

GOVERNMENT MEASURES

EC proposed rules for cleaner air and water

Wednesday, October 26 | ČIANEWS | [Information Source](#)

The European Commission has proposed to tighten regulations on pollutants in ambient air, surface water, groundwater and urban wastewater treatment. The newly proposed rules should reduce the number of deaths caused by the main pollutants PM2.5 by more than 75% in 10 years. Based on the experience with the COVID-19 pandemic, the Commission also proposes to systematically monitor wastewater for several viruses, including CoV-SARS-19, and to study antimicrobial resistance. ■

KVK will renovate MATYÁŠ Home in Nejdeč for CZK 450m

Wednesday, November 2 | ČIANEWS | [Information Source](#)

The Karlovy Vary Region (KVK) has started the first stage of the renovation of the MATYÁŠ Home with a special regime in Nejdeč. As part of the renovation, Pavilion C will also be expanded, where single and double rooms will be available after completion, and the connecting tract will be restored. In the second stage, pavilions A and B and the second connecting tract will be modernized. The home will then have a total of 84 places for clients. The total estimated costs of the project are CZK 450m, of which they amount to CZK 210m for the first stage. In September 2022, KVK submitted an application for a subsidy to co-finance the project in the call for the National Recovery Plan. ■

PRIVATE SECTOR – ACTIVITIES

ŠKODA AUTO makes 72 cars above plan at M13

Thursday, November 3 | ČIANEWS | [Information Source](#)

At the beginning of the 44th week of 2022, ŠKODA AUTO produced 72 cars above plan at the M13 Octavia assembly in Mladá Boleslav. The net unfinished rate was 657 vehicles. In this week, the production pace is 1.03 minutes per vehicle, which is 413 cars per shift and 1,239 per day in total. This information was provided by the Odbory Kovo MB trade union. Last week, there were no night shifts at the M13; still, the staff produced 3,346 vehicles: 2,428 OCTAVIA A8 models and 918 ENYAQs. Last week, there was no afternoon shift in the main production flow at the M1 Fabia assembly. ■

VLM Group reported EBITDA of CZK 248m, focused on digitization

Wednesday, November 2 | ČIANEWS | [Information Source](#)

The media group Vltava Labe Media (VLM) reported a consolidated EBITDA of CZK 247.9m for 2021. Last year, it focused on digitization or developing the services and products offered. It also focused on the development of the Deník brand and the initial phase of restructuring the newsrooms, focusing on content sharing in the sense of the digital first project. Online media was also a priority, where VLM achieved double-digit traffic growth. Despite the negative post-covid predictions, the group also increased the volume of subscriptions last year. ■

KOVO MB: ŠKODA AUTO to cancel some shifts in 44th week

Sunday, October 30 | ČIANEWS | [Information Source](#)

ŠKODA AUTO has cancelled all night shifts at the MB II assembly plant in the 44th week of 2022. In the MB II welding shop, the night shift from Sunday to Monday will run in a limited mode, while the others will also be cancelled. Employees will not go to work on the EA 2011 engine assembly on Mondays and Fridays, and crankshaft machining on Fridays. The Saturday (starting in the morning) and Sunday shifts on head, cylinder block and connecting rod machining and on plasma will remain. The KOVO MB union also informed that some other plants have to reckon with a limited production regime. The union has negotiated compensation for the employees of 80% of the average wage. ■

MONETA increased profit by 42%, revenues exceeded CZK 9bn

Sunday, October 30 | ČIANEWS | [Information Source](#)

MONETA Money Bank's net profit for 9M 2022 increased by 42.3% y/y to CZK 4.1bn, representing a return on tangible equity of 20.6%. The unaudited consolidated financial results also show that operating income increased by 11.6% to CZK 9.1bn. Net interest income increased by 14.6% and fee and commission income by 9.3%. Group operating expenses totalled CZK 4.2bn, thanks to cost management that mitigates the impact of double-digit inflation. Total customer deposits grew by CZK 53.4bn to CZK 320.1bn. Of these, retail deposits grew by 21.9% to CZK 243.8bn and commercial deposits by 14.3% to CZK 76.2bn. ■

For your notes

Kovo union starts negotiations with ŠKODA AUTO on bonuses

Sunday, October 30 | ČIANEWS | [Information Source](#)

Jaroslav Povšík, Chairman of the ŠKODA AUTO Works Council, has sent a letter to the company's board of directors calling for negotiations to be initiated on the amount of the bonus based on the provisions of the 2022 collective agreement. The bonus is to be paid together with the second part of the guaranteed bonus. The money is to be used to support employees because of increased costs, with virtually all prices of goods and services being hit by inflation. At the same time, this anti-inflation payment will also be negotiated in other companies where the KOVO MB, KV and VR unions represent their members and employees. ■

ECONOMY - CONSEQUENCES

GDP up 1.6 % y/y, employment up 2.0 %

Tuesday, November 1 | ČIANEWS | [Information Source](#)

Price-adjusted and seasonally adjusted gross domestic product (GDP) was down 0.4 % quarter-on-quarter in 3Q 2022. It was up 1.6 % year-on-year. This follows from the preliminary estimate of the Czech Statistical Office. Director of the National Accounts Department, Vladimír Kermiet, said that the quarter-on-quarter decline was caused by lower domestic demand, especially lower household final consumption spending, which saw a drop for the fourth quarter in a row. Conversely, foreign demand had a positive effect. Employment was unchanged quarter-on-quarter and rose 2.0 % year-on-year. ■

MF: Health insurers show surplus of CZK 4.05bn

Monday, October 31 | ČIANEWS

Revenues of health insurance companies as of September 30, 2022, amounted to CZK 326.38bn. This is based on data from the Ministry of Finance of the Czech Republic (MF). Of this, premium income including accessories amounted to CZK 219.42bn, and payment by the state amounted to CZK 102.21bn. Expenditure amounted to CZK 322.33bn. The positive balance of the health insurance companies amounted to CZK 4.05bn. At the end of August, it reached CZK 8.96bn. ■

SOLUS: Number of persons in register of debtors fell to 428,000

Monday, October 31 | ČIANEWS | [Information Source](#)

The number of citizens with unpaid overdue debt registered in the Register of Natural Persons of the SOLUS association fell to 428,000 at the end of 3Q 2022 (-35,000 people y/y). Thus, 4.94% of adult citizens of the Czech Republic had a negative record of overdue liabilities. In 2021 it was 5.23%. The overdue amount fell to CZK 30.6bn (CZK -5bn). The secretary of the association, Jan Stopka, said that the beginning of difficulties may be signaled by the observed slight increase in overdue loans from non-bank providers since the beginning of 2022. According to him, a number of citizens are apparently also now solving increased energy advance payments with credit. ■

Length of sick leave fell to record 24.5 days

Tuesday, November 1 | ČIANEWS | [Information Source](#)

The average number of sickness insured persons reached a total of 4.72 million people in the Czech Republic in 1H 2022 (+31,300 year-on-year). 2.05 million cases of temporary incapacity for work (+47 %) were reported. The increase may have been partially caused by the duplication of quarantine sick leave. The Czech Statistical Office further informed that 1.94 million cases of incapacity for work due to illness were registered. Compared to 1H 2019, the number has more than doubled. A total of 23,000 sick notes were issued due to workplace accidents. Workplace accidents resulted in 40 fatal injuries. Insured people spent 50.39 million days (-1 %) in incapacity for work. Compared to the period before the pandemic, the number was higher by more than a fifth. The average length of sick leave fell from 36.3 to 24.5 days, the shortest period in more than 20 years. ■

D&B: Record 177 companies sentenced last year

Tuesday, November 1 | ČIANEWS | [Information Source](#)

There are 866 companies registered in the Criminal Register of Legal Entities maintained by the Ministry of Justice of the Czech Republic, of which 589 are active and 277 have already been deleted from the commercial register. Dun & Bradstreet (D&B) analyst Petra Štěpánová said that 177 companies were sentenced in 2021, which is the highest number in history. So far this year, another 76 companies with a criminal record have been added. Companies that have committed a crime are most often engaged in real estate rental and management (19 %), wholesale mediation (14 %) or building construction (10 %). ■

State budget ended with a deficit of CZK 286.7bn in Oct

Tuesday, November 1 | ČIANEWS | [Information Source](#)

The state budget had a deficit of CZK 286.7bn ended at the end of October 2022. After adjusting for revenues from the EU and financial mechanisms, as well as for expenditures on these projects, the deficit amounted to CZK 259.2bn. Finance Minister Zbyněk Stanjura (ODS) stated that the deficit corresponds to the expected fulfillment in the context of payments of extraordinary pensions, one-off child allowances and other benefits, including the prepayment of the entire allocation for the savings tariff. In October, the collection of VAT from quarterly payers had a positive impact on the budget, on the other hand, the Czech Republic paid an extra CZK 6bn year-on-year in repayments of the state debt. ■

For your notes

Unemployment drops to 2.2% in October

Thursday, November 3 | ČIANEWS | [Information Source](#)

In October 2022, the employment rate of persons aged between 15 and 64 in the Czech Republic grew by 0.9 pp month on month to 75.7%. The share of the unemployed totalled 2.2%, down by 0.5% year on year. The unemployment rate was 1.9% for men and 2.6% for women. Czech Statistical Office Labour Market Statistics and Equal Opportunities department director Dalibor Holý said that the adjusted unemployment rate had been below 3% since June 2021. There was still high demand for labour. According to Eurostat data, the unemployment rate in the Czech Republic for persons aged between 15 and 74 years was at 2.2% in September. ■

Coface deteriorates ratings in Europe

Wednesday, November 2 | ČIANEWS | [Information Source](#)

Coface Barometer rated the Czech Republic A4 (adequate risk) in 3Q 2022, down from A3 (fair risk) in 2Q22. Rising inflation and the weight of the vulnerable automotive industry are to blame. Coface's CEO for the Czech Republic and Slovakia, Ján Čarný, also said that the domestic agriculture, paper, and retail sectors, with the exception of the energy sector, deteriorated. Coface downwardly revised the ratings of eight countries in 3Q, including Italy, Denmark, Switzerland, Egypt, and Chile. Only Norway, which is a natural gas producer, continues to have the best risk rating. The downgrade of 49 sector ratings indicates deteriorating conditions in sectors sensitive to the business cycle. ■

PMI: Industry outlook for 2023 pessimistic

Tuesday, November 1 | ČIANEWS | [Information Source](#)

The October Purchasing Managers' Index (PMI) data from S&P Global showed a significant decline in operating conditions in the Czech manufacturing sector. The slowdown resulted from weaker customer demand and a sharp drop in output due to worsening economic conditions on the domestic and world markets and a further decline in customer purchasing power. Production and new orders fell, and the pace of decline accelerated as demand was further burdened by rapidly rising prices. Firms subsequently reduced the number of employees and purchases of inputs in an attempt to limit expenses. However, the growth of energy still drove prices higher, which will have a hard impact especially on energy-intensive industries. There were few signs of a decline in inflation on the domestic and foreign markets, and at the beginning of the last quarter, Czech manufacturers still registered pessimism regarding the prospects for production in the next year. Sentiment fell to the lowest level since the start of the pandemic in April 2020. S&P's current forecast for industrial production growth in 2022 is only 1.5%. ■

Analysts: Industry has a problem with lack of new orders

Tuesday, November 1 | ČIANEWS

The updated October PMI report does not offer an optimistic outlook for the beginning of the last quarter of this year. Raiffeisenbank analyst David Vagenknecht said that the published result of the survey means a provisional confirmation of the outlook that the quarter-on-quarter decline in the economy will continue at the end of the year. Komerční banka's economist Jana Steckerová added that shortly after the problems with subcontracts almost disappeared, the Czech industry is increasingly struggling with a lack of new orders. Customers are gradually losing the ability to absorb the high prices that companies have been able to pass on to them until now. The chief economist of Creditas Bank, Petr Dufek, stated that part of the industry is still riding on the wave of older orders, but from the point of view of the further development of the economy, the new ones, for which relevant data have yet to arrive, are now decisive. ■

JLL: Number of apartments completed in Prague increases

Wednesday, November 2 | ČIANEWS | [Information Source](#)

At the end of 1H 2022, there were approximately 14,400 flats under construction in Prague, roughly 4,000 more y/y. About 17% more flats were completed (2260). Another 4,200 units are expected to be completed by the end of the year, marking the strongest supply of new apartments since 2017. However, high interest rates, tighter mortgage conditions, and record prices have led to a decline in sales. Some 1,900 flats were sold in 1H, down by half. Apartments in new buildings became more expensive by 18%. However, compared to 2H 2021, the price in new buildings increased by 1% to an average of CZK 124,887 per m² excluding VAT. ■

Export Index: Value of Czech exports to grow by 9 %

Tuesday, November 1 | ČIANEWS | [Information Source](#)

The value of Czech exports should show year-on-year growth of 9% in the remaining months of 2022. This follows from the Export Index, which is compiled by the Association of Exporters (AE) together with Raiffeisenbank. AE Vice President Otto Daněk stated that the export forecast for the beginning of 2023 shows a 5% year-on-year increase. Export value in August 2022 increased by 28% year-on-year. The result was influenced by the recovery in the automotive sector as well as the growth of export prices by 15.6%. ■

BC: Rate for non-purpose loans up to 8.59 %

Tuesday, November 1 | ČIANEWS | [Information Source](#)

The interest rate for non-purpose loans in September 2022 increased by 0.22 pp month-on-month to a total average value of 8.59%. According to the Broker Consulting (BC) Consumer Credit Index, the current level of rates was last provided at the beginning of 2Q 2017. Experts expect the gradual rise in rates to continue. The approaching Christmas holiday period is likely to prompt monetary and credit institutions to offer various preferential borrowing events, most often in the form of reduced interest rates or deferral of repayments at the beginning of the repayment period. ■

For your notes

Edenred: 57% of people consume less healthy food

Monday, October 31 | ČIANEWS | [Information Source](#)

Six out of 10 people now cheat on food. For more than a quarter of Czechs, this is a noticeable or very significant intervention in their previous eating habits. This was shown by the Edenred CZ survey, which was created from the EU's FOOD initiative. In the Czech Republic, more than 5,700 diners and 221 restaurants took part in it. 37% of respondents enjoy the same quality food as in 2021. Edenred management member Aneta Martišková added that more than 57% of people consume less healthy and balanced meals. A quarter rarely eat healthy or cannot even afford such foods now. The average expenditure of Czechs for lunch in September 2022 fell by 40 halers m/m to CZK 167.40. ■

Europ Assistance: Accidents up 1.4%, deaths up 10

Sunday, October 30 | ČIANEWS | [Information Source](#)

Totally 73,471 accidents occurred on the roads in the Czech Republic in Q3 2022 (+1.4% y/y). 347 people died (+10). Europ Assistance also reported that it carried out 292 assistance operations per day and intervened in a total of 79,696 cases (+3.5%). In the summer season, assistance teams helped in 27,271 cases. They provided 3,167 replacement vehicles and 488 repatriations (import of vehicles abroad). Outside the Czech Republic and Slovakia, the most frequent destination for assistance to Czech motorists in the summer was Germany. ■

Petrol up to CZK 42.60/l, diesel up to CZK 47.35/l in CR

Sunday, October 30 | ČIANEWS | [Information Source](#)

The average consumer price of Natural 95 petrol in the 43rd week compared to the 42nd week of 2022 in the Czech Republic rose from CZK 42.60 to CZK 42.90/l. Diesel fuel rose from CZK 46.48 to CZK 47.35/l. The price of LPG decreased from CZK 17.94 to CZK 17.92/l. According to the survey of the Czech Statistical Office, the price of gas oil increased from CZK 28 253 to CZK 28 279 per 1,000 litres. ■

NEWS FROM SLOVAKIA

MDV SR again launched support for tourism sector

Monday, October 31 | ČIANEWS | [Information Source](#)

The Ministry of Transport and Construction (MDV) of the SR reopens the de minimis support regime for the tourism sector. The grant will provide pandemic aid for the months of January and February 2022 to entrepreneurs whose application was rejected due to an error or who did not manage to submit it in time. Applications will be accepted November 1-11, 2022. ■

LSP cuts loss to EUR 6.96m, better than planned

Thursday, October 27 | ČIANEWS | [Information Source](#)

Strong cost-saving measures and efficient management of the company have produced a positive result. Slovak Air Navigation Services SR (LSP) stated this in its annual report for 2021, adding that it has significantly reduced its loss from the planned EUR -29.83m to EUR -6.96m. However, the revived pace of return of operations to pre-pandemic levels in the coming years cannot be counted on, especially with the omicron mutation wave gaining momentum. This is one of the reasons why the company has maintained a more conservative traffic estimate in the performance plan for setting the line rate. This should give it a positive assumption regarding the company's performance in the period. LSP therefore expects 2021 to be the last year so significantly affected by the pandemic. The company reported a turnover of EUR 34.65m in 2021. ■

Performance of the Slovak economy was slower in 1H22

Monday, October 31 | ČIANEWS | [Information Source](#)

The revision of the data in the system of national accounts, carried out by the Statistical Office of the SR, showed that the decline of the Slovak economy was milder in the Covid year 2020, at the level of 3.4% of GDP in constant prices. Initially, a drop of 4.4% was recorded. The impact of the revision also adjusted the nominal gross domestic product in the years 2010 to 2021 from +0.3% to +1.4% of GDP. The performance of the economy was slower in 1H 2022. The value reached 1.3% compared to the original 1.8%. ■

Industrial producers' prices in SR up 61.8%

Thursday, October 27 | ČIANEWS | [Information Source](#)

Industrial producer prices in Slovakia increased by 61.8% y/y in September 2022. The data were published by the Slovak Statistical Office. The overall development was mainly influenced by extraordinary price increases of 136.3% in the electricity and gas supply sector, 74.3% in the production of petroleum products and 30.5% in food production. ■

Building work prices in Slovakia up 17.5%

Thursday, October 27 | ČIANEWS | [Information Source](#)

Construction work prices in Slovakia rose by 17.5% y/y in September 2022. The data were published by the Slovak Statistical Office. Building materials' prices rose by 21.9% in September. Their prices have risen by 25.9% year-to-date. ■

For your notes

