



## PRIVATE SECTOR – ACTIVITIES

For your notes

### ČD acquired InterJets and expanded wi-fi; traffic up

Wednesday, December 21 | ČIANEWS | [Information Source](#)

Czech Railways (ČD) Group worked on savings and market measures in 2021. Compensation for the first wave of coronavirus helped in part. Board of directors chairman Michal Krapinec stated this in the annual report, adding that it was possible to maintain continuity in fleet renewal. More new vehicles for regional and long-distance services, led by InterJets, have been put on the tracks. The number of trains with wi-fi increased to 2248 from 1233. The number of carriages with on-board infotainment portal has also increased. The ČD Group's revenue increased y/y to CZK 38.53bn from CZK 35.91bn. Of this, passenger transport generated CZK 23.5bn and cargo generated CZK 12.89bn. EBITDA from continuing operations increased to CZK 7.99bn from CZK 4.89bn. The number of passengers carried reached 120.7 million (+2.5%) and the volume of freight transport amounted to 62.8 million tonnes (+3%). ■

### W & C subfunds' returns grow, assets exceed CZK 25bn

Thursday, December 22 | ČIANEWS | [Information Source](#)

The WOOD & Company Office sub-fund of the WOOD & Company real estate fund (W&C) for 1-3Q 2022 records a return of 7.89% in the CZK class. In the case of the sub-fund focused on shopping centres (WOOD & Company Retail), the return is 15.24%. Both are tradable on the Prague Stock Exchange from spring 2022. The annual return of the WOOD & Company AUP Bratislava sub-fund was 9.17% at the end of June. The real estate team acquired the GreenPoint office building in Prague's Smíchov district and the Astrum Business Park offices in Warsaw in 2022. The value of assets under management currently exceeds CZK 25bn and the total leasable area has increased to 355,000 m<sup>2</sup>. Portfolio manager and deputy chairman of the board Jiří Hrbáček said that the office segment is undergoing another test after the pandemic due to, among other things, worse availability of credit, rising prices, and uncertainty on the European markets. ■

### UNIQA writes premiums of CZK 14bn in CR and SR

Thursday, December 22 | ČIANEWS | [Information Source](#)

UNIQA in the Czech Republic and Slovakia wrote a total of CZK 14.13bn in premiums in the first nine months of 2022. Of this, CZK 9.24bn was attributable to the domestic market. The Czech and Slovak branches accounted for 30% of the group's total written premiums. Net profit in both countries totalled CZK 782.7m. In the Czech Republic alone, the majority of the premiums (70%) were charged to the non-life segments. During 3Q 2022, non-life and life insurance grew at the same rate of 4.1%. The personal property insurance segment showed growth of 18.4%, while the business insurance segment grew by 12.8%. ■

### Košík.cz to deliver 50% more purchases, incl. on Dec 24

Wednesday, December 21 | ČIANEWS | [Information Source](#)

Online supermarket Košík.cz expects to deliver half as many purchases during the holidays in 2022 as it did last year. Food, cleaning supplies or gifts will be delivered to tens of thousands of Czech and Moravian households in the coming days. In 2021, the company has increased its warehouse capacity, which, it says, has prepared it for this year's expected record demand. The online supermarket will also deliver on Christmas Eve. In Prague and Central Bohemia until 2 pm, in other cities until 12 pm. The service will again be available to customers on the second Christmas Day from 7am. ■

### CREDITAS cards used more globally, incl. via smart phones

Monday, December 19 | ČIANEWS | [Information Source](#)

CREDITAS Bank recorded a y/y increase in card usage abroad in H2 2022. The number of transactions tripled and the volume quadrupled. The price attractiveness of purchases abroad, as well as the impact of freer travel than in 2021, played a role. Board member Ivana Pícková said that the growth was mainly related to transactions in Germany, Austria and Poland. In Poland, for example, reduced or zero value-added tax on selected goods such as basic foodstuffs and fuel will apply from February 2022. There is a growing trend towards the use of payment cards that are increasingly linked to smartphones. The use of contactless payments is also steadily increasing. ATM withdrawals, on the other hand, have declined. ■

### Atradius: 48% cos. expect payment morale deterioration

Monday, December 19 | ČIANEWS | [Information Source](#)

48% of Central and Eastern European companies expect the average invoice payment period to increase in the next 12 months. This is according to the Credit Insurance Company Atradius' Payment Morale Barometer survey of companies from Bulgaria, the Czech Republic, Hungary, Poland, Slovakia and Turkey. Markéta Stržínková, director of the Czech branch, said that many companies managed to cope with the impact of the pandemic and withstand the sharp rise in energy prices. The uncertain outlook for the economy in 2023 raises concerns among businesses about the ability of customers to pay for goods and services on time. Respondents from the Czech Republic, Slovakia and Hungary mentioned the biggest concerns, she added. According to her, these are the countries hardest hit by the energy crisis, they are close to the zone and have been more affected than others by the disruption of trade with Ukraine and Russia. Interest in credit insurance rose by more than 25% quarter-on-quarter in Q4 2022. ■

## Pardubice Brewery shuts down in March 2023

Saturday, December 17 | ČIANEWS | [Information Source](#)

The General Meeting approved the proposal of the Board of Directors of Pardubice Brewery to close production on March 31, 2023. The Chairman of the Board of Directors, Petra Chovancová, informed that a support programme has been prepared for the employees. The main shareholder - Pivovary Staropramen - has invested more than CZK 100m in the brewery over three years. The investments went into production technologies as well as into the brands themselves. However, the change in the situation due to the pandemic and the outbreak of war in Ukraine made it impossible to realise the set goals. The end of production does not automatically mean the disappearance of all brands. The brewery is considering keeping some of them. ■

## ECONOMY - CONSEQUENCES

### Industrial produce prices grow by 21%

Friday, December 16 | ČIANEWS | [Information Source](#)

Agricultural producer prices rose 29.9% y/y in November 2022. Industrial producer prices rose 21.3%. Data from the Czech Statistical Office also show that electricity, gas, steam and air-conditioned air rose by 52.6%. Prices of food products, beverages and tobacco increased by 25.8%, of which prices of mill and starch products rose by 52.8%. The price of construction work rose by 11.9% and market services for enterprises by 6.5%. According to Eurostat data, industrial producer prices rose by 31.2% in the EU in October. They rose by 59.3% in Slovakia and by 24.1% in the Czech Republic. ■

### CRIF: Number of firms grows mostly in real estate, trade

Friday, December 16 | ČIANEWS | [Information Source](#)

In the Czech Republic, a total of 2,476 companies were founded in November 2022 (+101 m/m). 1,384 companies were closed down (+245), adding a total of 1,092 companies. The analysis of data from the informaceofirmach.cz portal of CRIF - Czech Credit Bureau also shows that a total of 13,076 companies have been added since the beginning of 2022 (-1064 y/y). CRIF analyst Věra Kameníčková said that 2022 will be a weaker year in terms of net growth y/y. However, according to her, there is no retreat of corporate business as the total number of companies is still growing. So far in 2022, the largest absolute number of companies have been established in the real estate management sector (4,688), in trade (4,314), and in manufacturing (3,085). The largest percentage increase in the number of new firms has been in the agriculture, forestry, and fishing sector, up by 500 (40%) to a total of 1,752. ■

### CG: Residential market will grow in spring

Thursday, December 22 | ČIANEWS | [Information Source](#)

Central Group (CG) expects the residential market to recover in spring 2023. Founder Dušan Kunovský said that people will overcome the shock of the energy crisis, inflation, and uncertainty, which will boost the appetite to buy a new home or invest safely. The most important impetus will be the cheapening of mortgages and an approach to 3% per annum, which could occur in 2024/2025. The slowdown in home sales in 2022 will gradually return the market to its long-term normal. 2021 was the strongest year in recent history with 7,450 homes sold. Record demand reduced supply to the lowest level in 10 years. Although new building approvals have slowed, there are more apartments in the pipeline and there are now a record 137,000 units worth almost CZK 1.5tn. According to D. Kunovský, they could bring over CZK 190bn in VAT to the state. ■

### ACEA: Sales of utility vehicles grow by 3.8% in November

Thursday, December 22 | ČIANEWS | [Information Source](#)

The number of new commercial vehicle registrations in the Czech Republic in the first eleven months of 2022 fell by 5.8% y/y to 24,291. In November alone, 2,349 vehicles were registered (+3.8%). In Slovakia, the market strengthened by 1.9% from January to November to 10,490. In the last month under review, registrations fell by 13.4% to 874 units. In the EU, EFTA and UK markets, vehicle registrations fell by 15.7% to 1.82 million units in the first eleven months of the year. In November alone, they reached 176,732 vehicles (-4.2%), according to data from the European Automobile Manufacturers Association (ACEA). ■

### AAA AUTO: Used cars prices up 18% in CR, 15% in Slovakia

Wednesday, December 21 | ČIANEWS | [Information Source](#)

Czech drivers could choose from a total of 785,550 cars on the secondary car market in 2022. The average age of these cars was 11 years, making it the oldest offer of used cars on the Czech market in the last eight years. This is according to statistics from AURES Holdings, the operator of the AAA AUTO and Mototechna networks. The average price of vehicles has been at CZK 190,000 for the last few months. Prices in the Czech Republic have risen by more than 18% year-on-year, while in Slovakia there was a 15% increase from CZK 145,200 to CZK 167,000. In Poland, prices grew by 22% to almost CZK 124,000. In Hungary, the figure rose by almost 28% to CZK 141 900. ■

### Colliers: Czechs, other CEE nations buy 50% gifts online

Wednesday, December 21 | ČIANEWS | [Information Source](#)

People in Central and Eastern Europe (CEE) will spend 49% more on holiday food in 2022 than in 2019. The main reason is high inflation. Up to 15% of Czechs will pay more than EUR 100 per person for holiday food. This is according to a Colliers survey, adding that awareness of the problem of food waste is also growing. Hungarians (24%), Poles (18%) and Romanians (16%) declared that they buy less food for this reason. Online shopping for gifts remained at a similar level (50%) in Poland, the Czech Republic, Slovakia and Hungary as in 2019. In addition to e-shops, shopping malls are among the most preferred places for holiday shopping, while small neighbourhood stores are also gaining popularity. ■

For your notes

## CR moved up to 12th position EC's open data ranking

Wednesday, December 21 | ČIANEWS | [Information Source](#)

The Czech Republic has moved up from 23rd to 12th place in the European Commission's (EC) Open Data Ranking. The annual study assesses the maturity of individual EU member states in the area of open data and its quality. In the impact measurement category, the country ranked 1st. Petr Kuchař, director of the Department of the Chief Architect, told the meeting of the presidium of the Government Council for the Information Society (GCIS) that the Czechs use 11 million identity means, i.e. electronic identification tools. Citizens have at their disposal, among others, the Data Box or BankID. ■

## Primagas: 7 LNG stations in CR, three new in December

Tuesday, December 20 | ČIANEWS | [Information Source](#)

In December 2022, the total number of LNG filling stations in the Czech Republic grew by three to seven. One was built by GasNet and two by Eurowag. Jiří Karlík, general director of Primagas, a supplier of LNG and LPG, said that at the beginning of 2022, there were only two mobile LNG stations from GasNet and one stationary station in the country. The National Action Plan for Clean Mobility counts on the Czech Republic having up to 30 LNG stations by 2030. In Europe, the total number of filling stations exceeded 600. According to the Czech Gas Union, 36 LNG-powered vehicles were in operation in the country in 2020, while approximately 135 LNG-powered trucks are now operating. ■

## KRUK: Almost 19% of Czechs buy lower quality food

Monday, December 19 | ČIANEWS | [Information Source](#)

More than half (54%) of Czech households buy food mainly on discount. The KRUK Czech and Slovak Republic survey showed that the majority of shoppers in the Czech and Slovak Republics buy discounts. Households most often spend CZK 5,000-10,000 on food. Almost a third of households (30%) make do with CZK 3,000-5,000 per month. 18% spend more than CZK 10,000 per month on food. Almost 19% of households have started buying lower quality food than they used to and 15% of Czechs are trying to reduce their food costs by adjusting their diet. One in ten households (10%) buy food abroad, where it is cheaper. ■

## Intrum: Inflation affects finance of 85% of Czechs

Monday, December 19 | ČIANEWS | [Information Source](#)

Eight out of ten Czech consumers (78%) have not paid any of their bills late in the last year. The European average is 69%. Among Czech delinquent consumers, only one in three (33%) admitted to having been late on several of their bills, significantly lower than the European average (46%). Furthermore, data published by Intrum shows that the inflation crisis is now affecting almost everyone in Europe. In the Czech Republic, 85% of respondents said that inflation is having a negative impact on their household finances. A further 12% expect inflation to affect them soon. ■

## CR ranked 13th in Prosperity Index, Slovakia 25th

Monday, December 19 | ČIANEWS | [Information Source](#)

The Czech Republic ranked 13th in the Prosperity Index compiled by Česká spořitelna and Europe in Data. The ranking assesses 10 pillars focusing on different areas. For example, the country is ranked third in the health and safety pillar. In the case of the state of the economy, it ranks ninth. On the other hand, in the area of environment or housing affordability, we close the table of European countries. The index also highlights the often-abysmal differences between the East and West of the EU. Sweden, Denmark and Finland are the top-ranked countries. Slovakia came 25th. ■

## MF: Pension insurance gap reaches CZK 26bn

Thursday, December 22 | ČIANEWS | [Information Source](#)

Revenues from pension insurance premiums, including voluntary insurance, amounted to CZK 517.73bn at the end of November 2022. Expenditure on pension insurance benefits, including administration expenses, amounted to CZK 543.49bn. This is according to the data of the Ministry of Finance (MF), adding that the resulting balance of the pension insurance system was CZK -25.76bn (October: CZK -21.32bn). As of December 31, 2021, there were 2.858 million pensioners in the Czech Republic and the average old-age pension reached CZK 15,425. ■

## Analysts: Repo rate will remain at 7% until August

Wednesday, December 21 | ČIANEWS

The repo rate will remain at 7% until August 2023, at which point it could start to fall gradually. Komerční banka economist Martin Görtler commented on the Czech National Bank's (CNB) decision to keep the rate at this level. He predicts that the repo rate will be close to 5% at the end of next year and should reach the 3% level by the end of 2024. Raiffeisenbank analyst David Vagenknecht said the market is currently waiting to see when the CNB will commit to the first rate cut. However, he does not expect this to happen as early as Q1 2023. Broker Consulting's chief analyst Martin Novák welcomes keeping the rate at 7%. He believes that an increase would hurt businesses at the moment. ■

## CRIF: 67.5% of firms in CR have one owner

Tuesday, December 20 | ČIANEWS | [Information Source](#)

In 2022, 568,247 firms were registered in the Czech Republic, up 8% from 2019. A total of 67.5% of them (up by 3 pp) have one owner, according to an analysis by CRIF - Czech Credit Bureau. The number of firms with one owner grew by 14%, and there were 2% more companies with two owners. Firms with three or more owners are older and larger, even in terms of turnover. The highest share of firms (71%) that are assessed as potentially least risky in the CRIBIS application have two owners. The highest number of companies with one owner is in Prague (70%), and their strongest share is in the segment of transport (72%). ■

For your notes

## MMR: Announced calls exceed 50% of EU funding for CR

Tuesday, December 20 | ČIANEWS | [Information Source](#)

Towards the end of 2022, calls for proposals for more than one-half of the volume of European funding for the Czech Republic were announced, according to the information provided by the Czech Ministry of Regional Development (MMR). It added that CZK 550bn was allotted for the cohesion policy for the years 2021 to 2027. The highest funding volume was allocated to the Operational Programme Transport, namely CZK 126.8bn. Of this, the value of already announced calls for proposals is CZK 109.4bn. The Integrated Regional Operational Programme follows with CZK 117.6bn. The total value of announced calls for proposals totals CZK 87.6bn. ■

## CBRE: Shopping malls' footfall down, turnover up 10%

Monday, December 19 | ČIANEWS | [Information Source](#)

Shopping centre footfall in the first three quarters of 2022 was roughly 10% below 2019 levels, yet turnover was more than 10% higher. High inflation played a role in this. In Prague and large cities, the arrival of refugees from Ukraine also had a positive impact on sales. This stems from CBRE statistics. Sales of e-shops are not reaching the same level as during the pandemic and the ratio of online sales to total sales has decreased. However, the Czech Republic is still one of the European countries with the largest share of e-commerce in total retail sales. It is currently at 17%. ■

## CBRE: Industrial rents grow by 25 %

Friday, December 16 | ČIANEWS | [Information Source](#)

In the Czech Republic, 1.2 million m<sup>2</sup> of industrial and logistics space was newly leased in 1-3Q 2022, which is the best result ever. This is according to CBRE's analysis, adding that vacancy was below 1%. Rents increased by 25% y/y in 3Q. They are expected to stabilise gradually in 2023. Nearly 1.16 million m<sup>2</sup> of space was under construction, with 342,000 m<sup>2</sup> to be completed by the end of the year. The automation trend will continue to grow and sustainability has also become a priority among tenants, influencing the wave of new construction. Currently, there is a slowdown in demand from e-commerce and mail order companies, but interest from logistics and manufacturing companies remains strong. In addition, CBRE is currently monitoring increased demand from heat pump and solar panel manufacturers. ■

## NEWS FROM SLOVAKIA

### COVID is eighth most common cause of death in Slovakia

Thursday, December 22 | ČIANEWS | [Information Source](#)

The total excess mortality in Slovakia in November 2022 fell to 2% above the average of Novembers 2015-2019. In total, almost 4,400 people died. The most common causes of death were diseases of the circulatory system (47% of deaths; almost 2,100 people) and tumors (23%; roughly 1,000 people). COVID-19 dropped to eighth place in the ranking of the most common causes of death. This stems from preliminary data from the Statistical Office of the Slovak Republic. ■

For your notes