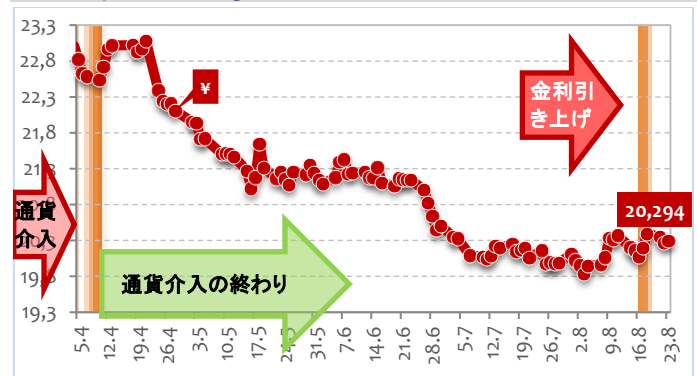
Graph 2: Exchange rates, CZK/€, 5. 4. 2017 – 23. 8. 2017



Graph 3: Exchange rates, CZK/\$, 5. 4. 2017 – 23. 8. 2017



Graph 4: Exchange rates, CZK/100¥, 5. 4. 2017 – 23. 8. 2017



⁶ 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.

AGRICULTURE & ENVIRONMENT

FOREIGN AGRICULTURE TRADE DEFICIT 2% HIGHER AT CZK11.8BN IN H1 – 17.8.

The CR's foreign agriculture trade deficit grew 2% to CZK11.8bn in H1 y-o-y, with exports falling by CZK334.6m to CZK101.1bn and imports sinking by CZK104.2m to CZK112.9bn, the Agriculture Ministry said on its website today.

The figures imply that Czech agriculture and food production have been developing in an unhealthy way, said president of the Agrarian Chamber Zdenek Jandejsek.

It is necessary to modify the setting of the national agricultural policy and individual subsidy programmes and focus on investments in animal and special plant production tied to employment, and thus to revenues and expenditures of the state budget, Jandejsek told CTK.

Czech production should be processed in the country, with only surplus production being exported, he pointed out. Grain, for instance, should not be exported but it should be used as feed for farm animals raised for meat production.

Cigarette exports went down, however, cigarettes still constitute more than 10% of the country's exports, which is the highest figure, followed by wheat and animal feeding preparations, bakery products, milk and cream.

The CR largely imports pork, with other commodities being cigarettes and bakery products.

The annual trade balance in the first half of the year was mainly affected by cigarettes whose net exports decreased by CZK1.6bn to CZK5.8bn, the ministry said. The balance of trade in pork worsened as well.

Slovakia, Germany, Poland, Italy and Austria remained the country's major export destinations, and most of the imports came from Germany, Poland and the Netherlands. Among non-EU countries, it was China, Turkey and the USA.

Year	Exports (CZKmn)	Imports (CZKmn)	Deficit (CZKmn)
1993 Establishment Of CR	32,276	31,497	779
1995	35,596	47,636	-12,040
1996	32,555	54,353	-21,798
1999	39,757	60,484	-20,727
2000	47,729	65,011	-17,282
2001	49,411	69,228	-19,817
2002	45,174	69,040	-23,866
2003	48,805	74,259	-25,455
2004 CR joins EU	61,526	93,822	-32,295
2005	78,520	103,522	-25,003
2006	78,542	112,737	-34,195
2007	96,880	129,333	-32,453
2008	106,931	131,048	-24,117
2009	101,708	133,735	-32,027
2010	105,364	140,008	-34,644
2011	120,381	156,674	-36,293
2012	148,309	173,026	-24,717
2013	160,594	184,674	-24,080
2014	180,247	199,909	-19,662
2015	201,383	220,686	-19,303
2016	201,995	224,631	-22,636

H1 2016	101,500	113,000	-11,600
H1 2017	101,100	112,900	-11,800

NO FIELD IS SOWN WITH GM MAIZE IN CR THIS YEAR – 17.8.

Not a single field was sown with genetically modified (GM) maize in the CR this year, after last year's GM maize field area fell by 92% y-o-y to 75 hectares, Agriculture Ministry spokeswoman Marketa Jezkova told CTK today.

Last year, GM maize was grown by a single grower in the Pardubice region, eastern Bohemia.

Interest in growing genetically modified maize is falling partly due to problematic sale of this type of maize as well as due to administrative burden for its growers, the ministry said earlier.

In the boom year 2008, 167 farmers grew GM maize on an area covering over 8,300 hectares.

In the CR, GM maize was used as fodder for farm animals and as raw material for the production of bioethanol and biogas. GM maize was the only genetically modified crop allowed to be grown in the CR.

Development of GM maize area in CR

Year	Area (ha)	No. of growers
2005	150	51
2006	1,290	82
2007	5,000	126
2008	8,380	167
2009	6,480	121
2010	4,680	82
2011	5,090	64
2012	3,050	41
2013	2,560	31
2014	1,754	18
2015	997	11
2016	75	1
2017	0	0

CZECH FISH PRODUCTION IN 2016 BEST IN 5 YEARS – 20.8.

Czech fish production increased by roughly 4% y-o-y to 20,952 tonnes last year, which was the highest volume in the past five years, the Czech Fish Farmers Association said on its website.

Carp remains the most common fish in the country.

According to data of the Czech Statistical Office, annual fish consumption is some 5.5 kg per person.

The association says the figure is lower.

"Adjusted for re-exports (of mainly sea fish), last year's overall consumption reached a mere 3.8 kg of fish per capita," the association said in its magazine.

The Czechs mainly eat fish at Christmas, where fish consumption is at its highest.

More than a half of Czech fish is exported, predominantly to Poland, Germany and Slovakia, the association said.

Fish producers can do better in the future as the state passed amended legislation in June according to which they will get again compensation for damage caused to fish by cormorants.

The Environment Ministry deleted the cormorant from the list of protected species in 2013. Consequently, fish breeders

did not get compensation from the state for the damage caused by cormorants.

Deputies including Agriculture Minister Marian Jurecka came up with a proposal to pay 100% compensation during a three-year period (from January until end-2019) to breeders who do prove the damage caused to fish, with 80% compensation to be paid for 2020.

Fish breeders said last year they incurred losses worth CZK117.8mn in 2015 because of cormorants.

Czech fish production in 2007-2016 (in tonnes)

	Carp	Anadromous fish	Tench	Herbivorous fish	Carnivorous fish	Other
2007	17,947	776	295	747	218	464
2008	17,507	815	308	980	236	549
2009	17,258	671	271	1,011	228	633
2010	17,746	738	241	1,071	218	406
2011	18,198	814	208	958	229	603
2012	17,972	752	184	997	227	631
2013	16,809	682	165	892	238	572
2014	17,833	692	163	779	202	466
2015	17,860	611	157	822	213	537
2016	18,362	668	147	1,063	230	482

Year	Total
2007	20,447
2008	20,395
2009	20,071
2010	20,420
2011	21,010
2012	20,763
2013	19,358
2014	20,135
2015	20,200
2016	20,952

CZECH GOVT OKS PROJECT OF EMPLOYING UKRAINIANS IN AGRICULTURE – 21.8.

The Czech government today approved a project aimed at simplifying the employment of workers from Ukraine in the Czech agricultural and food sectors, the Agriculture Ministry has said in a press release.

The project involving about 1,500 people is to be launched at the beginning of next year. The foreigners will be able to work in the CR for 6 to 12 months.

Czech Agrarian Chamber representatives said earlier Czech agriculture lacks up to 15,000 people.

"The aim of the project is to enable fast and effective reception of applications for employee cards without the need (of the applicants) to get registered in the reservation system," the ministry said.

According to the ministry, the project will not disrupt the Czech labour market.

In February, the government decided that the original quota for employment of workers from Ukraine can exceed 5,000 people. The Foreign Ministry subsequently raised the monthly quota from 320 to 400 people.

CZECH FARMERS' ASSOCIATION SEEKS MORE FLEXIBLE POLICY TOWARDS AGRICULTURAL REFORM – 21.8.

The Czech Association of Private Farmers has warned of the consequences for the agricultural sector of proposed reforms of the EU's Common Agricultural Policy (CAP) for the Czech sector. They warned that the CR, because of the large

average size of many farm holdings is likely to lose out, as EU reforms look like they will shift more support towards smaller family farms. The association suggested the Ministry of Agriculture adopt a more flexible attitude towards the proposals made so far and work on policies that would mean more farmers can claim EU support in the future. Talks about the shape of the CAP after 2020 have started in part because of the likely reduced EU budget after Brexit.

AGRICULTURE MIN: COMPENSATION FOR DROUGHT MAY BE HIGHER THAN CZK1.2BN – 21.8.

At present the Czech Ministry of Agriculture is working on a final estimate of the damages caused by this year's drought. Once the estimate is completed, the ministry will present to the government material with a proposal for assistance for farmers. The final value of the compensation could be similar to that of 2015, when it totaled CZK1.2bn. This was stated for ČIANEWS by ministry spokeswoman Markéta Ježková, who added that it has not been ruled out that the ministry will propose a different, even higher, sum.

CZECH GROUNDWATER POLLUTION WORSENING – 22.8.

The quality of groundwater worsened last year as against the previous years as experts found the values exceeding the permitted limits in some of the observed substances in 86.8% of the monitored wells and springs, the annual report on the state of Czech water management said.

One of the causes is the cultivation of colza and maize along with those types of pesticides which leak into the groundwater easier than those associated with the cultivation of cereals, the report for 2016, approved by the government on Monday, said.

Last year, experts from the Czech Hydrometeorological Institute (CHMU) examined 675 wells and springs.

They were exploring the presence of 249 pollutants.

They detected the values over the set limits for groundwater for at least one of the substances in 86.8% of the examined places. A year ago, it was only in 82.1% of them and in 2014 in 83.8%.

"The increase appeared not only in shallow wells, but much more in the pollution of less affected springs and deep boreholes," the report said.

"This summary evaluation warns of the fact that there is certainly no lowering of the number of polluted groundwater sites within the observed network of CHMU places," it added. The report focuses on the pesticides in great detail. Their growing use is coupled with a rising risk of contamination of the groundwater.

It is mainly threatened by the pesticides for the plants used for the biofuel, the report said.

"The promotion of 'renewable sources' as an ecological alternative to usual sources brings about a considerable contamination of the groundwater," the report said.

"There is still the question of whether this strategy is really an ecological alternative and whether it is sustainable," it added.

The annual report on the state of Czech water management is drafted by the agriculture and environment ministers, describing the water treatment, pollution, the situation of

the water flows and the state of the sewerage and waste water discharge.

LABOUR & SOCIAL & HEALTH

RENTS IN PRAGUE ROUGHLY TWICE HIGHER THAN IN N. BOHEMIA, MORAVIA – 17.8.

Rents in Prague at CZK293 per square metre on average were more than twice higher in the first half of this year than in the Ústí and Moravia-Silesia regions where rents stood at CZK142 per square metre, according to statistics of developer Trigema made available to CTK.

The company compared prices of around 25,000 flats from 20 real estate servers on the Czech market.

"The market in flats and tenement housing is interconnected. If in some location attractive for residents the price of new and old flats is higher, the situation of costs of tenement housing is similar," said Trigema board chairman Marcel Soural.

"Rents in Prague are regularly higher than CZK10,000 a month but there are also offers with lower rents. The size and quality of the flats corresponds with this, however, Soural remarked.

Average rent in CR's individual regions

Region	Average size (m ²)	Average rent (CZK per m ²)
Prague	70.2	293
South Moravia	60.3	217
Central Bohemia	58.3	185
Hradec Kralove	58.5	180
Pardubice	54.3	174
Zlin	58.4	174
Olomouc	58.9	172
Plzen	64.7	164
Vysocina	60.6	162
South Bohemia	56.8	157
Karlovy Vary	62.7	148
Liberec	60.0	144
Ústí nad Labem	53.7	142
Moravia-Silesia	55.3	142

Average rent in individual Prague districts

District	Average size (m ²)	Average rent (CZK per m ²)
Prague 1	112	377
Prague 2	85	366
Prague 3	61	295
Prague 7	81	295
Prague 6	74	285
Prague 5	76	280
Prague 4	56	272
Prague 8	68	269
Prague 10	59	265
Prague 9	56	263

NO. OF CZECH EMPLOYEES IN INCOME POVERTY GROWS IN RECENT YEARS – 21.8.

The number of employees in the CR living in income poverty due to low wages grew in recent years, from 5% in 2011 to almost 7% in 2015, according to a study drafted for the

tripartite council (a body consisting of representatives of the government, trade unions and employers).

Today, the government decided to raise the minimum wage by 11% to CZK12,200 as of January 2018.

Prime Minister Bohuslav Sobotka said earlier his cabinet wants to exert pressure for a steeper pay rise, among other things by means of raising the minimum wage. The trade unions have welcome this. They had warned earlier that the net minimum wage is below the income poverty level.

Last year, the income poverty level was CZK10,691, while the net minimum wage was CZK8,811.

According to employers, the 11-percent wage hike does not correspond to the growth of the economy, wages and productivity. They had said earlier they would lack funds to raise the salaries of qualified employees due to the ordered rise of the minimum wage.

The CR ranks among countries with the lowest poverty rate. According to the study, there were 174,500 employees in income poverty in 2011 (5% of the total workforce), while in 2015 the figure rose to 299,000 (nearly 7%).

If the income was CZK1,000 higher, the number of employees in poverty would drop by half to about 111,400. Upon a 10-percent wage rise, the poverty rate would reach less than 4% and the number of poor employees would reach about 127,200, the study says.

The study authors, however, warn that the growing minimum wage is "paradoxically connected with rising equalisation." As the minimum wage grows much faster, the difference between the remuneration of unqualified and qualified employees decreases, according to the study.

"While the minimum wage hikes steeply, higher wages grow at a slower pace or stagnate," the study says.

CZECH MINIMUM WAGE TO RISE TO 12,200 CROWNS - GOVERNMENT – 21.8.

The monthly minimum wage in the Czech Republic will rise by 1,200 crowns, or 11%, to CZK12,200 as of January 2018, and it will reach 40.5% of the average wage, PM Bohuslav Sobotka has tweeted, referring to the cabinet's decision today.

The trade unions originally demanded a 1,500-crown increase, while the cabinet preferred an 800-crown increase.

The employers, for their part, urged the government not to raise the minimum wage next year.

About 132,000 people, or 3.6% of employees work for the minimum wage in the country.

"The cabinet has approved already the 4th increase in the gross minimum wage," Sobotka (Social Democrats, CSSD) wrote on Twitter.

Since the autumn 2013 general election, when the minimum wage stood at CZK8,500, it will have increased by 43.5% as of next year, he wrote. "It must pay to work," he added.

Sobotka previously said his cabinet wants to exert pressure for a steeper pay rise, also by means of raising the minimum wage.

The minimum hourly pay will go up from CZK66 to CZK73.20. The minimum wage increase will cost entrepreneurs and the state CZK3.1bn and CZK671mn next year, respectively.

The social and health insurance contributions are expected to rise by CZK1.28bn.

This January, the minimum wage rose last time, by CZK1,100 to CZK11,000.

Employers object that the minimum wage has become a political issue and they reject its high increases. They demand that clear rules be set for its rising so that companies can anticipate the costs and prepare for it.

The employers say the planned increase corresponds neither to the increase in other wages nor the country's economic growth.

The unions, for their part, argue that the net minimum wage is below the income poverty limit.

In 2016, the minimum monthly net wage was CZK8,811 and the poverty line was CZK10,691.

The CR's current minimum wage of CZK11,000 (EUR407) ranks among lower minimum wages in the Central and Eastern European (CEE) region, whose average is some CZK12,500 (EUR461), according to a study by consulting company Mazars.

Minimum wage in selected countries (in EUR)	
Country	Minimum wage
Albania	161
Austria*	1,677*
Croatia	431
CR	407
Greece	684
Hungary	411
Latvia	370
Lithuania	380
Macedonia	195
Poland	455
Romania	322
Russia	278
Serbia	247
Slovakia	435
Slovenia	805
Ukraine	113
CEE Average	461

* Austria does not operate a national minimum rate. The rate is set through sectorial collective agreements that jointly cover a high proportion of the working population.

🇨🇪 CR RECEIVES MORE POSTED WORKERS THAN IT POSTS – 22.8.

The CR is the only one of the new EU member states that receives more workers posted from the EU than it posts in other EU countries, according to an analysis of working mobility published on the government's website.

The posting of employees has nevertheless negligible impacts on the Czech economy and wages.

According to the European Commission's proposal for a revision of the EU directive on the posting of employees, the conditions for posting of workers should toughen. The old member states complain that the new members have advantage by having cheaper labour and that the cheaper workers posted from the new member states endanger their jobs.

The EU directive and wage dumping is to be the subject of talks between the prime ministers of the CR, Slovakia and Austria and French President Emmanuel Macron on Wednesday.

According to the Czech government's analysis, the number of workers posted within EU in 2014 amounted to 1.9 million, accounting for 0.9% of the total number of employees. Czech companies posted 10,400 people in EU countries while foreign companies posted 17,200 employees in the CR.

Czech companies post workers mainly in construction, industry and road transport. The biggest number of Czech workers was posted in Germany (about 4,100), Austria (1,200), Slovakia (900) and France (800).

The CR, on the other hand, receives mostly workers posted from Slovakia, Germany, Poland and France. In 2014, there were 7,000 Slovak workers and 1,600 French workers in the CR.

According to the government's analysis, "the alleged social dumping can only be avoided by higher wage convergence." Prime Minister Bohuslav Sobotka intends to call on Macron and on Austrian Chancellor Christian Kern in Salzburg that wages of Czech workers posted in France and Austria be raised more markedly.

Czech employers, however, consider Sobotka's effort just a populist gesture. Trade unions, on the other hand, said they believe in success of Sobotka's talks.

BDO: ALMOST 50% OF BIGGER FIRMS IN CR OFFER PART-TIME JOBS – 22.8.

Nearly every second bigger company in the CR currently offers the option of a part-time job, according to a study conducted by BDO auditing company.

BDO proposes that said companies have tax relief, as part-time jobs partially solve the problem with a lack of workers and support workforce productivity growth.

The sharing economy principle on the labour market could be another partial solution, the Robeeto portal said.

A few years ago, the CR was worst in Europe in terms of the number of offered part-time jobs.

A total of 5.5% of employees are part-timers, according to the Czech Statistical Office (CSU).

The situation is changing, however, not as quickly as it is called for, BDO partner Radovan Hauk said.

Interest in part-time jobs is high in the CR, according to personnel agencies.

A total of 30 to 40% more job seekers respond to part-time job advertisements compared to full-time jobs, Monster Career company said.

The CR's record-low unemployment rate has negative aspects. Czech companies are unable to produce goods and services in a volume corresponding to consumers' interest.

"Czech industry is facing barriers of the labour market," Hauk said. The lack of workers willing to work full-time needs to be solved by an increased offer of part-time jobs, and a big part of companies understands it, he added.

The IT, marketing and accounting sectors offer the biggest number of part-time jobs, Hauk said.

Part-time jobs are convenient for young people and they create positions for women on maternity leave, fresh graduates, seniors and disabled people.

Employers consider part-time jobs as financially less beneficial than full-time jobs. The state could help in this respect by introducing reduced employers' social payments, Hauk said.

INDUSTRY & TRADE & ENERGY & FDI

POLL: MOST CZECHS FOR KEEPING/RAISING NUCLEAR ENERGY SHARE – 18.8.

Seven in ten Czechs are in favour of keeping or raising the share of nuclear energy in the country's electricity production, according to a poll conducted by the CVVM polling institute in May.

The poll showed that a bit more than 50% of Czechs backed the construction of a third and a fourth unit at nuclear power plant Temelin.

Nuclear facilities constitute a third of the country's power production.

As much as 39% of those polled said this share should be maintained, with nearly a third being in favour of its increase and 18% saying nuclear power plants should cut their production.

"Compared to 2015, we can see that the percentage of those supporting a growth in nuclear power generation is significantly higher," CVVM said.

Building two more units at Temelin is one of the options of raising the share of nuclear energy, with 51% of respondents supporting this possibility, the poll has revealed.

Nearly a third of people were against Temelin's enlargement. The authors of the poll also wanted to know if the Czechs are afraid of nuclear energy.

Almost a third of respondents admitted they have great or medium fears, with 38% having small fears and more than a quarter not worried about the use of nuclear energy.

The Czechs' concern about nuclear energy has been relatively stable since 2011, the poll showed.

"At the same time, it is significantly lower than in 1993, when this question was raised for the first time," CVVM said.

The poll was carried out among 1,019 people aged 15 or over on May 8-18.

CZECH ELECTRICITY CONSUMPTION, PRODUCTION UP IN H1 – 18.8.

Czech electricity consumption reached 31 terawatt hours (TWh) in the first half of this year, which is 3.2% more year on year, and the domestic power output increased by 2.5% to 44.5 TWh, according to data of the Energy Regulatory Office (ERU).

In H1, coal-fired power plants contributed the most to the so-called gross electricity output, which includes power consumed in production, ERU said. Coal-fired power plants made up 23.77 TWh of the output, which is 4.5% more year on year.

Production of photovoltaic power stations rose annually by 9.5% to 1.2 TWh in the first six months of this year.

On the other hand, output of nuclear power plants decreased by 3.1% to 13.9 TWh.

CEZ energy group, owning domestic nuclear power plants Dukovany and Temelin, has said earlier that the drop was caused by longer shutdowns at Temelin.

The situation is supposed change in the second half of this year, CEZ said expecting the annual output of nuclear power plants to be 29 TWh in 2017, up from 24.1 TWh in 2016.

The CR's net electricity exports fell by 2.4% y-o-y to 6.6 TWh in H1.

Electricity consumption in the CR is expected to grow in the forthcoming years and decades. In the optimised state energy concept, the Industry and Trade Ministry envisages electricity consumption reaching 62.08 TWh in 2020 and 74.07 TWh in 2040. Power output is supposed to be at about 90 TWh a year.

However, the production structure is supposed to change and most electricity is to be generated from nuclear power sources instead of coal-fired power plants as of the second half of the 2020s, according to the most realistic scenario of the concept.

CR's electricity production & consumption in H1 2012-2017 (in TWh)

	Production	Consumption
2012	45.74	30.14
2013	44.12	30.08
2014	44.10	28.55
2015	44.24	29.53
2016	43.36	30.08
2017	44.45	31.04

ŠKODA TRANSPORTATION DELIVERS METRO WAGONS TO ST. PETERSBURG – 18.8.

OOO VAGONMAŠ, member of ŠKODA TRANSPORTATION group, has delivered eight new NėVa six-wagon metro trains for the St. Petersburg Public Transit Company.

The last of the delivered trains went into operation in August 2017.

The contract was worth RUB 3.8bn. the current delivery follows up on the previous contract for 9 NėVa trains.

ŠKODA TRANSPORTATION has informed that the new trains use energy recuperation for braking, thus saving up to 25% of electricity on braking.

Noise in the trains has been reduced thanks to new insulation materials, windows and doors.

POLL: INDUSTRY 4.0 STRATEGY ADVANCING IN CAR INDUSTRY – 20.8.

Robotisation and automation is mainly developing in the car and electrical engineering industries and in services, however, overall the country is only beginning to implement the Industry 4.0 strategy, companies told CTK in a poll.

A number of companies use summer holidays to modernise their production lines.

The fourth industrial revolution is accompanied by problems such as the lack of qualified workers. Companies are also demanding an education system reform, the poll has shown. "Many Czech companies are already using some of the elements of the Industry 4.0 strategy," said Bohuslav Cizek of the Confederation of Industry.

Apart from cars and electrical engineering, the strategy is also being implemented by companies operating in the pharmaceutical and chemical technology industries, Cizek said.

The work of accountants, too, is being replaced by accounting software, and in the future there will be software applications, for instance, in the area of law, which will make legal assistance in signing contracts unnecessary, said Miroslav Diro of the Chamber of Commerce.

Automation helps companies improve quality and enables smoother production processes. Implementing the Industry 4.0 strategy provides a chance to maintain and raise competitiveness. This process is obviously faster in Germany, which is an industrial leader, "however, our industrial tradition and the present and closeness to the most advanced markets forces us not to wait for anything and keep up the pace with those who are the best," said Miroslav Konvalina of the Automotive Industry Association.

FOREIGN DIRECT INVESTMENTS CREATE 14,000 JOBS IN CR IN 2016 – EY – 21.8.

Over 14,000 jobs were created thanks to foreign direct investment (FDI) projects in the CR in 2016, with the number growing by 53% annually, according to a survey on Europe's attractiveness for foreign investors conducted by EY company.

The CR ranked eighth in the number of jobs created by FDI. Investors launched a total of 110 projects in the country last year, up from 70 in 2015.

Central and Eastern Europe is becoming a more sought destination in terms of FDI, offering attractive conditions such as educated and qualified yet still relatively affordable workforce, EY managing partner in the CR and Central and Southeast Europe Magdalena Soucek said.

In the future, the CR's record-low unemployment rate and with that strong pressure on wage growth will serve as a natural filter for investors from areas with higher value added, such as IT and precision engineering.

"Our advantage over other European countries is strategic location in the heart of Europe and a relatively good infrastructure level," EY head of mergers and acquisitions in the CR Stepan Flieger said.

ČEZ: TEMELÍN PRODUCED 10MN MWH OF ELECTRICITY – 23.8.

Temelín Nuclear Power Plant produced totally 10MWh of electricity year-to-date (7 months and 17 days).

The amount would suffice Czech households for eight months.

Temelín covers one fifth of total Czech power consumption on long-term basis.

Utility ČEZ's Nuclear Energy division director Bohdan Zronek has stated that the course of the year so far confirms the effect of properly planned changes and completed modernisations.

CR SEEKS BREXIT BOOST TO JAPANESE INVESTMENT – 22.8.

The CR has the chance to increasingly position itself as Japan's gateway to the European Union after the United Kingdom's withdrawal from the EU, the Ministry of Trade and Industry suggested following a visit by Japan's Minister for Economy, Trade and Industry, Hiroshige Seko. Seko met with his Czech counterpart Jiří Havlíček. The car industry, IT, defence, glassmaking, and food products were identified as areas for possible increased cooperation between the countries. Around 250 Japanese companies have already established themselves in the CR. Britain was previously one of the major gateways for Japanese investment in Europe.

TRANSPORTATION

RYANAIR AND AMERICAN AIRLINES ANNOUNCE NEW ROUTES FROM PRAGUE – 17.8.

On August 16, 2017, Ryanair launched a new Prague route to Porto, connecting via Milan Bergamo, as it extended its connecting flights service. Passengers transferring in Italy will be able to transfer 'airside' between connecting flights without having to go 'landside'. Luggage may be collected directly in Porto. The Irish carrier will offer discounted tickets for CZK539 for trips in September and October 2017 until August 17. American Airlines is also boosting its flight connections from the CR and will operate a direct route between Prague and Philadelphia from May 2018. In the summer season the flights will be operated daily by Boeing 767-300 aircrafts.

LEO EXPRESS EXPANDS TO GERMANY, TAKES OVER LOCOMORE'S OPERATION – 17.8.

Czech railroad carrier LEO Express has acquired selected assets from bankrupt German railroad company Locomore, which had operated trains on the Berlin-Stuttgart route. The new owner will acquire also the majority of Locomore's employees and vehicle fleet. Connection is scheduled to be renewed from August 24, 2017. The Czech carrier will secure operation and maintenance, partner FlixBus will handle ticket sales and customer services.

CZECH AIR CARRIERS WITH TWO-DIGIT PASSENGER NUMBERS GROWTH IN H1 – 18.8.

Czech air carriers, Czech Airlines (CSA) and Travel Service, reported two-digit growth in the number of handled passengers in the first half of this year, surpassing the European average of 8.8%, the Zdopravy.cz server said today. Travel Service private carrier registered a 32.6% rise to 1.716 million transported passengers, and CSA increased its passenger numbers by 22% to 1.174mn, Zdopravy.cz said.

CSA's results were significantly impacted by the favourable economic situation in Europe and global growth in demand for air transport, CSA board chairman Jozef Sincak said in a press release.

"Nearly all markets where we operate, mainly West Europe and Russia, increased annually," he said.

CSA improved its performance on lines to and from Russia by almost a third y-o-y thanks to stabilisation of the Russian market, Sincak said.

The number of CSA flights went up by 7% annually in H1, and the number of kilometres travelled increased by 4%.

The average flight occupancy rate of CSA added 11 percentage points to 81% y-o-y.

State-run company Prisko controls nearly 20% of the airline, with 44% in the hands of Korean Air, 34% held by Travel Service and 2.26% by Ceska pojistovna.

Last year, CSA increased its after-tax profit by 8% to CZK241m. Travel Service's passenger numbers growth was affected by both regular and charter flights ordered by tour operators.

The demand continued growing during the summer holiday and the number of tour operators' orders for the next season is on the rise, Travel Service spokeswoman Vladimira Dufkova said.

Travel Service belongs to Unimex Group owned by entrepreneurs Jiri Simane a Jaromir Smejkal. Chinese investment company CEFC has nearly a 50% share in the air carrier.

☰ PRAGUE: NEW TRAM LINES APPROVED – 18.8.

The City of Prague is going ahead with planned changes which will see the introduction of two new tram routes. Plans for the project are to be drawn up after the proposal was passed by councillors this week. Changes to the tram lines will affect routes from Jižní Město to Žižkov and from Podolí to Michle. Both routes are part of long-term plans by the city's Dopravní podnik (public transport authority).

ČIA PRAGUE AIRPORT: QATAR AIRWAYS FILES FROM PRAGUE TO DOHA – 22.8.

Qatar Airways offers daily flights from Prague to Qatar's capital Doha from August 21, 2017. The carrier will serve the route seven times per week. The information was provided by Václav Havel Airport Prague.

MISCELLANEOUS





iDNES.cz PRESIDENTIAL ELECTION DATES DECLARED – 23.8.

Presidential elections will take place on 12th and 13th January 2018, Head of the upper house, the Senate, Milan Štech announced the dates today.

Candidates must file applications to the Ministry of Interior by 7 November. The Ministry will announce on 24 November, which candidates may participate in the election and who, on the contrary, was refused.

The second series of direct presidential elections must take place at the latest by January 19 and 20. A second round follows as a head-off between the best placed candidates from the first round. Current incumbent Miloš Zeman, who triumphed in 2013, has said he will stand again in the elections.

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	Czech National Bank (Česká národní banka)
	Czech Press Agency (Česká tisková kancelář)



Czech Statistical Office (Český statistický úřad)
iDnes.cz, news portal MF Dnes
Prague Daily Monitor
Radio Prague (Český rozhlas)