

EU2022.CZ, ECONOMY, POLICY AND STRATEGY

For your notes

Publishing of Digests at end of 2022

Thursday, December 22 | ČIANEWS

The release of the 2022/2023 ČIANEWS Digests will take place as follows: the Weekly Digests will not be published on Friday, December 30, 2022, and will be distributed the following Friday, January 6, 2023. The other Digests will be released on the standard dates. ■

EU countries accept CZ PRES proposal to cap gas prices

Monday, December 19 | ČIANEWS

The EU energy ministers agreed on December 19, 2022, on a proposal by CZ PRES 2022 to cap gas exchange prices in the EU. The cap is set at EUR 180 per MWh and will apply from mid-February 2023. If the gas price on the Dutch exchange exceeds this level for three consecutive days, the so-called correction mechanism will be activated. Thereafter, no trades will be made on the exchange at a price higher than EUR 180/MWh. ■

Embassies register 14,370 voters, Czechs have voter cardsThursday, December 22 | ČIANEWS | [Information Source](#)

A total of 14 370 Czechs have registered to vote in the special voter lists for the presidential elections at Czech embassies abroad. The highest numbers are traditionally in London (1 325), Brussels (1 028), and Bratislava (619), the Czech Foreign Ministry said, adding that it expects thousands more Czechs with voter cards. ■

Eurostat: Gas consumption in CR falls by 10%, grows in SRThursday, December 22 | ČIANEWS | [Information Source](#)

Natural gas consumption in the Czech Republic fell by more than 10% between August and November 2022 compared to the average consumption for the same months between 2017 and 2021, according to a Eurostat report. Slovakia's consumption grew by 2.6%, while Malta showed an increase of 7.1%. Gas consumption fell in most member states, most notably in Finland (-52.7%), Latvia (-43.2%), and Lithuania (-41.6%). EU-wide gas consumption showed a 20.1% decrease. As part of the REPowerEU plan to end dependence on Russian fossil fuels, the EU has set a target to reduce gas consumption by 15% between August 2022 and March 2023 compared to the average of the five previous years. ■

ACEA: Sales of utility vehicles grow by 3.8% in NovemberThursday, 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). ■

CNB: External debt down to CZK 4.34tn in Q3 2022Wednesday, December 21 | ČIANEWS | [Information Source](#)

At the end of Q3 2022, the Czech Republic's foreign debt stood at CZK 4,340.7bn (i.e. 65.7% of GDP). Compared to the same period of the previous year, it is CZK 25.7bn lower. The deficit of the investment position vis-à-vis foreign countries (the balance of financial assets and liabilities of Czech residents in relation to non-residents) widened by CZK 282.3bn to CZK 1,442.4bn. It was CZK 486 billion higher year-on-year and represents 21.8% of GDP at current prices. ■

AAA AUTO: Used cars prices up 18% in CR, 15% in SlovakiaWednesday, 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 onlineWednesday, 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. ■

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. ■

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. ■

Acronis: Phishing responsible for 76% of email attacks

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

The number of attacks caused by phishing and malicious emails increased by 60%. According to the Acronis Cyberthreats Report, leaked or stolen credentials accounted for almost half of reported attacks in 2022. Between July and October 2022, the share of phishing in total email threats increased by 18 pp to 76% compared to H1 2022. The countries that saw the most email attacks are the United States (22.1%), Germany (8.8%) and Brazil (7.8%). The industries most affected by email attacks are: Construction, Retail, Real Estate, Professional Services, and Finance. Phishing and MFA attacks will remain among the biggest threats in 2023. ■

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. ■

For your notes

108 AGENCY: Rents in offices in Prague reach up to EUR 28/m²

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

The highest rents for prime office space in Prague will reach up to EUR 28 per sqm per month at the end of 2022. Growth is expected to continue in 2023, but at a more moderate pace. Both service charges and energy prices are expected to increase, which will strongly influence the overall costs for tenants. According to 108 AGENCY's research, the Czech market is expected to see an increase in subleases of surplus space and renegotiations of existing leases in 2023. In the logistics segment, rents rose significantly in Europe in 2022, and by 21% in the Czech Republic. 2023 will bring a stabilisation rather than a significant increase. The vacancy rate, which currently stands at around 1% in the Czech Republic, will not rise much either, with demand continuing to outstrip supply. ■

APEK does not agree with contract withdrawal button in e-shops

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

The Association for Electronic Commerce (AECC) opposes the European Council's intended proposal to introduce an easy withdrawal button for all distance sales. According to APEK, the Council wants to introduce this without a proper impact assessment as part of its proposal to amend Directive 2011/83/EU on distance financial services. According to the association, the impact on e-shops could be substantial - from increased costs for software modification, to human resources and risks of button abuse. The proposal may further increase the uneven playing field that online shops have compared to traditional bricks-and-mortar shops. APEK therefore supports Ecommerce Europe and is approaching the Czech representatives in the negotiations within the EU Council's Working Party on Consumer Protection and Information. ■

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. ■

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%. ■

AČN: Price cap introduced by government not enough

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

The Association of Czech Furniture Manufacturers (AČN) welcomes the capping of energy prices for large companies. It considers the announced government support of CZK 100m to be a help, but insufficient. It believes that the fundamental problem is the continuing price volatility on the energy market between EU countries. As an example, it mentions the current difference in energy prices on the Czech and Polish markets, which amounts to EUR 110/MWh. The AČN's recommendation to cap energy prices at EU-wide level thus remains valid. The Association expects that conditions for large enterprises will improve in January 2023 after the end of CZ PRES. ■

Colliers: CR is 7th in consumption of energy per capita

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

The Czech Republic has the seventh highest per capita energy consumption in the EU, more than double that of Romania. This is probably linked to its strong industrial base. Poland and Hungary have significantly lower levels of energy consumption per capita than the Czech Republic (around 30%), but are less productive in terms of energy consumption. Furthermore, the Colliers study shows, among other things, that Western European countries have a higher share of energy consumption for commercial and utilities, while Eastern European countries consume more energy in households and to a lesser extent in industry. The structure of energy consumption in Central and Eastern European countries will also have an impact on the real estate sector, which is also likely to be affected by the energy crisis. ■

For your notes

LEGISLATION AND REGULATION

For your notes

Senate discussed DIA law to be signed by president

Thursday, December 15 | ČIANEWS | [Information Source](#)

The Senate discussed the law on the establishment of the Digital and Information Agency (DIA), prepared by the Deputy Prime Minister for Digitization Ivan Bartoš. It neither approved nor rejected it. With the expiration of the 30-day period, it will be headed for the President's signature. DIA should start operating on April 1, 2023. New services intended for citizens will be created under its management, such as an electronic wallet called eDokladovka. It is also being prepared at the EU level. The application should start working at the turn of 2023 and 2024. In 2023, among other things, the introduction of the unified state domain gov.cz for the websites of ministries is also planned. An open selection process for the position of DIA director is currently underway. ■

EC approves EUR 1.2bn for ecological heating in CR

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

The European Commission (EC) has approved a EUR 1.2bn Czech programme to promote greener and more efficient district heating based primarily on renewable energy. The measure will contribute to the implementation of the Czech National Energy and Climate Plan and the EU's strategic objectives related to the Green Deal for Europe, in particular the EU's 2050 climate neutrality target. The programme will be active until January 14, 2026, and will be funded by the EU Modernisation Fund. The support will take the form of direct subsidies provided to owners of existing thermal units and district heating systems, as well as to acquirers of new heat generation installations. ■

SME: Permits for new RES to take at most three months

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

On December 19, 2022, the Council of the European Union supported, by approving emergency legislation, the acceleration of the construction of renewable energy sources (RES) and heat pumps. This information was provided by the Modern Energy Union (SME). According to the amendment, the permitting of new solar sources located on buildings, existing or artificial facilities, except for artificial water areas, would not exceed three months. For installations of up to 50 kW, the deadline will be cut down to one month. According to the Union's programme director Martin Sedlák, the current Czech solar wave would accelerate based on the directive. It would enable a larger number of Czech households to access cheaper energy in 2023. The data published by the International Energy Agency (IEA) shows that the development of energy sources could already replace almost 10bn m3 of natural gas next year. ■

MŽP: CZ PRES negotiated tighter permits, fund planned

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

The Council and the European Parliament, under the auspices of the Czech Presidency of the European Union (CZ PRES), have agreed e.g. to tighten the market for emission allowances as part of the Fit for 55 legislative package. The sectors covered by the trading system should now reduce emissions faster and achieve a 62% reduction by 2030, compared to the original 42%. It was also agreed to set up a Social Climate Fund to ensure that the most vulnerable groups are not affected by the achievement of climate targets. According to Environment Minister Marian Jurečka (KDU-ČSL), the fund will also allow direct support for low-income households, transport users and small businesses. He added that the success of the Czech Presidency was the increase in the volume of this fund from EUR 59bn to EUR 65bn. The Ministry of the Environment further informed that the revision of the emission allowance market system will also level the playing field between European producers and imports from third countries. ■

MPO will provide CZK 17bn to heating plants

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

The government has approved the material of the Ministry of Industry and Trade of the Czech Republic (MPO), which should help to mitigate heat price increases for customers in the heating industry in the Czech Republic. The MPO has prepared a new programme under the so-called Temporary Crisis Framework. Minister Jozef Sikela (from STAN) said that the ministry had allocated CZK 17bn for the programme. He added that in cooperation with the Office for the Protection of Competition, the MPO will apply for notification to the European Commission during January 2023. The holder of a licence for thermal energy production will be entitled to the subsidy and will be obliged to pass on the full amount of the support in the form of a reduced unit price to customers. ■

SUBSIDIES, INVESTMENTS, EU MARKET

MD will spend CZK 65.5bn on new roads

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

Currently, 241.3 kilometres of motorways and class I roads are under construction. The Ministry of Transport of the Czech Republic (MD) informed that thanks to a sufficient budget and subsidies from the European Operational Programme, a total of 218.1 km of new roads (133.5 km of motorways and 84.6 km of class I roads) will be opened in 2023 and 2024. Transport Minister Martin Kupka (ODS) said that the pro-investment budget for transport constructions is CZK 150.9bn, of which CZK 65.5bn will be spent on the construction of new roads. ■

ZDR buys Industrial Komárno for CZK 150m, ZF is tenant

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

The ZDR Industrial fund has acquired the Slovak industrial estate Industrial Komárno for CZK 150m. The property has a leasable area of 6,799 m² and its tenant is ZF Slovakia. This is the first property acquired by the fund in its portfolio. ZDR Industrial was launched in mid-September 2022. 200 investors took advantage of the subscription period for investment shares, which ran until December 15, 2022. ZF Slovakia is part of a German group that focuses on intelligent systems for the automotive industry. It operates 188 production sites in 31 countries. ■

MONETA with J&T issued CZK 1.5bn worth of bonds

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

MONETA Money Bank plans to issue bonds of up to CZK 3bn in 2023. The bank has currently completed an issue of CZK 1.5bn. The reason was to meet the minimum capital and eligible liabilities (MREL) requirement set by the CNB in accordance with the EU directive. The bank thus increased its capital adequacy ratio by 90 basic points. The koruna bonds bear a fixed interest rate of 8% and mature in four years. The issue was carried out in cooperation with J&T Bank, which distributed it to retail (CZK 724m) and institutional investors (CZK 776m). The volume was increased from the original CZK 500m due to strong demand. ■

Prague Airport motivates partners for sustainability

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

Prague Airport engages business partners in reducing CO₂ emissions. A full 85% of the airport's emissions come from third parties. Motivating suppliers and partners to be sustainable is done, among other things, through the TOP Sustainable Airline competition. In 2010, the airport joined the Airport Carbon Accreditation (ACA) initiative and in 2022 it received its Level 3 certificate, which is characterised by the involvement of partners. Environment, Sustainability and ESG Director Sonia Hykyšová said that in 2021 the airport had reduced emissions by 72% compared to 2009. It will achieve carbon neutrality by 2030 and net carbon neutrality by 2050. Currently, the infrastructure is being prepared to switch Czech Airlines Handling (CAH) ground handling equipment to electric power. The airport has e.g. been using green electricity since 2019. ■

Strabag, Doprastav, IDS build D1 by Přeřov for CZK 6.9bn

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

Strabag, Doprastav and IDS have started construction of the last missing section of the D1 motorway between Říkovice and Přeřov. It was announced by the Road and Motorway Directorate (ŘSD), adding that the price of the construction of 10.1 km according to the contract is CZK 6.92bn excluding VAT and will be proposed for co-financing from the EU Cohesion Fund. The commissioning is expected in 2025. Transport Minister Martin Kupka (ODS) said that the D1 section Říkovice - Přeřov will reach a length of 377 km. ŘSD is currently implementing a total of 256 km of new constructions. This includes 158.3 km of motorways and 97.7 km of class I roads. Another 60.6 km of motorways and 20 km of class I roads are under tender. ■

PVK to invest CZK 4.4bn in 2023; water price up 18.5%

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

In 2023, Pražské vodovody a kanalizace (PVK) will increase investments in water mains infrastructure to a record CZK 4.4bn, up CZK 860m year on year. The water and sewer rates will grow by 18.5% to CZK 128.18, including VAT. The new price is in accordance with the capital city's medium-term investment plan that counts on an increase of two percentage points above the year-long inflation rate. The price also reflects the increased input prices, mainly energy, chemicals, construction material and work. The water price will be below the level of a socially bearable price (59%), which is a figurative cap for the price level set by the EU for individual regions. ■

Zero One Hundred to support European start-ups

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

The Zero One Hundred investment fund (ZOH), with seats in Prague, Bratislava and Cyprus, plans to invest almost CZK 1.5bn in start-ups in the coming years. The fund's strategy is to support young technological firms financially and to help them from pre-seed to Series A. Apart from investing part of the money directly, the fund will also direct it to friendly venture-capital funds. ZOH managing partner Dušan Duffek said the fund had created a network of startupists and investors from the Baltic States through Central Europe and the Balkans to Greece and Cyprus. He added that apart from the Czech Republic and Slovakia, ZOH wanted to focus exactly on that region. ■

RegioJet deploys more efficient TRAXX MS3 locomotives

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

Rail operator RegioJet is putting three new TRAXX MS3 multi-system locomotives from Alstom into service. They will be used both in express long-distance transport on connections between Prague and Ostrava, Košice and Bratislava or between Brno and Bohumín, and for freight transport operations. With their deployment, RegioJet has achieved a portfolio of 22 multi-system locomotives. Of these, 18 belong to the latest generation of TRAXX MS3, whose main advantage is their lower energy consumption. CFO Petr Kohoutek said that within 24 months the fleet should be expanded by another 12 TRAXX MS3s. ■

Moravia Steel owns 100% in Kovárna VIVA

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

Moravia Steel bought the remaining 34% stake in Kovárna VIVA, completing the acquisition of the European forge in Zlín. The company specializes in the production of forgings made of alloy, carbon and structural steels. It achieved sales of CZK 1.99bn in 2021, up 41% y/y. It produced over 28,000 tonnes of forgings. Petr Popelář, chairman of Moravia Steel's board of directors, said that the completion of the acquisition fits into the strategy of extending product chains. ■

For your notes

Orka raises CZK 250m from nordIX, prepares app

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

Czech fintech group Orka Ventures will raise up to CZK 250m from a new portfolio investor, German nordIX, over the next two years, with the possibility of an increase. The investment will provide funds for lending in the Nordic countries where Orka operates. CEO Ondřej Šmakal said he expects the volume of loans and the number of clients to quadruple. The group may also focus on improving technology, expanding into other countries, including the Czech Republic, and developing products as part of the upcoming Orka Card non-banking mobile app. This will include prepaid cards, which it is developing with card company Visa and Finnish cloud-based card transaction processor Enfuze. Buy Now, Finance Later loans are also coming soon. ■

SŽ: Reconstruction of section to airport begins in Jan

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

The association of Metrostav TBR, OHLA ŽS and Elektrizace železnic Praha will launch another section of the railway reconstruction from the centre of Prague to Kladno with a branch line to the airport in mid-January 2023. The Railways Administration (SŽ) informed that the tendered price amounts to CZK 3.8bn (VAT excluded). The aim is to modernise the Prague-Bubny station, double-track 1.3 km of the line, electrification, and the establishment of the Prague-Výstaviště stop. The three bridge flyovers and the new station building in Bubny will start construction in May 2023. Completion is planned for 2025. The project Modernisation of the line Prague-Bubny (incl.) - Prague-Výstaviště (incl.) is 85% co-financed by the EU, the amount of eligible costs is CZK 2.95bn. National financing will be provided by the State Fund for Transport Infrastructure. ■

ÚLK completes Chomutov bypass for CZK 823m

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

The Ústí nad Labem Region (ÚLK) has completed the construction of a new road near Chomutov after four years. The construction costs amounted to CZK 823.1m. The new road will relieve the inhabitants of Chomutov and Otvice and improve transport in this part of the region. Regional governor Jan Schiller (ANO) said that the ÚLK has received a subsidy from the EU, which will cover about two-thirds of the costs. The contractor of stage I was HERKUL, stage II was provided by EUROVIA CS and stage III by the consortium of EUROVIA CS, HERKUL, SILNICE GROUP and SMP. ■

GA ČR announced call for Luxembourg-Czech projects

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

The Grant Agency of the Czech Republic (GA ČR) has announced a call for submission of research projects based on the principle of Lead Agency evaluation, with the expected start of solutions in 2024. The call concerns projects financed in cooperation with the Luxembourg agency National Research Fund (FNR) within the Weave initiative. In this call, the FNR acts as the Lead Agency, i.e., it evaluates the project proposals from a scientific point of view, and the GA ČR takes over the results. The Czech part of the application can be submitted no later than by April 27, 2023, the deadline for the Luxembourg part is April 20, 2023. ■

ÚOHS: EC sets basic rate at 7.43%

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

The European Commission (EC) has adjusted the basic rate for calculating the reference and discount rate in the Czech Republic. As of January 1, 2023, the new basic rate is 7.43%, according to the information provided by the Office for the Protection of Competition (ÚOHS). Reference and discount rates are used as a replacement for the market rate to calculate a grant equivalent of support and the part of the support arising from the interest subsidy regimes. It also serves as a check of the accordance with the de minimis rule and block-exception regulations. ■

Slovak food manufacturers will receive 35% more support from EU

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

The annual average of aid payments to Slovak food producers under the Common Agricultural Policy for the period 2023-2027 will amount to EUR 42m. In the previous period, it was EUR 31m. Given the size of the sector in comparison with neighbouring countries, support in Slovakia is the highest, accounting for 1.83% of production, compared with 0.37% in Poland, for example. The information was published by the Slovak Ministry of Agriculture and Rural Development. ■

Digitalisation, ecology and healthcare are priorities for SR

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

Slovakia is at the head of the European Union in drawing subsidies from the Recovery and Resilience Plan. The Office of the Government of the Slovak Republic informed about this, stating that of the EUR 6bn allocated for the Slovak Republic, EUR 2.3bn is allocated to the Green Slovakia priority and EUR 1.1bn to the Efficient State and digitalization priority set by EU. Prime Minister Eduard Heger reminded that the national priorities were health care and education when the plan was drafted. These are covered by EUR 1.533bn (health care) and EUR 892m (education). ■

Three associations interested in metro line D

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

The Prague Public Transport Company (DPP) received bids from three associations in the public tender for the contractor of the construction of the second section of the metro line D Olbrachtova - Nové Dvory with an estimated value of CZK 24.63bn. They consist of a total of sixteen companies from five countries, including Austria, Switzerland, Germany and Slovakia in addition to the Czech Republic. In addition, another thirteen companies are listed in the bids as subcontractors. DPP expects to announce the winner by the end of March 2023. It expects construction to start in 2H23. ■

For your notes

BIKE FUN posts record revenues of CZK 2.56bn

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

BIKE FUN International achieved record revenues of CZK 2.56bn and operating profit of CZK 175.63m in the fiscal year ending June 30, 2022. CEO Tomáš Hájek said in the annual report published in the commercial register that the company produced and sold the largest number of electric bikes. The manufacturer of bicycles and accessories sold a total of 190,664 bicycles in the period. Of these, 171,095 were for export, with the majority going to EU countries. The company invested in four new assembly lines, an online reader and upgraded post-paint cooling. ■

Tatra develops alternative fuel cars in response to EU

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

Tatra Trucks has prepared studies and started design work on further versions of alternative drive vehicles in line with the EU Green Deal in 2021. The annual report also shows that last year's development activities were related to the victory in the tender of the Belgian Ministry of Defence for the supply of 879 logistics vehicles. Tatra also said that the total value of capitalized investments amounted to CZK 160m. The most significant events included the reconstruction of the customer centre building (CZK 78.5m), including the addition of a new hall and the installation of technology. Net sales reached CZK 5.91bn and profit after tax reached CZK 148.35m. ■

Steel Center Europe increased its turnover to CZK 1.16bn

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

Steel Center Europe sold 64,172 t of products in the fiscal period from April 1 to December 31, 2021. The steel processor generated revenues mainly in the Czech Republic, Slovakia, Poland and Hungary. The company's managing director Tsutomu Miura said in the annual report. The AGM approved the change of accounting period from the current fiscal to calendar year. Net sales rose to CZK 1.16bn y/y from CZK 1.02bn. The operating result increased to CZK 83.10m from CZK 49.16m. ■

Pragmet posts CZK 2.04bn turnover; sold 87,485 t of products

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

Pragmet increased its net turnover year-on-year to CZK 2.04bn in 2021 from CZK 1.63bn in the preceding year and its operating result to CZK 70.70m from CZK 23.94m. This is according to the annual report published in the commercial register on December 16, 2022. The processor of rolled and galvanised sheets provided products for about 40 trading partners. Martin Fišar, the chairman of the board of directors, also said that domestic deliveries accounted for 95% of the total, with the rest being exports to Slovakia and Germany. The most important clients include ŠKODA AUTO, Taswesco, Tiberina Automotive, Karsit and Emerge. In total, Pragmet sold 87,485 t of products. ■

Zeppelin CZ opens new central warehouse; invests in RES

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

Zeppelin CZ increased its net sales y/y to CZK 4.55bn from CZK 4.27bn in 2021 and its operating profit to CZK 383.53m from CZK 338.11m. The annual report of the lessor and seller of construction, earthmoving and mining machinery, mining equipment, power systems and engines also indicates that the company invested in alternative energy sources (RES). The main investment project for 2021 and 2022 was the construction of a central warehouse in Ostředek, which will serve as a distribution centre for spare parts for the Czech Republic, Slovakia and Austria from summer 2022. The company developed its telematics service offering. Zeppelin CZ's managing director and CEO Stanislav Chládek also said that the company as a Caterpillar dealer offers and will offer photovoltaic panels, gas or hydrogen engines and combined heat and power systems. ■

ČD acquired InterJets and expanded wi-fi; traffic up

Wednesday, December 21 | ČIA NEWS | [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%). ■

Allwyn agrees with Ontario Teachers on Camelot LS Group

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

Lottery company Allwyn AG, of businessman Karel Komarek's KKCG group, will take over Camelot Lottery Solutions (LS) Group from its owner, the Ontario Teachers Pension Plan (Ontario Teachers). The transaction, the price of which has not been disclosed, is expected to close in 1Q 2023. Upon completion, Camelot LS Group will become a wholly owned subsidiary of Allwyn. Camelot LS Group is a subsidiary of Camelot UK Lotteries Limited, whose acquisition by Allwyn closed in November 2022 and which was also owned by the aforementioned pension fund. ■

For your notes

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 m². 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%. ■

CzechInvest helped create over 300,000 jobs

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

CzechInvest has managed to broker 2091 investment projects worth a total of CZK 1.15bn in the thirty years of its existence. The agency has thus helped to create 306,979 jobs. This stems from the FDI Report 2/2022. ■

Avast to participate in EUDI wallet development in EWC

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

The European Commission has selected the EU Digital Identity Wallet Consortium (EWC) to realise one of the pilot projects within the new ecosystem, the EU Digital Identity Wallet (EUDI wallet). The project will focus on using the European digital wallet for travelling. It will start at the beginning of 2023. The EWC consortium, whose co-founder is Avast Software, is led by the governments of Sweden and Finland. The EUDI wallet is part of the proposed eIDAS2.0 directive that will give all European citizens access to a trustworthy digital identity issued by their government and accepted by all EFTA and EU member states. ■

SFG supports Freš with EUR 200,000

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

The SFG Group will invest EUR 200,000 in the food online discount, Freš. The start-up received a total of EUR 650,000, with its development and growth support, among others, from the Hungarian Oktagon fund and several other angel investors. The investment should help the firm strengthen its position in the Czech market, where it currently makes deliveries in Prague and gradually expands abroad. Freš co-founder and CEO Elisey Sviridov said the start-up would use the funding to expand its warehouse and enlarge its operational capacity. Within five years, it wants to cover other countries in Central and Eastern Europe. In the next 12 months, the delivery area should be expanded all over Prague and its surroundings, and other locations in the Czech Republic will follow. The mujfresh.cz service was launched in May 2021; the development was supported by StartupYard, a start-up accelerator, with monitoring and funding. ■

ŠKODA AUTO deliveries up 0.6% in November

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

ŠKODA AUTO increased global sales by 0.6% y/y to 59,400 vehicles in November 2022. It reported sales of 664,800 cars for the 11 months of 2022, down 17.6% from 807,000 in 2021. This is based on data published by the Volkswagen Group. ■

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. ■

Invesco is investor in Logport Prague West

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

Logport Development and real estate investment company Invesco Real Estate are building the last mile Logport Prague West logistics park through forward financing. The transaction was brokered by Cushman & Wakefield. The park is being built from September 2022 in the west of Prague on an area of 37,900 m². It is designed as a multifunctional. The site is being developed as a sustainable development and will receive a BREEAM In-use Excellent[1] and BREEAM New Construction Very Good rating. It already has its first tenants who will move in by the summer of 2023. The entire commercial zone is scheduled for completion in 1Q 2024. Invesco Real Estate manages real estate assets worth USD 85.8bn. It has offices in the US, Europe, and Asia. ■

For your notes

Panattoni builds 545,000 m2 of industrial halls

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

Panattoni completed construction of six industrial halls covering over 243,000 m2 in 2022, creating over 2,400 jobs. 18 contracts have been signed with clients, which will bring an additional 3,500 posts. The company currently has 11 halls under construction with a record 545,000 m2. The Amazon distribution centre in Kojetín became the largest completed construction. It offers 187 thousand m2 of leasable area on four floors. It is distinguished by modern technologies, with robotic units working on order processing. Photovoltaic panels have been installed on the roof and heat production is provided by pumps without the need for fossil fuels. Pavel Sovička, Panattoni's general manager for the Czech Republic and Slovakia, said that the company focuses on building on brownfield sites, where it can apply ecological elements from the very beginning. ■

AmRest builds new KFC, Burger King & Pizza Hut outlets

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

AmRest, the operator of the KFC, Burger King and Pizza Hut fast food network, focuses on the reconstruction of existing and the construction of new outlets in the Czech Republic in 2022. In 2021, its net turnover increased year-on-year from CZK 3.84bn to CZK 4.71bn, and its after-tax profit grew from CZK 103.29m to CZK 302.88m, according to the annual report published in the Commercial Register. The company opened six new KFC and five new Burger King outlets during the monitored period. ■

Skanska aims for zero emissions, Europe generated 14% of sales

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

Skanska reported revenues of SEK 147.57bn in 2021 and operating income of SEK 9.83bn. Profit for the year reached SEK 8.18bn. Orders rose year-on-year to SEK 153.6bn from SEK 149.8bn. Total sales of SEK 132.6bn accounted for 14% of revenues from Europe. The construction company also stated in its annual report that it wanted to reduce its own carbon emissions by 70% by 2030. It plans to achieve zero emissions by 2045. Since 2015, it has reduced its carbon footprint by 46%. As part of its long-term strategy, it wants to expand in commercial development and increase cost efficiency in the construction industry. In residential projects, it wants to aim for sustainable houses. From 2022, it introduces a business stream, investment properties. ■

Mubea to invest further; turnover up to CZK 3.1bn

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

Mubea invested CZK 86m in 2021 in further development of its production base. In 2022, the focus will remain on continuing and completing the investment measures initiated for strategically important projects. The company's net sales increased year-on-year to CZK 3.1bn from CZK 3.07bn. The pre-tax result reached CZK 135.62m. The automotive parts and technology manufacturer also said in its annual report that specific uncertainties in the sector persist, particularly with regard to government regulations on climate and environmental protection, digitalisation or innovative alternative drive technologies. There is also uncertainty about the impact of the coronavirus epidemic. The market situation is also affected by the war conflict between Russia and Ukraine. ■

TRENDS, DIGITALISATION AND INNOVATION

Lerta gets CZK 330m revenues from Polish capacity auction

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

Lerta, a subsidiary of Photon Energy, has won 157 MW of Demand Side Response (DSR) in the Polish capacity auction for 2027, securing contract revenues of CZK 330.2m. For 2023, Lerta has committed 134 MW of DSR capacity to the Polish transmission system operator PSE, representing contract revenues of CZK 186.3m. The company is also preparing to participate in the additional auction for 2024, which will take place in March 2023, with a minimum of 300 MW of DSR capacity. The company intends to secure 600 MW of DSR capacity in Poland by 2027 and up to 900 MW by 2030. ■

Prusa Research offers 3D printable partner models

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

Prusa Research has partnered with Adafruit, Bohemia Interactive, Cooler Master, Framework Computer, Noctua, Raspberry Pi, Warhorse Studios and World of Warships. Their cooperation aims to issue official 3D printable models related to the brands' products. All released models are available for free on the Printables.com website. Among other things, they include official printable parts for the Cooler Master computer cabinets, adapters, and distance pads for Noctua mini ventilators. The initiative should be the next step towards the usability of 3D printing in households and companies. ■

NIX.CZ & DE-CIX provide peering services to networks

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

The German internet exchange point operator DE-CIX has chosen NIX.CZ as its partner for collaboration in the Czech Republic, Slovakia and Austria. The objective is the mutual provision of peering services to networks connected in these countries—companies connected to NIX.CZ can now be interconnected with more than 1,000 firms that exchange data in Frankfurt, Germany. NIX.CZ association director Adam Golecký added that customers of both exchange points could use the services via a so-called one-stop shop. ■

For your notes

NEWS FROM SLOVAKIA

For your notes

Slovak govt takes measures against rising energy prices

Thursday, December 15 | ČIANEWS | [Information Source](#)

The Slovak government has adopted two legislative measures to combat expensive energy. The first sets the limit for the increase in the price of heat from large heating plants, and the second sets the maximum price of regulated electricity and gas supply for selected end customers and the amount of tariffs for households and selected electricity customers. Electricity prices for households should therefore not change at all in 2023, and gas and heat should become more expensive by 15% on average. ■

MPRV SR: Wood imports exceeded exports by 391,000 m3

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

The area of forest land and forest stands in the Slovak Republic increased by 1003 ha per year on average. Slovakia is now the 13th most forested country out of 43 European countries. There are 0.36 ha of forest per inhabitant. The share of natural forest regeneration has reached 41%. Timber imports exceeded raw timber exports for the first time by 391,000 m3. The volume of domestic wood processing increased by 12.5% y/y. The information was published by the Slovak Ministry of Agriculture and Rural Development (MPRV SR). ■

MV: Controls at border with Slovakia to be extended by 30 days

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

The government has extended the border controls with Slovakia for another 30 days, until January 25, 2023, in accordance with the EU legislation in force. The Czech Interior Ministry (MV) announced that the intensity of the checks will be reduced and the number of police, customs officers and soldiers involved will be reduced. Interior Minister Vít Rakušan (STAN) said that the number of intercepted migrants is decreasing, so the checks will be only random from December 27, 2022. ■

MF SR is preparing amendment on VAT

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

The Ministry of Finance of the Slovak Republic (MF SR) has published preliminary information on the upcoming bill amending and supplementing the Value Added Tax Act. The aim of the proposal is to take over the EU Council Directive and the EU Regulation concerning special arrangements for small businesses. Amendments to the VAT Act will introduce harmonized rules with effect from January 1, 2025, with the aim of reducing the burden on small businesses. It is possible to make comments on the preliminary information until January 31, 2023. ■

THERMO|SOLAR Žiar now produces year-round; expands in PV

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

The Slovak company THERMO|SOLAR Žiar has ceased to be a seasonal company thanks to its entry into the Hargassner group of companies. By adding components for biomass boilers to its portfolio, it is now able to produce at full capacity all year round. In addition, it also produces switchgear and spare parts for the parent company. The core of THERMO|SOLAR's production remains solar thermal collectors. Another product that will expand in 2022 is roof support structures for photovoltaic panels. The vast majority of products are sold in Europe. ■

Dairy farmers in Slovakia can receive EUR 60.4m support from EU

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

The Common Agricultural Policy (CAP) strategic plan for 2023-2027 increases total payments by 28% for dairy farmers and 45% for pastoral farmers. In total, Slovak farmers can receive EUR 60.4m in support. Sheep and goat farming will be supported by almost EUR 10m extra, a 106% increase compared to the current period. The information was published by the Slovak Ministry of Agriculture and Rural Development. ■

SkyToll: EUR 20.8m collected in toll in SR in Nov

Thursday, December 15 | ČIANEWS | [Information Source](#)

Through the electronic toll collection service, EUR 20.8m were collected for the National Motorway Company in Slovakia in November 2022. It was reported by Skytoll that the toll collection since the beginning of the year reached EUR 223.75m. 37,363 cars were entitled to the discount for the 11 months of 2022, of which 25,007 are from Slovakia. The discount amounted to EUR 3.8m. As of November 30, 2022, 307,714 on-board units were registered in the toll e-system. ■