

## GOVERNMENT MEASURES

### Modified vaccines for new covid variants arrived in CR

Wednesday, September 7 | ČIANEWS | [Information Source](#)

The adapted Comirnaty Original/Omicron BA.1 vaccine has arrived in the Czech Republic. In order to make it more quickly available, it was directly distributed to some vaccination sites throughout the Czech Republic, where those interested can apply it without registration. This information was published by the Ministry of Health. ■

### DIA creation act approved in first reading

Thursday, September 8 | ČIANEWS | [Information Source](#)

The Chamber of Deputies voted in the first reading a package of laws on the creation of the Digital and Information Agency (DIA). The Agency will be tasked with controlling the digitisation process and creating conditions for data sharing between ministries and citizens. The unification of all state portals is also a priority. 128 jobs will be created in the DIA. The cost is estimated at CZK 160m p.a. from the state budget and CZK 140m from the National Recovery Plan. The agency is to be established by January 1, 2023. By the end of 2023, it should develop the gov.cz mobile application. The output should include the possibility to carry an ID card or driving licence in electronic form in a digital wallet. The Digital Economy and Society Index (DESI) ranks the Czech Republic 19th out of 27 EU member states in terms of digitalisation. ■

### MZ: Out of 17,940,162 vaccinations, 14,892,215 were Comirnaty

Thursday, September 8 | ČIANEWS | [Information Source](#)

As of September 8, 2022, 17,940,162 vaccinations against COVID-19 have been reported in the Czech Republic. 14,892,215 vaccines have been administered with Comirnaty/Pfizer, BioNtech. This was followed by SPIKEVAX/Moderna (1 625 882), VAXZEVRIA/AstraZeneca (887 557), Janssen (413 663), Comirnaty 5-11 (110 414) and Nuvaxovid/Novavax (10 060). The data were published by the Ministry of Health. ■

### OpenDataLab: No. of fully vaccinated up to 6,887,756

Thursday, September 8 | ČIANEWS | [Information Source](#)

As of September 8, 2022, 6,887,756 people (64.4%; 68.0% older than 5 years) in the Czech Republic were fully vaccinated against COVID-19. The number increased by 94 per day and 732 per week. 6,973,069 people received at least one dose. 4,302,746 citizens received a booster dose. The statistics were compiled by OpenDataLab (Czech Technical University) based on data from the Ministry of Health. ■

### MZ: No. of people hospitalized with COVID-19 down to 700

Thursday, September 8 | ČIANEWS | [Information Source](#)

The number of confirmed cases in connection with the infection causing the disease COVID-19 in the Czech Republic increased by 2,281 to 4,054,262 in the morning of September 8, 2022. The number of hospitalized patients decreased by 59 to 700 as of September 7 compared to the previous day. The number of deaths in week rose to 40,883 from 40,841. This stems from the updated data from the Ministry of Health. ■

## PRIVATE SECTOR – ACTIVITIES

### Kofola increases H1 revenue to CZK 3.72bn

Thursday, September 1 | ČIANEWS | [Information Source](#)

In the first half of 2022, the Kofola Group increased its revenue by 25.8% year on year to CZK 3.72bn, a historical record. However, the high increase in revenue was accompanied by significantly growing costs related to energy, material input and wage costs. Operating profit dropped by 19%, while EBITDA decreased by 11% to CZK 418m. Concerning this development, the Group's management adjusted the estimate of the annual EBITDA target to between CZK 1.08bn and CZK 1.15bn. It will also propose to the general meeting to lower the dividend to CZK 11.30 per share. Revenue totalled CZK 2.12bn (up 31.9%) in the Czech Republic and amounted to CZK 865.9m (up 17.0%) in Slovakia. As a result of the conflict in Ukraine and higher prices of many commodities, the company increased the prices of its products. ■

### ČD Cargo transported 32.5 mln tons, invested CZK 2.2bn

Thursday, September 8 | ČIANEWS | [Information Source](#)

ČD Cargo posted a pre-tax profit of CZK 214m for H1 2022 according to IFRS. The company reported that it maintained the positive result despite the growth of almost all cost inputs and despite the impact of the conflict in Ukraine. The company and its subsidiaries contributed a profit after tax of CZK 126m to the result of the ČD Group. ČD Cargo transported 32.5 million tonnes of goods under its own licence, up by 1.4 million tonnes y/y. Traction energy costs rose by more than CZK 400m. The growth was mainly in lignite shipments, which, together with other commodities such as fuel, offset the decline in shipments for the car industry. Participation in joint transports abroad, especially in Austria, Germany, Poland, Slovakia and Hungary, also contributed to the result. Capital expenditures in H1 amounted to almost CZK 2.2bn. ■

## For your notes

## ČD posts CZK 0.9bn loss, freight transport is profitable

Thursday, September 8 | ČIANEWS | [Information Source](#)

The Czech Railways Group (ČD) posted a loss of CZK 0.9bn for H1 2022. The result was affected by price increases. The year-on-year increase in expenditure on services, energy and materials for passenger and freight transport was more than CZK 2.3bn. Passenger transport revenues benefited from the development in passenger transport. This resulted in an increase in ticket sales revenue by CZK 2.1bn to almost CZK 4bn. The number of passengers increased by 25 million to 75 million. Despite price increases, shortages of components and the war in Ukraine, ČD finished H1 in the freight segment with a profit of CZK 126m. The company shipped 1.4 million tonnes more goods year-on-year, which increased revenues by CZK 635m. ■

## Vítkovice Cylinders spends 78% on energy and materials

Thursday, September 8 | ČIANEWS | [Information Source](#)

Vítkovice Cylinders from the Cylinders Holding Group plans to use photovoltaics in combination with hydrogen technologies in the future. Both for storing the alternatively produced electricity and for recovering heat from the hydrogen production process as well as for its consumption in fuel cells. Currently, they already spend more than 78% of all their costs on energy and materials. Compared to August 2020, the company's costs for all energy have more than tripled by August 2022. From about 9m to ca. CZK 31m per month, even with a 30-50% price fix. Board chairman Jan Světlík told the Leading Minds Forum 2022, which addressed the current energy crisis in Ostrava, that the number one problem is electricity. It also affects the prices of materials and thus the company partly pays for it twice. ■

## Kovo unions: ŠKODA AUTO cancels selected shifts again

Thursday, September 8 | ČIANEWS | [Information Source](#)

Carmaker ŠKODA AUTO has increased the number of cancelled shifts in the production of vehicles in the MB II welding plant, in the assembly of the MB II and in the related axle production in the 37th week of 2022. Employees from these plants will not work the night shifts from Sunday to Monday, Wednesday to Thursday and Thursday to Friday. The Saturday morning shift and some other night shifts will again not take place at the MB A Paint Shop. PHEV battery production will be standing at the beginning of next week, from the Sunday to Monday night shift through the Tuesday morning shift. At the Vrchlábí plant, a limited regime is expected at some operations. ■

## Dáme market offers Cibule brand ready-made meals

Tuesday, September 6 | ČIANEWS | [Information Source](#)

Dáme jídlo is expanding its offer on the Dáme market platform with chilled dishes made from quality and fresh ingredients under the Cibule brand. It thus responds to the growing interest of clients in ready-made meals. The Cibule project (originally EatPerfect) focused on the distribution of so-called ready-made meals was founded in 2020 in connection with the pandemic by chef Filip Sajler and partners. Cibule's fast delivery of ready-made meals will take place in Prague for the time being. Director of Dáme market Mikołaj Komorowski added that later it will also be available in other regions. Dáme jídlo cooperates with almost 7,000 partners in 170 municipalities. It is part of Delivery Hero, a global player in the food delivery market. ■

## Viartis handed over Influvac Tetra flu vaccine to distributors

Monday, September 5 | ČIANEWS | [Information Source](#)

The manufacturer Viartis has imported the seasonal tetravalent influenza vaccine Influvac Tetra to the Czech Republic. It has handed over the vaccine to distributors who will gradually distribute it to doctors' offices and vaccination centres. Doctors can start vaccinating this week. ■

## Globus will open second small store in Prague's Stodůlky

Friday, September 2 | ČIANEWS | [Information Source](#)

Globus will open a second small-format store in the Fresh concept in autumn 2022. It will be located in Prague's Stodůlky opposite the Town Hall of Prague 13. On an area of 238 m<sup>2</sup>, it will offer customers an assortment of fresh food products from its own production and private brands. All products of its own production will be prepared in the mother house of HM Zličín by butchers, bakers and cooks, and delivered to Stodůlky on the same day. The first small Globus store was opened in 2018 in Pardubice. As part of the Fresh concept, the chain operated a restaurant and a store in Prague's Pankrác, but it was closed due to the pandemic. ■

## ECONOMY - CONSEQUENCES

### Industrial production up 0.8 % in July

Tuesday, September 6 | ČIANEWS | [Information Source](#)

Industrial production in July 2022 in the Czech Republic grew by 0.8 % y/y in real terms. It was down 0.3 % m/m. The data was published by the Czech Statistical Office. The value of new orders increased by 2.2 % compared to last year. The average registered number of employees in industry decreased by 0.1 %. Their average gross monthly nominal wage rose by 6.1 %. According to Eurostat data, industrial production in June 2022 in the EU27 increased by 3.2 % y/y. Czech industry showed growth of 2.7 %, while Slovak industry showed a decrease of 5.7 %. ■

For your notes

## Construction production down 2.7 % in July

Tuesday, September 6 | ČIANEWS | [Information Source](#)

Construction production in the Czech Republic in July 2022 fell by 2.7 % y/y in real terms. It was down 2.9 % m/m. The Czech Statistical Office informed about it. Building authorities issued 9.2 % fewer permits year-on-year. The indicative value of permitted buildings fell by 61 %. 2,726 apartments were started, down 28.6 %. The number of completions decreased by 6.0 % to 2,755. The average registered number of construction workers increased by 0.1 % and their average gross monthly nominal wages by 7.6 %. According to Eurostat data, construction output in the EU27 increased by 0.6 % in June 2022. ■

## Retail sales down 7.2%, from vehicle fuels down 13.5%

Wednesday, September 7 | ČIANEWS | [Information Source](#)

In July 2022, retail sales in the Czech Republic dropped 7.2% year on year in real numbers. They were 13.5% lower for vehicle fuels, 7.1% lower for non-food goods and 5.0% lower for food items. In a month-on-month comparison, retail sales, except for motor vehicles, dropped by 0.6% in real numbers. According to data published by the Czech Statistical Office, sales from the sale and repair of motor vehicles dropped by 1.1% compared to June. Commerce, Transport, Services, Tourism and Environment Statistics department head Marie Boušková said that compared to last year, consumers were only more interested in pharmaceutical and medical goods. ■

## Analysts: People's lower spending can weaken retail by 4%

Wednesday, September 7 | ČIANEWS

The year-on-year dynamic of July retail sales dropped to negative values because of a higher comparative base after the reopening of the economy following pandemic-related restrictions and households' lower willingness to spend as a result of higher costs. Czech Banking Association chief economist Jakub Seidler made this statement in reaction to statistical data. He added that concerning the unfavourable impact of the energy crisis and inflation, he expected retail to drop 4% for the whole of 2022. CREDITAS chief economist Petr Dufek stated that households were restricting the procurement of long-term goods, which had already been hinted at by the data on GDP development. Electronic goods, which households stocked up on significantly during the pandemic, are also experiencing a decrease. Raiffeisenbank analyst David Vagenknecht expects that next year, because of a double-digit wage increase, the tightened labour market will be sufficient for inflation-adjusted revenue to be in the black again. ■

## CRIF: No. of corporate bankruptcies reached 480 in 8 mos.

Tuesday, September 6 | ČIANEWS | [Information Source](#)

In August 2022, 63 bankruptcies of commercial companies were declared in the Czech Republic. The number was unchanged month-on-month, but was the second highest in 2022. In the first eight months of 2022, 480 companies went bankrupt, down 15 year-on-year. From the analysis of data from the informaceofirmach.cz portal carried out by CRIF - Czech Credit Bureau, it follows that the number of proposals for bankruptcy of companies increased significantly, by 35 % to 93. Company analyst Věra Kameníčková said that in the coming months she expects only a slight increase in the number of corporate bankruptcies, or their stagnation. The number of bankruptcies of natural persons of entrepreneurs increased by 63 to 393. From January to August 2022, 3,594 entrepreneurs went bankrupt, which is less than in the same period of 2021 (4,314). 1,044 personal bankruptcies were also announced, which is 164 more month-on-month. In the eight months of 2022, 9,394 personal bankruptcies were declared (year-on-year -1,296). ■

## CRIF: Number of self-employers grows by 14,883

Friday, September 2 | ČIANEWS | [Information Source](#)

The Czech Republic added a total of 14,883 self-employed persons from January to July 2022, which corresponds to the highest net gain of entrepreneurs during the first seven months of 2017. A total of 43,964 individuals started a business during this period, most of them in IT, administration, and logistics. On the other hand, 29,081 entrepreneurs ended their businesses. This is based on the CRIF - Czech Credit Bureau survey. In July alone, the number of new sole traders increased by more than 11% m/m to 5214. The number of closed trades fell by 3% to 2818. This July saw the highest increase in five years, a total of 2,396. ■

## Average real wages down 9.8%, median at CZK 34,111

Monday, September 5 | ČIANEWS | [Information Source](#)

The average gross monthly nominal wage per recalculated employee headcount in the national economy rose by 4.4% y/y to CZK 40,086 in Q2 2022. Consumer prices increased by 15.8%, so real wages fell by 9.8%. The data were published by the Czech Statistical Office. The median wage was CZK 34 111, which is 5.3% more than a year ago. For men it was CZK 36 925, for women it was CZK 31 170. A total of 80% of employees received a wage between CZK 17 854 and CZK 65 383. ■

## CNB: Wages to grow slower, inflation to accelerate

Monday, September 5 | ČIANEWS | [Information Source](#)

Analysts expect the annual inflation rate to be higher again than a month ago. This follows from the August survey of the Czech National Bank (CNB), in which 15 domestic and one foreign analyst participated. The economic growth estimate for 2022 has been raised, while the outlook for 2023 is less optimistic. The CNB is not expected to change interest rates at its next meeting. Nominal wages are expected to grow more slowly this year than analysts expected a month ago, while higher dynamics are expected for next year. ■

For your notes

## Grafton: Waste growth pace won't cover inflation

Wednesday, September 7 | ČIANEWS | [Information Source](#)

Even though employers across the sectors are trying to increase their employees' wages, their growth will not cover the inflation rate, according to a poll conducted by Grafton Recruitment. Moreover, the promising economic development at the beginning of 2022 was interrupted by the war in Ukraine, causing disruptions in supply chains, increased energy prices and a higher shortage of employees. Because of this, companies often must restrict their operation. Therefore, a decrease in the quality of life of Czech employees and a related appetite to spend on goods and services can be expected. ■

## NRR: Only higher taxes can cover budget revenue shortfall

Thursday, September 8 | ČIANEWS | [Information Source](#)

In addition to addressing the current problems with the energy crisis, proposals should be developed to strengthen the revenue side of public budgets. The National Budget Council (NRR) stated this in its quarterly assessment of public finances and fiscal and budgetary policy, adding that consolidation of public finances will require tax increases, as the abolition of the super gross wage and the rise in the taxpayer rebate from autumn 2020 cannot be fully covered by spending cuts. Nor, unfortunately, can there yet be any talk of improving long-term sustainability. This is particularly the case for the pension system, which will start to fall into significant deficits in the 2030s. The changes being discussed in the advisory team on pension reform are more in the nature of piecemeal adjustments that often reduce the sustainability of the system. In the NRR's view, insufficient attention is also paid to the reform of Pillar 3. ■

## Colliers: 22,700 m2 new offices in Prague in Q2

Wednesday, September 7 | ČIANEWS | [Information Source](#)

The volume of newly completed offices in Prague totalled 22,700 m2 in the second quarter of 2022, namely in the Dock In Five and Košířská Brána projects. The market size thus totals 3.75m m2, according to an analysis conducted by Colliers. The volume of net realised demand corresponds to 80,000 m2 and represents the highest volume since the fourth quarter of 2019. The share of renegotiations was slightly above 30%. The resulting total rental activity in the amount of 123,600 m2 demonstrates a busy office market hardly hurt by any of the current negative external factors. The main rent in the city centre increased to up to EUR 25.50 per m2. ■

## Mastercard: Retail to gain 10% with school-year start

Wednesday, September 7 | ČIANEWS | [Information Source](#)

A 9.5% year-on-year increase in total retail revenue in the Czech Republic compared to 2021 can be expected with the start of the school year, both as a result of growing prices and because of higher consumer demand, according to the SpendingPulse survey by Mastercard. E-commerce revenue should slow down slightly by 0.5% during the post-holiday shopping season, i.e., between August 15 and September 16, 2022. Yet, it will still be higher than in the same period of 2019, namely by 18.5%. Spain (up 13.1%) and the United Kingdom (up 9.6%) are also expecting a substantial increase in revenue. ■

## Profesia: Salaries of healthcare workers up 28 %

Tuesday, September 6 | ČIANEWS | [Information Source](#)

Salary growth for health and social care workers has been a record 28 % over the past three years. There are also extraordinary bonuses and evaluation of the work of health workers during the pandemic. The Profesia.cz portal further reported that their salaries increased by 8 % in 2022. Currently, the average salary in the healthcare sector in the Czech Republic, including bonuses and rewards, is CZK 38,150. Despite this, there is a shortage of more than 3,000 general nurses in hospitals. Approximately 1,600 of them graduate annually at higher vocational schools and universities. The shortage of personnel is solved by medical institutions with recruitment contributions (up to CZK 500,000) and other benefits. Job opportunities will be offered to the public at the Profesia days job fair on October 12 and 13, 2022 at the PVA EXPO exhibition center in Prague's Letňany. ■

## Trade deficit increased to CZK 22.8bn in July

Tuesday, September 6 | ČIANEWS | [Information Source](#)

The Czech foreign trade balance in current prices ended in July 2022 with a deficit of CZK 22.8bn. It grew by CZK 12.4bn y/y. The Czech Statistical Office reported on this, stating that the balance was aggravated by a larger deficit in trade with oil and natural gas (by CZK 24.6bn). The balance with EU states improved by CZK 21.4bn. The trade deficit with countries outside the Union increased by CZK 33.6bn. Exports increased by 10.2 % to CZK 333.4bn and imports by 13.8 % to CZK 356.3bn. ■

## GLS: 56% of Czechs pay by card in e-shops

Monday, September 5 | ČIANEWS | [Information Source](#)

56% of Czechs choose to pay by card online when shopping in e-shops (2016: 26%). People aged 18 to 26 (76%) are the most likely to pay online by card or through Apple or Google Pay. The Ipsos survey for General Logistics Systems Czech Republic (GLS CR) also shows that the interest in cash on delivery has dropped from 29% in 2016 to 10% in 2022. 13% of people now pay by bank transfer, compared to 26% in 2016. ■

## Prices of petrol, diesel fuel and gas oil grow

Sunday, September 4 | ČIANEWS | [Information Source](#)

The average consumer price of Natural 95 in the 35th week of 2022 increased from CZK 40.31 to CZK 40.53 per litre compared to the 34th week in the Czech Republic. Diesel fuel rose from CZK 42.36 to CZK 44.96/l. The price of LPG decreased from CZK 18.55 to CZK 18.52/l. The price of gas oil, according to a survey by the Czech Statistical Office, rose from CZK 25 760 to CZK 27 578 per thousand litres. ■

For your notes

## KRUK: 4% of parents borrow for school supplies

Sunday, September 4 | ČIANEWS | [Information Source](#)

Despite the rising prices, most Czech households are able to buy school supplies for their children as part of their current expenses or savings, i.e. without having to borrow. KRUK Česká a Slovenská republika found that 4% of families need credit for school equipment. In addition to parents on parental leave and stay-at-home parents, people working in public administration and social services or employees in industry and construction are the most likely to borrow for school supplies. The analysis of Česká distribuční showed that notebooks and papers, pencil cases, briefcases and slippers became the most expensive. Parents will pay at least CZK 2,400 for the first-year pupil's equipment. ■

## NEWS FROM SLOVAKIA

### Slovak economy grew by 1.8 percent in 2Q22

Tuesday, September 6 | ČIANEWS | [Information Source](#)

Gross domestic product (GDP) in Slovakia increased by 1.8% year-on-year in 2Q 2022. The volume of GDP in current prices was EUR 26.5 billion (+10%). Quarter-on-quarter after seasonal adjustment, it grew by 0.5% in real terms. The Statistical Office of the Slovak Republic informed about it. The Slovak economy reached comparable values as in 2Q 2019. ■

### MŽP SR to spend EUR 30m to cut old houses' energy consumption

Thursday, September 8 | ČIANEWS | [Information Source](#)

Slovak Ministry of the Environment (MŽP SR) and the Slovak Environmental Agency have announced the first two calls from the Slovak Recovery and Resilience Plan for owners of older houses. The total allocation amounts to EUR 30m. State support of EUR 14,000 and EUR 16-19,000 will be provided to reducing energy consumption by 2050. The reduction in consumption is expected to be 40% compared to 2020. Emissions are expected to fall by 79% over the same period. ■

### Investment activities lag behind 2019 in SR by 10%

Tuesday, September 6 | ČIANEWS | [Information Source](#)

Gross capital formation in 2Q 2022 reached 6.1 billion euros. Its main component in current prices was EUR 4.9 billion, up 10.9% year-on-year (+0.4% at constant prices). The Statistical Office (ŠÚ) of the Slovak Republic informed about this, stating that the most funds, almost 23%, were invested by companies from the real estate segment. The second highest volume of investment, more than a fifth, was directed to industrial production. Investments here were 9.8% higher year-on-year, but fell by 18% compared to 2019. The third highest share of investments went to transport and storage, with a year-on-year increase of 18.1%. Investments in trade were 18.6% higher year-on-year. Health care and social assistance decreased by 5.8%, education by 23.2% and financial and insurance activities by 38.8%. Overall, during 1H, gross capital formation reached 11.2 billion euros, 5.9% more year-on-year. Compared to 1H 2019, the rate of investment activities lagged behind by almost 10.1%. ■

### Unemployment rate in Slovakia fell to 6.1%

Monday, September 5 | ČIANEWS | [Information Source](#)

The unemployment rate in Slovakia fell by 0.8 pp y/y to 6.1% in Q2 2022. The number of unemployed fell by 3% q/q to 172,100 persons. Up to 65% of them have been unemployed for more than one year. This was reported by the Slovak Statistical Office. ■

### Employment rate in Slovakia up to 76.8% in Q2

Monday, September 5 | ČIANEWS | [Information Source](#)

Employment in Slovakia grew by 2.7% y/y in 2Q 2022. The number of employed persons reached 2.60 million. The employment rate increased by 2.8 pp to 76.8%. Services, the most affected by the effects of the anti-pandemic measures, increased the number of workers by 3.3% to 1.59 million persons. The number of workers in accommodation and catering services increased most dynamically (+17.6%). 114,000 citizens (+7.0%) left for work abroad, according to the Slovak Statistical Office. ■

### Slovak retail growth slowed to 1.2% in July

Monday, September 5 | ČIANEWS | [Information Source](#)

Retail revenues in Slovakia grew by 1.2% y/y in July 2022. The growth rate slowed down again and the current value was the lowest since the beginning of 2022. The plus balance of the sector was mainly influenced by hyper- and supermarkets (+0.5%) and specialised footwear, textile and drug stores (+7.5%). In the fuel sales segment, sales fell by 8.2%. In the wholesale sector, they rose by almost 10.5%. The Slovak Statistical Office also reported that in the first 7 months of 2022, revenues in the retail sector rose by 9.2% and in the wholesale sector by 20.1%. ■

### Cereal harvest will increase by 1.3% in Slovakia

Friday, September 2 | ČIANEWS | [Information Source](#)

Cereal harvest in Slovakia should reach 2.7 million tons in 2022, which is 1.3% more volume than a year ago. The second estimate of the Slovak Statistical Office is lower than the first by 1.7%. On the contrary, the expected rapeseed crop increased by more than 6%. Corn yields per hectare fell by 42% y/y. Its harvest will thus be the smallest in the last 15 years. ■

For your notes

