

EVENTS OF THE WEEK

Gov't approved CR's Hydrogen Strategy

The Government of the Czech Republic approved the Hydrogen Strategy of the Czech Republic, which was prepared by the Ministry of Industry and Trade of the Czech Republic. The strategy is based on the production and use of low-carbon hydrogen, its transport and storage, and hydrogen technologies. The Ministry of Industry and Trade expects that their development will be evaluated every year. According to the Ministry of Industry and Trade, the Czech Republic must have the ambition to become an important exporter in this area in the future. ■

MIT and ČEZ planning battery Gigafactory for CZK 52bn

Industry and Trade Minister Karel Havlíček (for ANO) signed with the general manager of ČEZ, Daniel Beneš, a memorandum on the construction of Gigafactory, a plant for battery cells for electric cars. The investment in the project with an annual production capacity of 40 GWh will reach at least CZK 52bn. The document is a prerequisite for an agreement with other investors, such as representatives of the automotive industry or battery manufacturers. It is currently negotiating with Volkswagen, Korean LG and others. The preferred location for the factory is Prunéřov, other areas are being evaluated. The plant will create at least 2,300 jobs and thousands more in subcontractors, research and related sectors. The project of the factory and the related lithium mine (Cínovec) is also intended to be an opportunity to improve the living conditions of the regions awaiting structural transformation due to the decline of the coal industry. ■

Draslovka to acquire division of American Chemours

Draslovka Holding has agreed to take over the Mining Solutions division of the American The Chemours Company for more than CZK 11.3bn (USD 520m). The acquisition represents the company's first significant investment in the United States and confirms its plans for international expansion. The transaction is expected to close in 4Q 2021, subject to regulatory approvals and other customary conditions. Chemours Mining Solutions operates the largest solid sodium cyanide plant in the world in Memphis, Tennessee, and operates in the United States, Mexico, Canada and South America. Draslovka plans to use its technological capabilities and production experience to increase the efficiency of assets throughout the expanded portfolio and at the same time reduce its carbon footprint. ■

Havlíček: JETE completion to follow after Dukovany

One or two new units of the Temelín nuclear power plant (JETE), each with an output of 1,600 MW, could be completed following the completion of the new unit of the Dukovany power plant. They could be finalised in the early 2040s, Minister of Industry and Trade Karel Havlíček (for ANO) said during his visit to JETE on July 24, 2021. ČEZ should be the investor, and the state should try to find a strategic partner of the completion in France, for example, he added. ■

Driverama to buy 200,000 used vehicles in Europe

Driverama, which was founded by AURES Holdings for the online trading of used cars in Western Europe, has partnered with carVertical. The latter is in the business of collecting and providing data on the history of used cars. Driverama plans to launch sales in 11 markets in Europe by 2025. The partnership agreement will allow it to use carVertical's data across the continent, enabling it to ensure a transparent car buying process. It plans to buy approximately 200,000 reliable and safe used cars by 2025. It sees carVertical technology as key in this regard. ■

TOP HEADLINE NEWS

SAC abolishes measure on respiratory protection**CR should get CZK 180bn from EU crisis fund****At least CZK 39bn to be allocated in Nová zelená úsporám****ČEZ completed sale of Bulgarian Eurohold assets****ŠKODA AUTO to extend car production shutdown by one week****CS Real Estate Fund buys logistics park in Poland****Economic sentiment down 4.3 and business confidence 4.4****Currency and Bourse**

Currency	Value	% w/w
CZK/EUR	25,51	-0,470
CZK/USD	21,48	-1,024
CZK/GBP	29,98	-0,434
CZK/CHF	23,64	-0,338

Exchange market rates from previous trading day as of 5 p.m.

Prague bourse

Share	Value	% w/w
AVAST	↘ 171,00	-0,702
ČEZ	↗ 600,00	0,417
ERSTE	↗ 827,00	1,572
Kofola	→ 280,00	0,000
KB	↗ 799,00	0,250
Moneta	↘ 85,95	-0,058
O2 C.R.	↗ 262,50	0,190
PM	↗ 14 620,00	1,094
Stock	→ 78,50	0,000
CZG	↗ 419,00	0,477
VIG	↗ 595,00	0,840

PX index	↗ 1204,44	0,319
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source: BCP Praha

CR'S RATING

Long-term rating

Moody's	Aa3
S&P	AA-
Fitch	AA-

Short-term outlook

Moody's	P-1
S&P	A-1
Fitch	F1+

Source: Moody's, Standard&Poor's, Fitch

GDP

Y/Y real

	%
2Q/2021	7,8
1Q/2021	-2,4
4Q/2020	-4,8
3Q/2020	-5,0

Q/Q real

	%
2Q/2021	0,6
1Q/2021	-0,3
4Q/2020	0,6
3Q/2020	6,9

Source: Czech Statistical Office

ECONOMIC POLICY

SAC abolishes measure on respiratory protection

By a judgment issued on July 27, 2021, the Supreme Administrative Court (SAC) annulled, with a deferred effect for three days, an extraordinary measure of the Ministry of Health of the Czech Republic from June 29, 2021 regulating the wearing of respiratory protective equipment. Similar measures from the beginning and end of April 2021 have already been annulled by the SAC in its judgments, due to gross deficiencies in the justification of these measures. However, the Ministry of Health did not eliminate most of the alleged defects in the currently issued measure. According to the SAC, repeated non-compliance with the court's conclusions results in legal uncertainty for both the addressees and public authorities. In response, the Ministry of Health stated that it would amend the justification. It considers wearing respiratory protection to be crucial in a situation where there is not yet a sufficient level of immunization in the Czech Republic. ■

CR should get CZK 180bn from EU crisis fund

The Czech Republic should receive EUR 7.1bn (approximately CZK 180bn) from the extraordinary crisis fund for the European Union's national recovery plans in 2021-2026. Minister of Finance Alena Schillerová (ANO), who took part in a videoconference meeting of EU finance ministers within the Ecofin Council, informed that the Czech Republic could receive approximately CZK 23.4bn this year as part of pre-financing. The money should go to investment projects in the areas of digitization, climate sustainability, science and education, but also to the construction of oncology centers. The ministers also addressed the anti-money laundering package. ■

At least CZK 39bn to be allocated in Nová zelená úsporám

The Ministry of the Environment of the Czech Republic, in cooperation with the State Environmental Fund of the Czech Republic (SFŽP), has prepared a continuation of the Nová zelená úsporám grant program. By 2030, it will distribute subsidies from European and national sources in the minimum amount of CZK 39bn. The program is newly extended to apartment buildings throughout the Czech Republic and is merged with the Dešťovka program. Support can be used, for example, for the insulation of houses, the construction of passive houses, solar systems, rainwater harvesting tanks, the exchange of heat sources for heat pumps or the purchase of charging stations for passenger cars. Applications will begin in October 2021. ■

MZe will support landscape and farmers with CZK 1.2bn

The Ministry of Agriculture of the Czech Republic (MZe) has prepared the 13th round of the Rural Development Program (RDP). It focuses on improving the condition of forests, educating and supporting farmers. MZe will contribute the most to the restoration of forests or the reconstruction and construction of forest roads. Some CZK 1.2bn is allocated in this round of the RDP. It will be possible to submit applications for subsidies via the Farmer's Portal from 5 to 26 October 2021. ■

MF: Net position of CR within EU is close to CZK 1,000bn

During 1H 2021, the Czech Republic received revenues of CZK 71.5bn from the European Union budget and at the same time paid CZK 32.8bn. The net position of the Czech Republic thus amounted to CZK 38.7bn. Since joining the EU in 2004, the Czech Republic has paid CZK 709.8bn to the European budget and received CZK 1.64tn. The net position has since reached CZK 934.2n. The current priority of the government is to draw European money from the National Recovery Plan. The state will receive approximately CZK 180bn. European money is to help with investment projects and thus contribute to a faster recovery after the COVID-19 pandemic. ■

Babiš to propose two paid-leave days for vaccinated

Prime Minister Andrej Babiš (ANO) will submit to the government a proposal for two days of paid leave for all civil servants who have been vaccinated since January 1, 2021. In this manner, he wants to motivate people to get vaccinated. At the same time, the government will task all ministers to give two free days to their other employees, which also applies to the armed forces. It will suffice if they show a national certificate or the Tečka application. Furthermore, Babiš added that he would recommend paid leave for the vaccinated to the regions, municipalities and companies. ■

Government expects submission of budget and RES draft

In August, Deputy Prime Minister and Finance Minister Alena Schillerová (for ANO) will submit a draft bill on the 2022 state budget of the Czech Republic to the government. Deputy Prime Minister, Minister of Industry and Trade and Minister of Transport Karel Havlíček (for ANO) should prepare a draft government regulation on the determination of state-budget means on

supported renewable energy sources (RES). The government's Legislation Work Plan counts on it for this year. ■

Gov't approved rules for purchase of ecological vehicles

On July 26, 2021 the Government of the Czech Republic approved the Rules for the Support of Low-Emission Vehicles through the Award of Public Contracts and Public Services for State Administration Authorities. The standard is effective from August 2, 2021, when the transposition deadline for the amended EU directive on the promotion of clean vehicles expires. The Ministry of Regional Development of the Czech Republic further informed that this is a temporary and partial solution before the implementing law is adopted. It is currently in the Chamber of Deputies. ■

MRD to allocate CZK 420m to restoration

The Ministry for Regional Development of the Czech Republic (MRD), when it knows the exact damage, will announce a program for the restoration of municipal and regional property damaged by the recent tornado. It will have CZK 420m. The Minister for Regional Development Klára Dostálová (for ANO) informed about it, stating that as of July 27, 2021, 759 applications for subsidies were received within the Živel program, which helps people with housing renewal. 55 advances on demolition were paid totaling CZK 27.5m. The program was launched after the natural disasters that affected southern Moravia and the Louny region. ■

MMR to allocate CZK 155m in Supported Flats program

The Ministry for Regional Development of the Czech Republic (MMR) approved subsidies for 21 projects in the Supported Flats Program. Municipalities, towns, and other applicants will receive a total of almost CZK 155m. Of this, CZK 103.20m will be allocated for the construction of flats for people in an unfavourable financial situation and with reduced self-sufficiency over 65 years of age (14 projects). Another CZK 51.60m will be allocated to seven projects for the construction of community housing for the elderly over 60 years of age. ■

State to give CZK 300m to Rychnov hospital reconstruction

The state plans to contribute CZK 300m to the Hradec Králové Region towards the reconstruction of the hospital in Rychnov nad Kněžnou. The total value of the investment will be CZK 865m. On the occasion of the visit by Prime Minister Andrej Babiš (ANO) in the region, this information was provided by the Office of the Government of the Czech Republic. Another prepared investment totals CZK 8.5bn, making the traffic infrastructure better in the Solnice-Kvasiny industrial zone used primarily by ŠKODA AUTO. Other plans include reconstructing a second part of the hospital in Náchod and revitalising a sports stadium in Hronov for CZK 65m. ■

Amendment to children's groups to cap parent benefit

MPs have approved an amendment to children's groups which will cap the number of children up to the age of three to CZK 4,000. The state contribution will depend on a norm for private kindergartens and will differ based on the child's age. Minister of Labour and Social Affairs Jana Maláčová (ČSSD) said that in the first half of 2022, EU's support of children's groups would end and that it was necessary to adjust the method of funding from the state budget so that the groups could continue further. A total of CZK 7bn has been allotted from the National Recovery Plan to create new children's groups and reconstruct the existing ones. ■

Pirates have called for better cybersecurity

The Pirates called on the government in connection with the agenda of its session on July 26, 2021 to better ensure cybersecurity by 2025. According to them, for example, the situation with the vaccination register, which involves the personal data of Czech citizens being transferred abroad, must not be repeated. The selection of low-quality suppliers should also not jeopardize critical infrastructure. Because of this, some hospitals facing cyberattacks could not accept patients. It also poses a risk to energy or banking. ■

Prague invested CZK 1.5bn into water grid

In the water supply system of the capital city of Prague, investments worth more than CZK 1.5bn have been completed in recent weeks, these will contribute to a higher quality of tap water. The basis of the modernization is the transition to water treatment technology using filtration through granular activated carbon. Newly, this technology works in the modernized waterworks in Podolí, which, thanks to an investment of CZK 300m, has once again become a full-fledged part of the Prague water supply network. These days, a similar technology is being put into operation in the Želivka Water Treatment Plant. The amount of this investment reached CZK 1.2bn. Petr Hlubuček, Deputy Mayor and Councilor for the Environment and

Infrastructure, stated that a subsidy of more than CZK 750m had been obtained. He added that 66 % of Prague residents drink tap water and thus help save the environment. ■

ULK: DPMUL invests in hydrogen-powered buses

The fleet of city buses of Dopravní podnik města Ústí nad Labem (DPMUL) will be upgraded to emission-free hydrogen mobility. The cost of the project has been estimated by the city at CZK 723m, of which CZK 400m will be spent on the purchase of new buses. The Ústí Region (ULK) informed that the city wants to use a local source of hydrogen, which is produced as a waste product of industrial production. The first step will be to build a public filling station to serve both DPMUL for its intended hydrogen buses and passenger cars. ■

Prague wants guarantee for financing City Ring Road from state

Representatives of the City of Prague negotiated with Prime Minister Andrej Babiš (ANO) and Minister of Transport Karel Havlíček (for ANO) on possible ways to guarantee the financing of the inner City Ring Road. Variants of a direct subsidy of CZK 60bn for large infrastructure constructions for the city from the state budget as well as a variant of financing in the form of a PPP project were discussed. With regard to the financial volume and time horizon of the investment, a model of the so-called guarantee law was proposed by Prague. According to the conclusions of the meeting, Prague will adjust the draft memorandum between the state and the city so that it corresponds to the ideas of the metropolis for a sufficient guarantee from the state. ■

COMPANY NEWS

ČEZ completed sale of Bulgarian Eurohold assets

Group ČEZ has completed the sale of the Bulgarian assets of Eurohold Bulgaria. It paid EUR 335m for seven companies. The purchase agreement was signed in June 2019. The sale was approved by the Bulgarian Antimonopoly Office and the Bulgarian Commission for Energy Regulation. The divestment is in line with the group's strategy, which envisages leaving selected markets and segments abroad. International investment arbitration continues. The entitlement is based on non-compliance with Bulgaria's obligations under the privatization agreement as well as from the obligations upon accession to the European Union in 2007. ■

ŠKODA AUTO to extend car production shutdown by one week

The production shutdown at ŠKODA AUTO will be extended due to a lack of chips. The KOVO MB Unions informed about it, stating that after the mass holiday in the 31st and 32nd week of 2021, production will not start even in the 33rd calendar week. The chairman of the works council, Jaroslav Povšík, stated that the divisions agreed with the company on the part of the employer with compensation of 85% of the average wage. The start of production will take place by night shift from Sunday to Monday, August 23, 2021, both in Mladá Boleslav and in Kvasiny. The Vrchlabí-based plant has a shutdown from August 14. Production will begin on the night of August 19. ■

CS Real Estate Fund buys logistics park in Poland

ČS real estate fund, managed by REICO investment company České spořitelny, buys Panattoni Park Tychy DC1 from BH INVESTMENT PROPERTY XIV in Poland. The value of the acquisition is approximately CZK 1.1bn (EUR 42m). CMS, TPA, Cushman & Wakefield, and Arcadis represented the buyer in the transaction. The logistics park was completed in 1Q 2021. It mainly includes warehouse space with a total leasable area of 53,900 m². The largest tenants are the multinational companies Denso, HAVI, and the Polish logistics and forwarding company Regesta. By acquiring the park, the fund increased the share of the industrial sector in its portfolio to 10%. Česká spořitelna (ČS) also informed that the fund's portfolio currently includes 19 properties and a total market value of more than CZK 32bn. ■

PPF Group enters into partnership with Groupe Beneteau

The PPF Group will start a joint venture with Groupe Beneteau, a traditional French manufacturer of smaller recreation vessels and sailboats, to create a new global leader in the segment of boat rentals. The transaction consists of acquiring controlling shares in Dream Yacht Charter and Navigare Yachting. Thanks to the ownership of modern digital platforms, including online reservation systems, Dream Yacht and Navigare are ready to continue in vast digitisation and satisfy their customers' growing demand. PPF will hold 59% and Beneteau 41% of shares in the joint venture. The transaction should be settled by the end of September. ■

MALL Group: Sales on Slovenian marketplace grow

The MALL Partner Program plans to expand into Croatia. Slovakia is currently one of the strongest foreign markets of the Czech e-shop. Merchants are also doing well in Poland. The online marketplace has grown by leaps and bounds in Slovenia. This is a year-on-year increase of more than 1000%. Half of the merchants on the Slovenian MALL portal come from the Czech Republic. To support the expansion of sellers, the online marketplace has launched a new service for translating product descriptions. ■

SWIETELSKY starts building MY BOX in Milevsko

SWIETELSKY stavební has begun building a 1.4-hectare MyBox shopping centre in Milevsko. The investors are Czech-Dutch company Fidurock and Eyemaxx of Austria. It will be completed in April 2022. The project in Blanická Street will also include a roundabout, a parking lot, complete infrastructure, and a new pedestrian crossing. The biggest tenant will be Albert, moving its existing store there. Other merchants include dm drogerie, KIK, Planeo elektro, Banquet, Akvazoo and Traficon. ■

MONETA registers profit of CZK 1.4bn, online loans at 35%

The group MONETA recorded a net profit in the amount of CZK 1.4bn in 1H 2021. This represents a growth of 19.3% y/y. The loan portfolio increased by 9.2% primarily thanks to a growth in retail loans by 14% and a 20% growth in loans to entrepreneurs and small companies. The mortgage portfolio grew by 27.1%. The volume of newly concluded consumer loans increased by 45.8%. The client base remained stable at the level of 1.4 million clients. The volume of client deposits showed a growth of 3.9% to CZK 266.2bn. The total volume of investments in mutual funds increased by 58.8 % to CZK 22.6bn. The share of new consumer loans arranged online reached 35.2%. The online mortgage platform Refinanso.cz accounted for 15.4% of the total new mortgage production. Since 2016, Moneta has reduced its direct emissions by 70.1% and its overall carbon footprint by 42.2% as of the end of 2020. The management of the bank predicts a net profit of CZK 3bn for 2021, which would exceed the original prediction by CZK 0.2bn. ■

CTP will build 12,000 m² warehouse for Rohlík in Romania

CTP will build a 12,000 m² warehouse for Rohlík Group in CTPark Bucharest North in the Romanian city of Stănești. The developer of logistics and industrial premises in Romania has thus entered into a long-term partnership with Rohlík. It is now valued at more than EUR 1bn. After expanding to Hungary and Austria, Rohlík will be launched in Munich in the coming month, and other German cities and European countries will follow. In the near future, it will expand to Romania, Italy, France, and Spain. The investment in CTPark Bucharest North with a total area of 21 ha exceeded EUR 65m. ■

Heluz Group acquired IZOS; merger to create HELUZ IZOS

Heluz Group has acquired company IZOS. The transaction documentation with the manufacturer of insulating glass was signed last week. The subsidiary IZOSPV is planning a merger with IZOS and the successor company HELUZ IZOS will be established. The Office for the Protection of Competition has not yet approved the transaction. Heluz director Jan Smola confirmed this for ČIANEWS, stating that he assumes that nothing will prevent the connection. ■

NH Collection Olomouc Congress invested CZK 150m

NH Collection Olomouc Congress used the lockdown for a long-term planned investment of CZK 150m. General manager Tomáš Rousek told ČIANEWS that CZK 130m was specifically spent on the extension of the hotel, a new restaurant with an open kitchen, a summer terrace and a wine bar. Approximately CZK 15m went to the congress center for audio-visual updates and CZK 5m to the renovation of the existing premises. The hotel has benefited from all state support programs and is currently awaiting already agreed support from Covid's uncovered costs. About 15 % of employees had to be laid off. T. Rousek added that in 2020 the economic result reached approximately CZK 3m and for 2021 he expects it to reach CZK 13m. ■

HMMC makes 142,400 vehicles in H1, led by Tucson SUV

In the first half of 2021, Nošovice-based carmaker Hyundai Motor Manufacturing Czech (HMMC) manufactured 142,400 vehicles. The company added in its company newsletter that it had made four models. The Tucson SUV made up 69% of the production volume, followed by the i30 (21%), the Kona Electric (7%) and the i30 N (3%). In terms of fuel, petrol-powered vehicles made up the highest share (57%), followed by hybrids, including plug-ins (22%), diesel-powered cars (14%), and electric cars (7%). The highest number of vehicles went to Germany, Spain and France. In the first half of 2021, HMMC donated CZK 5m towards the tornado relief. ■

SmVaK reported revenues of CZK 1.32bn with profit of CZK 283.88m

Severomoravské vodovody a kanalizace Ostrava (SmVaK) achieved a pre-tax profit of CZK 283.88m in 1H 2021. In 1H 2020 it was CZK 278.90m. Total sales of own products were CZK 1.32bn (+ CZK 58.96m). The company recorded a decrease in the volume of drinking water consumption by 1.29%. For water transferred to other water management organizations, the decrease is 1.50%. For drained water, the volume increase is 0.43%. A total of 15.81 million m3 of drinking water was sold for final consumption, and 13.09 million m3 of wastewater was discharged for a fee. A total of 9.07 million m3 of drinking water was transferred to the water management systems of other water companies. ■

Accolade, Conseq invest EUR 26m in hall for K-Flex

Accolade and Conseq Investment Management have invested nearly EUR 26m in a Class A industrial hall in Wielenin-Kolonia, Łódź Province, Poland. The entire hall has been leased for 17 years by K-Flex, a company that produces elastomeric insulation. It covers an area of over 34,500 m2 and comprises three interconnected buildings. Accolade COO Lukasz Répal said that the market for insulation products is expected to grow by almost 40% over the next five years. ■

ORLEN Unipetrol shows revenues of CZK 32.1bn

ORLEN Unipetrol recorded revenues in the amount of CZK 32.1bn in 2Q 2021. Its gross operating result totaled CZK 1.6bn and the volume of processed crude oil reached 1.61 million tons. The group invested CZK 1.61bn. The network of petrol stations Benzina ORLEN includes 421 branches in the Czech Republic and 15 in Slovakia. Of these, there are 315 Stop Cafe gastro facilities in the Czech Republic. The concept is at 14 petrol stations in Slovakia. ■

ČEZ Teplárenská invests CZK 460m in lowering CO2

Between 2018 and 2021, ČEZ Teplárenská invested CZK 460m in environmentally friendly solutions for heat supplies. As a result, they have brought savings of 9,469 tonnes of CO2 per year, representing the same amount of CO2 produced annually by 2,367 automobiles. The objectives of ČEZ Teplárenská's investment projects aim to lower heat-energy losses towards the end consumer, lower CO2 emissions during production, and improve the environment. ■

RENOMIA gets a majority in GRANTEX dotace

RENOMIA has purchased a majority share in GRANTEX dotace. RENOMIA's strategy is to strengthen risk management, insurance, claim settlement, and subsidies. Both companies want to help clients develop in the Czech Republic and Slovakia. In addition, RENOMIA will help GRANTEX dotace develop internationally. GRANTEX focuses primarily on supporting the industrial sector, agriculture, services and municipalities. Through its activities, it identifies the needs and plans of its clients in terms of their further development. It helps them find and get the most suitable form of financial support. ■

Škoda Transportation to get 20 Škoda 27Tr units for Brno

By the end of 2022, Škoda Transportation will provide the Brno Transit Authority with another 20 Škoda 27Tr trolleybuses. Škoda Electric sales director Radek Kapr said that the company, a member of the PPF Group, would provide Brno with a total of 40 articulated trolleybuses. The first supply of 20 vehicles is planned for the turn of 2021 and 2022. During its existence, Škoda Electric from the Škoda Transportation Group has supplied more than 14,500 trolleybuses to the domestic market and approximately 30 countries. ■

Golden Gate CZ's revenues up 29% in 1H21

Golden Gate CZ sold investment precious metals worth CZK 2.57 billion in 1H 2021 (+ 29% y/y). The company sold 1,268 kg of investment gold, 26.4 tons of silver and 15 kg of platinum. Since January 2021, it has also been selling through its e-shop. It currently has more than 38,000 clients. According to company data, Czechs regularly save around CZK 1,500 in precious metals on a monthly basis. The total volume of target amounts for savings in precious metals for the company's clients reached CZK 34.3bn. Thanks to the lifting of restrictions, the company is opening new offices. An office in Olomouc is for example about to be opened. ■

SWIETELSKY Rail to repair train station in Adamov

SWIETELSKY Rail CZ won the Railway Administration tender for the reconstruction of the railway station in Adamov in the Blansko region. The total value of the contract is CZK 834m. SWIETELSKY's project manager Jan

Parchanski said the work would begin in October 2021 and last until December 2022 with the possibility of extension until May 2023. The project includes the renovation of the track, the construction of two new barrier-free island platforms and a footbridge. It also includes the modernization of the interior of the dispatch building and the construction of a parking lot for 30 cars. Retaining and noise walls will also be built and widened. ■

Eurowings seeks new crews for Prague, to create 100 jobs

For its new Prague base, airline Eurowings is recruiting pilots and other crew members. From October 2021, crews from Vienna will be deployed to start air traffic at the Eurowings Europe base in Prague. In the medium term, the flights will be operated exclusively by local staff. The training of the newly recruited staff is scheduled for the end of 2021. In total, the carrier will create more than a hundred jobs. As ČIANEWS reported previously, Prague will become the tenth Eurowings base in Europe. From October 31, 2021, it will place two Airbus A320s here, and from the summer of 2022, there will be three. ■

Ikea to open warehouse with BREEAM certification in Brno

On July 27, 2021, Ikea will open a new dispensing warehouse in Panattoni Park Brno Airport in Tuřany, Brno. The total area of the part of the technologically above-standard equipped hall is 8,000 m2. The car park has a slight incline to make it easier for customers to handle goods when loading them into the car. The BREEAM New Construction-certified multimodal complex is financed and owned by Accolade. The building was built by Panattoni. Premises for the chain were provided by Cushman & Wakefield. Ikea wants to get closer to customers in Brno and the surrounding regions with the new dispensing location. ■

Roger finances total of CZK 1.85bn and 33,589 invoices

The payment institution Roger financed a total of CZK 1.85bn and 33,589 invoices in 1H 2021. CEO Adam Šoukal stated that the company exceeded the eighth billion crowns milestone in the first six months. The financed volumes increased almost two times in the first half of the year compared to 1H 2020, which, according to the company specializing in non-bank factoring, is a consequence of the pandemic situation in the last 18 months. A. Šoukal added that it is confirmed that Czech entrepreneurs are increasingly interested in better and more efficient operational financing and that the financing of invoices is one of the ways. ■

MACROECONOMIC DATA AND POLLS

Economic sentiment down 4.3 and business confidence 4.4

The composite confidence indicator, expressed as a basic index, decreased by 4.3 points m/m to 99.7 in July 2021. Business confidence fell by 4.4 points to 99.3 and consumer sentiment by 3.6 points to 101.9. Compared to July 2020, the aggregate indicator, the business indicator and the consumer confidence indicator are at a higher level. The Czech Statistical Office informed about this. Compared to June, confidence decreased in the industrial sector by 9.5 points to 98.7, in the construction sector by 1.8 points to 114.0. The mood of entrepreneurs in trade remained at 104.7 and in services at 97.6. ■

Moore: Czech debt-to-GDP up 6.3 pp, Slovakia's stagnates

According to Eurostat's data, the Czech government's debt-to-GDP ratio increased from 37.8% in the fourth quarter of 2020 to 44.1% at the end of March 2021. The increase in indebtedness was the second-highest in the EU. While the average increase in the 27 EU member states was 2.4 pp, Czech debt grew 6.3 pp in quarter-on-quarter terms. According to consulting company Moore Czech Republic, the main cause was the mismanaged COVID-19 epidemic situation. Moore Czech Republic partner Petr Kymlička said that in the first quarter of 2021, Slovakia kept its debt-to-GDP ratio from the fourth quarter of 2020 at 60.3%. In the Czech Republic, there was a decrease in income related to abolishing the super-gross wage. ■

D&B: No. of at-risk cos. up 31%

In the first five months of 2021, the number of endangered companies in the Czech Republic increased by 11,166. This follows from the analysis of Dun & Bradstreet (D&B), with the fact that it is 31% more y/y. Compared to the pre-crisis year 2019, this is an increase of 39%. The number of affected employees reached 32,885, which is 36% more than in 2020 and 73% above the level two years ago. For the whole of 2020, 22,471 companies and 62,172 employees were in the category of endangered companies. Compared to 2019, this was an increase of 16% for companies and a fifth for employees. ■

ČNB: Card resident transactions up to CZK 1.56 trillion

The total volume of transactions at resident acceptance facilities with cards issued by residents increased y/y to CZK 1.56 trillion from CZK 1.53 trillion in 2020. This was reported by the Czech National Bank (ČNB). Of this, ATM withdrawals accounted for CZK 708.7bn, deposits for CZK 273.5bn and point-of-sale (POS) transactions for CZK 583.9bn. The volume of transactions in cards issued by non-residents decreased by CZK 31bn to CZK 64.3bn. The volume of transactions in non-resident acceptance facilities with cards issued by residents fell to CZK 188.3bn from CZK 282.5bn. Of this, ATM withdrawals amounted to CZK 21.3bn. The volume of cash withdrawals at the counter fell by CZK 70bn to CZK 387.4bn and the volume of deposits by CZK 166bn to CZK 547bn. ■

ČNB: Number of bank cards in CR increases to 13.8m

The number of cards issued by Czech banks and branches of foreign banks active in the Czech Republic grew 790,000 y/y and totalled 13.8m at the end of 2020. The Czech National Bank (ČNB) said that of this number, 12.3m were debit cards. The number of credit cards continued to drop in year-on-year terms, with their number being 71,000 lower and totalling 1.5m. The number of ATMs recorded a slight year-on-year decrease, dropping 62 to 5,200. Of this number, 94% of the ATMs have a cash-withdrawal function. The number of point-of-sale terminals issued by a Czech accepting entity grew 36,000 y/y to 246,000 at the end of 2020. ■

AW: Managerial changes up 9%, also led by start-ups

The total number of managerial changes in the first half of 2021 grew 9% y/y. Corporations followed by small and medium-sized local companies and start-ups were the main drivers. According to a survey by ANDERSON WILLINGER (AW), firms are now leaning towards hiring more junior management compared to previous years. Marketing and media have become one of the most active sectors in hiring new employees. Companies are looking for ways to grow in a pandemic and to adapt to changes in customer behaviour. They want marketing experts with digital know-how. ■

Savills: Volume of commercial property investments up 42 %

The volume of investments in commercial real estate in the Czech Republic in 2Q 2021 amounted to EUR 426m, which represents a y/y increase of 42 %. Compared to 1Q, investment activity increased by 47 %. Savills senior research analyst Lenka Pechová informed that a total of 14 transactions took place on the market in 2Q, last year 11. Most of them were concluded within the office sector, namely six. Domestic investors invested EUR 160m in commercial real estate and acquired nine out of 14 properties, three in Prague and six in the regions. Cross-border spending exceeded EUR 266m. ■

IRF: Net demand for industrial property breaks record

Gross realised demand for industrial and logistics real estate in the Czech Republic in 2Q 2021 was 529,300 sqm, a 31% decrease compared to 1Q. This is a 44% y/y increase. Net demand was the highest in history, totaling 387,700 sqm (+107% y/y). The vacancy rate fell to 3%, (-170 bps). At the end of 2Q, 280,200 sqm of modern space was on the market ready for occupation. The highest achieved rents rose to EUR 5 per sqm/month, and in Prague and its surroundings to EUR 5.20 per sqm/month. This is according to a survey by the Industrial Research Forum (IRF), whose members are Cushman & Wakefield, CBRE, Colliers International, and JLL. ■

Moore: CR has 11th highest mortgage rates in EU

Current mortgage interest rates with an average of 2.42 % place the Czech Republic 11th among the 27 countries of the European Union. In coming months, due to the increase in the ČNB base rate, experts also expect mortgage rates to rise. In the EU, Latvia (5 %), Hungary (4.4 %) and Romania (4.39 %) have the most expensive rates. The analysis of the Moore Czech Republic advisory group also shows that Finns borrow money for housing at the lowest cost with an average interest rate of 0.8 %. With 1.09 %, Slovakia has one of the lowest rates. ■

PRF: Gross demand for offices increases to 89,300 m2

In the second quarter of 2021, total gross realised demand for office premises in Prague amounted to 89,300 m2, up 10% y/y, according to a survey conducted by the Prague Research Forum (PRF), including CBRE, Colliers International, Cushman & Wakefield, JLL and Knight Frank. The largest published transaction was a lease by the Czech Ministry of Industry and Trade (3,700 m2) in a building at number 42, Wenceslas Square and a pre-lease by a US company active in dentistry (3,500 m2) in the Dock in Five building in Prague 8. Furthermore, the University of Chemistry and

Technology (VŠCHT) leased 3,200 m2 at the Jankovcova 32 building in Prague 7 and Košík from the Rockaway Group sub-leased 3,000 m2 in Blox in Prague 6. ■

IRF: Developers finish 113,200 m2 of storage area in Q2

The total area of modern industrial premises for lease in the Czech Republic grew to 9.28m m2 in the second quarter of 2021. A total of 113,200 m2 of storage areas in 11 industrial parks was completed, up 66% q/q and down 46% y/y. At their completion, about 89% of the projects had been pre-leased. The largest completed hall has 19,000 m2 and is located at the Ostrava Airport Multimodal Park. At the end of Q1, almost 690,000 m2 were under construction, 21% more than in Q1. The construction of 226,700 m2 of halls was started. The industrial premises made up 24% of speculative development, according to figures from the Industrial Research Forum (IRF), composed of Cushman & Wakefield, CBRE, Colliers International and JLL. ■

108 AGENCY: Vacancy rate in industrial areas falls

The vacancy rate of industrial space in the Czech Republic reached 2.72% at the end of 2Q 2021, including shell and core space. It decreased by 1.35 pp compared to 1Q 2021. 108 AGENCY reported that there are 254,105 sqm of vacant space mainly in the Moravian-Silesian and Plzeň regions. The vacancy rate reached a record low of 0.04% in wider Prague. Gross take-up (including prolongations) was 412,037 sqm, net take-up was 285,122 sqm. Gross take-up for 1H exceeds 1.21 million sqm and is thus a long-term average. Total industrial space for lease in 2Q exceeded 9.33 million sqm. A total of 71,748 sqm was built, an increase of more than 24,000 sqm compared to 1Q. At the end of June, 549,446 sqm was under construction. ■

WttJ: 70% of Czechs seek jobs even despite pandemic

The pandemic situation did not complicate the job search and recruitment process for 70% of Czechs. This was shown in the Welcome to the Jungle (WttJ) survey from May and June 2021. In a similar survey from May and June 2020, up to 73% of respondents stated that the pandemic had made their job search more difficult. In the current survey, 27% of employees felt less engaged at work after the pandemic. Up to 59% of respondents said they felt less connected to their colleagues during the coronacrisis. WttJ platform CEO Honza Klusoň added that he expects competition for individual job offers to increase in autumn 2021. ■

MZ: Public health system with CZK 5.8bn surplus

In 2020, the public health insurance system had revenue of CZK 358bn and expenditures of CZK 352.2bn, thus ending in a surplus of CZK 5.8bn. This information was provided by the Czech Ministry of Health (MZ). Total costs for health services were CZK 48bn higher year on year. Because of the positive result, there was an increase in the economic balance on bank accounts of health insurance companies by 9.9% to CZK 64.4bn. In 2020, the ratio of these balances stagnated at the level of 18.3% of total expenditures of the system of public health insurance. ■

ACEA: CV registrations up 27.5% in CR, 43.9% in Slovakia

Between January and June 2021, new commercial vehicle (CV) registrations in the Czech Republic grew 27.5% y/y to 14,372. In June alone, there were 2,625 registrations (+23.0%). In Slovakia, this segment gained 43.9% in the first half of 2021, with 5,687 vehicles registered. In June alone, the registration number totalled 1,089 (+50.2%). In the EU, the number of commercial vehicle registrations in the first half of the year grew 36.9% to 1,024,200; in June, the increase was 12.4% to 185,573, according to figures provided by the European Automobile Manufacturers' Association (ACEA). ■

MZ: Vaccination was completed in 53.3% of population 16+

As of July 28, 2021, 5,588,041 people over the age of 16 were vaccinated in the Czech Republic with at least one dose against COVID-19. This represents 62.9% of this population. Vaccination was completed in 4,735,654 people (53.3%). In the youngest monitored age category (12–15 years), the full vaccination coverage reached 0.3%. In the category of 16–29 years, 20.0%, in the oldest (80+) 78.1%. This is evidenced by data from the Ministry of Health of the Czech Republic (MZ). ■

MZ: Number of hospitalized with COVID-19 decreased to 47

The number of confirmed cases in connection with the COVID-19 disease increased by 195 in the Czech Republic as of July 29, 2021, and reached 1,673,219. The number of hospitalized persons decreased from 49 to 47 per day. The number of confirmed cases per 100,000 inhabitants in the last 7 days was 12. The number of deaths remained at 30,363. The Ministry of Health of the Czech Republic (MZ) informed about it. ■