

GOVERNMENT MEASURES

For your notes

MZe and Pfizer sign contract for antiviral drug PaxlovidTuesday, August 23 | ČIANEWS | [Information Source](#)

The Czech Ministry of Health (MZe) and Pfizer have concluded a contract for the supply of the oral antiviral Paxlovid against COVID-19. The contract, which runs until the end of 2022, ensures that the Czech Republic will have sufficient quantities of the drug for the expected autumn wave. The first deliveries are expected during September. Minister Vlastimil Válek (TOP 09) said that the Ministry of Health will soon offer Czech patients another fully reimbursed and highly effective antiviral drug. ■

Z. Stanjura: Government considers sector tax for 3 fields

Friday, August 19 | ČIANEWS

The government is considering introducing a windfall profits tax in three sectors. Finance Minister Zbyněk Stanjura (ODS) announced this, adding that in addition to energy companies and banks, there will be one more sector, which he did not specify. The government will discuss the introduction of the sector tax with the National Economic Council. According to Z. Stanjura, the government has to make a decision by September 10, 2022. The proceeds from the tax should cover the extra expenses for the energy saving tariff, which is supposed to help households reduce their energy bills. The minister estimated its cost at CZK 50bn next year. ■

EU has CZK 550bn for CRMonday, August 22 | ČIANEWS | [Information Source](#)

By the end of 2022, individual ministries plan to announce 181 calls for a total of CZK 240bn. Currently, applicants can submit projects in more than 20 calls from four OPs. In total, in the program period 2021-2027, almost CZK 550bn is prepared for the Czech Republic to support the development of regions, innovation, the environment, the social sphere, the repair of monuments and the support of science, research and education. The Ministry for Regional Development of the Czech Republic (MMR) proposes the transfer of part of the funds due to changes in the needs and priorities of the Czech Republic in connection with the energy crisis and the pandemic. The proposal must be discussed by the government and the European Commission. The information was published by the MMR. ■

MŠMT will provide CZK 2bn to disadvantaged schoolsFriday, August 19 | ČIANEWS | [Information Source](#)

The Ministry of Education, Youth and Sports of the Czech Republic (MŠMT) announces a call for support for disadvantaged schools, which will distribute CZK 2bn between 2022 and 2025. The aim is to support at least 400 schools with a higher proportion of socially disadvantaged pupils from the National Recovery Plan. The selected schools will implement their own projects aimed at improving the educational outcomes and well-being of pupils, with the support of the Ministry of Education and the National Institute of Education. Specific activities may include, for example, the provision of a school social pedagogue, a leisure worker, tutoring during holidays or breakfast clubs for pupils. ■

MPSV: Summer of Mercy II will also mitigate energy crisisMonday, August 22 | ČIANEWS | [Information Source](#)

The Summer of Mercy II will start on September 1, 2022 and last until November 30, 2022. It will again apply to foreclosures started before October 28, 2021 and to debts owed to public institutions or state or semi-state enterprises. It cannot be applied to tax and administrative executions, which are enforced by, for example, the customs or financial administration or the social security administration. The flat-rate compensation for the costs of the bailiff's execution was increased to CZK 1,815 including VAT. The information was published by the Ministry of Labor and Social Affairs (MPSV) of the Czech Republic, stating that the repetition of the event is appropriate also due to the energy crisis and the collapse of some energy suppliers. ■

LBK: Metrostav & OHLA to build CZK 233m parking houseWednesday, August 24 | ČIANEWS | [Information Source](#)

The Liberec Region (LBK) will build a parking house in the lower centre of Liberec. It will be built for CZK 233m, including VAT, by a consortium consisting of Metrostav DIZ and OHLA ŽS. Deputy governor Zbyněk Miklík (Pirates) said that the companies would build a complete parking house with 244 bays, including a green roof that would be funded from the National Recovery Plan. The Region cancelled the original contract worth CZK 196m in April 2022, as the Ukraine war caused an outage of supplies of iron ore and construction material. Therefore, the Region announced the tender with a higher estimated contract value. Construction should start in September. ■

PRIVATE SECTOR – ACTIVITIES

For your notes

Alza.cz accepts complaints and returned goods through AlzaBoxes

Wednesday, August 24 | ČIANEWS | [Information Source](#)

Alza.cz now enables its customers to return and claim goods via AlzaBoxes. The service is free and the first available in the Czech Republic. Implementation in Slovakia and Hungary is planned in the near future. The service is intended for goods that fit in the boxes. Bulky appliances must be delivered to branches in person or by courier. ■

Airline PLAY plans sales of up to USD 16m

Tuesday, August 23 | ČIANEWS | [Information Source](#)

Icelandic low-cost airline PLAY plans to expand its fleet by four more aircraft in early 2023, increasing its workforce by 200 from the current 300. The carrier will start flying to Dulles International Airport near Washington in April. They expect to carry 800,000 passengers in 2022, the first full year of operations. Revenues are expected to reach USD 150-160m. In Q2 2022, the company carried 181,000 passengers with three-quarters of the flights full. Revenues in this period increased to USD 32.5m. The airline expanded its flight model to Iceland, combining a convenient Europe-US connection with a connection in Reykjavik. It also started flying to 14 new destinations and expanded its fleet to six Airbus aircraft. Flights from Prague to Reykjavik commenced on May 5, 2022. ■

Heureka to ease data handover by buying Balíkobot

Thursday, August 25 | ČIANEWS | [Information Source](#)

The Heureka Group is buying the Balíkobot service. The Group said that the acquisition's objective was to mainly strengthen services in processing and transmitting logistics data within the market and expand services for partners and make them more attractive. Balíkobot makes it easier for e-shops and other senders to hand over data to carriers and enables to track consignments online precisely. Within the Heureka Group structure, Balíkobot will be a separate entity looking for synergies where it makes sense. The companies have not disclosed the transaction value. ■

Pale FC invests in start-ups, wants CZK 20bn assets

Wednesday, August 24 | ČIANEWS | [Information Source](#)

In 2021, Pale Fire Capital (FC) increased its consolidated turnover from year-earlier CZK 964.3m to CZK 1.58bn. The volume of assets grew from CZK 1.44bn to CZK 3.76bn. The investment company re-oriented itself from a primarily venture capital firm to a private equity firm focused on investments in technological start-ups. Last year, it invested hundreds of millions of korunas both in strengthening shares in existing firms and entering new ones. FAVI, Aukro, TeamIT, Muniopolis, and Semantic Visions contributed the most to the turnover. By 2025, Pale Fire Capital wants to administer assets worth at least CZK 20bn in total. ■

Staropramen yields CZK 4.23bn, export boosts growth

Wednesday, August 24 | ČIANEWS | [Information Source](#)

In 2021, Pivovary Staropramen recorded CZK 4.23bn in revenue. Despite the ongoing pandemic restrictions, there was still a 4.2% year-on-year increase. CFO Silvia Miklósová said that increased sales drove the growth in the premium segment. The EBITDA dropped almost 10% to CZK 535m. The company closed last year with an after-tax accounting profit of CZK 441m. Breweries paid the state over CZK 775m in direct and indirect taxes. The volume of beer sold on export markets, up 10% to 976,000 hl, also contributed to the results. ■

Kofola's GM to decide on 2021 profit distribution

Wednesday, August 24 | ČIANEWS | [Information Source](#)

Kofola ČeskoSlovensko has called a general meeting (GM) to approve the 2021 profit distribution per rollam. The voting will take place from September 5 to 20, 2022. The proposed dividend will be published on September 5. The decisive date for a right to vote on profit distribution is August 29. As ČIANEWS reported, the Kofola Group posted EBITDA at CZK 1.13bn last year. Revenue grew 7.5% year-on-year to CZK 6.64bn. ■

CK Sunflower Tours ceased operations

Wednesday, August 24 | ČIANEWS | [Information Source](#)

The SUNFLOWER TOURS travel agency has announced its closure. The company stated that it was currently preparing a petition to declare bankruptcy. It is mainly due to losses during the two-year travel restrictions and bans due to the pandemic. According to the company, this year's sales did not help to improve the overall financial situation either. Slavia pojišťovna announced that all 90 clients that the travel agency has abroad would stay in their hotels until the end of their stay and fly on the originally planned routes. In total, the bankruptcy affects approximately 300 clients, most of them are those who paid for the trip and did not leave. The insurance company will return the money to them after the travel agency declares insolvency and provides it with all the information for the liquidation of this insurance event. ■

Bridging in Blansko continues with bridge extension

Tuesday, August 23 | ČIANEWS | [Information Source](#)

The construction of the III/379 37 Blansko bridge reached the implementation of the new bridge extension in the form of a steel arch with net hangers. It should be completed on 26 August 2022. Construction starts on Svitavská street. It will bridge the Svitava river bed, the railway corridor and will end in the industrial zone in Stary Blansko. The project is expected to cost CZK 225m. The financing was provided by the State Fund for Transport Infrastructure, the South Moravian Region and the City of Blansko. Robert Škarecký, construction manager of Metrostav, said that the construction was affected by Covid and the invasion of Russian troops into Ukraine, which caused the price of materials and services to rise. The specific steel for the bridge, which was processed in Vítkovice, came from occupied Mariupol. The information was provided by the South Moravian Region. ■

Wolt Market opens branch in Prague-Žižkov, plans another one

Thursday, August 18 | ČIA NEWS | [Information Source](#)

Wolt Market plans to open a fourth branch in Prague within weeks, despite pressure on prices from inflation and supply chain disruptions. It is currently opening a third in the Czech capital: in Žižkov. The goal is to increase the availability of the service in the center and east of the capital. It will gradually offer almost 3,500 products including vegan alternatives, fitness food and vitamins from GymBeam, or tobacco products with delivery within 20-30 minutes. The technology company has doubled its revenue since the beginning of 2022. It is currently active within dozens of branches in ten markets across Europe. It makes it easy for people to discover and try new restaurants and shops in their neighborhood. This also helps the business sector. ■

ECONOMY - CONSEQUENCES

MF: GDP will grow by 2.2%, energy will reduce spending

Friday, August 19 | ČIA NEWS | [Information Source](#)

While the Czech economy grew in 1H despite the unfavourable circumstances, it is expected to undergo a mild recession in 2H. Nevertheless, GDP could increase by 2.2% for the whole year. The August macroeconomic forecast of the Ministry of Finance of the Czech Republic (MF) shows that growth should be driven by investment in fixed capital and increased accumulation of reserves. Household consumption will be dampened by a sharp rise in energy prices and tighter monetary policy. The external trade balance should take 1 pp off the growth momentum. GDP growth could slow further to 1.1% in 2023. ■

MMR: CR advances to 4th position in EU fund withdrawal

Friday, August 19 | ČIA NEWS | [Information Source](#)

At the end of July 2022, the Czech Republic moved up three places to 4th place in the ranking of EU funds absorption. The European Commission has reimbursed 81.0% of the funds allocated to the Czech Republic for the 2014-2020 period. The largest amount of funds in relation to the total allocation went to the accounts of beneficiaries in OP Research, Development and Education. The Ministry for Regional Development of the Czech Republic (MMR) also reported that the Czech Republic's revenues from the EU exceeded levies by CZK 65.3bn. After adding the advance from the National Recovery Plan (CZK 23.5bn), the Czech Republic is a net beneficiary of CZK 88.8bn for 2021. ■

Economic sentiment down 1.6 points in August

Wednesday, August 24 | ČIA NEWS | [Information Source](#)

In August 2022, the overall indicator of confidence in the economy expressed through an index basis dropped 1.6 points month on month to 94.1. This information was provided by the Czech Statistical Office, which added that the indicator of business confidence decreased by 2.6 points to 97.6, and consumer mood grew 3.5 points to 77.1. Among entrepreneurs, confidence in the economy dropped across all sectors. Its value was thus again below the long-term average. Whereas the industry, commerce and services recorded a slighter decrease, the construction sector posted a more significant drop. Among consumers, the economic sentiment increased after five months of uninterrupted decline. Compared to July, respondents are less concerned about the worsening of the overall economic situation and their financial situation. ■

Municipal and regional surplus reached CZK 51bn in 1H22

Monday, August 22 | ČIA NEWS | [Information Source](#)

As of June 30, 2022, municipalities, regions and voluntary associations of municipalities achieved a positive economic result at the level of CZK 51.1bn. Compared to Covid year 2020, the result is more than double. Total consolidated revenues amounted to CZK 380.7bn (+8 %) and expenses to CZK 329.6bn (+9.6 %). The Ministry of Finance of the Czech Republic (MF) informed about this, stating that the budgets of territorial self-governing units have returned to the level before the pandemic. The improvement in their balance is due to smaller restrictive measures related to the epidemic and, in particular, the strengthened collection of tax revenues. They are negatively affected by the Russian invasion of Ukraine and the highest inflation in the last 30 years. ■

MF: Pension insurance deficit drops to CZK 9.78bn

Thursday, August 25 | ČIA NEWS | [Information Source](#)

In July 2022, income from contributions paid towards pension insurance, including voluntary insurance, amounted to CZK 327.33bn and grew from CZK 278.73bn in June 2022. Expenditures for pension insurance benefits, including administration costs, totalled CZK 337.11bn (CZK 289.14bn in June 2022), according to the information provided by the Czech Ministry of Finance (MF). The pension insurance system's balance was negative at CZK 9.78bn (June 2022: negative at CZK 10.41bn). As of December 31, 2021, there were 2.858m pensioners in the Czech Republic, and the average old-age pension amounted to CZK 15,425. ■

MF: Number of new building savings increased to 232,000

Friday, August 19 | ČIA NEWS | [Information Source](#)

According to data from the Ministry of Finance of the Czech Republic (MF), in 1H 2022, Czechs concluded 232,000 new building savings contracts with a total target amount of CZK 140.8bn. The average target amount for contracts concluded by natural persons reached CZK 606,000. In the period under review, 6.5% more contracts were signed on a year-on-year basis, while the average target amount decreased by 24.7%. The total number of construction savings contracts in the savings phase amounted to 3.2 million, which is 1.8% less than at the end of 2021. The MF recorded a total of 485,000 loans (both construction savings and bridging loans), which represents a decrease of 1.3% compared to the situation at the end of last year. ■

For your notes

Skanska: Offer of flats in Prague grows, 17% price hike

Wednesday, August 24 | ČIANEWS | [Information Source](#)

In the second quarter of 2022, the offer of new flats in Prague exceeded 4,000 units with an average price of CZK 152,051 per m². Year on year, this is a 25% increase in the number and a 17% hike in the average price. Prague 2 offers the most expensive housing (CZK 207,465 per m², up 33%). On the other hand, the most affordable housing is available in the southwest outskirts of the capital in Lipence, Lochkov and Zbraslav, at an average price from CZK 113,027 per m². The highest selection is in Prague 5, 9 and 3 with more than 1,500 flats, according to an analysis conducted by Skanska. ■

Generali: 13% of Czechs transfer money for better interest

Friday, August 19 | ČIANEWS | [Information Source](#)

The share of Czechs who are worried about their finances because of rising energy prices has risen to almost half in the last six months. Rising inflation rates worry 38% of people. On the other hand, concerns about finances related to the war in Ukraine have fallen from 33% to 8%, according to a survey by Instant Research for Generali Investments. Almost two-thirds of Czechs are saving on food because of inflation. Exactly 50% of respondents have not changed the way they handle their savings despite concerns about their finances. A total of 13.4% have decided to protect their money by transferring it to a better interest-bearing savings or fixed-term account. ■

Gasoline, diesel, oil and LPG became cheaper in 33rd week

Friday, August 19 | ČIANEWS | [Information Source](#)

The average consumer price of Natural 95 gasoline in the 33rd week of 2022 compared to the 32nd week in the Czech Republic fell on average to CZK 40.81 from CZK 42.81/l. Diesel fuel became cheaper to CZK 42.52 from CZK 44.01/l. The price of LPG decreased to CZK 18.44 from CZK 18.59/l. The price of gas oil, according to the investigation of the Czech Statistical Office, showed a decrease to CZK 24,366 from CZK 24,368/thousand. liters. ■

ATOK: Textile and clothing exports up 9.6%

Tuesday, August 23 | ČIANEWS | [Information Source](#)

Exports of textile and clothing goods increased by 9.6% y/y in H1 2022. Exports of textile goods increased by 11.7% (to CZK 39.0bn) and clothing goods by 7.3% (CZK 33.6bn). Imports of textiles increased by 3.5% (CZK 34.0bn) and clothing by 15.1% (CZK 47.2bn). The Association of Textile, Clothing and Leather Industries (ATOK) further stated that the overall trade balance of the whole sector is negative. However, the balance of the textile industry has returned to positive. ■

NEWS FROM SLOVAKIA

BR NBS amended measures on ability to repay loans

Wednesday, August 24 | ČIANEWS | [Information Source](#)

On August 23, 2022, the Banking Council of the National Bank of Slovakia (BR NBS) approved a change in the measures that determine the details of the assessment of a consumer's ability to repay housing and consumer loans. Through these measures, the total debt-to-income (DTI) indicator for loans extending into retirement is partially adjusted. At present, this adjustment will have almost no effect on the market, but it will prevent people from retiring with too large mortgages. ■

MPRV SR: 47th Agrokomplex exhibition takes place in Nitra

Friday, August 19 | ČIANEWS | [Information Source](#)

The 47th year of the Agrokomplex exhibition will take place in Nitra from August 18 to 21, 2022. After two pandemic years, the event returns to the premises of the state-owned National Exhibition Center. The Ministry of Agriculture and Rural Development of the Slovak Republic (MPRV SR) informed about this, stating that there will be 400 exhibitors from the fields of agriculture, food production, and hunting. An exceptional event this year will be the exhibition with international participation, Hunting and Nature 2022, which takes place once every five years. ■

Unemployment in Slovakia fell to 6.23 percent in July

Monday, August 22 | ČIANEWS | [Information Source](#)

The rate of registered unemployment in the Slovak Republic at the end of July 2022 reached 6.23%, which is the lowest since the start of the pandemic in March 2020. The number of available job applicants was 168,701. The Labor Center registered 79,552 vacancies. The number of registered unemployed under the age of 29 reached 43,110. The Ministry of Labour, Social Affairs and Family of the Slovak Republic informed about this. ■

Gasoline, diesel and LPG cheaper in SR

Friday, August 19 | ČIANEWS | [Information Source](#)

The average price of Natural 95 gasoline in Slovakia fell by 2.80% to EUR 1.734/l in the 32nd week compared to the 31st week of 2022. Natural 98 became cheaper by 2.42% to EUR 1.932/l, diesel by 2.58% to EUR 1.773/l, and LPG by 0.11% to EUR 0.872/l. The prices of CNG (EUR 1.999/kg) and LNG (EUR 2.862/kg) remained unchanged compared to the previous week. The Statistical Office of the Slovak Republic informed about it. ■

For your notes