

GOVERNMENT MEASURES

For your notes

PM Fiala: Defence and investments are budget priorities

Wednesday, October 26 | ČIANEWS | [Information Source](#)

Prime Minister Petr Fiala (ODS) identified defence and investments in transport infrastructure, education and other sectors as the main budgetary priorities for 2023. He also said that the composite tax quota is 34.5%. Thus, even after the inclusion of extraordinary measures, the war-related windfall tax and the levy on excess revenues from electricity generation, the tax quota will be at the level of 2018. He reminded that the state compensates citizens and companies for the impact of electricity and gas prices, pays for expenses related to refugee assistance, but also raises investments in internal and external security. ■

MPSV: Child benefit to increase by CZK 200

Tuesday, October 25 | ČIANEWS | [Information Source](#)

From January 2023, the Ministry of Labor and Social Affairs of the Czech Republic (MPSV) will increase child benefits by CZK 200. The current amount is from CZK 630 to CZK 1,380. The volume of benefits paid has increased by 38 % since the beginning of 2022. During the same period, the number of children supported by the allowance increased by a third. In September, the benefit was paid for 348,000 children. The total amount paid out as part of this benefit exceeded CZK 2.7bn. According to MPSV data, another 90,000 families are entitled to this benefit but have yet to use it. The ministry will target these families. You can also apply for a benefit via computer or mobile phone. ■

EC proposed rules for cleaner air and water

Wednesday, October 26 | ČIANEWS | [Information Source](#)

The European Commission has proposed to tighten regulations on pollutants in ambient air, surface water, groundwater and urban wastewater treatment. The newly proposed rules should reduce the number of deaths caused by the main pollutants PM2.5 by more than 75% in 10 years. Based on the experience with the COVID-19 pandemic, the Commission also proposes to systematically monitor wastewater for several viruses, including CoV-SARS-19, and to study antimicrobial resistance. ■

Transport ministers discuss the high prices impact on rail

Monday, October 24 | ČIANEWS | [Information Source](#)

In Prague, the Council of Transport Ministers has discussed current energy prices and their impact on rail transportation. The ministers agreed that despite growing energy prices, it was necessary to continue electrifying railroads. Transport Minister Martin Kupka (ODS) said that EU member states prepared a set of specific measures from practice to lower energy consumption on the railroad. Among other things, they include acquiring energy-saving vehicles capable of recovery and replacing track and building lights. ■

EGAP will support exports by EKOLA, Leancat, Synpo

Friday, October 21 | ČIANEWS | [Information Source](#)

EGAP in cooperation with the Technology Agency of the Czech Republic, the state administration, the commercial sector and the University of Economics in Prague will support the export of research and development. The aim of the joint project is to connect the world of research and business, to present the results of state-supported research to potential customers and investors, and to help those interested in financing. In 2022, EGAP selected a system for smart measurement and evaluation of noise parameters from EKOLA Group and CTU for the programme. In addition, hydrogen technology from Leancat, which can replace fossil fuels, and antimicrobial self-cleaning varnishes from Synpo. ■

NRI supports Karo Leather by acquisition of shares

Friday, October 21 | ČIANEWS | [Information Source](#)

National Development Investment (NRI), a subsidiary of the National Development Bank (NDB), through its Venture Capital - IPO Fund programme, has purchased 29.57% of the newly issued shares of Karo Leather. The Central and Eastern European leather processor offered 1.1 million new shares in the price range of CZK 120 to 140 on the Prague Stock Exchange's START market. The total trading volume reached CZK 132m. NRI bought 323,750 shares for CZK 38.85m. Karo Leather is the second entity from the SME segment to be supported by the NRI in the form of a capital injection, the NRB said. ■

SA hopes to approve at least partial changes to Energy Act

Friday, October 21 | ČIANEWS | [Information Source](#)

According to its executive director Jan Krčmář, the Solar Association (SA) is disappointed that the amendment to the Energy Act was withdrawn. In addition to the introduction of energy communities, this was supposed to contain other changes to laws necessary for the future development of renewable resources in the Czech Republic. The amendment, which was prepared by the Ministry of Industry and Trade of the Czech Republic after months of discussions across the energy sector, responded to the current situation on the electricity market and the war in Ukraine. J. Krčmář believes that it will be possible to approve in the legislative process at least some changes on which a broad agreement was reached. ■

PRIVATE SECTOR – ACTIVITIES

Bolt more than doubled trips in Prague

Tuesday, October 25 | [ČIANEWS](#) | [Information Source](#)

In 2022 the number of Bolt taxi rides in Prague increased 2.5 times compared to pre-Covid year 2019. In the center of the metropolis, it rose by 210 %. Night rides from midnight to four in the morning have doubled since 2019. Compared to summer 2021, there are currently three times as many. The share of tourists among Bolt taxi passengers has doubled year-on-year to a fifth. Most often, the service carried Britons, Germans, French or Spaniards. The country manager of the platform, Soňa Stloukalová, said that Bolt mirrors the gradual revival of tourism after the coronavirus. ■

MONETA pardoned CZK 11m in obligations for clients in need

Tuesday, October 25 | [ČIANEWS](#) | [Information Source](#)

MONETA Money Bank has, through its MONETA Clementia foundation, forgiven its clients more than CZK 11m since May 2021. The foundation is intended for those who, through no fault of their own, find themselves in a critical life situation, as a result of which they are unable to continue paying their financial obligations to the bank. In the course of 2022 alone, a total of 89 clients applied for debt forgiveness, and the foundation's board subsequently approved 17 of them. It is possible to apply through an online form on the foundation's website. ■

Solar Global to build PVPP in Spain

Tuesday, October 25 | [ČIANEWS](#) | [Information Source](#)

The Czech group Solar Global received a building permit for its first photovoltaic power plant project in the Spanish province of Alicante with a total output of 1 MWp. The chairman of the board and founder of the Solar Global group Vítězslav Skopal stated that the conditions on the Iberian Peninsula are extremely favorable for photovoltaics and added that if it is possible to start construction in November, there is a real chance to put the power plant into operation as early as 1Q 2023. And if Solar Global obtains building permits in time, five more photovoltaic projects will begin construction here by the end of 2023, while another 19 projects are in various stages of development. The deadline for their completion depends on the Spanish authorities, whose work has been hampered by, among other things, the COVID-19 pandemic. ■

Uniq's assistance service intervened a third more

Wednesday, October 26 | [ČIANEWS](#) | [Information Source](#)

Insurer Uniq pojišťovna's assistance service contacted more than 5,300 tourists who ran into difficulties abroad between June and August 2022. The number of calls from clients to the assistance lines increased by 33% y/y, while actual on-site interventions grew by 32% y/y. Overall, there were more than 1,500 such situations (roughly twice as many). The cost of assistance interventions amounted to CZK 9.5m, while in the summer of 2021 it was CZK 5m. On the contrary, there were fewer cases of COVID-19 (about one hundred clients). ■

ČD spends CZK 3.5bn per year on vehicle maintenance

Tuesday, October 25 | [ČIANEWS](#) | [Information Source](#)

České dráhy (ČD) will send over 2,000 railway vehicles for periodic inspections and repairs prescribed by the manufacturer over the next four years. It allocates around CZK 3.5bn annually for this maintenance. At the same time, the carrier demands high quality of work performed and meeting deadlines. Deputy chairman of the ČD board of directors, Michal Kraus, said that over the past six years, the scope of maintenance has grown from approximately 300 to 800 vehicles per year, and the financial volume of maintenance has increased by CZK 2bn. He added that this year's deadlines are exceeded by up to 75 % of the time for driving vehicles and by 50 % for passenger cars. Among other things, the coronavirus and the current energy crisis were to blame. ■

Bondster has more than 16k users, invested CZK 3.2bn

Tuesday, October 25 | [ČIANEWS](#) | [Information Source](#)

The Bondster investment platform recorded over 16,000 registered users in September 2022. More than a third of them are foreign investors from 125 countries. Their ranks are expanding especially in Germany, Spain, Italy and Slovakia. Since the launch of the online marketplace, users have earned more than CZK 130 million in interest. The current average annual investment return is 13.7%. The most popular are consumer and business loans secured by real estate, other movable property or with a so-called buyback guarantee. These make up roughly 99% of the offer. Fintech Bondster Marketplace further informed that the total volume of pro-invested loans exceeded the amount of CZK 3.2bn. ■

Intersport plans to run 55 stores in CR

Monday, October 24 | [ČIANEWS](#) | [Information Source](#)

Intersport, a sports clothing and equipment seller, plans to operate 55 stores in the Czech market in the long term. By the end of November 2022 there will be 38 of them, with a staff of approximately 400 persons. The company has opened its flagship store at the Westfield Chodov shopping centre. In addition, two new stores are planned in Brno and one each in České Budějovice, Zlín, Trutnov and Jihlava. The stores are opened at strategic locations after taking over former Hervis outlets. Their interior is done in the Pure concept, emphasising natural elements and sustainability. The Austrian owners also plan to strengthen the assortment of selected brands and introduce brand-new ones. ■

For your notes

ECONOMY - CONSEQUENCES

For your notes

Fitch affirms CR's AA- rating; outlook remains negative

Monday, October 24 | ČIANEWS | [Information Source](#)

Fitch Ratings has affirmed the Czech Republic's rating at AA-. The outlook remains negative. According to the agency, the rating is supported by various credible macroeconomic and monetary policies, a robust institutional framework, and solid external finances. These are balanced by a lower GDP per capita compared to similar countries (54% of the current median of countries with an AA rating). The negative outlook reflects the risks of the lower economic and fiscal performance of the Czech Republic, represented by the European energy crisis. An exogenous shock to growth and government anti-inflation fiscal packages will affect public finances, leading to the ratio of public debt to GDP remaining on an upward trajectory between 2022 and 2024. It also reflects the uncertainty regarding the structural fiscal imbalances over the medium term. ■

Business confidence drops, consumers at low

Monday, October 24 | ČIANEWS | [Information Source](#)

In October 2022, the overall confidence indicator dropped by 0.3 points month on month to 89.8. The business sentiment decreased by 0.2 points to 93.4. Consumer confidence was 0.8 points lower and totalled 71.9, which was the lowest since the beginning of the survey. The data was published by the Czech Statistical Office. The economic mood decreased among entrepreneurs in the construction sector and industry. On the other hand, after a four-month decrease, it grew in commerce and slightly also in selected service sectors. ■

R&D spending increased to record CZK 122bn

Tuesday, October 25 | ČIANEWS | [Information Source](#)

Funds spent on research and development (R&D) in the Czech Republic reached a record CZK 121.9bn last year, which corresponds to 2 % of GDP. They increased by 7.5 % year-on-year. According to the Czech Statistical Office, the pandemic had no negative effect on this area. Last year, CZK 47.8bn went to R&D from domestic and foreign public sources. The EU contributed CZK 7.8bn to this amount. Enterprises received support of CZK 7bn. Expenditures by the companies themselves (2,800 were devoted to R&D) amounted to CZK 76.6bn. ■

Agency Moody's confirmed Prague Airport's Aa3 rating

Tuesday, October 25 | ČIANEWS | [Information Source](#)

The agency Moody's Investors Service has confirmed the credit reliability rating of Prague Airport at the Aa3 level with a negative outlook. Considering the rating of the Czech Republic, this is the highest possible rating that the airport could achieve. The airport reported this, saying that it defended the rating despite the impact of the pandemic and the energy crisis. According to the agency, the airport can benefit especially from its strong financial position, from the low level of indebtedness and, among other things, from the high volume of secured credit lines with banks. The agency positively evaluated the company's ability to flexibly manage operating and investment costs during the pandemic, as well as its preparedness in the context of the energy crisis. Also, unlike other airports in Europe, the company did not face a critical shortage of staff. ■

Doctors' average wages up 12.9% to almost CZK 84,000

Wednesday, October 26 | ČIANEWS | [Information Source](#)

The average gross monthly wages of doctors in 2021 reached CZK 83,810 after all allowances, bonuses and overtime are taken into account. Wages have been affected by Covid bonuses approved by the government, totalling up to CZK 75,000. Martin Mana, director of the Czech Statistical Office's (ČSÚ) Development Statistics Department, added that over the past five years, doctors' wages have increased by almost 50%. Wages of general nurses in 2021 reached CZK 52,570. Specialist nurses earned an average of CZK 63,700 (+15.6% y/y). This is based on data from the Czech Statistical Office. ■

Smsticket: Willingness to visit culture dropped by 30%

Monday, October 24 | ČIANEWS | [Information Source](#)

So far, more cultural events have taken place in 2022 than in 2019, but the willingness of Czechs to attend these events has dropped by 30%, according to data of the smsticket portal. The measure is the average spending rate of smsticket service users for tickets to cultural events from May to September (festival months). This year's average spend on tickets was CZK 805, while in 2019 it was more than CZK 1,000. Attendance at events was by a third to a half lower than before the covid pandemic. Tickets have become more expensive by roughly 16%. Average spending on events dropped by 72%. ■

Kiwi.com: Interest in long-haul flights has quadrupled

Friday, October 21 | ČIANEWS | [Information Source](#)

Czech travelers' long-haul flight reservations for 2023 currently account for roughly 10% of all reservations. According to travel-tech company Kiwi.com, this slightly exceeds the pre-pandemic situation in 2019. Its data also shows that during the pandemic (2019-2021), bookings for these flights decreased by about 80%. Interest in long-haul air connections in 2022 has quadrupled so far. Short-haul flights are the most popular. 73% of Czechs choose them. ■

Health insurance companies' surplus drops to CZK 7.3bn

Monday, October 24 | ČIANEWS | [Information Source](#)

In the second quarter of 2022, the surplus of social-security funds (health insurance companies) dropped by CZK 1.8bn to CZK 7.3bn. According to data published by the Czech Statistical Office, expenditures were CZK 11.4bn higher (up 12.3%). Income of health insurance companies grew by CZK 9.7bn (up 9.4%) year on year, mainly due to growing net social contributions (up CZK 9.4m). ■

ČLFA: Leasing market volume in Europe up to EUR 167bn

Wednesday, October 26 | ČIANEWS | [Information Source](#)

The total leasing market volume in Europe in H1 2022 reached EUR 167.4bn, up 5.9% y/y. According to the Czech Leasing and Finance Association (CLFA), business investment financing in the Czech Republic rose by 14% to over EUR 2bn over the period. European machinery and equipment leasing increased by 13.9%, while vehicle leasing grew by 2.3%. However, this is not the case for electric vehicles, whose financing by European leasing companies doubled over the same time period. Real estate leasing saw a 15.4% increase in new transactions. ■

ACEA: Czech commercial vehicle sales down 6.7% in 9M

Wednesday, October 26 | ČIANEWS | [Information Source](#)

The number of new commercial vehicle registrations in the Czech Republic in the first nine months of 2022 fell by 6.7% y/y to 19,924. In September alone, the figure reached 2,046 vehicles (-15.0%). In Slovakia, the market strengthened by 3.7% from January to September to 8,691. In the latest month under review, registrations fell by 0.8% to 883 units. In the EU, EFTA and UK markets, vehicle registrations fell by 17.5% to 1.798 million units over the nine months. In September alone, they reached 179,450 vehicles (-3.0%), according to data from the European Automobile Manufacturers Association (ACEA). ■

AW: 14% more TOP management changes in H1

Wednesday, October 26 | ČIANEWS | [Information Source](#)

There were 14% more hires at senior and TOP management level in H1 2022 than in 2021. In contrast, hiring fell 47% y/y in Q3. This was reported by recruitment agency Anderson Willinger (AW). Their share of executive director role turnovers increased to 54% of total management changes. Last year it was 34%. Another trend is the reduction in the length of time a manager stays in the role. Staying in the previous role is on average three months shorter. Managers' careers no longer grow predominantly vertically. A common managerial change is to move horizontally. ■

108 Agency: 1 million m2 of new warehouses this year

Wednesday, October 26 | ČIANEWS | [Information Source](#)

Warehouse space in the Czech Republic will grow by 1 million m2 in 2022. The total volume of modern industrial space for lease currently exceeds 10.65 million m2. The data were published by 108 Agency. The vacancy rate is still around 1%. Most vacant halls are located in the Plzeň and Moravia-Silesia Regions. Developers practically do not offer short-term leases, new tenants have to count on the requirements for at least five-year contracts. Rent growth in Prague and other regions has stopped in Q3 2022. Total costs, which reflect high energy prices, are still rising. Premises with arranged renewables have a competitive advantage. ■

APS: Pension savings participant numbers up to 1.6m

Tuesday, October 25 | ČIANEWS | [Information Source](#)

The number of participants in supplementary pension savings for the first three quarters of 2022 increased by 133,380 to a total of 1,601,029. This is 4,325 more year-on-year. The Association of Pension Companies of the Czech Republic (APS) informed about this, saying that interest in saving for a pension has not decreased even despite the worse economic situation. There are already a total of 1.6 million people in the new pension savings. However, the majority of participants (over 2 million) still have the old supplementary pension insurance. APS has launched a campaign encouraging those with at least 10 years left to save to consider switching to balanced or dynamic new savings funds. ■

ABSL: Service centers are recruiting, offices will not be reduced

Monday, October 24 | ČIANEWS | [Information Source](#)

Real office occupancy in the EMEA region was 35% in mid-2022, i.e., 15 percentage points below the expected level, according to Colliers data published by ABSL (Association of Business Service Leaders in the Czech Republic). Companies are therefore considering new work environment strategies and reducing office space. The largest companies often bet on the interest of people to work from home and reduce offices by 20-30%. In corporate services, Czech companies are maintaining their pre-Covid office space, due to the growing number of employees. According to the ABSL survey, one fifth of the centers want to expand their offices. Jana Vlková from Colliers noted that the motivation to return to offices can also be sufficient space heating. If the temperature in them is reduced by 2 degrees in order to reduce energy consumption, the cost savings for companies will be negligible and ultimately it will not save energy. Households will have to heat more. ■

UniCredit's tension indicator drops to -3.94%

Monday, October 24 | ČIANEWS | [Information Source](#)

In October 2022, UniCredit's indicator of tension in the real estate market dropped by 23 points to the record value of -3.94%. Economist Jiří Pour said that investments in residential real estate had thus become even more disadvantageous. Compared to September, the gross annual yield rate of rents on the level of regional cities in the Czech Republic grew by 13 points to 3.91% due to the ongoing month-on-month decrease in the price of real estate and the increase in rents. For 2023, Pour expects a roughly 5% decrease in real estate prices. In his outlook for the coming years, he expects stagnation or a slow increase in real estate prices under the inflation dynamic. ■

For your notes

Sodexo: Lunches on average up at CZK 172

Monday, October 24 | ČIANEWS | [Information Source](#)

The average lunch price in local restaurants was CZK 172 in September 2022. In Prague, it totalled almost CZK 200, according to payments by Gastro Pass Card meal voucher cards issued by Sodexo Benefity. Sodexo CMO Jan Michelfeit said that in the capital city, people would be paying, on average, CZK 200 this year and would probably be joined by Central Bohemians. The average lunch cost CZK 20 less at the beginning of the year. In September, the cheapest lunch was available in the Olomouc Region (CZK 152.60) and the Vysočina Region (CZK 154). To a larger extent, the prices begin to reflect more expensive food items. Year on year, meat prices are more than 20% higher. ■

ČTÚ: Revenues of mobile operators rose to CZK 86.3bn

Friday, October 21 | ČIANEWS | [Information Source](#)

The volume of minutes called on mobile networks in 2021 reached almost 27 billion real minutes. This was announced by the Czech Telecommunications Office (ČTÚ). The average monthly volume of called minutes per SIM card rose to 169 minutes. The total market share of all virtual operators is 7.3%. The four largest virtual operators with more than 100,000 managed SIMs have a total market share of 5.9%. Total retail sales of operators increased by 10.6% compared to 2017 to CZK 86.3bn last year. ■

SDA: Cars are 18.8 years almost, almost the most in EU

Wednesday, October 26 | ČIANEWS | [Information Source](#)

The average age of passenger cars in the Czech Republic reached 15.83 years in Q3 2022. The total age of all motor vehicles is 18.84 years and they are thus among the oldest in the EU, the Society of Automobile Importers (SDA) reported. The more pronounced ageing of the fleet is caused by both lower sales of new cars and imports of used cars with a high average age. The number of passenger cars on the vehicle register increased by 31,387 to 6,398,041. The total fleet grew to 8 717 353, with a decrease in trucks and buses. ■

NEWS FROM SLOVAKIA

Slovakia requested EUR 815m from recovery plan

Tuesday, October 25 | ČIANEWS | [Information Source](#)

On October 25, 2022, Slovakia submitted a second request for payment under the recovery plan in the total value of 815 million euros for the fulfillment of another 16 milestones and targets to which it has committed. In the implementation of the recovery plan, it is gradually moving from the reform to the investment phase. By the end of 2022, it plans to announce more than 55 more calls for more than 1.4 billion euros. The Office of the Government of the Slovak Republic further informed that 18 of them are currently open with a total value of more than 690 million euros. ■

Public transport in SR carried 45.8m people in August

Tuesday, October 25 | ČIANEWS | [Information Source](#)

In Slovakia, 45.8 million passengers were transported by all forms of public passenger transport in August 2022 (+11.8% year-on-year). The Statistical Office of the Slovak Republic informed about this, saying that it was the smallest increase in the number of passengers during the year. Rail transport rose by almost 20%. Road transport had the decisive share (87%) in passenger transport. The number of passengers in it increased by more than 10%. Performance in passenger kilometers amounted to 862 million and rose by 32.5%. The high growth influenced the increase in transport distances, especially in rail transport, where the number of passenger kilometers increased by almost a fifth. ■

Freight transport in Slovakia fell by 11.6 percent in August

Tuesday, October 25 | ČIANEWS | [Information Source](#)

The volume of freight transport in Slovakia in August 2022 decreased by 11.6% year-on-year and reached 18.3 million t. The Statistical Office of the Slovak Republic informed about this, adding that, from a long-term perspective, the current August performance was at the level of almost 90% of the volumes achieved before the pandemic (May 2019). 12.6 million tons of goods were transported by road (-4.4%). Roughly a sixth of the goods were transported by rail (-13.1%). Outputs taking into account transport distance amounted to 3.0 billion tkm (-7.7%). ■

For your notes