

GOVERNMENT MEASURES

OpenDataLab: Number of fully vaccinated people increased to 6,888,990

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

As of September 22, 2022, 6,888,990 people in the Czech Republic were fully vaccinated against COVID-19 (64.4%; 68.0% older than 5 years). Their number increased by 101 per day, by 575 per week. 6,974,259 inhabitants received at least one dose. 4,312,383 citizens were given a booster dose. The statistics were compiled by OpenDataLab (CVUT) based on data from the Ministry of Health. ■

MZ: Number of people hospitalized with COVID-19 fell to 866

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

The number of confirmed cases in connection with the infection causing COVID-19 in the Czech Republic increased by 3,058 to 4,084,365 in the morning of September 22, 2022. The number of hospitalized patients decreased from 909 to 866 as of September 21 compared to the previous day. The number of deaths in this week rose to 40,990 from 40,945, according to updated data from the Ministry of Health (MZ). ■

MŽP: Calls from OPST approved by EC will start in November

Thursday, September 29 | ČIANEWS | [Information Source](#)

The first calls from the Operational Programme Fair Transformation (OPST) will be launched in early November 2022, the Ministry of the Environment (MŽP) announced, adding that the programme has been approved by the European Commission. Thanks to the Green Deal, CZK 40bn will be available for transformation projects in coal regions (Karlovy Vary, Moravia-Silesia and Ústí nad Labem) in the coming years. The main benefits of the programme will be the creation of new jobs, support for small and medium-sized enterprises, investment in research and development and revitalisation of landscapes affected by coal mining. The State Environmental Fund of the Czech Republic is the intermediary body of the OPST. The Fair Territorial Transformation Plan was prepared by the Ministry of the Environment in cooperation with the Ministry of Regional Development (MMR) and the regions. ■

MF: State will show budget deficit of CZK 295bn

Tuesday, September 27 | ČIANEWS | [Information Source](#)

The government approved the draft state budget for 2023 with revenues of CZK 1.93tn and expenditures of CZK 2.22tn. The estimated deficit could reach CZK 295bn, i.e. CZK 35bn less than in the amended budget for 2022. The Ministry of Finance (MF) proposes a budget deficit of CZK 280bn in 2024 and CZK 260bn in 2025. Finance Minister Zbyněk Stanjura (ODS) said that the state will also generate new revenues with inflation, mainly through the introduction of a temporary windfall profits tax, which, according to the European Commission's proposal, will be used by the government to finance help with energy prices. ■

PRIVATE SECTOR – ACTIVITIES

App Klarna makes it possible to pay in 3 instalments

Tuesday, September 27 | ČIANEWS | [Information Source](#)

Klarna, an e-commerce payment facilitator, is entering the Czech Republic. Czech customers can use the Pay in 3 service at selected retail partners and through the Klarna online app, which allows them to split their payment into three monthly interest-free instalments. Flexible payments are used by more than 450,000 retail partners worldwide. In the Czech Republic, the first partners include H&M, pharmacies Pilulka and Footshop. Klarna CEO Sebastian Siemiatkowski added that the app allows tracking orders, takes care of returns and controls the budget. ■

Allwyn suspends listing on American NYSE due to volatility

Monday, September 26 | ČIANEWS | [Information Source](#)

KKCG Group's Allwyn has suspended its listing on the New York Stock Exchange. The company informed about this, stating that the reason is the current high volatility of the markets. However, the interest of Europe's largest lottery company to enter the NYSE continues and it wants to do so when the conditions are more favorable. ■

Mall: Allegro to offer marketplace to merchants in CR

Thursday, September 29 | ČIANEWS | [Information Source](#)

European online marketplace Allegro expects annual sales growth of 23-26% for the Polish market. It plans GMV (gross merchandise volume) growth in the range of 15-17%. Adjusted EBITDA is expected to grow by 10-12%. In Q2 2022, the company reported a 22.3% increase in sales to PLN 1.6bn. The number of active customers increased by 2.1% to 13.6m. Average GMV per active customer increased by 13.9% to PLN 3,350. Allegro started the consolidation in April 2022 of the acquired Mall Group and WE|DO. It is preparing to deploy its marketplace for third-party retailers in the Czech Republic as well. Mall Group also reported that it plans to integrate the Allegro platform across Central and Eastern Europe from 2024. ■

For your notes

Philip Morris invests due to gas price increase

Thursday, September 29 | ČIANEWS | [Information Source](#)

Part of the production capacity of the Kharkov Philip Morris plant closed due to the Russian-Ukrainian conflict has been redirected to Kutna Hora in H1 2022. At the same time, this required the recruitment of a new workforce. Philip Morris CR is therefore expecting an increase in production, but also an increase in the previously fixed gas prices in 2023. For this reason, it is investing in other energy sources. It has also experienced problems with the supply of materials, which has caused production disruptions. The pandemic has also caused constraints. Consolidated sales, excluding excise and VAT, increased 10.4% y/y to CZK 9.8bn in H1 22, mainly due to higher sales of HEETS tobacco refills and IQOS devices. Operating profit of CZK 2.1bn increased by 1.5%. Net profit of CZK 1.8bn strengthened by 5.8%. Domestic sales increased by 14.1% to CZK 5.9 billion and Slovakian sales increased by 7% to EUR 113m. ■

ŠKODA produced 2,941 Octavia A8s and 1,261 Enyaqs in 1 week

Thursday, September 29 | ČIANEWS | [Information Source](#)

This week, ŠKODA AUTO is producing at a rate of 1.02 min/car in M13, which is 420 cars per shift and 1,261 cars per day. Last week it produced 4202 cars, including 2941 Octavia A8s and 1261 Enyaqs. The information was published by the KOVO MB union in the weekly Škodoväcký odborář. Last week, the welding plant produced without night shifts. This week, production at M1 is running with insufficient number of workers in minute stroke. Employees are producing 1,270 cars/day. All MB Paint Shop plants met their production schedules last week. There is still downtime in engine production for machining and assembly. Plans are being met without major problems. MEB and PHEV battery production is affected by downtime due to a parts supplier. The foundry and forge are without major problems. ■

KOVO MB: ŠKODA AUTO seeks alternative heat sources

Thursday, September 29 | ČIANEWS | [Information Source](#)

ŠKODA AUTO employees did not work a total of millions of hours due to the pandemic and the subsequent energy crisis, for which the company paid union-negotiated above-standard wage compensation. Works Council chairman Jaroslav Povšík said at the September meeting of the works council that this situation was beginning to cause some employees to fear for their jobs. According to him, the union definitely does not prefer 16-hour shifts, but it does not prohibit their individual organisation. Michael Oeljeklaus, a member of the board of directors for production and logistics, said that the carmaker is looking for alternative heat sources in view of the current situation on the gas market. However, according to him, everything is a matter of investment, which will certainly not be small. This was reported by the KOVO MB union. ■

Bohemia Sekt expands grape pressing plant for CZK 40m

Thursday, September 29 | ČIANEWS | [Information Source](#)

In the coming years, Bohemia Sekt plans to modernise its existing sparkling wine production line in Starý Plzenec, retrofit its operations with sustainable technologies and expand the size of its vineyards. These currently amount to almost 600 hectares. In 2022, the company expanded its vineyard for CZK 40m. The processing capacity of the pressing plant on the premises of the Víno Mikulov winery to 5 million kg of grapes. The pressing plant has wine-making machinery and equipment from European suppliers, mainly from Germany and Italy. The technology for processing blue grapes has also been added. When the pressing plant is fully completed in 2023, the total investment will amount to CZK 300m. The company estimates that, using also the capacities of the centres at the Vinařství Pavlov and Habánské sklepy wineries, it will process around 9 million kg of grapes in 2022. ■

Airport Prague handles over 8 million passengers

Tuesday, September 27 | ČIANEWS

Václav Havel Airport Prague has handled more than 8 million passengers since the beginning of 2022. The CEO of the airport Jiří Pos informed that the eight million mark was crossed on September 27, 2022, at 9:42 a.m. As ČIANEWS reported, from June to August, the number of check-ins reached 3.8 million, which is one-third less than in the pre-covid year of 2019. ■

Assets of Nemomax fund increased by 250 percent

Monday, September 26 | ČIANEWS | [Information Source](#)

As of June 30, 2022, the Nemomax investment fund with a variable share capital recorded an asset volume of CZK 855.71 million (+250% year-on-year). The chairman of the supervisory board, Marek Unčovský, said that behind the growing trend is the obtaining of a building permit for the Na Karmeli project in Mladá Boleslav, the completion of the rough construction of the VIVA Vrchlabí project, and the development of the VIVA Lipno project. It also predicts an increase in the value of the fund in 2023 by at least CZK 200 million and by the end of 2025 by another CZK 800 million. Thanks to the continuous development of projects, the fund evaluates investments at the level of 7.1% p.a. ■

KION predicts turnover of EUR 11.25bn

Friday, September 23 | ČIANEWS | [Information Source](#)

The German KION Group has published a new outlook for 2022 in view of the continued deterioration of the macroeconomic environment, the escalation of the energy crisis, persistent supply chain bottlenecks and the risk of further increases in acquisition costs. It expects turnover to be between EUR 10.45bn and EUR 11.25bn. The global supplier of industrial trolleys and supply chain solutions reported that order intake is expected to be EUR 11.6-12.5bn. The KION Group in the Czech Republic includes, among others, Linde Material Handling Česká republika and STILL ČR. ■

For your notes

Smartwings serves 2.9 million passengers in summer

Friday, September 23 | ČIA NEWS

Smartwings will fly from the Czech Republic to Dubai again from September 23, 2022, after a summer break. The airline has announced that direct flights will operate daily from Prague Airport. For the period June-August 2022, 2,918,628 passengers used Smartwings' routes, 100.6% more than the same period in 2021. This represented 97% of the pre-2019 level. ■

Agrofert reacts to rising prices, does not lay people off

Friday, September 23 | ČIA NEWS

Agrofert records annual energy price increases of several hundred percent. For other inputs, it is at least tens of percent. When asked by ČIA NEWS, the holding also said that it had to react by increasing prices, but the price increase was not covered. Preserving jobs and taking care of employees is a priority, according to Agrofert's statement. No one has been laid off for austerity reasons. ■

ECONOMY - CONSEQUENCES

NRR: 578 municipalities crossed 60% debt limit last year

Thursday, September 29 | ČIA NEWS | [Information Source](#)

The public sector complied with the rules on the level of its debt in 2021. The National Budget Council (NRR) stated this in its 2021 Budget Rules Compliance Report, adding that the sector followed the procedure for determining total expenditure and the derivation of the expenditure framework of the state budget and state funds was in order. According to the NRC, compliance with the structural deficit threshold cannot be assessed as the second amendment to the Budgetary Responsibility Rules Act did not set this threshold for 2021. 578 municipalities exceeded the 60% debt limit. Ten municipalities did not meet their debt reduction obligation, but subsequently took corrective measures. The Ministry of Finance did not have to suspend the transfer of the share of tax revenue for any municipality. NRR also reported that the loosening of the structural balance rule significantly reduces the effectiveness of fiscal rules and moves public budgets away from a return to sustainable levels. ■

CBRE: Demand for offices incl. flexi in Prague to grow

Thursday, September 29 | ČIA NEWS | [Information Source](#)

Demand for new office projects in Prague increased by 41% y/y in H1 2022 and will continue to rise in attractive locations. This stems from CBRE's analysis. Changes in the way offices are used towards a hybrid working model will lead to a higher demand for flexible offices. The EMEA Office Occupier Sentiment Survey 2022 illustrates that this is driven by, among other things, a desire to reduce companies' capital expenditure. At the same time, the gap between rent levels in new premium offices and B offices will grow. In H2 2022, 47,880 m2 of new office space was completed in Prague (56% of which was pre-leased) and a further 28,800 m2 will be completed in six projects by the end of 2022. More new office buildings are expected to enter the Prague market in 2023 and overall vacancy may rise. ■

CBRE: OC will grow by 11,200 m2, e-commerce's share 18%

Tuesday, September 27 | ČIA NEWS | [Information Source](#)

The area of shopping centres in the Czech Republic will grow by 11,200 m2 in 2022, CBRE said, adding that one new shopping centre (OC Javor) will be completed and Atrium Palace Pardubice will be expanded. And although several other shopping areas will be opened in 2023 and 2024, retail parks will be the most built in the retail segment. After the rise of online shopping during the covid, the pace of its growth will slow down. Even so, e-commerce has reached another milestone, accounting for almost 20% of all retail sales globally (18% in the country). ■

Business confidence down 4 points

Monday, September 26 | ČIA NEWS | [Information Source](#)

The aggregate confidence indicator decreased by 4.0 points month-on-month to 90.1 in September 2022. Business confidence also fell by 4.0 points to 93.6. Consumer sentiment fell 4.4 points to 72.7, the lowest since the survey began. Jiří Obst, head of the department of economic surveys of the Czech Statistical Office, said that the uncertainty of economic development continues to affect the confidence of entrepreneurs. In industry, the share of enterprises that expect a reduction in their production activity in the next three months prevailed. Companies in construction and services also expect a drop in demand. ■

CNB: CP traders' profits in 1H22 exceeded CZK 587m

Monday, September 26 | ČIA NEWS | [Information Source](#)

Securities dealers (CP) operating in the Czech Republic reported a profit after tax of CZK 587.45 million for 1H 2022. A year earlier, it was CZK 674.41 million. Interest income amounted to CZK 223.58 million and income from fees and commissions to CZK 2.75 billion. This follows from data published by the Czech National Bank (CNB). ■

MD: 49% share of foreign toll payers one of highest in EU

Monday, September 26 | ČIA NEWS | [Information Source](#)

The share of payers from abroad in the total collection of tolls in the Czech Republic is one of the highest in Europe. In August 2022, it reached 49.4%. Carriers with vehicles registered abroad paid more than CZK 608m. The Ministry of Transport of the Czech Republic (MD) informed about this. Most of these carriers use highways in the country. On class I roads, the share of foreign payments is lower and does not reach 30%. In the long term, most foreign vehicles come from Poland, Slovakia, Romania and Hungary. ■

For your notes

BCI: Most mutual funds reported declines

Friday, September 23 | ČIANEWS | [Information Source](#)

Most mutual funds, according to the Broker Consulting (BCI) Index, fell by several percent and ended in negative numbers. In August 2022, the most visible effects of persistent market uncertainty were felt by equity funds, which ended in a loss of -4.11%, where they fell from July's 5.34%. Commodity funds also recorded a return to correction, but compared to other loss-making funds, they gained 58.97% in the course of this year. A similar loss can also be seen in Money Market Funds (-1.16%). Bond funds fell from 3.12% to -2.82%. ■

ČSOB: 4,000 firms use offer of Česko platí kartou project

Friday, September 23 | ČIANEWS | [Information Source](#)

The number of merchants accepting card payments is increasing every year. Almost 4,000 entrepreneurs and companies, mainly in the catering and food retail sectors, have already purchased a new terminal or payment gateway for cashless payments from ČSOB as part of the Česko platí kartou project. Interest is also growing in the SoftPOS application, which allows users to accept card payments directly on their mobile phones. A total of 23,606 payment terminals and 1,872 payment gateways have already been provided under the Česko platí kartou programme. Under the project, businesses can obtain a terminal or payment gateway free of charge and without any obligations for six months. ■

ČMKB traded gas for CZK 71.1 million

Monday, September 26 | ČIANEWS | [Information Source](#)

In the 38th week of 2022, contracts for the supply of 13.9 thousand MWh of natural gas for final customers worth CZK 71.1 million were traded on the Czech-Moravian Commodity Bourse Kladno (ČMKB). Annual contracts for natural gas with delivery in 2023 ended trading in wholesale at a rate of CZK 5,118/MWh. ■

NEWS FROM SLOVAKIA

MF SR: Funding from EU exceeded 61%

Tuesday, September 27 | ČIANEWS | [Information Source](#)

As of August 31, 2022, the Ministry of Finance of the Slovak Republic (MF SR) records the drawdown of subsidies at the level of 61.22%, i.e. EUR 8.88bn out of EUR 14.50bn, from the total commitment of 10 operational programs in the period 2014 to 2020. Based on the state of declared expenditure, the milestone in the sense of the N+3 rule in the amount of EUR 1.77bn for 2022 was met for six operational programs. ■

Sales in transport and storage up 30.6 % in Slovakia

Monday, September 26 | ČIANEWS | [Information Source](#)

Sales in the transport and storage industry in July 2022 in Slovakia grew by 30.6% year-on-year. The Statistical Office of the Slovak Republic informed about this, saying that the result was mainly influenced by the increase in land and pipeline transport as well as warehouse and auxiliary activities. In air transport, they increased more than threefold, in water transport by almost half, and in postal and courier services by a third. Employment increased by 2.8% across the segment. The average nominal monthly wage reached 1,195 euros (+7.6%). Real wages fell by 5.3% after adjusting for inflation. ■

Public transport in SR carried 43.6m people in July

Monday, September 26 | ČIANEWS | [Information Source](#)

In Slovakia, 43.6 million passengers were transported by all forms of public passenger transport in July 2022 (+12.5% year-on-year). The Statistical Office of the Slovak Republic reported on this, stating that in terms of the number of persons transported, it was the third worst month of 2022. Rail transport increased by 17%. Road transport had the decisive share (87%) in passenger transport. Performance in passenger kilometers amounted to 847 million. They increased by more than a third and were influenced by the increase in transport distances, especially in rail transport (+21.1%). ■

Freight transport in Slovakia fell by 13.3 percent

Monday, September 26 | ČIANEWS | [Information Source](#)

The volume of freight transport in July 2022 in Slovakia decreased by 13.3% year-on-year and reached 16.8 million tons. The Statistical Office of the Slovak Republic informed about this, saying that in terms of the volume of transported goods, July was the weakest month of 2022 so far at the level of 63.6% of pre-pandemic volumes (July 2019). 6.5% fewer goods were transported by rail transport (3.1 million t), road transport was down 9.6% (11 million t) and other modes of transport weakened by up to 30.2% (2.8 million t). Outputs taking into account transport distance amounted to 2.8 billion tkm (-11.2%). ■

NBS: SR is in 56th place in ranking of travel development

Tuesday, September 27 | ČIANEWS | [Information Source](#)

In the travel and tourism development ranking 2021 compiled by the World Economic Forum, Slovakia was ranked 56th among 117 evaluated countries. Since 2019, it has deteriorated by three places. The National Bank of Slovakia (NBS) informed about it. Before the pandemic, 5.6% of Slovaks worked in the tourism industry, which is slightly below the EU average. ■

For your notes

