

GOVERNMENT MEASURES

Border controls with Slovakia extended until Dec 26

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

Controls at the Czech-Slovak border introduced due to the increase in illegal migration will continue beyond December 12, 2022. The government has approved a 14-day extension. Police officers will continue to be assisted by soldiers and members of the Customs Administration of the Czech Republic. Controls at the border with Slovakia will be in place until at least midnight on 26 December 2022. Interior Minister Vít Rakušan (STAN) said the number of interceptions of illegal migrants is decreasing. The government will assess before Christmas whether it will be necessary to extend the checks again. Since the introduction of the checks on September 29, police officers have detected 9187 illegal migrants, 2231 of whom have been prevented from entering. ■

EU countries discussed energy cooperation with Balkan states

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

Czech Prime Minister Petr Fiala (ODS) discussed cooperation in the energy sector in the context of the war in Ukraine at a summit of EU Member States and Western Balkan countries in Tirana, Albania. The outcome of the talks is an energy support package for the Western Balkans worth EUR 1bn, which could bring additional investment of up to EUR 2.5bn, but also mitigate the impact of the energy crisis on the most vulnerable. The fight against illegal migration and the deepening of the integration of the Western Balkans into the European single market were also on the agenda. Leaders made progress on the harmonisation of visa policies. ■

PRIVATE SECTOR – ACTIVITIES

LASVIT buys furnace for glass in architecture

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

LASVIT has invested several million korunas in a special furnace for using artistic glass in architecture. It has lower electricity consumption. It will enable the company to work on even larger projects, streamline production, and reduce energy consumption. It will now deliver glass panels larger than 5 x 3 m. LASVIT installed the furnace in TGK Nový Bor. LASVIT president Leon Jakimiš said the facility could also be commissioned because customers remained loyal despite increased prices. He says it is necessary to invest through the crisis. ■

PPF posts EUR 2.48bn revenues, hit by Russia exit

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

PPF Group posted an audited loss of EUR 318m for H1 2022, mainly due to costs related to its exit from the Russian banking market. O2, Yettel and CETIN, CME and vehicle manufacturer Škoda Group made a profit. Total operating income amounted to EUR 2.48bn and remained at the same level as in H1 2021. Last year and this year, PPF carried out several key transactions, including the sale of its 40% stake in MALL Group, 30% stake in CETIN Group (while retaining its majority stake), and the sale of Indonesian and Philippine Home Credit. Total proceeds from the sales amounted to EUR 3bn. ■

MVV to provide EPC project worth CZK 300m for Budějovice

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

The city of České Budějovice is investing over CZK 300m in energy savings in its 10 buildings. The EPC contract is supposed to ensure an annual saving of heat consumption in the amount of approximately 35 %, in the case of water by almost 20 % and electricity by almost 50 %. The investment and construction phase, which will be completed at the end of 2023, as well as the subsequent guarantee of savings achieved, will be carried out by the energy group MVV Energie CZ, specifically the energy services division. The contract in České Budějovice is a record for MVV. Currently, the group is simultaneously implementing 10 EPC projects throughout the Czech Republic with a total volume exceeding CZK 500m. ■

Zlín increases waste fee due to higher costs

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

Representatives of the town of Zlín have approved an amendment to the decree, which changes the fee for the waste management system from the current CZK 600 to CZK 900. The reason is the increase in the costs of operating the waste management system. In 2021, these costs amounted to CZK 78m, which, with a total number of 78,293 payers, corresponds to CZK 996 per person. ■

For your notes

DIANA launching test service **Guardiana-home** with **DODO**

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

DIANA Biotechnologies and its subsidiary diagnostic laboratory DIANA Lab are currently launching the **Guardiana-home** service. The **Guardiana** kits allow self-collection of a saliva sample at home, its registration via the [guardiana.cz](#) online application and subsequent sending to the laboratory. The evaluation is then carried out for the presence of three main respiratory viral diseases: COVID-19, influenza and RSV (respiratory syncytial virus). In 2022, the company expanded its portfolio with multiplex saliva tests that detect the above-mentioned respiratory diseases. The **Guardiana-home** service is available in Prague via the **DODO** courier service. From 2023, the plan is to expand throughout the Czech Republic. ■

Prague Airport processed over 10m passengers

Monday, December 5 | ČIANEWS

At the beginning of December 2022, Václav Havel Prague Airport crossed the threshold of 10 million checked-in passengers. As ČIANEWS reported, from January to the end of September, the number of checked-in passengers exceeded 8 million. In the summer months alone, from June to August, the number of check-ins reached 3.8 million. The result is a third lower than in the pre-coronavirus year 2019. ■

ECONOMY - CONSEQUENCES

HK: Economy dampened by war and EU energy-climate plans

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

GDP will show 2.4% growth in 2022, economy is set stagnate in 2023. This is according to the results of the Chamber of Commerce's (HK) National Economic Forecast. Annual inflation will reach 15.5% this year and 10% next year. Nominal average wages, which increased by 6.5% this year, will grow by 7% next year. Unemployment will rise from 3.5% this year to 4.0% in 2023. In addition to the war, the HK said the business sector's response to the implementation of the EU's climate and energy plans will also contribute to dampening economic growth. ■

Analysts: Industry growth to slow to 1%, go into recession

Wednesday, December 7 | ČIANEWS

The industry is still growing by less than 2% for the whole year 2022, but by the end of the year the dynamics will slow down slightly to 1%. The Czech Banking Association's chief economist Jakub Seidler commented on the Czech Statistical Office's (ČSÚ) data that the domestic industry is likely to decline slightly in 2023. Komerční banka's analyst Jana Steckerová agrees with him, saying it is almost certain that the economy will enter a recession. In her opinion, only the development in the following months will show how big it will be. Credits Bank's chief economist Petr Dufek said that the turn of the year will be a turning point for the Czech industry, when new price lists will appear and it will also become clear how strong demand the sector can count on in the coming months. ■

Analysts: Retail sales for the whole year will fall by 2 pct

Tuesday, December 6 | ČIANEWS

The decline in retail sales proves that people stop accepting high prices and start buying only the essentials. This was stated by BHS chief economist Štěpán Křeček regarding data from the Czech Statistical Office. He assumes that cutting consumption will cause a recession in our economy. Raiffeisenbank analyst Vratislav Zámeš estimates that for the entire year 2022, retail sales will drop by roughly 2% in real terms. Credits Bank economist Petr Dufek expects that in the middle of 2023 inflation could return to single-digit values and with it the purchasing power of the population could start to stabilize. ■

SAP: Czech firms plan to spend CZK 61bn on digitalisation

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

Czech companies want to invest CZK 61bn in digitalisation by 2025. However, despite the still low unemployment and lack of qualified workers, only 9% of local businesses plan to invest most in digitalising HR. An SAP study based on an Ipsos survey also shows that companies still have a long path towards meeting the target of the EU Digital Decade, i.e., that 75% of them use modern technologies by 2030. In 2022, most companies (22%) invested in digitalising manufacturing. Twenty-five per cent intend to focus on this area in the future, and 23% want to concentrate on logistics. ■

Twisto: Average order value up 13%

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

The value of goods paid for through Twisto Payments in the current pre-Christmas period has increased by 32% y/y. The average order value has increased by 13%. Higher popularity of the late payment service is also confirmed by the number of transactions (+12%). In 2021, Twisto facilitated 8 million transactions in the Czech Republic and Poland, now it is approaching more than 10 million. ComGate CEO Jakub Ouhřabka registers a roughly 30% y/y increase in transactions. Pre-Christmas loans are still being considered by 3% of Czechs, according to the Czech Banking Association. ■

For your notes

ČPZP has to date spent over CZK 194m on client treatment

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

In 2022, Česká průmyslová zdravotní pojišťovna (ČPZP) has so far spent CZK 194.18m on the treatment of its policyholders. Of this, the treatment of a patient with a blood disorder cost the most, requiring CZK 21.52m. In 2021, ČPZP spent a total of CZK 270.58m on treatment, which was a year-on-year increase of CZK 50m. The highest amount, CZK 57.05m, was intended for gene therapy of a one-year-old child with spinal muscular atrophy. ČPZP registers 1.3 million clients and has more than 100 branches throughout the Czech Republic. ■

Half of ČEZ customers save or plan cost savings

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

ČEZ customers entered a record 1.2m self-readings in 2022. They show that people save energy. It is evidenced by a survey where 25% of customers said they had already started saving, and another 23% were determined what measures to implement. Thanks to this, most ČEZ Prodej customers will not increase their advances in January 2023. The public can find inspiration for savings on the setrim.cz portal, which has been used by 1m visitors. The portal is most often used by people who use gas or electricity to heat inadequately insulated properties. ■

AURES: Used car prices down 9%, eco-car offer up

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

The supply of used cars in the Czech Republic increased by 5.1% y/y to 101,208 units in November 2022. This is according to statistics from the AURES Holdings group, operator of the AAA Auto and Mototechna networks. The most frequently offered model was the Škoda Octavia with a median price of CZK 180,500 at 9.8 years old. There were 748 hybrids on offer (+20 units) and 481 pure EVs (+50%). Among EVs, the most frequently offered was the Skoda Enyaq, with hybrids still dominated by Toyota with the RAV 4, Corolla and C-HR. Chief Operating Officer Petr Vaněček said prices in car dealerships had fallen by just under 9% since the start of 2022. In contrast, prices at dealerships, which generally offer younger used cars around 4 years old, have risen by 8.5%. This is due to the rising price of new cars and the ongoing shortage. ■

CEEC: No. of tenders down 13%, projects more expensive

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

The value of public construction tenders opened in 9M 2022 rose 10.2% y/y to CZK 111.9bn. Of this, CZK 25.2bn was later awarded, or 22% of those announced. Ca. 6% of the announced tenders were later cancelled. CEEC Research's analysis, prepared with the support of Wienerberger, further revealed that due to inflation and specifically the rising price of energy and building materials, project prices are increasing. Although the total value of contracts increased, the number of contracts fell by 12.9% to 4,729. 1,113 proper contract notices were issued by September, down 4.5%. ■

Building production up 1%, wages up 11%

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

Output in the construction sector rose by 1.0% y/y in real terms in October 2022, up 1.8% m/m. Building authorities issued 7,178 building permits, down 6.5% y/y. The indicative value of these constructions amounted to CZK 38.2 billion (+11.1%). The Czech Statistical Office reported that housing construction starts are in decline. The number of housing starts was 2,598 (-27.7%), while the number of completions was 3,341 (-0.6%). The average number of registered employees in the sector increased by 1.0%. Average gross monthly nominal wages were 11.3% higher. According to Eurostat data, construction output grew by 1.4% in the EU27 in September 2022. ■

Industry up 3.1%, industry wages up 8.6%

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

Industrial production rose 3.1% y/y in real terms in October 2022. It was down 3.7% month-on-month. The data was released by the Czech Statistical Office, adding that automakers' output helped maintain y/y growth, but due to partial supply problems with components, it also affected the m/m decline. The value of new orders rose by 18.1% y/y. New orders from abroad increased by 15.1%, while domestic orders increased by 24.6%. The average number of registered employees in the sector decreased by 0.3% and average gross monthly nominal wages increased by 8.6%. According to data published by Eurostat in September 2022, industry grew by 5.7% in the EU27 and 8.3% in the Czech Republic. ■

Trade deficit widened to CZK 27bn, mainly due to energy

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

The balance of foreign trade in goods at current prices ended with a deficit of CZK 26.8bn in October 2022, up CZK 10.0bn y/y, according to preliminary data. This was reported by the Czech Statistical Office, adding that the main reason is still high prices of imported energy commodities and inputs. The balance with EU countries improved by CZK 17.1bn. The deficit with non-EU countries widened by CZK 27.5bn. Exports rose by 17.2% to CZK 392.1bn and imports by 19.2% to CZK 418.9bn. On a month-on-month adjusted basis, exports fell by 2.6% and imports by 1.8%. In 10M 2022, the balance showed a deficit of CZK 174.3bn (2021: surplus of CZK 3.4bn). Exports grew by 13.8% y/y and imports by 19.3%. ■

For your notes

Fincentrum: Mortgage rate rose to 6.34%

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

The average mortgage offer rate according to Fincentrum Hypoindex rose 3 basis points month-on-month to 6.34% in December 2022. The monthly loan repayment on a CZK 3.5 with up to 80% loan-to-value, a three-year fixing period, a maturity of 25 years and an average offer rate of 6.34% p.a. is CZK 23,274. In the last 12 months, the monthly instalment has increased by an average of approximately CZK 550. Exceptions were slight decreases in September and October, when the rates were affected by bank discounts. Thus, the December monthly instalment, with an increase of CZK 46, is stagnant compared to the increases in the last year. ■

D&B: 716 gastro establishments created, fewest in decade

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

There are currently 23,211 restaurants, limited liability companies or joint-stock companies operating in the Czech Republic. From the beginning of 2022 to November 28, 2022, 716 were created. According to the current analysis of the consulting company Dun & Bradstreet (D&B), this is the least in the last decade. The most companies in the field were founded in 2016 (2,558). Since then, the number of new companies has been decreasing every year. 424 gastro enterprises closed, the least since 2019, when 621 businesses were closed. 110,973 self-employed persons are also registered in the catering business. The share of inactive self-employed persons exceeded 57 %, while in 2020 it was 55.7 %. ■

Bezrealitky: Cottages are returning to the market

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

Classic log cabins, First Republic village villas, log houses, cottages and gardens will return to the offer in increased quantities. So far, the trend has been the opposite, Czechs were very interested in these properties between 2018 and 2021. Demand was supported by pandemic measures preventing travel and the economic optimism of households. Now the situation is reversing and recreational facilities are becoming a burden for the owners. Prices will not be as high as they were in 2020 and 2021, for example, when they reached their long-term highs. One of the biggest declines can be expected precisely in the case of recreational properties. ■

ČKS: No. of cardiac patients increased to 2.9m

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

The number of people with circulatory system diseases will continue to increase due to the economic crisis. Data published by the Czech Cardiology Society (ČKS) showed that the increase in cases of cardiovascular diseases will be accelerated, among other things, by the consumption of poor-quality food, severe stress caused by the current situation in the Czech Republic and in the world, attempts to ward it off with alcohol or smoking, or efforts to save money on sports activities. ČKS Chairman Aleš Linhart said that the number of cardiac patients in 2021 reached 2.91m, which is roughly 364,000 more than 10 years ago. more. In 2011, 32,879 people had a heart attack, last year 28,722 people did. ■

SP: 25 % of cos. plan to hire people, 6 % to let them go

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

A total of 71 % of companies do not plan changes in the number of employees by the end of 2022, according to a survey by the Union of Industry and Transport of the Czech Republic (SP). 6 % of respondents report layoffs, less than a quarter want to recruit. The further development of the economy and whether it will be possible to ensure that energy prices are capped for all companies by 2023 will be important. In 1H 2023, 56 % of enterprises do not plan changes in the number of employees. Another 10 % are planning to let people go. The most common reasons include increased efficiency and savings, and a combination of multiple factors, such as rising energy prices and loss of business. But more companies are planning to recruit. ■

Unemployment rate fell to 2.3 % in 3Q22

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

In 3Q 2022 the number of employed persons in the Czech Republic increased by 61,900 year-on-year (+1.2 %) to 5.19 million. The employment rate rose by 1.1 pp to 75.9 % - for men by 0.8 pp to 82.3 % and for women by 1.4 pp to 69.1 %. This was reported by the Czech Statistical Office. The number of unemployed persons according to VŠPS (ILO definition) decreased by 24,400 to 117,500. The unemployment rate decreased by 0.5 pp to 2.3 %. The number of economically inactive persons decreased by 8,300 to 56,300. The registered number of employees converted to full-time employees (FTE) increased by 39,900, which was a relative increase of 1.0 %. ■

Average salary increased to CZK 39,858

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

The average gross monthly nominal wage in 3Q 2022 in the national economy grew by 6.1 % year-on-year to CZK 39,858. Consumer prices increased by 17.6 %, wages thus fell by 9.8 % in real terms. The volume of wages rose by 7.2 %, the number of employees was up by 1.0 %. The data was published by the Czech Statistical Office. Median wages amounted to CZK 34,993 and showed an increase of 6.5 % compared to 3Q 2021. For men, it reached CZK 37,530, for women it was CZK 32,171. A full 80 % of employees received wages between CZK 18,301 and CZK 62,659. ■

For your notes

NEWS FROM SLOVAKIA

Slovak economy grew by 1.4 pct in 3Q22

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

Gross domestic product (GDP) in Slovakia increased by 1.4% year-on-year in 3Q 2022. The volume of GDP in current prices was EUR 28.5 billion (+9.5%). Quarter-on-quarter after seasonal adjustment, it grew by 0.4% in real terms. The Statistical Office of the Slovak Republic informed about this, saying that in the 1-3Q 2022, the nominal volume of the created GDP reached EUR 79.4 billion. It grew by 1.9% at constant prices and exceeded the pre-pandemic period (1-3Q 2019) by 1%. ■

No. of completed apartments in SR in Q3 down 16.5% to 5,422

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

The number of completed dwellings in Slovakia rose by 16.5% year-on-year to 5,422 in Q3 2022, more than a third higher than in the same period in the five years before the pandemic. Approximately 60% were family houses. This was reported by the Slovak Statistical Office, adding that up to 60% year-on-year growth was recorded by the Bratislava region, which accounted for almost a third of construction in the Slovak Republic. 40% more flats were completed in the Prešov region. However, in four of the eight regions, the number of completed flats fell, most significantly in the Banská Bystrica region by 26%. ■

Formation of gross fixed capital in SR up to EUR 5.8bn

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

Total gross capital formation in Slovakia in 3Q 2022 reached 7.1 billion euros. Of this, the formation of gross fixed capital in current prices amounted to EUR 5.8 billion, which represents year-on-year growth of 19.5%. This follows from the data of the Statistical Office of the Slovak Republic, with the largest increase in the volume of investments in real estate (+31.8%). The information and communication (-3.3%) and education (-3.6%) sectors recorded a decrease. For 1-3Q 2022, total gross capital formation reached EUR 18.6 billion (+1.6%) and gross fixed capital formation amounted to EUR 14.9 billion (+5%) ■

CRIF SK: No. of personal bankruptcies fell to 800 in Nov

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

In November 2022, 800 citizens of Slovakia went bankrupt. This represents a year-on-year decrease of 20.08%. The number of personal bankruptcies has been decreasing year-on-year for five months in a row. This follows from the CRIF - Slovak Credit Bureau (CRIF SK) analysis, with the fact that the number of bankruptcies fell by 11.11% month-on-month. Since the beginning of the year, 8,793 Slovak citizens have gone bankrupt, which is more than in the entire year 2021 (8,641). ■

For your notes