

GOVERNMENT MEASURES

Zeman vetoed act on public health insurance

Monday, August 8 | ČIANEWS | [Information Source](#)

President Miloš Zeman returned to the PČR Chamber of Deputies the amendment to the law on premiums for public health insurance. The aim of the measure adopted and included in the original government proposal is primarily to save state budget expenditures for 2022 in the amount of CZK 14bn, which is to be achieved by reducing public health insurance revenues, as a result of freezing the payment for so-called state insured persons to the level of 2021. According to M. Zeman, this is a measure that, in the current unfavorable economic situation, will have a negative impact on the quality and availability of health care. ■

V. Válek: We will outvote presidential veto

Monday, August 8 | ČIANEWS | [Information Source](#)

Health Minister Vlastimil Válek (TOP 09) considers President Miloš Zeman's veto of the amendment to the law on public health insurance premiums a mistake. According to the minister, insurance companies have enough funds and the quality or availability of health care is not threatened in any way. He added that thanks to the automatic valorization of payments for state insured persons, funds for the Czech healthcare system will also increase in the future. He expects the government's majority to override the president's veto in parliament and push for a transparent, stable and predictable payment system for the state insured, along with higher funds for prevention. ■

Středula: ÚP staff ready to strike

Sunday, August 7 | ČIANEWS | [Information Source](#)

According to Czech-Moravian Confederation of Trade Unions chairman Josef Středula, the staff at labour offices (ÚP) has had enough of the empty promises issued by Prime Minister Petr Fiala (ODS) and Minister of Labour and Social Affairs Marian Jurečka (KDU-ČSL). According to Středula, both government members have been promising them serious talks about increasing their salaries, while in the meantime, they are only assigning them yet another task. If the government does not act immediately and does not increase their salaries as of September 1, 2022, they are ready to strike. In reaction to this, Minister Jurečka said that the bonuses paid this year were higher than the tariff increases required by trade unions and last year's bonuses. ■

PSP chairwoman to attend Austerlitz format meeting

Thursday, August 11 | ČIANEWS

On August 18, 2022, Czech Chamber of Deputies (PSP) chairwoman Markéta Pekarová Adamová (TOP 09) will be attending a meeting of chairpersons of parliaments of the Austerlitz Format countries (i.e., the Czech Republic, Austria and Slovakia) in Grafenegg, Austria. The topics include the war in Ukraine and sanctions against Russia, the issues of inflation and energy security, and current topics in cross-border interparliamentary collaboration. ■

ZH HKK hospitals with profit for 2021

Sunday, August 7 | ČIANEWS | [Information Source](#)

Regional hospitals of Zdravotnický holding Královéhradeckého kraje (ZH HKK) ended the year 2021 with positive financial results. Oblastní nemocnice Náchod posted a profit of CZK 181m, Oblastní nemocnice Jičín CZK 3.3m, Oblastní nemocnice Trutnov CZK 15.4m and Městská nemocnice Dvůr Králové nad Labem CZK 3.7m. Year-on-year, the remaining losses of previous years were covered that totalled almost CZK 85m for all hospitals in 2020. ZH HKK board chairman Tomáš Halajčuk said that the dramatic increase not only in energy prices would mean significantly worse results in 2022. ■

PRIVATE SECTOR – ACTIVITIES

Balíkovna will use chain of dispensing boxes OX Point

Tuesday, August 9 | ČIANEWS | [Information Source](#)

As of August 8, 2022, OX Point's network of drop boxes has newly integrated the Balíkovna delivery service. OX Point CEO Zdeněk Vacek confirmed the news, adding that the company is the second major carrier after logistics partner WEJDO. Balíkovna, which has over 5,500 dedicated drop-off points and delivers more than 10 million parcels a year, will have 150 OX Point self-service boxes across the country. ■

ŠKODA supplies 360,600 vehicles

Friday, August 5 | ČIANEWS | [Information Source](#)

In the first half of 2022, ŠKODA AUTO supplied 360,600 vehicles to its customers worldwide, down 30% year on year. However, its return on sale remains at the stable level of 6.6% after last year's 9.6%. The company continues in its NEXT LEVEL EFFICIENCY+ programme. It expects to maintain a strong rate of return on sales during the entire year. ŠKODA AUTO board chairman Klaus Zellmer said he expected the situation concerning semiconductor supplies to improve in the coming periods and added that at the end of August, his company would unveil a new identity of the ŠKODA brand, which would shape the brand's position during a decade of transformation. ■

For your notes

ČEZ shows net profit of CZK 33.6bn in 1H

Tuesday, August 9 | ČIANEWS | [Information Source](#)

ČEZ Group reported operating profit before depreciation and amortization of CZK 15.6bn in 2Q 2022. EBITDA for the first half of the year was CZK 59.3bn. The year-on-year growth of CZK 27.7bn reflects, among other things, the huge increase in commodity prices on wholesale markets. Net profit was CZK 33.6bn. Operating income was CZK 130.5bn, up 21% y/y. Power generation from current renewable and nuclear sources amounted to 16.8 TWh (+1%). ČEZ raised its full-year EBITDA guidance to CZK 110-115bn and a net profit adjusted for extraordinary effects to CZK 60-65bn. ■

Analysts expect significant increase in CEZ's profit

Monday, August 8 | ČIANEWS

ČEZ will publish high year-on-year growth in all economic indicators for 2Q 2022. Komerční banka analyst Bohumil Trampota expects this, saying that the reason is commodity inflation, or rather significantly better realized electricity prices. According to him, the company's total sales in a year-on-year comparison increased by a quarter to CZK 61.2 billion. EBITDA is estimated at CZK 20.6 billion, or 76.3% more in a year-on-year comparison. It expects net profit at the level of CZK 9.2 billion (+216% year-on-year). According to Česká spořitelna analysts, EBITDA will increase by almost 40% to CZK 16.2 billion. They estimate net profit to be more than 100% higher year-on-year at the level of approximately CZK 6 billion. ■

ORLEN Group posted PLN 58bn in revenues

Monday, August 8 | ČIANEWS | [Information Source](#)

ORLEN Group ended 2Q 2022 with revenues of PLN 58bn and a net profit of PLN 3.7bn. Almost half were sales on foreign markets. At the end of the monitored period, its retail network consisted of 2,885 gas stations, which is 31 more year-on-year. As many as 2,309 of them have non-fuel StopCafe/Star Connect stores, including 326 in the Czech Republic and 16 in the Slovak Republic. Despite the war in Ukraine, the group maintained its share of the fuel markets in Poland, the Czech Republic and Lithuania. As a result of reduced consumption of Russian oil and rising gas prices, the consolidated result for 1H 2022 was affected by losses of PLN 2.9bn. ■

ČD transports 25 million passengers more

Wednesday, August 10 | ČIANEWS | [Information Source](#)

In 1H 2022, Czech Railways (ČD) transported a total of 75 million passengers who travelled 3.6 billion km on trains. The number of passengers increased by approximately 25 million. The average transport distance increased by almost 10 km y/y. According to ČD CEO Michal Krapinec, it is evident that the gradual lifting of restrictions against Covid-19 has had a positive effect on public mobility. The carrier is seeing faster growth especially in 2Q, when the last measures disappeared. At that time, ČD carried about 86% of passengers compared to the last year before the pandemic. ■

UNIQA pojišťovna detects 32% more fraud cases

Thursday, August 11 | ČIANEWS | [Information Source](#)

In the first half of 2022, UNIQA pojišťovna recorded a 32% year-on-year increase in the number of insurance fraud cases, totalling 1,023 in the Czech Republic and Slovakia (Czech Republic: 762, Slovakia: 261). The total protected value of attempted fraud cases was CZK 41.95m. The average amount fraudsters wanted to get from the insurance company in proven cases amounted to approximately CZK 75,400 in the Czech Republic. The highest number of disputable cases occurred in collision insurance. The average insurance fraud case in Slovakia totalled EUR 6,400 (approximately CZK 165,000). Slovakia's UNIQA registered a high number of new disputable cases in collision insurance, third-party risk insurance and property insurance. Analysts link the increase to the restrictive counter-pandemic measures that might have been existential for many clients in the past two years. ■

Doosan Škoda Power supplied turbine to Finland

Monday, August 8 | ČIANEWS | [Information Source](#)

Doosan Škoda Power has delivered a 270 MW steam turbine with accessories to fossil-free bioproducts processing group Metsä in Kemi, Finland. The newly built plant will produce approximately 1.5 million tons of softwood and hardwood pulp annually. The value of the investment reaches 1.85 billion euros and is the largest investment in the Finnish woodworking industry to date. The start of operations is planned in 3Q 2023. ■

Smartwings transported 1.1 million passengers in July

Monday, August 8 | ČIANEWS | [Information Source](#)

The airline Smartwings transported a total of 1,105,701 passengers in July 2022. This is a year-on-year increase of 97 percent. July 2019, the last before the outbreak of the Covid pandemic, was also surpassed by 1.7%. The number of passengers from and to the Czech Republic reached 691,652. Smartwings regular routes were 95% occupied in the past month and the company flew to 70 destinations. ■

Mazda sold 233,000 cars, expects increase of 8%

Wednesday, August 10 | ČIANEWS | [Information Source](#)

Mazda Motor Corporation (Mazda) sold a total of 233,000 vehicles worldwide between April 1 and June 30, 2022. Despite a temporary decline in retail and wholesale volumes due to a lack of supply of auto parts, demand remains strong and Mazda expects to return to normal production in the period ahead. For the full fiscal year, the Japanese automaker forecasts global sales of 1.3 million vehicles, which would be an 8% y/y increase. ■

For your notes

Analysts: ČEZ's results for 2Q22 are below expectations

Tuesday, August 9 | ČIANEWS

Czech power utility ČEZ reported an operating profit before depreciation (EBITDA) of CZK 15.6bn in 2Q 2022. Its amount lags behind analysts' estimates, Trinity Bank Chief Economist Lukáš Kovanda said. He added that ČEZ is increasing its projected profitability mainly due to the rise in electricity prices on the European market. Česká spořitelna analyst Petr Bártek stated that the company increased its EBITDA outlook for this year by 13% to CZK 110-115bn (+78% y/y in the median value) and for adjusted net profit by 33% to CZK 60-65bn (+180% y/y in the mean value). The profit outlook thus implies dividends in the amount of CZK 48-52bn (CZK 89-97 per share, gross dividend yield 8.6-9.3%). ■

HoppyGo pays CZK 22m to car owners

Tuesday, August 9 | ČIANEWS | [Information Source](#)

HoppyGo paid out a total of CZK 22m to owners who lend their cars as part of carsharing in 2021. This year, the company expects to cross the CZK 30m mark. CEO Robin Švaříček said this, adding that the platform is also seeing a growing interest in electric cars, up 413% y/y. He added that demand for short-term rentals, despite fluctuations in fuel prices, is up 81% between 2020 and 2021. During the summer months of 2022, car owners will split earnings of CZK 7.44m. HoppyGo carsharing services fall under the ŠKODA AUTO DigiLab portfolio. ■

ŠKODA AUTO delivers 180,500 cars to Western Europe

Tuesday, August 9 | ČIANEWS | [Information Source](#)

ŠKODA AUTO delivered 180,500 vehicles to customers in Western Europe in 1H 2022, down 24.1% y/y. Deliveries in Central Europe fell by 28.4% to 69,800 cars. In the Czech domestic market, the carmaker delivered 35,500 vehicles (-19.4%). In Eastern Europe, excluding Russia, ŠKODA AUTO delivered 15,200 vehicles (-30.1%). In Russia, deliveries fell by 72.3%. The company has not delivered any vehicles to customers in the local market since March 3. In Turkey, deliveries fell by 44.4% to 9,800 cars and in China by 43.9% to 24,700. In India, on the other hand, deliveries rose 428.7% to 25,900 cars. ■

IN ENERGIE Sales plans to increase gas sales

Monday, August 8 | ČIANEWS | [Information Source](#)

Gas and electricity trader IN ENERGIE Sales for the period from July to December 2021 traded 39,000 MWh of electricity and 36,000 MWh of natural gas. In the same period, the company achieved a pre-tax profit of CZK 2.268 billion. Sales of goods were CZK 152.929 billion. In 2020, the company traded 65,000 MWh of electricity and 45,000 MWh of natural gas. For the entire year 2022, the company plans to sell 39,000 MWh of electricity and 60,000 MWh of natural gas. ■

ŠKODA AUTO production started after collective holiday

Monday, August 8 | ČIANEWS | [Information Source](#)

At the ŠKODA AUTO car factory, production started with a night shift on August 8, 2022 in Mladá Boleslav and Vrchlabí after a collective holiday. A week later, the night shift from Sunday to Monday, August 15 will also see the start of production in Kvasiny, where there is also a one-week shutdown due to the necessary adjustments to the operation. In Mladá Boleslav, in the first week after the holiday, the MB II welding plant will operate from the night shift on August 8 in full three-shift mode. The MB I welding shop will also work in three shifts, but preliminarily it is calculated with a limited mode, i.e. with a reduced production rate and only the Octavia is to pass through the welding shop line. The KOVO ŠKODA AUTO trade union informed about it. ■

ECONOMY - CONSEQUENCES

D&B: Number of VAT payers up 10,167

Thursday, August 11 | ČIANEWS | [Information Source](#)

In the first half of 2022, the number of VAT payers in the Czech Republic grew by 10,167 to 539,218. The increment was higher than in individual calendar years between 2008 and 2021, according to a study conducted by Dun & Bradstreet (D&B). The highest number of VAT payers was among limited liability companies (246,936) and natural persons with a sole-trader licence (220,191). The highest increment was recorded in the segment of activities in information technologies. The highest number of VAT payers was registered in wholesale brokerage (34,458), catering (26,818), building construction (24,403) and road cargo transportation (22,316). ■

ČBA increases economic growth estimate to 2.4%

Thursday, August 11 | ČIANEWS | [Information Source](#)

Banks' chief economists represented in the forecast panel of the Czech Banking Association (ČBA) have increased their estimate for the country's economic growth in 2022 from 1.8% to 2.4%, mainly due to a more positive development in the first half-year, whereas they expect a transition to slight recession in the second half of 2022 that can continue even at the beginning of 2023. Therefore, next year's growth forecast was lowered from almost 3% to 1%. However, forecast risks remain significant due to the ongoing war and development of the energy market. In 2023, they estimate inflation at 8% and around 4% at the end of 2023. This year, wages should grow 7% and should do so at a similar pace next year as well. ■

For your notes

CzechTourism: Arrivals of foreigners hampered by Covid concerns

Thursday, August 11 | ČIANEWS | [Information Source](#)

In Q2 2022, arrivals to mass accommodation facilities in the Czech Republic came close to the pre-Covid values, increasing 3.3 times y/y to around 5m. The number of overnight stays increased 2.9 times to almost 12m. In Q2 2019, the number of arrivals reached 5.8m, and the number of overnight stays was at 14m. Director of CzechTourism Jan Herget stated in response to data from the Czech Statistical Office that domestic guests made up 62% of the total number of visitors. The arrivals of foreign guests, he said, were still affected by concerns about the coronavirus and air connections. ■

Cereal harvest estimated to be 2.5% higher y/y

Thursday, August 11 | ČIANEWS | [Information Source](#)

The expected harvest of basic cereals reaches 7.40m t and of rapeseed 1.07m t, according to the second harvest estimate compiled by the Czech Statistical Office as on July 15, 2022. The expected harvest of basic cereals is 2.5% higher y/y and 6.2% higher than the harvest average for the last five years. The estimated rape harvest increased by 4.7%. But compared to the average harvest over the last five years, it is 10.3% lower. Expected poppy harvest of 20,000 t is 32.9% lower. ■

JLL: 215,700 m2 of offices built in Prague in 2Q

Wednesday, August 10 | ČIANEWS | [Information Source](#)

The total volume of office space in Prague at the end of June 2022 reached 3.75 million m2. This is according to data from Jones Lang LaSalle (JLL). Two completed projects contributed to this, namely Dock in Five (20,500 m2) in Prague 8 from the developer Crestyl and the multifunctional house Košířská brána (2200 m2) in Prague 5 from RS Development. The highest achievable rent was EUR 26/m2 per month. In 2Q, 215,700 m2 of offices were under construction, of which more than 30% are contracted. Construction increased by 63% y/y. Net demand (without renegotiations) increased by 52% to 83,800 m2. ■

Value of ČNB's foreign exchange reserves at EUR 131.3bn

Wednesday, August 10 | ČIANEWS | [Information Source](#)

At the end of June 2022, the Czech National Bank (ČNB) recorded foreign exchange reserves with a market value of EUR 131.30bn. Of this, the liquid tranche was EUR 34.65bn and the investment tranche was EUR 96.65bn. Bonds accounted for 58.7% of the reserves, money market instruments 25.9% and shares 15.1%. The share of other investment instruments was 0.3%. The share of the euro in the allocation of reserves reached 52.4% and the US dollar 28.1%. ■

HB Index: Prices of flats grow by 21%

Wednesday, August 10 | ČIANEWS | [Information Source](#)

The pace of property price growth slowed down in 2Q 2022, especially in the market of residential units and detached houses. According to the HB Index, published by the ČSOB Group, the growth in flats is still above average, exceeding 4% q/q. According to the HB Index, flats increased in price by 21% y/y, and detached houses by 19.9%. The opposite trend is exhibited by the land category, whose growth accelerated to 5.7% q/q and reached a new record of 23.9% y/y. Jiří Feix, the Chairman of the Board of Directors of Hypoteční banka and ČSOB Stavební spořitelna, expects a reduction in the growth rate of property prices in 2H 2022. ■

Contributions to GSFT grow to CZK 6.33bn

Wednesday, August 10 | ČIANEWS | [Information Source](#)

Banks, credit unions, building societies, and selected securities traders have so far paid CZK 6.33bn in regular contributions to the Financial Market Guarantee System (GSFT) in 2022. The amount is higher by CZK 716m y/y. The GSFT currently manages nearly CZK 41bn after contributions from financial institutions. Compared to 2021, this is about CZK 17bn less, which is due to the payment of deposit refunds to Sberbank CZ clients. CZK 14.3bn is currently available directly in the Deposit Insurance Fund. ■

Imports of prosecco to CR rose by 27%

Wednesday, August 10 | ČIANEWS | [Information Source](#)

Imports of prosecco to the Czech Republic increased by 27% y/y to 8.7 million bottles in 2021. This is according to the data of the association of producers of prosecco DOC Consortium - Valori Italia. Each Czech adult drinks an average of one bottle with a volume of 0.75 liters per year. The Czech Republic thus ranks 13th in the list of prosecco importing countries. Sales of the Mionetto Prosecco brand, which is distributed domestically by Bohemia Sekt, increased by 36% last year and exceeded 1 million bottles. Worldwide, excluding Italy, over 546 million bottles of sparkling wine were sold. Great Britain (18.1%), the USA (17.4%), and Germany (6.7%) have the largest share. ■

Consumer prices grow by 17.5%

Wednesday, August 10 | ČIANEWS | [Information Source](#)

Consumer prices in the Czech Republic increased by 17.5% y/y in July 2022, 0.3pp higher than in June. They rose by 1.3% m/m, the Czech Statistical Office reported. Year-on-year, prices of goods rose by 20.0% in aggregate and prices of services by 14.0%. The inflation rate, expressed as the increase in the average consumer price index over the last 12 months compared to the average of the previous year, was 10.6% in July. According to Eurostat data, the year-on-year change in the Harmonised Index of Consumer Prices in the EU27 was 9.6% in June. ■

For your notes

ČAP: Written premiums increased to CZK 80.1bn

Wednesday, August 10 | ČIANEWS | [Information Source](#)

Total written contractual premiums of the Czech Association of Insurance Companies (ČAP) members in 1H 2022 increased by 7.8% y/y to CZK 80.1bn. The preliminary results also show that life insurance premiums written rose by 3.1% to almost CZK 25bn. Non-life insurance increased by 10.1% to CZK 55.1bn. Motor insurance continues to dominate, currently accounting for more than 52% of non-life insurance. In motor liability insurance, written premiums amounted to almost CZK 15bn (+3.5%). In business insurance, written premiums grew by 14.6% to CZK 13.3bn. ■

ČNB: Client operations reported assets of EUR 692.83m

Tuesday, August 9 | ČIANEWS | [Information Source](#)

In June 2022, the Czech National Bank (ČNB) recorded an asset in client operations at the level of EUR 692.83m as part of foreign exchange transactions. A month earlier, the balance was CZK -266.44m. In June 2021, client operations amounted to EUR 583.39m. Closed spot operations ended this June at EUR -7.09bn (May 2022: EUR -3.49m). Unsettled operations were at the level of EUR -645.0m. ■

Hotel attendance increased by 304%

Tuesday, August 9 | ČIANEWS | [Information Source](#)

The number of guests who stayed in mass accommodation facilities in 2Q 2022 reached 5 million, of which 3.1 million were domestic and 1.9 million from abroad. The number of overnight stays increased by 190% y/y to 12 million nights. The data was published by the Czech Statistical Office. The hotel segment, which accounted for 70% of all guests, saw an increase in total arrivals to 3.5 million (up 304.2%). Arrivals to guest houses represented 14% of the visitor volume with a year-on-year increase of 143.3%. Apart from Prague, the South Moravian and South Bohemian regions were traditionally the most visited. Most of the foreign guests were from Germany. ■

Production of meat falls by 2.7%, prices grow

Tuesday, August 9 | ČIANEWS | [Information Source](#)

Meat production in the Czech Republic fell by 2.7% y/y to 113,089 tonnes in 2Q 2022. The Czech Statistical Office recorded the biggest decrease in beef, by 6.6% to 16 810 tonnes. Pork production was 53 505 tonnes (-2.2%) and poultry meat 42 729 tonnes (-1.9%). Producer prices for slaughter cattle increased by 29.5%. Breeders sold slaughter bulls at an average of CZK 57.49/kg live weight or CZK 104.63/kg carcass weight. Prices for slaughter pigs and chickens rose by 20.2% and 13.1% respectively. Agricultural milk producers increased their prices by 21.6%. ■

EGAP insures Czech exports worth CZK 24.6bn in 1H

Tuesday, August 9 | ČIANEWS | [Information Source](#)

The volume of Czech exports supported by the export insurance company EGAP reached CZK 24.6bn in 1H 2022. This is an increase of 27% in year-on-year comparison, and 16% more than in the first half of 2019. The insurance company is also successful in recovering debts. In the first six months, it recovered CZK 1.3bn from claims business. However, the insurer is tempering any expectations for full-year results as the loss of markets deprived by the war in Ukraine will affect the numbers. EGAP posted a profit of CZK 455m in 1H. ■

Profesia: Average wage grows by 7% in 1H

Tuesday, August 9 | ČIANEWS | [Information Source](#)

The total average wage including bonuses and remuneration in the Czech Republic for 1H 2022 reached CZK 49,166. Year-on-year earnings increased by 7%, compared to 1Q22 by 4%. This is according to data from the salary portal Profesia.cz, with the most significant impact on wage growth having been the increase in the minimum wage. The biggest shifts were recorded in the category of auxiliary work (+23%), woodworking (+16%), and services (+11%). Outside of top management salaries, employees earned the most in IT (CZK 63,240). In terms of regions, Prague leads (CZK 58,300), followed by Central Bohemia (CZK 47,200) and South Moravia (CZK 46,000). At the other end of the ranking are the regions of Karlovy Vary (CZK 36,500), Olomouc (CZK 38,600) and Zlín (CZK 39,200). ■

Fincentrum: Moertgage rates stagnate above 6%

Tuesday, August 9 | ČIANEWS | [Information Source](#)

According to Fincentrum Hypoindex, the average mortgage offer rate increased by 0.04 bp last month and reached 6.28% p.a. as of August 5, 2022. According to Jiří Sýkora, a specialist of Fincentrum's product management department, interest rates can be expected to stagnate, which can only be disrupted downwards by the promotional offers of individual banks. ■

Sales in services grow in 5th quarter in row

Tuesday, August 9 | ČIANEWS | [Information Source](#)

Calendar-adjusted sales in services grew by 12.1% y/y in real terms in 2Q 2022. The data were published by the Czech Statistical Office. Sales in transport and storage increased by 15.8%, in accommodation, catering and food services by 54.5% and in information and communication activities by 2.5%. Sales in real estate activities increased by 2.5%, in professional, scientific and technical activities by 7.2%, and in administrative and support activities by 21.4%. ■

For your notes

ÚP: Unemployment grew m/m to 3.3 %

Monday, August 8 | ČIANEWS | [Information Source](#)

The Labor Office of the Czech Republic (ÚP) registered a total of 240,706 job applicants as of July 31, 2022, 9,397 more than in the previous month and 31,472 fewer than last year. A total of 73,908 citizens of Ukraine with temporary protection were working in the territory of the Czech Republic. The share of unemployed persons increased by 0.2 percentage points month-on-month to 3.3 %. Compared to July 2021, it was lower by 0.4 pp. According to the latest Eurostat data, the unemployment rate for June was the lowest in the entire EU, at 2.4 %. The average of the European Union states is 5.9 %. ■

D&B: Foreigners bought 8 % more Czech firms

Monday, August 8 | ČIANEWS | [Information Source](#)

Foreign entrepreneurs bought 1,311 Czech companies in 1H 2022. This is an increase of almost 8 % y/y and at the same time it is the largest number in the last three years. Data published by Dun & Bradstreet (D&B). The volume of capital in the share capital of domestic entities, which was controlled by foreign owners in the first six months of 2022, exceeded CZK 12.8bn. The largest number of companies were bought by Ukrainians, namely 329 companies, which is 75 more year-on-year. Slovaks acquired 271 entities (-42). The Hungarians follow at a distance with 96 companies and the Poles with 88, they, however, bought the most companies in the last four years. ■

No. of completed flats up 4.7 % to 2,368

Monday, August 8 | ČIANEWS | [Information Source](#)

In June 2022, construction production in the Czech Republic increased by 0.8 % y/y in real terms. Building authorities issued 7,411 building permits, down 10.0 %. The Czech Statistical Office informed about it. The indicative value of these buildings reached CZK 51.4bn (+14.0 %). The number of commenced flats fell 31.6 % to 3,018 units. The number of completed flats increased by 4.7 % to 2,368. According to Eurostat data, construction output in the EU27 increased by 3.8 % y/y in May 2022. ■

Industrial production up 1.7 %

Monday, August 8 | ČIANEWS | [Information Source](#)

Industrial production in June 2022 in the Czech Republic grew by 1.7 % y/y in real terms. It was up 0.5 % m/m. Veronika Doležalová, head of the industry statistics department of the Czech Statistical Office, said that while last June industrial companies were at the beginning of the chip crisis, this year the situation in the supply of chips and cable harnesses has improved, and car manufacturers in particular have caught up with the slowdown in production from previous months. The value of new orders at current prices in the monitored industries increased by 15.5 % year-on-year. According to the latest Eurostat data for May 2022, industrial production in the EU27 rose by 2.7 %. ■

ČMKb: Value of electricity contracts exceeded CZK 79m

Monday, August 8 | ČIANEWS | [Information Source](#)

In the 31st week of 2022, contracts for the delivery of 7 thousand MWh of electricity for final customers worth CZK 79.7 million were traded on the Czech-Moravian Commodity Bourse Kladno (ČMKb). Annual electricity contracts with delivery in 2023 in low voltage concluded trading at a rate of CZK 12,002/MWh. ■

22,246 customers switched electricity suppliers in July

Monday, August 8 | ČIANEWS | [Information Source](#)

A total of 22,246 customers switched electricity suppliers in the Czech Republic in July 2022. A year ago, it was 33,513 customers. This follows from OTE data. Within the bulk customer category, 176 clients decided to change. There were 541 entities in the production category. Furthermore, 6,130 corporate retail customers and 15,154 households changed suppliers. In the seven months of 2022, the number of electricity supplier changes was 386,609. ■

Moody's lowered the rating outlook for CR

Monday, August 8 | ČIANEWS | [Information Source](#)

Moody's rating agency confirmed the Czech Republic's Aa3 rating. It reflects the high competitiveness of the Czech economy, strong institutional arrangements and still favorable fiscal indicators compared to other countries. On the contrary, the agency has worsened the rating outlook. The reason is the high energy dependence of the Czech Republic on a single supplier for gas. Shortages of gas supplies from Russia could thus plunge the Czech economy into a deep recession and further burden public budgets. ■

Pipedrive: Growth thanks to automation recorded by 71% of firms

Friday, August 5 | ČIANEWS | [Information Source](#)

Automation, data aggregation and other technologies help companies increase turnover. According to 71% of businesses, they saw an increase in revenue after the pandemic, with 73% of businesses meeting or exceeding their financial goals, according to a survey by Pipedrive, which develops a CRM platform for sales management. The analysis showed that only a small number of respondents encountered a reduction in the number of employees, budget cuts or changes in benefits in their companies. ■

Price of fuel fell, oil rose in price

Friday, August 5 | ČIANEWS | [Information Source](#)

In the 31st week of 2022 compared to the 30th week, the average consumer price of Natural 95 petrol in the Czech Republic fell from CZK 46.16 to CZK 44.85/l. Diesel became cheaper from CZK 46.48 to CZK 45.39/l. The price of LPG decreased from CZK 19.19 to CZK 18.97/l. According to the Czech Statistical Office, the price of gas oil increased from CZK 26,659 to CZK 26,803/1,000 l. ■

For your notes

CRIF: Number of declared firm bankruptcies drops to 416

Sunday, August 7 | ČIANEWS | [Information Source](#)

In the first seven months of 2022, 416 commercial firms, 3,201 sole traders and 8,348 natural persons declared bankruptcy. In the same period of 2021, 437 firms, 3,786 sole traders and 9,410 natural persons went bankrupt, according to statistics published by CRIF - Czech Credit Bureau. The number of corporate bankruptcy petitions totalled 607 and was higher than last year when there were 592. A total of 3,314 bankruptcy petitions for sole traders and 8,457 bankruptcy petitions for natural persons were submitted. CRIF analyst Věra Kameníčková said that the growing number of bankruptcy petitions related to firms could signal a gradual increase in the number of bankruptcies in the second half of 2022. ■

Retail sales down 6% in June

Sunday, August 7 | ČIANEWS | [Information Source](#)

Retail sales in the Czech Republic dropped 6% year on year in real numbers in June 2022. This includes a 7.6% decrease in revenue from vehicle fuels, a 6.1% drop in revenue from non-food goods and a 5.5% lower revenue from food items. Month-on-month, revenue was 0.2% higher. Czech Statistical Office Commerce, Transport, Services, Tourism and Environment Statistics department director Marie Boušková added that retail sales dropped 2.7% year-on-year in the second quarter of 2022. Compared to the pre-Covid second quarter of 2019, revenue calculated at a comparable price level grew 1.4%. ■

ČNB: Analysts expect stronger koruna

Friday, August 5 | ČIANEWS | [Information Source](#)

Bank analysts in the Czech Republic expect a higher rate of inflation in the one-year horizon than a month ago. In the three-year horizon, the forecast for growth in consumer prices does not change. The estimate of economic growth this year remains the same, but the outlook for 2023 is slightly less optimistic. The forecast for the exchange rate of the koruna in the monthly horizon has shifted to slightly stronger levels, and in the annual horizon, with regard to the development of interest rates at home and abroad, it is expected to weaken very gradually. According to analysts, nominal wages should grow faster this year than they thought in June. The average estimate for next year does not change. This follows from the July survey of the Czech National Bank (ČNB), in which 13 domestic and three foreign respondents took part. ■

NEWS FROM SLOVAKIA

MH SR to distribute EUR 20m for restoring biogas stations

Friday, August 5 | ČIANEWS | [Information Source](#)

The Slovak Ministry of Economy (MH SR) has announced another call from the Recovery Plan, which envisages the distribution of EUR 20m for modernizing and transforming biogas stations. The maximum amount of contribution is EUR 1m-EUR 1.5m, depending on the project type. The subsidy will focus on the restoration of already existing biogas stations producing electricity from biogas or the transformation of stations to biomethane. ■

MPRV SR: NPPC paid out EUR 6.3m to support Slovak food industry

Friday, August 5 | ČIANEWS | [Information Source](#)

As of August 5, 2022, the National Agricultural and Food Center (NPPC), which is the administrator of the payment of extraordinary aid to Slovak agricultural producers, managed to pay out almost EUR 6.3m to applicants. The Slovak Ministry of Agriculture and Rural Development (MPRV SR) stated that 347 agricultural entities have been settled so far, when a total of 440 food producers requested assistance. ■

RRZ: Public administration deficit will grow

Monday, August 8 | ČIANEWS | [Information Source](#)

The Council for Budget Responsibility (RRZ) has updated the forecast of medium-term fiscal developments following the update of its macroeconomic forecast. It follows that the public administration deficit in Slovakia should decrease slightly in 2023 and subsequently increase to the level of 4.5% of GDP in 2024 and 2025. The deficit without selected temporary effects (pandemic, army purchase of fighter jets) also shows an increasing trend and should increase from the level of 2.7% of GDP this year to 3.8% of GDP in 2025. ■

Aures Holdings in SR reduced almost half of cars offered

Monday, August 8 | ČIANEWS | [Information Source](#)

Aures Holdings in Slovakia is introducing more extensive summer discounts on used cars in its network of car centers for the first time after COVID-19. They concern almost half of the total offer of 3,500 vehicles and reach a total volume of roughly 600,000 euros. This was stated by the general director and chairman of the board of directors of Aures, Karolína Topolová. It is now possible to purchase, for example, a BMW X1 from 2018 for 4 thousand euros less in the AAA Auto network. Used car prices have been growing at a rate of 15-20% per year for the past two years. The lack of new cars and the fear of switching to electric mobility have their share in this. ■

For your notes

