

## GOVERNMENT MEASURES

### MZ: Pfizer-BioNtech/Comirnaty substances used for 14.97m doses

Thursday, October 13 | ČIANEWS | [Information Source](#)

In the Czech Republic, as of October 13, 2022, 18.19m vaccinations against COVID-19 were reported, the increase for the past day reached 13,783. A total of 14.97m doses of Comirnaty/Pfizer, BioNtech vaccines were administered. They were followed by SPIKEVAX/Moderna (1.63m), VAXZEVRIA/AstraZeneca (887,460), Janssen (413,816), Comirnaty 5-11 (111,008) and Nuvaxovid/Novavax (10,424), according to data published by the Ministry of Health (MZ). ■

### IROP to reimburse 11 ambulances to ZZS PAK

Wednesday, October 19 | ČIANEWS | [Information Source](#)

IROP will reimburse the Pardubice Region Medical Emergency Service (ZZS PAK) for the purchase of 11 ambulances. The total cost of the project amounted to CZK 42.1m, 90% of which will be covered by subsidy funds. The governor of the Pardubice Region (PAK) Martin Netolický (ČSSD) specified that the rescuers now have eight large ambulances and three rendez-vous vehicles. The vehicles for the rendez-vous system are equipped with equipment for the installation of medical material and information technology to meet the conditions for providing medical care for patients. The information was made public by PAK. ■

### HK CR: Engineers will discuss strengthening cooperation in Turkey

Tuesday, October 18 | ČIANEWS | [Information Source](#)

The Chamber of Commerce (HK) of the Czech Republic is organizing two business forums and bilateral business meetings in Turkey on October 20 and 21, 2022. In Ankara and Istanbul, 35 members of the business delegation will discuss new orders and opportunities to strengthen business relations with Turkish companies. Negotiations will also take place with representatives of the Turkish Ministry of Trade. The entrepreneurs will accompany the Minister of Industry and Trade Jozef Síkela (for STAN) on his work trip to this country. Among other things, engineering companies that supply products to the fields of energy and transport participate in the mission. ■

### HK: Firms will react by raising prices on windfall tax

Tuesday, October 18 | ČIANEWS | [Information Source](#)

According to the Chamber of Commerce of the Czech Republic (HK), the windfall tax will worsen the predictability of the tax system from the point of view of companies. This is because it can be imposed unexpectedly on any sector whenever any government needs additional budgetary resources. Firms will have to react to this risk, presumably by raising their prices, thereby unwinding the inflationary spiral. HK recommends that the government assess all risks before introducing the tax, as it may cause long-term damage to the economy. ■

### MMR: Heat consumers to get consumption data monthly

Friday, October 14 | ČIANEWS | [Information Source](#)

MPs have approved a bill in its third reading that will allow people to receive information on their heat and hot water consumption. The bill reports will be delivered to citizens at least monthly intervals. The Ministry of Regional Development added that this is a transposition of an EU directive into Czech law. Minister Ivan Bartoš (Pirates) said that it is also an effort to ensure that the information obligation and the costs associated with it do not burden small housing cooperatives and housing associations. It is therefore necessary to change the definition of a remotely readable meter. Where there is no digital system for remote data acquisition, no one will be forced to buy expensive meters in the current crisis. ■

## PRIVATE SECTOR – ACTIVITIES

### ŠKODA AUTO makes 218 cars above plan at M13 assembly

Thursday, October 20 | ČIANEWS | [Information Source](#)

ŠKODA AUTO makes 218 cars above plan at M13 assembly in the Mladá Boleslav production plant. The net semi-finished rate is 565 cars, according to the information provided by the Odbory Kovo MB trade union. In the week of October 17, 2022, the production pace is 1.03 minutes per car, corresponding to 413 cars per shift and 1,239 cars per day. Last week, the M13 had to do without one night shift and manufactured 5,853 cars, namely 4,472 OCTAVIA A8s and 1,381 ENYAQs. Last week, the Octavia welding shop worked all three shifts except one night shift that was called off. All night shifts at M1 Fabia were cancelled. ■

For your notes

## Mall Marketplace grew 45%, brings together 5000 merchants

Wednesday, October 19 | ČIANEWS | [Information Source](#)

Mall brings together offers from more than 5,000 merchants on its marketplace. The trend of online marketplaces has been accelerated by the pandemic and the associated changes in customer shopping behaviour. The current economic situation, crowded warehouses, the upcoming Christmas season and the possibility of expansion abroad are also supporting the growth of interest in affiliate sales. The Mall market grew by 45% y/y. It currently offers almost 8 million products in the countries where it operates. The most noticeable increase in the Mall's offer is observed mainly on the Czech and Slovak markets. The offer of the auto moto category expanded by 97% and the fashion segment by 187%. ■

## Škoda ships first tram for Rhein-Neckar-Verkehr

Tuesday, October 18 | ČIANEWS

Škoda Transportation has dispatched the first tram from a contract for the Rhein-Neckar-Verkehr transport company. Škoda Group CZ also announced that the tram has undergone recovery, static and first dynamic tests on the test track in Plzeň. It will be further tested in Ludwigshafen. As already reported by ČIANEWS, the rolling stock manufacturer will deliver 80 trams to the German transport company with an option for another 34. They will be operated on lines between the cities of Mannheim, Ludwigshafen, and Heidelberg. The first tram was to be delivered in 2021. The total value of the contract is expected to reach almost CZK 7bn. ■

## EGAP ensured Škoda Group's delivery of trams to Latvia

Monday, October 17 | ČIANEWS | [Information Source](#)

The Export Guarantee and Insurance Company (EGAP) insured the contract of the engineering company Škoda Group for the export of trams to Latvia for approximately CZK 1.5bn. The chairman of EGAP's board of directors, Jan Procházka, stated that EGAP is now discussing the parameters of loan insurance for the supply of spare parts. In the past, EGAP insured the export of Škoda Group's electric railway wagons to Slovakia and two years ago issued the company with Covid Plus guarantees. The Škoda Group loan, for financing the supply of trams, was provided by Česká spořitelna. ■

## ŠKODA AUTO sells 20.3% more vehicles in September

Friday, October 14 | ČIANEWS | [Information Source](#)

ŠKODA AUTO increased deliveries to customers by 20.3% y/y to 68,100 vehicles in September 2022. In this year's Q3, sales fell 0.8% to 184,000 vehicles. Of these, 14,700 were electric vehicles (+1.7%). Deliveries fell 22.3% from January to September to 544,500 vehicles. Of these, 36,900 were electric vehicles (+14.8%), according to Volkswagen. The group delivered a total of 755,800 vehicles worldwide in September alone (+20.7%), 2.18 million in Q3 (+10.6%) and 6.06 million vehicles year-to-date (-12.9%). ■

## KOVO MB: ŠKODA AUTO cancels some shifts in 42nd week

Friday, October 14 | ČIANEWS | [Information Source](#)

ŠKODA AUTO is cancelling all Saturday shifts in car production in Mladá Boleslav and Kvasiny in the 42nd week of 2022. This also applies to the machining of engine parts and the engine block foundry. Employees will not work night shifts in the MB II assembly and the MB II welding shop. There will be limited night shifts in the MB A paint shop. An inventory of company assets will take place on October 21, 2022. No production is scheduled for this day. The KOVO MB union informed that it has negotiated compensation for the employees for the cancelled shifts at 80% of the average wage. ■

## Moody's cuts CPI's rating to Baa3 with stable outlook

Wednesday, October 19 | ČIANEWS | [Information Source](#)

Moody's Investors Service has downgraded CPI Property Group's (CPI) credit rating to Baa3. The outlook has been changed from negative to stable. According to the agency, the downgrade reflects the company's weaker capital structure following the takeover of Immofinanz and S-Immo. Higher refinancing costs on maturing debt will also put further pressure on fixed charge coverage, although a well-distributed maturity profile and hedging positions help keep it at a level consistent with an investment grade rating. ■

## Dedoles CZ is insolvent; obligations surpass CZK 31m

Monday, October 17 | ČIANEWS | [Information Source](#)

The Czech branch of the Slovak business network Dedoles is insolvent. The Municipal Court in Prague started insolvency proceedings on October 13, 2022. The company states that the causes of the difficulties are the pandemic, the war in Ukraine and the energy crisis. These factors should allegedly caused a drop in demand and a simultaneous rise in costs. The total amount of the clothing and fashion accessories retailer's liabilities from business relationships as of October 13, 2022 is CZK 31.02m. ■

## Court launched insolvency of Korona CZ

Monday, October 17 | ČIANEWS | [Information Source](#)

The Regional Court in Prague started insolvency proceedings in the case of the debtor Korona CZ. The company, which manufactures files, filed for insolvency itself. The total amount of registered debt is in the range of tens of millions of crowns. This follows from documents published in the insolvency register. ■

For your notes

## ECONOMY - CONSEQUENCES

For your notes

### Industrial producer prices up 25.9 %

Monday, October 17 | ČIANEWS | [Information Source](#)

Agricultural producer prices in the Czech Republic rose by 37.0 % y/y in 2Q 2022. Prices of industrial producers rose by 25.9 %, construction works by 13.1 % and market services for businesses by 6.5 %. The data was published by the Czech Statistical Office. Quarterly, prices in agriculture increased by 1.1 % and in industry by 2.1 %. Construction works rose in price by 3.0 % and prices of market services for businesses by 0.3 %. ■

### Prices in industry up 25.8 %, 33.6 % in agriculture

Monday, October 17 | ČIANEWS | [Information Source](#)

Industrial producer prices increased by 25.8 % y/y in September 2022 (25.2 % in August). In particular, the prices of electricity, gas, steam and air conditioning increased by 64.0 %. They were also higher in the coke and refined petroleum products sector. The data was published by the Czech Statistical Office. Agricultural producer prices were higher by 33.6 %. Construction works rose in price by 13.1 % and market services for businesses by 6.8 %. According to Eurostat data, industrial producer prices rose by 43.0 % in the EU27 in August 2022. They rose by 51.8 % in Slovakia and by 25.2 % in the Czech Republic. ■

### CRIF: 2,040 new companies in Sept, mostly in agriculture

Friday, October 14 | ČIANEWS | [Information Source](#)

A total of 2,040 companies were founded in the Czech Republic in September 2022. 1,369 companies were dissolved. An analysis of data from the informationofirmach.cz portal of CRIF - Czech Credit Bureau also shows that a total of 10,761 companies have been added since the beginning of 2022 (875 fewer year-on-year). The largest number of companies was established in the agriculture, forestry and fishing sector, up by 474 (+48%). CRIF analyst Věra Kameníčková said that the current situation and the deterioration of the economic outlook have certainly not yet fully reflected the overall development of the number of companies. The key will be the coming months and also H1 2023. ■

### D&B: Number of unreliable VAT payers grows to 24,958

Thursday, October 20 | ČIANEWS | [Information Source](#)

In the third quarter of 2022, 103 additional entities in the Czech Republic are unreliable VAT payers or significantly breach their duties regarding tax administration. It is the lowest quarterly increment in more than five years. Dun & Bradstreet's (D&B) blacklist of unreliable firms contains 24,958 entities, of which 4,630 are unreliable VAT payers, and 20,328 are unreliable entities. D&B analyst Petra Štěpánová added that since the beginning of the year, 959 companies had been added to the blacklist, one-fifth less than last year. According to her, the current economic situation is not yet reflected in an increased number of unreliable payers. ■

### ČNB: Firms' interest in loans decreases

Thursday, October 20 | ČIANEWS | [Information Source](#)

Due to the perceived increased risks for loans to companies and households, loan standards became stricter in the third quarter of 2022. A survey by the Czech National Bank (ČNB) shows that banks felt a decrease in demand for loans, which was lower for firms than for households. A high level of interest rates had a negative effect on demand. In terms of companies, banks reported lower funding of fixed investments, whereas the demand for operating and stock loans continued to grow. There was an increased interest in loans by companies from the energy sector. Households' demand for housing loans continued its blanket decrease. ■

### MF: Pension insurance deficits increases to CZK 18.47bn

Thursday, October 20 | ČIANEWS | [Information Source](#)

In September 2022, income from insurance payments towards pension insurance, including voluntary insurance, totalled CZK 422.56bn, increasing month on month from CZK 375.20bn. On the other hand, expenditures on pension insurance benefits, including administration expenses, totalled CZK 441.03bn (CZK 387.12bn in August). This information was provided by the Czech Ministry of Finance (MF), adding that the pension insurance system's balance was negative CZK 18.47bn (August: negative CZK 11.91bn). As of December 31, 2021, there were 2.858m pensioners in the Czech Republic, and the average old-age pension was CZK 15,425. ■

### Colliers: European real estate yields to average 8.8%

Wednesday, October 19 | ČIANEWS | [Information Source](#)

The commercial real estate market is undergoing a new phase of revaluation, triggered by the slowing pace of investment activity in the sector. Colliers predicts that the resulting real estate market re-pricing, which will be influenced by the continued rise in interest rates, will occur over the next 12 to 24 months. On average, yields are expected to shift by 75 basis points, equivalent to about a 15% reduction in capital value. The magnitude of the changes ranges from 0% to 30% and their timing will vary from country to country. The shock that the market is now feeling can be largely absorbed, according to Colliers. Over a 10-year period, an investor can expect an average return of 8.8% for European property across its sectors. ■

## 108 AGENCY: Real estate transactions fall by 61% in 3Q22

Tuesday, October 18 | ČIANEWS | [Information Source](#)

The volume of real estate transactions in the Czech Republic reached EUR 149m in 3Q 2022, down 61% y/y. The cumulative result since January this year is EUR 1.4bn. If property and portfolio resales between related parties are added, the quarterly investment volume would climb to EUR 390m. This is according to data from real estate and consulting company 108 AGENCY. The prevailing caution among investors and the rising cost of financing have also had an impact on increasing yields. These grew by 25 to 50 basis points across segments in 3Q. Similar developments are also evident in other European markets. ■

## Creditas: People change way they manage savings

Tuesday, October 18 | ČIANEWS | [Information Source](#)

Around a fifth of people have changed the way they manage their savings because of rising costs. Around 11% have started to prefer savings accounts and time deposits, while 9% have shifted their focus to funds, shares or real estate. This is based on data from Bank Creditas and Instant Research Ipsos. A full 35% of households surveyed say they do not save because they have nothing to save from. A further 13% state that they not only do not save, but also have to dip into their reserves to cover their expenses. Almost 25% are saving or investing slightly less than before, 23% the same and 4% more. ■

## NO. of non-profits fell to 147,000

Monday, October 17 | ČIANEWS | [Information Source](#)

The number of non-profit institutions in the Czech Republic decreased by 1.9% year-on-year in 2020 to more than 147,000. Institutions contributed 1.91% to GDP creation. The production of the non-profit sector increased to CZK 163.0 billion, of which almost 43% was created by public universities. A total of 61.6% of production was provided by the sector to households free of charge and another 14.5% at non-market prices. It employed 115,000 full-time employees (year-on-year -0.06%), which accounted for a 2.2% share of employment in the Czech Republic. The Czech Statistical Office (ČSÚ) further reported that the number of hours worked by volunteers fell by 21.3% to 45 million. The value of volunteer work reached CZK 8.3 billion (-17.7%). ■

## ČAP: Czechs want more types of supplementary insurance

Monday, October 17 | ČIANEWS | [Information Source](#)

Nine out of ten Czechs would welcome more types of commercial supplementary health insurance. Long-term care insurance in the event of lost self-sufficiency, which 53 % of them would take out, dominates. This emerged from a survey by the Czech Association of Insurance Companies (ČAP). Among the other wishes of the insured are better types of medical supplies and aids. 37 % of Czechs accept the possibility of additional insurance, and 26% would be interested in such insurance. They were also interested in dental care and maternity insurance. According to 36 % of respondents, it should be possible and 30 % would show interest in it. ■

## NEWS FROM SLOVAKIA

### Tatra banka and SAŽP will support renovation of houses

Monday, October 17 | ČIANEWS | [Information Source](#)

Tatra banka entered into a partnership with the Slovak Environmental Agency (SAŽP) in the field of co-financing the renovation of family houses. The goal is to help clients who do not have enough of their own funds for a total reconstruction. Those interested will receive a preferential consumer loan with the option of a repayment period of up to 10 years. The maximum amount of the loan is 28 thousand euros. Thanks to new calls from the Renewal Plan, Slovaks can also apply for a contribution from SAŽP, which they will receive after the renovation is completed. ■

### Košice Airport handled 161,655 passengers in summer

Wednesday, October 19 | ČIANEWS | [Information Source](#)

Košice Airport handled 161,655 passengers in the summer season from June 5 to September 29, 2022. In 2019, before the coronavirus pandemic, the number of passengers was 184,742, the highest in the airport's history. For the first nine months of this year, the airport handled 446,065 passengers, up 329,987 y/y. ■

### Inflation in Slovakia at record 14.2% in Sept

Friday, October 14 | ČIANEWS | [Information Source](#)

Inflation in Slovakia rose to its highest annual level in more than 22 years in September 2022, reaching 14.2%. Since April, a slight slowdown in price growth can be observed. The Slovak Statistical Office reported that food was 24.1% more expensive, energy prices rose by 33.6%, and housing and energy prices rose by 16.6%. Month-on-month, consumer prices rose by 0.9%. ■

For your notes