

## GOVERNMENT MEASURES

### P. Fiala to also discuss energy security with V4 PMs

Tuesday, November 22 | ČIANEWS | [Information Source](#)

On November 24, 2022, Prime Minister Petr Fiala (ODS) will attend the meeting of the prime ministers of the V4 countries in Košice. This is their first meeting within the framework of the Slovak presidency, which began in July. Among the main topics of the plenary session will be energy security, the war in Ukraine and a discussion of current challenges in the field of migration. ■

### ČPZP returned CZK 67m to clients for drug overpayments

Monday, November 21 | ČIANEWS | [Information Source](#)

Health insurer Česká průmyslová zdravotní pojišťovna (ČPZP) returned almost CZK 67.3m to its clients who exceeded the statutory limit for supplementary payments for medicines in the first nine months of 2022. For the same period of the previous year, the amount refunded was CZK 58.2m. This year, over 56,000 clients received their overpayments back, which is 3,000 fewer year-on-year. The number of overpayment recipients decreased due to a legislative change that adjusted the threshold for refunding overpayments from the original CZK 50 to CZK 200. In Q3 alone, the insurance company paid out CZK 32.6m to 46,657 clients. A year ago, 52,628 insured clients received almost CZK 28m. ■

### EP approved Critical Infrastructure Directive

Wednesday, November 23 | ČIANEWS | [Information Source](#)

The European Parliament (EP) approved the Critical Infrastructure Directive. It was proposed by the vice president of the European Parliament, Michal Šimečka. Its goal is to better prepare airports, government buildings and key systems in the energy and healthcare sectors for crises such as wars or pandemics. ■

## PRIVATE SECTOR – ACTIVITIES

### KB clients made QR payments worth CZK 49bn

Thursday, November 24 | ČIANEWS | [Information Source](#)

Komerční banka (KB) has recorded transactions exceeding CZK 49bn in the ten years since launching QR payments. In October 2022 alone, almost 570,000 QR payments passed through the bank. The average amount sent in this way reached CZK 8,800. In the same period, the total amount of money sent by KB clients using QR payments in Mobile Bank was approximately CZK 5bn. Petr Kovář, KB's Mobile Banking Manager, said that people send increasingly higher amounts via QR code. ■

### CFG Credit's loan portfolio grows to CZK 1.6bn

Wednesday, November 23 | ČIANEWS | [Information Source](#)

The loan portfolio of the non-banking company CFG Credit has grown by almost CZK 400m to CZK 1.6bn from the beginning of the year to the end of October 2022. The portfolio has increased by almost CZK 1.2bn since 2018, when the lending activity was under the umbrella of parent company CFG SE. Jakub Šulc, director of retail financing, said that at the beginning of the year the company recorded a cooling of the credit market, which he attributed to the negative situation in the world, which was supported by energy problems. Now, the market has woken up again and the demand for loans has been growing since 2H 2022. In October alone, CFG disbursed nearly CZK 47m in loans to clients, a threefold increase year-on-year. ■

### KOVO: 679 cars produced above plan at M13 assembly plant

Thursday, November 24 | ČIANEWS | [Information Source](#)

At the beginning of the 47th week of 2022, ŠKODA AUTO produced 679 cars above the plan at the Mladá Boleslav plant on the M13 Octavia assembly line. The net work in progress was 527 vehicles. This week, the production rate was 1.03 min/rev, which represents 413 cars per shift and 1,239 cars per day. This was reported by the Kovo MB union. In the 46th week, production at M13 ran for only three days. A total of 2,366 cars were produced, including 1,324 Octavia A8 and 1,042 Enyaq cars. At the M1 Fabia assembly plant, production started in three shifts in Week 47 after a long period. In October 2022, 21 permanent employees left this plant, some to other locations within the company. Twelve new recruits and five from agencies were hired. ■

### ČEZ ESCO registers three-fold growth in demand for PV

Wednesday, November 23 | ČIANEWS | [Information Source](#)

ČEZ ESCO's revenues in the Czech Republic and Slovakia increased by 55% to CZK 6.2bn in the first nine months of 2022. The figures are backed by a threefold year-on-year increase in demand for rooftop photovoltaics from households, companies, and public administrations. In addition to organic growth, the acquisitions of new companies such as EP Rožnov and CAPEXUS contributed to the positive result. Kamil Čermák, CEO of ČEZ ESCO, added that the company now has approximately one hundred large-scale PV projects in the pipeline. ČEZ intends to build 6 GW of new renewable energy sources by 2030 as part of its Clean Energy Tomorrow strategy. ■

For your notes

## ECONOMY - CONSEQUENCES

### IMF predicts decline of economy by 0.5%

Wednesday, November 23 | [ČIANEWS](#) | [Information Source](#)

According to the International Monetary Fund (IMF) forecast, the Czech Republic's gross domestic product (GDP) will grow by 2.3% in 2022. In 2023, it will show a decline of 0.5%. The development will be affected by lower purchasing power of households and lower investment by companies. The IMF has recommended raising interest rates to contain inflation. Migration and integration of Ukrainian refugees would help alleviate labour shortages and reduce labour market tensions, according to the IMF. The analysis was published by the Ministry of Finance. ■

### CEEC Research: 57% of building companies increase wages every year

Thursday, November 24 | [ČIANEWS](#) | [Information Source](#)

More than half of building companies (57%) increase their employees' wages regularly every year. Another 21% increase it every two years. A quarter of respondents raise wages irregularly, based on developments in the labor market or individually according to the employee's performance. Current inflation has affected wage growth in 60% of companies. According to the data from the Quarterly Analysis of the Czech Construction Industry Q4/2022 of CEEC Research, the average gross wage of a construction graduate is CZK 28,191.49. Manual professions have average wage of CZK 33,550, middle management and administration jobs earn CZK 39,596. Executives in the management of construction companies reach an average of CZK 66,088. The company further informed that the industry faces a shortage of educated personnel. ■

### ČLFA members provided CZK 20.5bn for car purchases

Thursday, November 24 | [ČIANEWS](#) | [Information Source](#)

Member companies of the Czech Leasing and Finance Association (ČLFA) financed 10,277 new passenger cars from July to September 2022, down 17% year on year. The financing volume fell by 8.4% to CZK 6.2bn. In the first nine months of this year, ČLFA members provided CZK 20.5bn to purchase 35,184 new cars. Of this, the business segment accounted for 77%, i.e., 26,993 cars (-9% y/y). The volume was CZK 17.9bn (-5%) in financial terms. Regarding products, the greatest interest among businesses was in credit products, which reached a share of 57%. Operating leases accounted for the remaining 43%. ■

### HK: Businesses want information on energy prices

Thursday, November 24 | [ČIANEWS](#) | [Information Source](#)

The government's information campaign on state support towards companies affected by the energy crisis is insufficient for businesses that want to use the subsidies. According to the Czech Chamber of Commerce (HK), it concerns mainly micro and small companies. Businesses would appreciate full and clear information from the government on the measures and a longer-term plan on how the government will mitigate the energy crisis in 2023. The survey by the Chamber found that 46% of respondents are aware of the possibilities of state support. Still, only 7% of companies use it, mostly large entities. ■

### Business confidence fell, consumer confidence rose 4.1 p

Thursday, November 24 | [ČIANEWS](#) | [Information Source](#)

The aggregate confidence indicator increased 0.3 points month on month to 90.1 in November 2022. Business sentiment decreased by 0.4 points to 93.0. Consumer confidence, on the other hand, rose by 4.1 points to 76.0. Jiří Obst, head of the Czech Statistical Office's cyclical surveys department, said that the biggest weight in the business confidence indicator is given to industry, where the mood has been continuously deteriorating since June. It is due to declining demand, which is also reflected in reduced expected production, and the persistent growth in the number of entrepreneurs considering reducing their workforce in recent months. ■

### GFI Software: 67% of organisations run up to 10 apps

Wednesday, November 23 | [ČIANEWS](#) | [Information Source](#)

In the Czech Republic and Slovakia, 67% of organisations run up to 10 business applications, 26% use 11 to 20 and 7% use more than 20 applications. 50% of respondents are not aware of any performance problems with critical applications, 40% experience problems on a daily basis and 10% prioritise their applications. The GFI Software survey also showed that 46% of organizations globally run up to 10 business applications, 36% run 11 to 20 applications, and 10% run 20 to 30 applications. No performance issues with mission-critical applications are reported by 46% of global respondents, 35% experience issues on a daily basis, and 19% prioritize their applications. ■

### EOS: Share of overdue invoices grows to 22% in CR

Wednesday, November 23 | [ČIANEWS](#) | [Information Source](#)

Payment morale in the Czech Republic has deteriorated by 3 pp over the last three years. While in 2019 the share of late paid and uncollectable invoices was 19%, in 2022 companies admitted to 22% of such cases. Commenting on the survey, Vladimír Vachel, CEO of the collection agency EOS KSI, said that the positive thing, however, is that domestic businesses and consumers are approaching their obligations responsibly. He added that in the share of late payments they are worse off than the Germans with a stable 14%, but still above the Eastern European average. The worst situation is described by companies in Slovakia, where the share of overdue payments is as high as 28%. ■

For your notes

## ČNB reported loss of CZK 282bn, foreign liabilities of CZK 288bn

Wednesday, November 23 | ČIANEWS | [Information Source](#)

The Czech National Bank (ČNB) reported an economic result of CZK -282.37bn as of November 20, 2022. This is according to the 10-day balance sheet published by the central bank. Total assets reached CZK 3.31bn. Deposits in foreign financial institutions and institutions were at the level of CZK 688.39bn. Liabilities to the International Monetary Fund amounted to CZK 142.73bn. Foreign liabilities amounted to CZK 287.75bn. ■

## ČBA: Czechs to spend average of CZK 13,000 at Christmas

Wednesday, November 23 | ČIANEWS | [Information Source](#)

On average, Czechs want to spend over CZK 13,000 on Christmas gifts, holiday food, and decorations, which is roughly CZK 1,000 more y/y. While one in ten Czechs borrowed money for Christmas shopping in 2021, 3% of respondents are considering borrowing this year. This is according to a survey conducted by the Czech Banking Association (ČBA) and the Ipsos agency. Those who are considering taking out a loan for Christmas presents, or have already taken it out, most often borrow directly from the bank (58%). A total of 20% of people who have borrowed for presents in the past said that they are repaying the loan with problems that will be solved by postponing repayments. ■

## C&W: Pařížská is most expensive shopping street in CEE

Wednesday, November 23 | ČIANEWS | [Information Source](#)

The most expensive shopping street in the Czech Republic in 2022 is Pařížská Street in Prague. It has replaced the previously most expensive street in the country, Na Příkopě. In the Main Streets Across the World ranking by real estate consultancy Cushman & Wakefield (C&W), Pařížská ranked 17th. In the CEE region, it ranks first. The survey compares the highest achievable rent in Pařížská to EUR 2,719 per m2 per year as of 3Q 2022, or approximately EUR 227 per m2 per month. The same shopping streets in the same countries remain at the top of the ranking as in the last survey, but their ranking has changed: the US has replaced Hong Kong in first place. Italy has overtaken the UK and France, making Via Montepulciano the most expensive shopping street in Europe. ■

## Colliers: Commercial property investments at EUR 7.5bn

Tuesday, November 22 | ČIANEWS | [Information Source](#)

The volume of investments in commercial real estate reached a total of EUR 7.5bn (+3 %) in the CEE region for 1-3Q 2022. Colliers further reported that it could reach up to 10 billion euros by the end of 2022. Czech capital accounted for 56 % of the investment volume in the Czech Republic. In terms of countries, Poland leads the way, having so far secured 58 % of volumes within the CEE region in 2022. Colliers Regional Director Kevin Turpin anticipates that 4Q 2022 is likely to see less activity than usual due to lower supply, increased funding costs and ongoing price revisions. Investors in commercial real estate will benefit somewhat from higher inflation in rents, he said, but will also be affected by higher debt and operating costs. ■

## Edenred: 8 % of restaurants have decided to close down

Tuesday, November 22 | ČIANEWS | [Information Source](#)

Due to the economic crisis and extremely high inflation, almost 8 % of gastroenterprises have firmly decided to quit the hospitality business. A smaller number of the restaurants will close immediately, the rest within a few months. Less than a third of businesses are considering closing due to other possible complications. Almost 11 % of companies say they are more likely to quit. This follows from a survey by Edenred, which is part of the European FOOD program. Half of gastroenterprises are determined to raise prices in 2022. Another 38 % are considering raising prices, less than 12 % want not to raise prices. Almost 40 % of restaurants have already decided to increase their prices by more than 6 %. Four out of ten Czechs are not willing to accept any further price increases. If by the end of 2022 the price of food rises by ten crowns at most, almost 28 % of respondents will continue to go to restaurants. ■

## UniCredit: Property prices to fall by 5 %

Tuesday, November 22 | ČIANEWS | [Information Source](#)

In November 2022 the UniCredit real estate market tension indicator increased by 14 points to -3.82 %. Investments in residential real estate have become a little less disadvantageous. The reason was the decline in government bond yields. The gross annual rental yield at the level of regional cities rose by 2 points to 3.93 % due to a milder month-on-month decrease in rent prices (-0.1 %) compared to a slightly larger decrease in apartment prices (-0.5 %). For 2022, UniCredit expects real estate prices to fall by roughly 5 %, and in the outlook for the next few years, it leaves stagnation or slow growth in real estate prices under the dynamics of inflation. ■

## Sodexo: 1/3 of workers have CZK 10,000+ in Cafeteria

Monday, November 21 | ČIANEWS | [Information Source](#)

More than half of employees receive a leisure allowance. Most often in the form of benefit cards or Cafeteria. This is according to a survey conducted by B-inside for Sodexo Benefit in companies with more than 100 employees. Tereza Knířová from Sodexo Benefit added that a third of employees with Cafeteria benefits have more than CZK 10,000 in benefits. Another 39% have CZK 5-10,000. In the case of cards, the contribution is usually smaller. Sodexo Benefit's HR manager Martina Machová added that reward in the form of leisure benefits is approximately 26% more beneficial for employees in terms of income than providing the same amount in cash. ■

## Petrol price down to CZK 42.05/L, LPG down to CZK 17.79/l

Saturday, November 19 | ČIANEWS | [Information Source](#)

The average consumer price of Natural 95 petrol in the 46th week compared to the 45th week of 2022 in the Czech Republic fell from CZK 42.05 to CZK 41.75/l. Diesel remained unchanged at CZK 46.30/l. The price of LPG decreased from CZK 17.88 to CZK 17.79/l. According to the survey of the Czech Statistical Office, the price of gas oil showed a decrease from CZK 25,800 to CZK 24,629 per 1,000 litres. ■

For your notes

## NEWS FROM SLOVAKIA

For your notes

### MPSVR SR: Unemployment in SR fell below 6 percent

Tuesday, November 22 | ČIANEWS | [Information Source](#)

The unemployment rate in Slovakia at the end of October 2022 reached 5.90%. It fell below 6% for the first time in two and a half years. Unemployment fell below 10% in all regions of the Slovak Republic. This was reported by the Ministry of Labour, Social Affairs and Family of the SR (MPSVR SR), which launched two new projects aimed at maintaining the trend of reducing unemployment. The first is Practice for young people, which supports people under the age of 29 in applying to the labor market. Another is Activation of disadvantaged job seekers. ■

### OECD: Growth of Slovak economy will slow to 0.5%

Wednesday, November 23 | ČIANEWS | [Information Source](#)

The Slovak economy should grow by 1.6% in 2022, by 0.5% in 2023 and by 2.1% in 2024. This stems from the November outlook of the Organization for Economic Co-operation and Development (OECD), stating that high inflation will weigh on household disposable income and private consumption. Growth is expected to pick up in 2024 as inflation moderates and supplies are disrupted. ■

### No. of passengers in SR increased by 8.7% in September

Thursday, November 24 | ČIANEWS | [Information Source](#)

In September 2022, passenger transport in Slovakia recorded a year-on-year increase in the number of passengers by 8.7% to 54.8m. The number of train passengers increased by 14% and public transport carried 11.4% more people. Road transport accounted for up to 88% of passenger transport. Passenger transport performance amounted to 823m passenger kilometers. In rail transport, the number of passenger kilometers increased by 18.3%. From January to September 2022, the number of vehicles transported increased by 36.1% year on year to 441.9m, according to the Slovak Statistical Office. ■

### LPS SR: Flights in Slovak airspace up 45%

Monday, November 21 | ČIANEWS | [Information Source](#)

The total number of flights in Slovak airspace in October 2022 increased by 45% y/y to 46,068. Compared to the time before the pandemic, there were 6% fewer flights. In total, the Slovak Air Traffic Services (LPS SR) recorded more than double the number of flights (103%) y/y in the first 10 months of this year. The airlines that used the airspace the most were Tuskish Airlines, Wizz Air, Ryanair, Emirates and Qatar Airways. ■

### Freight transport performance in SK rose 9.1% in September

Thursday, November 24 | ČIANEWS | [Information Source](#)

In September 2022, the performance of freight transport in Slovakia increased by 9.1% y/y to 3.3bn tkm after two months of slowdown. However, it still did not exceed the values of September 2019. The total volume of freight transport in September 2022 decreased by 8.3% y/y to 18.1m t. In the long term, the total performance reached the level of almost 93% of the values from September 2019. The decrease in traffic was mainly caused by the decrease in rail and other transport, according to the Slovak Statistical Office. ■