

BUSINESS SUPPORT MEASURES CORONAVIRUS CRISIS

October 7, 2022

GOVERNMENT MEASURES

EC: CR should get EUR 2.5bn for employment protection

Monday, October 3 | ČIANEWS | [Information Source](#)

On October 3, 2022, the European Commission (EC) submitted to the Council a proposal to grant additional financial support to the Czech Republic in the amount of 2.5 billion euros under the SURE instrument, which would increase the total support for the Czech Republic to EUR 4.5bn. Once the Council approves the proposal, financial support will be provided in the form of loans on preferential terms. These will be primarily intended to cover expenditures on job protection in the 2020 and 2021 Covid period. The measures include the reduced working hours regime and similar measures for the self-employed, which were abolished at the beginning of 2022. ■

OpenDataLab: No. of fully vaccinated rises to 6,889,944

Thursday, October 6 | ČIANEWS | [Information Source](#)

As of October 6, 2022, 6,889,944 people (64.4%; 68.0% over 5 years of age) in the Czech Republic were fully vaccinated against COVID-19. 6 975 040 people have received at least one dose. 4,321,281 citizens have received a booster dose. The statistics were compiled by OpenDataLab (CTU) based on data from the Ministry of Health. ■

MZ: No. of people hospitalized with COVID-19 dropped to 1,782

Thursday, October 6 | ČIANEWS | [Information Source](#)

The number of confirmed cases related to the disease causing COVID-19 in the country increased by 3,286 to 4,120,655 as of the morning of October 6, 2022. The number of hospitalizations decreased to 1,782 as of October 5 from 1,937 the previous day. The number of deaths for the week rose to 41,185 from 41,096. This is according to updated data from the Ministry of Health. ■

MZ: Of 18,115,827 vaccinations, 14,956,382 were Pfizer-BioNtech/Comirnaty

Thursday, October 6 | ČIANEWS | [Information Source](#)

As of October 6, 2022, 18,115,827 vaccinations against COVID-19 have been administered in the Czech Republic, an increase of 11,255 doses compared to the previous day. 14 956 382 vaccines have been administered with Comirnaty/Pfizer, BioNtech. Comirnaty is followed by SPIKEVAX/Moderna (1 631 235), VAXZEVRIA/AstraZeneca (887 471), Janssen (413 790), Comirnaty 5-11 (110 876) and Nuvaxovid/Novavax (10 352). This is evidenced by data published by the Ministry of Health. ■

PRIVATE SECTOR – ACTIVITIES

Lemonero offers GoPay Financing to e-shops

Wednesday, October 5 | ČIANEWS | [Information Source](#)

Fintech start-up Lemonero, in collaboration with the GoPay payment gate, has launched funding for online shops called GoPay Financing. The provider of embedded financing for small and medium-sized online stores added that this would help external growth capital of more than 18,000 online shops receiving payments via GoPay. Through GoPay Financing, they will be able to get the necessary capital within a few minutes and with assessment using AI only in such an amount they can afford. In addition, the service will offer a system of instalments where payments are automatically deducted from the merchant's revenue via the payment gate at an optimally set percentage amount. ■

Košík.cz offering Tchibo fashion and accessories

Monday, October 3 | ČIANEWS | [Information Source](#)

Košík.cz exclusively offers Tchibo fashion and home accessories. Prices will be completely identical to the offer of Tchibo stores or the e-shop. With the brand's new collections, the Košík offer will also be changed. Thus, for the first time in its history, Tchibo offers its goods outside its own e-shop or stores. The CEO of Tchibo Praha, Jan Suchánek, stated that the ground-breaking collaboration with Košík brings the company even closer to its customers, making it easier for them to shop. The online supermarket with food, drugstore and household goods will ship products to more than five million customers in the Czech Republic. ■

Wolt Market opens new branch in Prague-Michle

Wednesday, October 5 | ČIANEWS | [Information Source](#)

Despite the market situation, Wolt Market continues to expand and opens its fourth branch in Prague, which is located in Michle. It covers the Prague districts of Michle, Nusle, Chodov, Vršovice, Záběhlice, Braník and Libuš. As in all Wolt Markets open to date, it offers an assortment of 3,500 items. The service is now available in Prague and Brno. The e-commerce platform offers express delivery of food and consumer goods from its own brick-and-mortar store. ■

For your notes

ECONOMY - CONSEQUENCES

For your notes

Indebtedness of gov't institutions up 1.4 pp

Monday, October 3 | ČIANEWS | [Information Source](#)

The budget balance of government institutions in 2Q 2022 in the Czech Republic ended with a surplus of CZK 0.5bn (0.03 % of GDP), which was a year-on-year improvement of CZK 40.8bn. The finances of central government institutions remained in a deficit of CZK 69.8bn but improved year-on-year by CZK 19.5bn. Local government institutions managed a surplus of CZK 62.9bn and the management of social security funds ended in a positive balance of CZK 7.3bn. According to the data of the Czech Statistical Office, the level of indebtedness of the government sector rose by 1.4 percentage points year-on-year to 44.0 % of GDP. ■

IC: 172 corporate bankruptcies in Q3 22; numbers to rise

Tuesday, October 4 | ČIANEWS | [Information Source](#)

There were 4,552 insolvency filings in Q3 2022 (-23% q/q). This represents the lowest number since the onset of the pandemic. The number of allowed insolvencies fell by 26% to 4,101. The amount of corporate bankruptcies increased by 1% to 172. Preliminary data from InsolCentrum (IC) also show that 34 personal bankruptcies (-21%) and 27 sole trader bankruptcies (-25%) were declared. The reduction in the number of these insolvencies is due to the fact that they are mostly resolved in debt relief. CEO Jarmila Veselá commented that the low number of insolvencies is a harbinger of dramatic changes. In her opinion, the number of corporate bankruptcies is likely to increase gradually, with peaks in 2024 and 2025. If the amendment to the Insolvency Act is adopted and the period of debt relief is shortened across the board, there may be a record increase in personal bankruptcies. ■

Unemployment fell by 0.4% to 2.5%

Friday, September 30 | ČIANEWS | [Information Source](#)

The seasonally adjusted employment rate of persons aged 15 to 64 in the Czech Republic increased by 0.5 pp year on year to 75.4% in August 2022, according to data published by the Czech Statistical Office. The share of unemployed in this age group was 2.5% (-0.4 pp). Unemployment for men reached 1.9% and for women 3.1%. The rate of economic activity was 77.3% (+0.2 pp). According to data from Eurostat, which publishes statistics for the age group 15 to 74, the unemployment rate in the country was 2.4%. ■

Export Index: Falling demand jeopardies export

Tuesday, October 4 | ČIANEWS | [Information Source](#)

At 10.2% y/y in August, growth in the value of exports was slightly above the Export Index's prediction of close to 8%. Raiffeisenbank and the Association of Exporters reported that it was not purely a matter of growth in the volume of goods exported, but mainly export prices, which were 14.2% higher y/y in August. The Export Index continues to predict a gradually weakening annual growth rate in exports, which is close to zero at the end of the year. The main reasons for this are the deterioration in external demand and in domestic industry. An improvement in the situation is unlikely given the current high production costs combined with an uncertain economic outlook. Exports are more likely to be driven by the completion of work in progress. However, the key question, apart from demand, is whether there will be sufficient energy to enable the industry to complete the work in progress at all. ■

Golem Finance: GOFI 70 mortgage index down to 6.25%

Thursday, October 6 | ČIANEWS | [Information Source](#)

The GOFI 70 index, which maps the development of average offer rates for mortgages not exceeding 70% of the mortgage value of the property (LTV), fell to 6.25% in September 2022, after 6.30% in July and August. Golem Finance statistics show that the decline is due to a rate cut at Česká spořitelna, which took place at the end of August and the beginning of September, as well as rescheduling and rate cuts at ČSOB, actions at Raiffeisenbank and rate cuts at Ceditas. Only mBank and UniCredit Bank went in the opposite direction last month. Golem Finance CEO Libor Vojta Ostatek does not expect any significant fluctuations in mortgage prices in Q4 2022, given the stable CNB base rates. ■

P&P: Office construction costs up 50 %

Monday, October 3 | ČIANEWS | [Information Source](#)

The construction of new offices has become 50 % more expensive. According to the managing partner of Prochazka & Partners (P&P), Radek Procházka, the fit-out contribution (landlord's contribution to construction costs) remained relatively the same, but it is not enough for the normal standard due to the significant increase in construction costs. The price for building designer spaces with exclusive equipment and atypical custom-made furniture can be as high as 750 euros/m². The total cost for a company with 100 employees can be up to CZK 16m. He added that, paradoxically, the area of offices is not decreasing. On the contrary, the area per employee is growing. A few years ago, an area of 1,000 m² was enough for 100 employees, currently it is 1,200-1,300 m², and even more than 1,500 m² is not an exception. ■