

## チェコ経済月報 (1-12月)

### 主な動き<sup>i</sup>

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- Jan 2** The CR failed to use subsidies from EU funds of CZK 9bn in 2014, while the original estimates projected the loss at CZK 23bn, the MRD said.  
According to a poll, around 50% of Czechs think the current government is doing a good job. Nearly 47% of respondents evaluated the government by a grade of 3 on a five point scale and some 13% gave it a grade of two, which means very good. Only 1.5% of those questioned rated the government as excellent, while more than 13% thought the government's work was insufficient, giving it bottom marks.
- 5** The CR's state budget ended in a CZK 77.8bn deficit last year, lower than the approved CZK 112bn gap for the year, the MF announced.
- 6** Sales of new passenger cars in the CR grew by 16.7% y-o-y to a record 192,314 vehicles in 2014, resuming growth after a 5% drop in 2013. The best-selling car make was Škoda with a 30.2% share in 2014. Škoda sold 58,091 cars in the CR, a y-o-y increase of 16%. Hyundai, which ranked second on the market, raised sales by almost 17% to 18,934 cars and the 3<sup>rd</sup> Volkswagen's sales grew by 22% to 18,281 cars.
- 7** Dukovany NPP will this year apply for a new 10-year licence for the operation of the 1<sup>st</sup> unit because the current licence is valid only till the end of this year. Power company CEZ has to gain the licences for further operation of the remaining three units in Dukovany in the years 2016 and 2017.
- 9** Average inflation last year dropped to 0.4% from 2013's 1.4% and was the lowest since 2003 and the 2<sup>nd</sup> lowest ever.  
Unemployment rose in December to 7.5% with almost 542,000 registered as job seekers, the MLSA announced. November's jobless rate stood at 7.1%. Even so, the latest figure is still a drop from the 8.2% unemployment rate at the end of 2013. The country's worst jobless black spot is now Bruntál in the far east of the country with 13.5% unemployment. It replaced Most which now has an unemployment rate of 12.8%.
- 12** More than 500mn more people visited the castles, stately homes, and other sites administered by the NHI in 2014 compared with a year earlier, the organization announced on Monday. Visitor numbers in 2014 totalled around 4.8m, up 575,000 compared with the previous 12 months.
- 17** Developers are planning to create a new district on the Prague island of Rohanský ostrov in the next 15 years.
- 19** CEZ should primarily finance construction of new nuclear reactors, said a NAPDNE drawn up by the MIT and MF. A consortium of private investors is another option and building the new sources by the state through a state-run company is a third, least likely, possibility, said the document.  
Face recognition system approved for Prague airport will be equipped with face recognition security systems for recognizing passengers, the government decided.
- 20** Fruit harvest grew by 2.2% on the year to 152,464t in 2014 and was the highest since 2009, but growers were hit by a price fall after Russia's ban on fruit imports from the EU. Compared to a 5-year average, last year's harvest was 11% higher.
- 22** According to the MF, the system of electronic registration of sales will apply to 500,000 to 600,000 business entities in the CR. The MF plans to launch the system as of 1 January 2016.  
The amount of money the CR received from the EU budget last year was CZK 76.2bn higher than its payments to the budget, the MF said. The higher net position of CZK 84.8bn was seen for 2013.
- 23** The crime rate in the CR fell significantly last year. Some 288,660 crimes were committed last year, which is over 11% fewer than the number recorded in 2013.
- 26** Almost 50% of Czechs are satisfied with the health care sector. The number is the highest since 2002.
- 30** The volume of the grey economy in the CR increased by about CZK 10bn to CZK 612bn last year and is expected to grow to CZK 614bn this year. The share of the grey economy in GDP last year reached 15%, which is below the European average of 18.5%.  
The MF in its new macroeconomic forecast improved moderately its GDP growth estimate for this year to 2.7%, while in October it put the growth at 2.5%
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- Feb 2** State budget ended in a CZK 28.6bn surplus in January, CZK 16.5bn lower than in the same month last year, and the fall was caused in particular by lower collection of excise duty on tobacco products, the MF announced.

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- 5 The CNB's Board will not end the forex intervention regime earlier than in the second half of 2016, CNB governor Singer said.  
The EC has released its latest economic growth forecast for the CR, which predicts a growth of 2.5% for 2015 and 2.6 for 2016. The deficit in public financing is expected to reach 2% of GDP and drop to 1.5% in 2016. The forecast is slightly more pessimistic in comparison to the latest EC outlook released in autumn.
- 6 The CNB has said it is expecting the economy to go into deflation in 2015, a first in the country's modern history. The weakening euro and falling oil prices are creating "unusually high levels of uncertainty" and adding fresh downward pressure to Czech prices. According to the CNB the average inflation will go into negative figures, at around - 0.1%.
- 7 Unemployment climbed in January to 7.7%, up from December's 7.5%. The downturn was expected at the start of the year with the traditional fall off in jobs in the construction sector delayed by warmer than usual weather in December. Y-o-y, the latest jobless total of 556,191 is still an improvement on the almost 630,000 without work at the start of 2014.
- 11 Czechs' assets in mutual funds grew by CZK 51.9bn to a record of CZK 328.9bn last year, with 74% of the assets in the hands of natural persons and 26% held by legal entities.  
Jordan and the CR also signed on Wednesday a memorandum of cooperation on civil nuclear power. The memorandum was signed by the Czech state institute for nuclear research and its Jordanian equivalent. Jordan at the moment has no nuclear plants but is seeking to build both a small experimental test reactor and later a full blown power plant. The country would like to exploit the uranium reserves on its territory.
- 13 Prices of most food products in shops are lower than a year ago, with potatoes recording the biggest y-o-y price fall of almost 40%.
- 15 The CR may lose up to CZK 1.5bn due to a dispute over diesel oil in German storage tanks of the company Viktoriagruppe, the chairman of the SRMA said.  
The emissions of greenhouse gases decreased in the CR thanks to the upgrading of industry by 33% in 1990-2012 and the country is fulfilling Kyoto Protocol commitments with a lead like the whole EU.
- 16 Emissions of greenhouse gases decreased by 33% in the CR from 1990 - 2012 as the result of industry upgrades and is fulfilling Kyoto Protocol commitments.
- 17 Foreign TV and film producers spent over CZK 4bn in the CR last year. They were attracted by special film incentives, which allow companies to reclaim up to 20% of the cash spent on film-production in the country.  
The grain harvest increased by 17% in 2014, hitting an overall yield of 8.8mn tonnes. Last year's harvest of grain is the 3<sup>rd</sup> highest in the country's history. The harvest of wheat, the main crop, has risen by 16% to 5.5mn tonnes. Farmers have also harvested a record 1.3mn tonnes of rapeseed, an increase by 94,000 tonnes.  
The CSA has lost 1/5 of passengers on its regular lines. Some 2.27mn passengers travelled with CSA last year. The CSA, which has been focused on Russia and the former Soviet Union, ascribes the drop in passenger numbers mainly to the situation in Ukraine.
- 18 The price of a yearly pass for Prague's public transport system is set to fall considerably, from July a yearly ticket will cost CZK 3,650, down from the current price of CZK 4,750.  
Interest rates in the CR have again reached a record low. In January the average mortgage rate was 2.34%, down from 2.37% in the last month of 2014.
- 22 The CR will invest almost CZK 5bn in flood defences over the next 5 years. Around CZK 1bn will be spent on anti-flood measures this year. The MA has launched the 3<sup>rd</sup> phase of a flood defence programme that is due to be completed in 2020. Since devastating flooding hit the CR in 2002 around CZK 15bn has been spent on anti-flood measures.
- 23 The Government has approved a constitutional bill on budget responsibility which includes the setup of a national budget council and debt brake at 55% of GDP.  
51% of Czechs have said they view their country's membership in the EU positively.  
The first unit of Temelín NPP can lower its output by up to a half during problems in the grid and thus significantly contribute to the system's protection, according to the result of made test.
- 24 The average Czech man gets married for the first time at the age of 32.8 years, later than at the time of the Velvet Revolution. For women the average age of first marriage is 30.7 years, later than in 1989. While 2/3 of Czechs were married at 25 at the start of the 1990s, today most are unwed when they reach 25.  
50% of Czechs think that ties between the CR and Russia have worsened. The number grew from 41% in January.
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- 25 The CR still needs to draw CZK 200bn from EU funds out of a total CZK 700bn which were available for the years 2007 to 2014.  
Firefighters in Temelín NPP are now better prepared for emergency situations thanks to adopting new measures that have ensued from stress tests.
  - 26 As part of the 4-day working trip to Korea, PM Sobotka and MT Minister Ťok met with President of Korea Park Geun-hye.
  - 27 The economy grew by 1.5% y-o-y in the Q4 of last year and by 2% for the whole of 2014.
  - 28 Andrej Babiš was unanimously re-elected leader of the ANO party.
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- Mar 2** The opening of the controversial Blanka tunnel complex in Prague, which was scheduled for April, will be delayed till next year.
- 6 Profit of agriculture grew by almost 40% y-o-y to CZK 22.9bn in 2014, the best result since 1998 when the statistics started to be monitored.
  - 9 Jobless rate in February fell to 7.5% from January's 7.7%, and the number of job seekers reached 548,117, a drop of 8,074 persons on the month.
  - 10 Work will start on 223 kilometres of new roads in 2016, the MT Minister Ťok said.
  - 11 The CZK depreciated to 25.78 per USD, the weakest level against the US currency in almost 11 years.  
Average wages in the CR rose by 2.3% in the Q4 2014 compared with 2013 to total CZK 27,200. For the whole of the year the average pre-tax wage came to CZK 25,686 a real rise of 2.0% after taking into account inflation. The highest wages are still in Prague but growth there in Q4 was the lowest across the country.
  - 12 The proportion of Czechs satisfied with the way democracy works in the country has reached a record high 55%, compared with 48% in October 2014.
  - 13 The current account of the balance of payments ran a revised surplus of CZK 26.1bn in 2014, the first surplus ever recorded.  
Industrial production climbed by 2.9% in January compared with 2014.  
PM Sobotka running unopposed, was re-elected as party chairman at the congress of the CSSD, receiving support from 85% of delegates.
  - 14 FDI into the CR grew 70 y-o-y in 2014, according to data released by the CNB. Around 2/3 of the CZK 120bn invested in the country by foreign companies came from neighbouring Germany. Property and financial services were the most popular investment, attracting half of the total figure between them.
  - 16 Škoda Auto raised its net profit by 46% to € 665mn (more than CZK 18bn) in 2014. Škoda's sales grew by 13.9% to €11.76bn in 2014. Škoda Auto had said earlier its car sales increased by 12.7% in 2014, exceeding the level of 1mn cars for the first time in its history.
  - 18 The MIT has commissioned an independent study to find out if a possible lifting of coal mining limits in the north of Bohemia will pay off.  
Average mortgage rates in the CR have again fallen, reaching a record low of 2.27% in February, according to an index kept since 2003
  - 19 The Vaclav Havel Airport Prague will increase the number of direct flights by 19 this summer, thanks to which passengers will be able to fly to 138 destinations in 45 countries without having to change planes. The number of air carriers flying from the Vaclav Havel Airport is expected to increase by 6 to a total of 60. New flight connections include CSA's lines to Liverpool, Britain, Cork, Ireland, Billund, Denmark, and Vaxjo, Sweden, Ryanair's lines to Bremen, Germany, and Jet2.com's line to Belfast, Northern Ireland.
  - 23 The number of the CR's inhabitants is again rising, having reached 10,538,300 in 2014, which was 25,900 more than in 2013 and the highest increase since 2010. The increase was mainly due to the number of immigrants, which was the highest in 6 years. Besides, more people were born than died.  
PM Sobotka and representatives of the Hradec Kralove Region and Škoda Auto signed a cooperation memorandum on the development of the Solnice-Kvasiny industrial zone according to which the zone will get about CZK 2bn from public resources.
  - 24 CzechInvest mediated 147 domestic and foreign investments worth CZK 87bn in the CR in 2014, almost twice as much as in 2013, and the projects are expected to create 16,700 jobs.
  - 25 Car production increased by 5.8% y-o-y in January and February, according to data released by the AIA. Growth was 7.5% in January but slowed in February. TPCA in Kolín recorded by far the biggest increase in production, rolling out around 1/3 more cars than in the same period in 2014.
  - 31 Economy grew by 1.4% y-o-y in Q4 2014, which is a 0.1% worsening against the earlier estimate from the end of February. The statisticians confirmed last year's 2% GDP growth, and a 0.4% q-o-q GDP expansion in the Q4 2014 remained unchanged as well.  
Travel Service has finalised a purchase of 34% of CSA within an option from Korean Air Lines and has become its second largest shareholder.
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- Apr 1** The state budget surplus more than halved to CZK 19.9bn in January to March compared with the Q1 2014. The lower figure was the result of both lower revenues and higher spending.
- 3** Retail sales in the CR advanced at the brisk rate of 6.3% in February compared with the same month a year earlier, the CSO announced.
- 3** Sales of new passenger cars rose by 24% to 53,265 vehicles in the CR in Q1. Almost 76% of the cars were bought by companies. Bestselling Škoda had share of nearly 32%.
- 4** The CR has received a second warning from the EC about air pollution levels in some cities. The latest warning focuses on continued excess dust emissions in the air in the Ostrava and Ústí regions.
- 7** In February 2015, the trade balance ended in a surplus of CZK 18bn, which was by CZK 3.2bn more, y-o-y. Y-o-y, total balance in national concept was favourably influenced mainly by a decrease in deficit in 'mineral fuels, lubricants and related materials' by CZK 5.9bn and by an increase in surplus in 'machinery and transport equipment' by CZK 1.5bn, mainly due to a growth of the trade surplus in 'road vehicles' by CZK 4.4bn
- 8** The trial run of Prague's Blanka tunnel could be launched on September 15, according to the spokesman for ČKD Praha DIZ, company which supplied the cables destroyed during flooding last year. It was originally estimated that their replacement might take several months and cost an additional CZK 1bn, but now it seems their replacement will be less extensive.
- 9** Prices in March climbed by 0.2% compared with the same month a year earlier and by 0.1% compared with February, the CSO announced. The y-o-y inflation rate is slightly higher than the 0.1%age rate over the last three months.  
Unions at the CR's biggest car maker Škoda Auto have given warning that they will be striking over the continued failure to agree a new pay deal with bosses.  
Unemployment in March fell to 7.2% from February's 7.5%. Just over 525,000 were still without jobs after 23,000 were taken off the lists over the month. Jobs opportunities have expanded with the start of seasonal work with vacancies up around 10% at around 76,000.
- 10** In February 2015, industrial production increased at constant prices by 4.5%, y-o-y. Compared to the previous month, seasonally adjusted industrial production was higher by 0.6%. The value of new orders increased by 10.0%, y-o-y.
- 14** A record-high 92% share of German companies operating in the CR would choose the country as the destination for their investments again, according to this year's confidence survey conducted by the Czech-German Chamber of Commerce and Industry. 2/3 of the companies assess the current economic situation in the CR as satisfactory and 29% even describe it as good, which is almost double the number of firms compared with last year's survey.
- 15** Update of the Regional Development Policy of the CR, prepared MRD and approved by the Government, envisages defining 2 new corridors for gas pipelines and, for example, for the development of ports on the Elbe linked to logistics centers.  
The median wage was CZK 21,629, while the average wage amounted to CZK 25,686 last year. Y-o-y, it increased by CZK 474 from last year's CZK 21,155.
- 16** Production of passenger cars in the CR grew by 5.7% to a record 342,516 vehicles in the Q1. Domestic sales of cars manufactured in the CR increased by 28% and exports increased by 7%.
- 17** State debt fell by CZK 550mn to 1,6631bn during the Q1 2015.
- 21** The economy should grow by around 2.5% annually in the coming year, according to MF. GDP should expand by 2.4% in 2015, 2.6% in the following two years and 2.5% in 2018, according to the experts consulted. The MF itself expects growth of 2.7% this year.
- 23** Some 25.7mn foreign tourists visited the CR last year, according to figures released by the CSO and the MRD. Nearly 10% of them merely transited the country and 51.6% of them stayed for 1 day.  
Škoda Auto has reached an agreement with trade unions on a 3.5% wage hike.
- 24** Public finance deficit is to gradually drop from this year's estimated 1.9% of GDP to 0.6% of GDP in 2018 by the MF's data, according to the updated version of the Convergence Programme.
- 27** CEZ should launch a new tender for the construction of further nuclear units next year at the latest, MF Minister Babiš says.  
The Government is aiming to kick start discussion on the adoption of the single European currency. The aim is to confirm a date before 2020 for the switch from the crown to the euro.  
Ability to repay debts is further improving this year. Debts overdue had 8.18% of the adult population of the CR by end of March, while in 2014 it was 8.23%.
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- 29 The EC has approved the first Czech operational programme aimed at drawing EU funds which covers entrepreneurship and innovation for competitiveness. Approval of the operational programme will make the CR eligible for EUR 8bn in EU funds. Altogether EUR 4.4bn will be provided from the ERDF.
- The Chamber of Deputies passed an amendment that prevents new clients from entering the second pillar of the pension scheme introduced by the former centre-right cabinet of PM Petr Nečas. It is the first step in the process of scrapping the second pillar, which enabled people to put part of their pension funds into private insurance companies.
- 29 Large logistics center should be built in Hodonín near the Morava River up to 4 years, which will act as a hub for container brought from all over the world by ship transport.
- 30 The Government has approved a state budget deficit of CZK 70bn for 2016. Under the agreement reached civil servants' pay will rise by 3% and expenditures on science and research will increase by CZK 1.5bn against the original proposal of CZK 28.1bn. PM Sobotka said after the cabinet meeting that the government had agreed to seek extra funds for security, pensions, science and research and co-financing rural development programmes.
- Debts of households at banks and financial institutions rose by CZK 6bn to 1,246bn in March, which is by CZK 36bn more, y-o-y.

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- May 4** The state budget got into a deficit of CZK 0.4bn for the first time in April. In March, the surplus of was CZK 19.9bn. Last April, the surplus was CZK 26.6bn.
- Total employment in Q1 2015 increased by 65,400 persons compared to the same period of 2014; the employment rate of the aged 15-64 years reached 69.3%. The number of the unemployed dropped by 40,700, y-o-y; the number of the long-term unemployed decreased by 2,200 persons. The general unemployment rate of the aged 15-64 years declined by 0.8% y-o-y and was 6.1%.
- 5 MIT Minister Mládek said that the CR should push for its next new nuclear reactor to be constructed at the Dukovany site so that it could start to replace the 4 units that will be gradually phased out there from 2035 onwards.
- The EC has released its spring macro-economic forecast for the CR, predicting a 2.5% growth in 2015 and a 2.6% growth next year. The deficit in public spending should be under 2% of the GDP and inflation at around 0.2%. Inflation was previously projected at 0.8, the other projections remain unchanged.
- 6 In March 2015, sales in retail trade decreased by 0.7% m-o-m. Sales increased by 4.7%, y-o-y; non-adjusted by 5.9%.
- During the first four months of 2015, production of passenger cars and commercial vehicles in the CR increased 3.75% to 446,982 units. According AIA, the number of Škoda vehicles produced in the CR rose by 0.16% to 264,377. Škoda was followed by Hyundai with 108,400 vehicles (+2.04%) produced. The number of produced Toyota, Peugeot and Citroen cars increased most to 74,200 (+22.33%).
- 7 Industrial production rose in the Q1 2015 by 4.6% y-o-y. The rise in industrial production accelerated from 4.5% in February to 6.2% in March. Industrial turnover as a whole rose by 4.4% in the Q1 2015, while the turnover from industrial exports climbed by 6.7%. The number of people employed in industry has also gone up slightly, along with their average gross wages. In March 2015, the trade balance ended in a surplus of CZK 19.2bn, which means a CZK 6.0bn decrease y-o-y.
- The CNB's Board decided at a policy meeting to continue the forex intervention regime, keeping the crown currency near CZK 27/EUR, and it left interest rates unchanged at all-time lows.
- 10 New legislation set to be presented to the government would introduce an environmental tax on cars in the CR that are more than 10 years old. The law, which has been drafted by the ME, also tightens conditions for the disposal of scrap cars and electrical appliances as well as old lights, batteries, solar panels and tyres.
- 11 The CNB has improved its estimate of public finance deficit for this year to 1.6% of GDP from February's estimate of 1.9%. Next year, the public finance gap will be at 1% of economic output, an improvement from February's prediction of 1.1%.
- Wages in the Kolin plant of TPCA will rise by CZK 700 for most of its employees, TUs and the company management agreed within collective bargaining.
- 12 Unemployment in the CR decreased to 6.7% in April from March's 7.2%, the number of unemployed dropped below 500,000 to 491,585 and employers were offering 83,692 jobs, the highest number since December 2008.
- Consumer prices in the CR grew by 0.3% in April against March and by 0.5% y-o-y, 0.3% faster than in March, the CSO announced.
- 15 The economy grew by 3.9% y-o-y in the Q1 2015, significantly faster than in the Q4 2014, according to the preliminary GDP estimate. The numbers y-o-y represent the fastest economic growth since mid-2008.
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- 15 TUs are demanding an increase to the minimum wage of CZK 1,000 per month, which would bring it to CZK 10,200. TUs are also seeking an extra CZK 1,000 for the lowest wages in 2017 and 2018. Employers had said that the minimum wage should rise by only CZK 500 per month.
  - 18 The Government has approved the State Energy Policy putting primary focus on nuclear energy and renewable sources. The strategy comprises of 6 basic scenarios of the long-term development of the energy sector until 2040. The most likely development is that nuclear power will serve as the primary source, followed by natural gas and crude oil.
  - 18 The Government approved a bill on proving the origin of property according to which the tax administration will ask for evidence if the value of unregistered property tops CZK 70nm and will possibly impose a tax on it.
  - 19 V4 countries along with Bulgaria, Romania and Slovakia agreed today on a joint statement in which they are calling on the EC to prepare measures to hamper the allegedly excessive economic power of retail chains in relations with their suppliers.  
The CMKOS asks for a 5% increase in salaries in the non-business sphere in 2016. It required a 3% to 5% increase in the business sphere. Furthermore, the TUs ask for higher sickness benefits for the long-term ill. According to the ČMKOS, the CR should have a vision for its citizens with the aim of improving their quality of life, increasing their income, and dealing with them seriously in terms of salaries or the minimum wage.
  - 20 The IMF predicted that GDP would reach 3.0% this year but slowdown in the mid-term to around 2.25%. A previous estimate saw growth this year at 2.5%. Inflation would be above zero this year before rising towards 2.0% in 2016. The overall tone of the report said that the foundations for strong growth were being laid but criticised aspects of the labour market, tax administration, and public spending.  
The average interest rate on mortgages went down again in April to 2.11%, the lowest value since 2003 when its monitoring started.
  - 21 PM Sobotka on voiced support for the establishment of strategic industrial zone in the former helicopter base in Bochoř, near Přerov. With an area exceeding 300 hectares, it would be one of the largest industrial zones in central Europe.
  - 23 MF Minister Babiš has said that he believes the CEZ should be able to finance the construction of a new nuclear reactor at Dukovany from its own resources.  
Following on from the MF Minister, PM Sobotka visited the Dukovany NPP and outlined his scenario for how the sector should develop. Sobotka said the government's recently approved long term energy framework envisages one new reactor at Dukovany and another at Temelín. Sobotka said Dukovany should have priority, partly because of the strong support for nuclear power in the region, and a tender for the new reactor there could be held by the end of 2016. Dukovany's 4 current reactors are likely to be phased out from 2035 onwards.
  - 26 PM Sobotka's government survived a no-confidence vote in the lower house of Parliament. Out of 184 lawmakers present only 47 supported the no-confidence motion, 105 voted against and 32 abstained.
  - 29 The economy grew by 4.2% y-o-y in the Q1 2015, which is a 0.3% improvement against the preliminary estimate from the middle of May, the CSO announced.
  - 31 The current government will not decide on the date of euro adoption, so there is no reason to organise a referendum about it, as MF Minister Babiš has proposed, PM Sobotka said after a meeting devoted to the single European currency.  
The monthly salaries of employees of state institutions have increased on average by CZK 773 y-o-y, which is an increase by 3.1%.

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**Jun 3** The Government approved the NAPDNE, which says that immediate start of preparations for the construction of one nuclear unit in Dukovany and one in Temelín is desirable.  
The Government approved a draft bill introducing electronic cash registers. Under the new system, restaurants, groceries and other businesses will have to electronically transmit their transactions every month to the tax authorities. The bill is part of a broader effort to fight the grey economy, particularly to clampdown on the billions of crowns of undeclared income, especially VAT, which escapes the tax authorities notice when cash payments are made without being recorded.  
The OECD has published a more optimistic growth outlook for the CR. The OECD revised its forecast for Czech GDP growth in 2015 to 3.1%, compared to November's 2%. According to the OECD, the Czech economic outlook is favorable, driven primarily by strong domestic demand, although it estimates a drop in GDP growth to 2.5% next year.  
The cabinet has approved draft legislation, put forward by the MH, which envisages a blanket ban on smoking in Czech bars and restaurants.

- 5 Average wages grew to CZK 25,306 in Q1, rising by CZK 552 or 2.2% in annual terms, and in real terms they increased by 2.1%. Consumer prices were 0.1% higher. The median wage was CZK 21,143, posting an annual rise of 2.1%. The male and female median wage was CZK 23,035 and CZK 18,998, respectively.
- 8 The unemployment rate in May dropped to 6.4% from April's 6.7%, according to the LO. That means that there are almost 466,000 registered for jobs without work, the lowest figure since June 2009. The number of vacancies stands at almost 93,000, which is the highest figure since November 2008. A year ago the unemployment rate stood at 7.5% with only half as many job vacancies announced.
- 8 The CR had a trade surplus in April of CZK 19.9bn. That is around five times the 4.2bn total for the same month in 2014. Exports of companies rose by around 6.0%. The customary heavy import bill for imported oil, gas, and some specialized chemicals continues to be cushioned by low prices for these raw materials. Overall, the trade surplus with the rest of Europe increased but the deficit with the rest of the world deepened.
- 11 Protest meetings against the lifting of coal mining limits were held in several Czech towns, with the largest gatherings taking place in Prague, Brno, Plzen and Litvinov.  
All of the country's operational programs have now been approved by the EC. In total, about EUR 23.85bn have been earmarked for the CR from the ESIF for the 2014 to 2020 period.
- 15 The MIT Minister Mládek, wants to set up a Government-run company to build nuclear power stations in the CR. However, the MF Minister Babiš, wants CEZ to bear responsibility for the huge investments in the Temelín NPP and elsewhere; PM Sobotka, is inclined towards Mr. Babiš's position.
- 16 The Czech system of electronic registration of sales will differ from the Croatian system that was introduced as of 2013. A bill on electronic sales registration has been approved by the cabinet but has not yet passed through parliament. The state budget may receive about CZK 12.5bn in VAT and income tax collected from retail, restaurant and catering services.  
The Czech financial sector's resilience to possible adverse shocks has improved but a recovery in demand for loans, a drop in interest rates and easing of loan standards are potential risks to financial stability in the future, a CNB's report has said.
- 19 The CR's external debt grew by CZK 30bn to CZK 2,887bn in the Q1 of 2015, accounting for 66.8% of GDP. The debt increase was due to a rise in the stock of Government bonds held by foreign entities and higher short-term deposits accepted from abroad by commercial banks.
- 25 The CNB's Board decided to continue the forex intervention regime and keep the crown currency near CZK 27 per euro, and it also left interest rates unchanged at all-time lows. The base interest rate is 0.05%. The CNB stepped into the currency market to weaken the crown in November 2013.
- 28 The Greek financial crisis will not have direct impacts on the CR as stress tests showed that the Czech financial sector is resilient (to adverse shocks), CNB's Board member said.
- 30 The economy grew by 4% y-o-y in the Q1 of this year, according to a revised estimate, while the previous estimate from the end of May put the growth at 4.2%. The CSO also downgraded its estimate for a q-o-q GDP growth from the original 3.1% to 2.5%. Despite the deterioration, the figures still show the biggest y-o-y growth of GDP since 2007 and the strongest q-o-q growth ever.
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- Jul 1** Deficit of government institutions expressed 1.56% of GDP in the Q1 2015. Compared to Q1 2014, deficit has been reduced by almost 2.3%.  
Applications for asylum in the CR rose in 2014 to total 1,154. Applications from European countries accounted for just over 57% of the demands, those from Asian countries 31%, and African countries just under 8%.  
The CR takes over the year-long presidency of the V4 group.
- 2 The public has been warned to brace for a severe heat wave in the coming days. Currents of hot air moving from Africa, which have driven up temperatures in Spain, Portugal, France and UK, has hit the CR.
- 7 In May 2015, industrial production increased at constant prices by 2.0%, y-o-y. Working day adjusted industrial production increased by 4.6%, y-o-y. Compared to the previous month, seasonally adjusted industrial production was lower by 0.5%. The value of new orders increased by 1.4%, y-o-y. The construction output increased by 11.9%, y-o-y, in real terms. Sales in retail trade after seasonal adjustment increased by 0.4% at constant prices, m-o-m. Working days adjusted sales increased by 6.6%, y-o-y, non-adjusted by 5.4%. All main assortment types of stores recorded growth. The trade balance ended in a surplus of CZK 17,3bn, which means a CZK 4.7bn increase y-o-y.
- 9 China's Hainan Airlines will launch an air route from Prague to Beijing on September 23 and will operate three flights a week, Prague Airport said.  
The unemployment rate in June fell by 0.2% to 6.2%.  
The annual inflation rate hit 0.8% in June compared with 0.7% in May.

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- 10 The ChD approved a bill which would make compulsory electronic registers for cash payments and enable the MF to monitor all transactions made at cash register terminals around the country via a central data base. The proposal is one of the government's main tools in fighting tax evasion, but has come under fire from opposition parties who claim it will be time consuming and expensive and will put an unnecessary burden on the country's entrepreneurs.
  - 16 Rivers across the CR fall to record lows. The majority of the country's rivers are down to 50% of normal levels and in some cases, water levels have dropped to 10%.
  - 21 Public service workers in the CR will get a pay rise in November, the MF said. The size of the salary increase will be discussed in mid-September. MF is in favour of a 3% rise already agreed, but union would be pushing for a higher increase. Last November teachers, fire fighters, police officers and other public service employees got a 3.5% pay rise.  
The current drought in the CR is the worst in 12 years. Streams and underground waters have been affected and the situation is likely to get even worse in view of the fact that heavy rains are not forecast for the near future. All parts of the country have been similarly affected by the drought, though the situation is worst in South Moravia and Polabí in Central Bohemia
  - 22 The Government approved the establishment of an industrial zone in Karviná, which would attract investors and create up to 2,000 new jobs in a region with traditionally high unemployment. The zone which should spread over an area of 90 hectares is to be constructed between 2016 and 2018 with a financial injection from the state amounting to CZK 750mn.
  - 23 The dependence of the Czech economy on exports to EU countries is growing slowly, with 83% of domestic exports heading for the EU in 2015, compared with 82% in 2014 and 81% in 2012 and 2013, the CSO announced.  
The CZK's firming has for the CNB become a factor standing in the way of inflation growth, which could lead to prolongation of the CNB's forex intervention regime.
  - 30 Banks in the CR provided almost 50,000 mortgage loans for CZK 88bn to individuals in the H1 2015, compared with over 41,000 mortgage loans for CZK 67.9bn granted in 2014.  
Stricter rules for the financing of political parties were agreed by the Cabinet. The proposed measures include a CZK 3mn ceiling on donations to a party from an individual or company.
  - 31 The MT is discussing measures which would make rail crossings in the CR safer.

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- Aug 1** Temperatures in the CR will be above average in August, which will further exacerbate the worst drought felt in the country in over a decade.
- 2 The exports will reach a record CZK 3,800bn this year, will be 6 to 7% higher than 2014 and the importance of exports of cars and car components will further increase, according to estimates of the Confederation of Industry and Association of Exporters.
  - 3 In Q2 2015, the employment rate reached 70.2% and grew by 1.5%, y-o-y. The general unemployment rate declined by 1.1% y-o-y and was 5.0%.  
Around 62% of Czechs are happy with their lives with 15% discontented according to a survey by the CVVM polling agency. The rest described themselves as neutral.  
Last month was the hottest July for 9 years. Rainfall was at just 40% of the average level for the month, making July the 4<sup>th</sup> month in a row with below-average precipitation.  
The state budget surplus in the first seven months of the year climbed to CZK 25.7bn from CZK 22.6bn a month earlier, the MF said. The figure is a record for July since the creation of the CR in 1993. At the same time last year, the state surplus stood at CZK 4.5bn. Two main factors contributing to the level of the recent surplus are around CZK 50bn extra in incoming EU funds and around CZK 12bn in extra social contributions.
  - 4 Czechs stand out as the members of EU with the most negative view of immigration from outside the EU according to a survey carried out for the EC. 81% of Czechs perceived immigration from outside the EU negatively, the highest figure in the EU 28. Latvia and Greece followed with 78% each and Slovakia with 77%. Sweden stood out as the sole country where immigration from outside the EU was viewed positively with 2/3 of respondents saying they were in favour. Across the EU, 34% said they were positive about immigration of people from outside the EU and 56% were negative about it.
  - 6 The CNB improved its GDP growth estimate for this year to 3.8% from the previous 2.6% and downgraded its estimate for next year to 2.8% from May's 3.2%.  
According to preliminary data of 'national concept' in current prices, trade balance ended in a surplus of CZK 17.8 bn, which means a CZK 0.1 bn increase y-o-y. Exports grew by 11.0% (to CZK 296.3 bn) and imports by 11.7% (to CZK 278.5 bn), y-o-y. The surplus strengthened in cars and transport machinery with a weaker impact in the traditional deficit from oil and other imported fuels thanks to lower world prices.
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- 6 Industrial production increased at constant prices by 8.1%, y-o-y. Working day adjusted industrial production increased by 5.5%, y-o-y. Compared to the previous month, seasonally adjusted industrial production was higher by 1.0%. The value of new orders increased by 10.3%, y-o-y. Construction output increased by 7.8%, y-o-y, in real terms. The planning and building control authorities granted by 3.4% more building permits and the approximate value of permitted constructions increased by 5.0%. The number of started dwellings jumped up by 37.6% and the number of completed dwellings increased by 15.9%. Sales in retail trade after seasonal adjustment increased by 0.2% at constant prices, m-o-m. Working days adjusted sales increased by 5.7%, y-o-y, non-adjusted by 6.9%. All main assortment types of stores recorded growth.
- 7 In the Q2 2015: Seasonally adjusted sales in services remained unchanged, q-o-q, at constant prices. Working days adjusted sales increased by 2.2%, y-o-y, the same as non-adjusted. The growth of sales was contributed to by all economic activities except for transportation and storage. Number of tourists in accommodation establishments increased by 9.3% y-o-y to 4.4mn and the number of overnight stays by 7.8%. Occupancy has been growing five quarters in row. Trade surplus stands at almost CZK 107bn. Exports and imports have been rising at nearly the same level this year, 6.7% and 7.0% respectively. The CR is experiencing a tropical heatwave with temperatures expected to reach 38°C and possibly even break the absolute record of 40.4°C dating back to 2012. Extreme weather conditions are expected to continue for the next ten days at least, with this summer predicted to be the hottest on record. The CR is one of 21 countries where the risk of terrorism is regarded by the Aon Belgium's study as having receded in the last 12 months. The country's risk is categorized as negligible, along with Austria, Switzerland, Sweden, Finland, and Iceland. Most European countries are given the higher 'low' risk label with France standing out in the higher medium risk category.
- 11 More than CZK 8bn from European subsidies should be spent on fighting drought and on the retention of water in the landscape in the next 5 years, ME said. The CR has invested a lot of money into flood prevention in recent years, but it is poorly prepared for long periods of drought. This year's yield of crops and rapeseed has not been affected by the current drought. Consumption of electricity in the CR has increased due to the extremely hot and dry weather, the demand is currently up by around 8% compared to the same period last year. Most of the energy is being used for air-conditioning and cooling equipment. According to CEPS, the grid has not been overloaded so far, unlike in the neighbouring Poland, where energy supplies had to be curbed for larger consumers.
- 13 The water-management authorities are holding a crisis meeting on the ongoing drought which is now proving a serious threat to the ecosystem.
- 14 According to the preliminary estimate, the GDP increased in the Q2 2015 by 4.4%, y-o-y; compared to the Q1 2015 it was 0.9% up. The growth dynamics is more balanced through all economic activities, in comparison with Q1 2015. On the expenditure side, the growth is contributed to by consumption of households as well as higher investment activity. Employment in terms of national accounts increased by 1.4%, y-o-y, and by 0.2% in the q-o-q comparison. Presently there is no country in Europe that would be rising faster than the Czech economy.
- 18 Domestic companies will get the chance to use money from the Juncker package for the first time in the coming two years, CZK 4.4bn in total, the MIT has announced. Every 25th Czech is over the age of 80, a quarter of a century ago, the number stood at one in 40. Last year, there were more almost 419,000 people in the country over the age of 80, compared to 259,000 in the year 1990. Specialists say marked increase in the number of people living to ripe old age is the single most significant demographic change in the CR this century.
- 19 The average mortgage rate rose slightly in July, ending an 18-month period of decline. The average rate last month was 2.08%, up from a record low of 2.05% in June
- 20 The minimum gross monthly wage will rise by CZK 700 to 9,900, which is an increase of 7.6%, in January after it went up by CZK 700 to 9,200 at the beginning of this year. The CR is in danger of losing CZK 36bn to CZK 50bn for projects financed from EU funds in the worst scenario this year, MRD informed.
- 24 If a new tender process to extend the government is launched, a French company will take part, the French foreign minister Laurent Fabius said.
- 26 The MF in an auction of state bonds today for the first time in the CR's history reached a negative yield, by a bond mature in 3 years the yield was -0.001%.
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28 The CSO confirmed the strong 4.4% annual growth of the economy in Q2 in its revised estimate and improved the preliminary estimate of a q-o-q rise from 0.9 to 1%.

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- Sep 1** The CR is among the three EU countries with the lowest unemployment, according to figures released by Eurostat. The CR, like Malta, had a jobless rate of 5.1% in July, with both behind Germany, which had an unemployment rate of 4%. The EU average was 9.5%.
- 2 President Zeman arrived in China where he attended the celebrations of the 70th anniversary of the end of World War Two in Asia.  
The CNB may keep relaxed monetary policy, including forex interventions, longer than its economic forecast from August expects, the CNB's vice-governor said.
- 4 Average wage in the CR increased by CZK 875 y-o-y to CZK 26,287 a month in the Q2 2015, nominal growth reached 3.4% and real growth 2.7%, the CSO announced. Median wage reached CZK 22,230 a month in Q2 2015 and was 4.3% higher y-o-y. Prague workers have the highest average wages of around CZK 33,714 but the pace of wage rises there is one of the slowest across the country. The lowest wages are in the Karlovy Vary region at CZK 22,470.
- 6 According to MI Minister Chovanec, it is evidence that the vast majority of migrants consider the CR merely a transit country. PM Sobotka said the CR was on the edge of the main current of refugees arriving in Europe.
- 7 The CR ranks among the five EU countries with the fastest-growing industry this year, its industry grew by 5% y-o-y in January-July, the CSO said. In the H1 2015, a faster growth in industry was registered only in Ireland, Hungary, Malta and Poland. The CR remains to be the most industrialised country in Europe, the share of industry in its economy at 47.3% is the biggest of all EU countries.
- 8 The Czech state is going to hire over 12,000 new employees next year, according to a draft budget set for discussion. This would represent a 3% increase in the size of the state workforce to over 436,000. The move will cost around CZK 10bn a year in extra salaries. The police force will see the biggest intake with around 2,500 new jobs being created. The MI Minister Chovanec, said over 1,000 would be deployed in connection with a rise in the number of refugees.  
Unemployment in the CR fell to 6.2% in August from 6.3% in July, according to LO. The LO registered almost 450,700 people out of work last month. Meanwhile, the number of available jobs in August was at the highest level since December 2008. The Prague Region had the lowest jobless rate in August with 4.6%. At the other end of the spectrum was the Ústí nad Labem Region with 9.2%. Analysts expect the overall unemployment rate to keep falling.
- 9 Consumer prices slowed their annual hike again in August, falling by 0.2% from July to 0.3%, and they fell by 0.2% m-o-m, the rate last seen in November 2014, the CSO said.  
Nearly 12.5mn foreign tourists visited the CR in the H1 2015, which is 9.5% more than in the previous year, according to figures released by Czech Tourism and the CSO.
- 11 The CR had 10,541,500 inhabitants and its population increased by 3200 in the first six months of the year thanks to immigrants.
- 13 PM Sobotka criticised the agreement by Russia's Gazprom and its Western counterpart firms on the extension of the Nord Stream gas pipeline as a project that would destabilise Ukraine, and said he expects it to be discussed at the nearest EU summit.
- 15 The salaries of the public sector employees, such as teachers, firefighters and clerks, will rise by 3% as of November, TU agreed with PM Sobotka and MF Minister Babiš, CMKOS umbrella unions head Stredula said.  
State debt fell by CZK 650mn to CZK 1.663tn in the H1 2015, the MF said. That amounts to CZK 158,000 per citizen. Last year the national debt declined by around CZK 20bn. It was the first time it had fallen since 1995.
- 16 The CR's car production could be record-high this year and is likely to exceed last year's 1.24mn units produced, president of the AIA said.  
The average mortgage rate in the CR rose to 2.11% in August, up from 2.08% the previous month. July's rise was the first seen after 15 months of decline.
- 18 Monthly pensions will only be raised by an average of CZK 40 in 2016 as the result of low inflation and a government decision which raised a promised one-off bonus for pensioners from CZK 600 to 900, MLSA Minister Marksová said.
- 21 The CR will most likely fail to draw CZK 10bn up to CZK 12bn for the construction of roads, railway and other transport infrastructure from EU operational programme Transport I, State Transport Infrastructure Fund head said.
- 22 Škoda Auto is not using any more in Europe Volkswagen's engines TDI by which circumventing of emission measuring was detected but it was using them in its older car models, the company said.
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- 23 The Volkswagen diesel emission scandal over illegal software cheating emission tests is likely to hit Czech drivers as well. The Škoda Auto has confirmed that the device was fitted into some of its models, namely the Fabia, Roomster, Octavia and Superb manufactured between from 2009 until 2013. The Government has approved the draft of the state budget for 2016, with a deficit of CZK 70bn, the government's spokesman said.
- 23 MLSA Minister mentioned that quotas on number of agency employees will not be included in prepared proposal on regulation of agency employment.
- 24 The CNB's Board decided to keep interest rates unchanged. The two-week repo rate will be maintained at 0.05%, the discount rate at 0.05% and the Lombard rate at 0.25%. The bank board also confirmed the central bank's commitment to intervene on foreign exchange markets if needed to weaken the crown so as to maintain an exchange rate of CZK 27/EUR.
- 28 Škoda Auto announced on that 1.2mn of its diesel cars are affected by diesel-engine manipulation.
- 30 Some 148,000 cars of the Volkswagen group with diesel engines enabling emission cheating have been sold in the CR, 101,000 of them being Škoda cars and 38,000 Volkswagen cars, MT Minister Ťok said. The economy is growing even faster than expected, according to the CSO. The latest figures put growth in Q2 compared with the same period last year at 4.%. The original August estimate was for 4.4%. That means that the local economy is expanding at the fastest rate since 2007. Q2 growth compared with the Q1 stood at 1.1%.
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- Oct 1** The state budget of CR sank into a CZK 2.8bn deficit in September, while in August it ran a surplus of CZK 19bn, the MF said, adding that it is the best result for September since 2008. The budget had a deficit of CZK 34.4bn in September last year. Full-year gap is projected at CZK 100bn. The average old age pension in the CR was CZK 11,075 a month in 2014.
- 4 CEZ has applied for a permit for further operation of the 1<sup>st</sup> reactor unit of the Dukovany NPP, as the current 10-year licence is expiring as of December 31 this year. The application was submitted to the SUJB on September 24.
- 5 Sales of new cars in the CR have soared by almost 21% in the first nine months of the year with the total reaching just over 171,000. The country's biggest car maker, Škoda Auto, has seen its sales climb by 28% to just short of 55,000. It's slice of the market has risen to 32%. Volkswagen is second in the local sales league followed by Hyundai.
- 6 TUs have insisted that asylum seekers and foreigners with work permits be offered the same conditions as locals. The issue was discussed at meeting between the government, unions, and employers. Employers previously said around 5,000 jobs could easily be filled by immigrants. But some employers have talked about work for immigrants, with the implication that special conditions might be attached.
- 8 The unemployment rate in September dropped to 6% from 6.2% the previous month, according to figures released by the LO. The LO currently registers 441,892 unemployed persons and there are 4.1 applicants per vacancy on average. September's unemployment figure is the lowest since March of 2009. The positive trend is driven by strong economic growth. A slight increase is expected towards the end of the year with the end of seasonal work.
- 11 The economy will expand by 4.3% this year and by 2.6% in 2016, consulting company EY has said in its latest forecast. Other financial institutions are predicting a rise of over 4% for the current year as well. Czech growth will be bigger than the euro zone's. EY puts expansion in the euro area at 1.6% this year and at 1.8% next year.
- 12 The Government has approved a concept on social housing as proposed by the MLSA. The concept, which is to serve as a framework for a law on social housing, envisages three forms of housing for the needy – crisis, social and affordable flats. The draft states under what conditions people will be eligible for social housing. The CR completely lacks social housing, a state of affairs that has repeatedly been criticized by NGOs and charities.
- 16 The CR's state debt fell by CZK 0.6bn to CZK 1,663bn at the end of September, with per capita debt at about CZK 158,000, the MF said. Net interest debt service payments decreased by CZK 2.1bn in annual terms to CZK 40.9bn.
- 19 The Government has approved a 3% pay rise for public sector workers starting from next month. Public sector unions had been pushing for a higher increase. Teachers are to get 3.3% more from November. Employees who come under the Civil Service Law are set to get another 2% rise from January.
- 20 Car production in the first three quarters of 2015 was 4% higher than in the same period last year, according to figures released by the AIA. Just over 970,000 cars rolled off assembly lines in the CR between the start of January and the end of September. Industry figures expect last year's record output of 1.24mn cars to be bettered in 2015.
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- 21** The ChD approved the 2016 budget in the first reading. The bill sets next year's deficit at CZK 70bn, CZK 30bn lower than this year's. A final vote will take place in December. The Government expects this year's deficit will be lower than it originally planned.
- The Government is to make CZK 27bn available over the next 6 years as part of a project aimed at encouraging environmentally friendly home heating with the New Green Savings scheme. Households will be able to apply for grants at any point between now and 2021. The ME wants people to draw with ease on grants that will save them thousands of crowns in the future.
- 30** The MF has improved in its latest forecast a GDP growth estimate for this year to 4.5% from 3.9% in July and for next year to 2.7% from July's 2.5%. GDP increased by 2% last year. The surprisingly strong expansion in the H1 is behind the improved figure for the current year, the MF added.
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- Nov 3** The unemployment rate in the CR has dropped to 4.9% and is the lowest since 2008, according to data released by the CSO. In the Q3 labour offices registered just over 257,000 unemployed, down by 55,000 compared to the same period last year. According to analysts the figures confirm the revitalization of the economy which is in its best shape since the global crisis.
- An increasing number of foreigners are coming to the CR for medical treatment the number of foreigners undergoing treatment at Czech clinics and hospitals has grown by 1/5 in the past 3 years. The highest interest is in eye operations, plastic surgery, assisted reproduction and joint replacement surgery. The Czech health system offers a high standard of care at a lower cost compared to most West European states.
- 4** The CR, the same as Germany, will probably have to order mandatory checks of all the cars of the Volkswagen concern which had software enabling cheating in emission tests, MT Minister said.
- New car sales in the CR are continuing to surge. Sales in the first 10 months of the year ending October are up just over 19% compared with the same period in 2014. Total sales stand at just over 191,000. The Škoda Octavia is the most popular single model counting for around one car in 10. Škoda Auto has around 1/3 of the total new car market in the CR followed by VW with just over a 1/5.
- 5** The CNB in its latest forecast improved its estimate of this year's economic growth to 4.7% from the previous 3.8%.
- The CR's economy should grow by 4.3% in 2015, compared to last year's two%, according to a newly released macro-economic forecast by the EC. The solid growth is expected to drop sharply to 2.2% in the following year. The EC attributes the uneven growth to a slowdown in drawing of EU funds in 2016. According to the prognosis, economic growth should increase again to 2.7% in 2017.
- 6** The public finance deficit will decrease all the way to 0.1% of GDP by 2017, according to an Inflation Report summary published by the CNB.
- In September 2015, industrial production increased by 0.6%, y-o-y; working days adjusted increased by 3.1%. Seasonally and working days adjusted industrial production was higher by 2.6%, m-o-m. The most contributed manufacture of motor vehicles, trailers and semi-trailers (growth by 9.8%), manufacture of rubber and plastic products (growth by 8.2%), and manufacture of fabricated metal products (growth by 5.8%). Development of industrial production was negatively influenced by temporary shutdowns of operation in electricity, gas, steam and air conditioning supply (drop by 18.7%) and manufacture of chemicals and chemical products (drop by 18.7%). The y-o-y drop was also contributed to by manufacture of other transport equipment (drop by 12.9%).
- In September 2015 the construction output increased by 2.4%, y-o-y, in real terms. The working days adjusted construction output in September 2015 was by 3.7% higher, y-o-y. The seasonally adjusted construction output in September 2015 was by 1.1% higher, compared m-o-m. The production in building construction decreased by 4.6%, y-o-y. The production of civil engineering construction recorded a considerable growth by 17.0%, y-o-y. Compared to the same period of 2008, the construction output in the period from this year beginning to the end of September 2015 was by 16.3% lower.
- 9** Consumer prices in October remained unchanged compared with September. This development came primarily from a reduction in prices in 'transport', which was offset by a growth of prices in 'clothing and footwear'. The y-o-y rise in consumer prices amounted to 0.2%.
- 10** The LO registered totally 430,432 job applicants as of October 31, 2015, down 11,640 on September and 89,206 on October 2015. The share of unemployed persons dropped to 5.9%.
- 13** GDP grew by 4.3% y-o-y in the Q3 2015 and compared with the previous quarter, economy expanded by 0.5%, the CSO announced.
- 15** Temelín NPP and Dukovany have stepped up protection preventively in connection with Friday's terrorist attacks in Paris. Reinforcing protection is a standard step in similar situations, CEZ said without disclosing further details.
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- 16 For the first time after 26 months of falling, agricultural producer prices grew by 3.2%. Prices of industrial producers went down by 3.9%. Prices decreased primarily in ‘coke, refined petroleum products’. Prices were lower in ‘chemicals and chemical products’ and ‘basic metals, fabricated metal products’. On the decrease were prices in ‘food products, beverages, tobacco’, thereof ‘dairy products’, ‘other food products’ and ‘preserved meat and meat products’. On the increase were prices in ‘water supply, sewerage, waste management and remediation services’. Prices rose in ‘furniture, other manufactured products’, thereof particularly ‘installation services of industrial machinery and equipment’.
- Among the main industrial groupings, prices of ‘energy’ decreased the most, y-o-y.
- 16 According to an estimate, construction work prices rose by 1.3% and construction material input prices fell by 0.8%.
- Prices of market services in the business sphere went down by 0.1%.
- In September 2015, export prices decreased by 0.3%, import prices by 0.7%, the terms of trade figures reached 100.4%, m-o-m. Export prices decreased by 3.1%, import prices by 3.5%, the terms of trade reached 100.4%, y-o-y.
- 18 The average interest rate on mortgages in the CR in October rose slightly to 2.12% from 2.11% in September. In June and May the rate was 2.05%, the lowest value ever.
- According to President for Energy Union Maroš Šefčovič, the EU will continue to take the lead in the transition to a low-carbon economy and society, also after COP21. If EU wants this fundamental energy transition to be successful, it has to be socially fair and consumer-centred. Because geopolitical challenges will not go away, EU should make sure that it is on top of them. The ‘governance mechanism’ will bring more transparency and predictability to investors and businesses. It will be based on three pillars: the State of the Energy Union report, National Energy and Climate Plans with biannual progress reports and the sector-specific legislation.
- The CR should raise its reserves of fuel for NPPs that it will store at its territory, participants at conference on the country’s raw material security agreed. The CR has reserves for 1 to 1.5 years thus far and the approved energy strategy counts on raising the reserves to up to 4 years in the future.
- 19 According to the governor of the CNB, the earliest date for the country to join the euro would be 2020. Recent surveys have show that some 61% of the Czech population is against adopting the euro. The CR already fulfils many of the criteria for euro adoption, but political will is said to be lacking.
- 20 Car production in the CR increased by 5% to 1.1mn vehicles in the first ten months of this year, according to the ACM.
- Government approved the NAPCM that allows for support of the so-called clean energy in transport. Authorities want build 1,300 charging points for electric vehicles and 200 CNG stations by 2020 and planned is also the construction of 3 to 5 hydrogen stations by 2025 and a 5 public stations for LNG. 250 thousand electric cars, the same number of CNG cars and 1,300 vehicles using liquid natural gas should be used by 2030.
- Meeting the energy saving targets by 2020 to the extent the CR has pledged on the basis of EU directives is not sure, the SAO warned. In the coming 5 years, the country should raise last year’s saving of 7 PF, that is 1.94TWh, by 100% annually.
- The MIT warned that farmers and local councils could be hard hit if a stand-off with the ERO over support payments for 2016 continues. The MIT pointed out that around a 1/3 of the state support which threatens to be blocked is earmarked for bio-gas facilities which have been constructed by farmers and many local Czech councils.

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- Dec 2** The MIT will boost in late 2015 and early 2016 the capacities of its foreign offices in China, Hong Kong and Africa. The MIT is also readying a new office in Teheran, Iran. MIT Minister Mládek has stated that the single foreign network for export support now covers over 90 countries around the world.
- The Government has approved a move to join an upcoming court case in which the Austrian government and Greenpeace’s German branch challenge EC approval of British support for the Hinkley Point C NPP in the ECJ. MIT Minister Mládek said that the country is seeking to be a secondary participant in the two court actions. The minister said Prague believed that individual government’s rights to choose their own national energy policies and energy mix should be upheld and nuclear power should be one option.
- 3 Government political parties are to discuss the ongoing shutdowns and past safety failures at the Dukovany NPP. MIT Minister Mládek said that a meeting of the coalition council will discuss the shutdown of 3 out of 4 of the reactor units since October. The closures have been caused by flawed past X-ray safety checks on reactor pipes by a sub-contracting firm.
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- 4 The average monthly salary in the CR in the Q3 of 2015 rose by CZK 944, compared to the same period last year. Accounting for inflation, real growth was 3.4%. The average monthly pay is currently CZK 26,072. The results exceeded the expectations of analysts, who anticipated a wage hike of up to 3%.
  - 7 Industrial production climbed by 3.8% compared with October 2014. When adjusted for the number of working days, the output increase stood at 6.4%. The value of new orders over the month climbed by 6.5%. The main factor fuelling the output increase was higher production of cars, but production of electricity and chemicals fell back sharply.

The trade balance for October ended with a surplus of CZK 13.3bn, according to the CSO. That is an advance of CZK 1.2bn on the figure for October 2014. The surplus, however, could take a major dent of CZK 9.9bn if a new deal for the Czech army to rent Gripen jet fighter planes is taken into account. The trade balance so far this year shows a surplus of almost CZK 138bn, that is almost CZK 4bn more than in the first 10 months of 2014.
  - 7 The ERO will not pay out support for RES next year unless it is approved by the EC. According to ERO, only about 7% of domestic renewable sources have received approval from the EC. The CR pays out about CZK 45bn annually in support of RES. One of the reasons why most renewable energy producers have not received approval from the EC is that they allegedly receive excessive support from the state. ERO's position was criticised by the MIT, the Czech Photovoltaic Industry Association and the Alliance for Energy Self-sufficiency.
  - 8 Three shutdown reactors at the Dukovany NPP could stay shut until January next year or even February. Checks on welds on pipes at the reactor are taking a lot longer than expected. The 3 units have been closed since mid-September when flaws in X-ray safety checks on pipes by a sub-contractor working for CEZ were revealed. CEZ CEO Beneš had said that he expected the closed units to be up and running by Christmas.
  - 9 Y-o-y inflation in November fell to 0.1% from October's figure of 0.2%. Last month's y-o-y rise in consumer prices is the lowest since February. Compared to October, prices dropped by 0.4%, which was the highest m-on-m decline since September 2013. The slowdown of inflation was caused mainly by the fall in prices of foodstuffs, spirits and fuel.

The ChD approved the draft of the 2016 state budget in its final reading. The proposal envisages expenditures of CZK 1.251tn and revenues of CZK 1.181tn, creating a deficit of CZK 70bns, i.e. CZK 30bn lower than 2015. The lower house has also transferred more funds to be spent on social services, education and sport. The 2016 budget will have to be signed into law by the president
  - 12 The Czech authorities are considering combating problems with drought by transporting water from the Danube to the Vltava or the Labe (Elbe). Two water corridors are being considered. One would lead from Jochenstein in Bavaria or Aschach in Upper Austria to the village of Přední Výtoň by Lake Lipno. The other would start near Bratislava and follow the Danube-Odra-Labe route. Thanks to the Alps, the Danube does not suffer from a shortage of water. A feasibility study is currently being carried out. 2015 has been one of the driest years on record in the CR.
  - 13 Car production in the CR grew by 4.5% y-o-y in the first 11 months of 2015, according to freshly released industry figures. Total output between the start of January and the end of November was 1.21mn.
  - 14 The Parliament will ratify and President Zeman sign the climate agreement approved in Paris, ME Minister Brabec said. "The agreement will take effect at the moment it will be ratified by 55 countries with the minimum proportion of 55% of global emissions," Brabec said. The ratification process is supposed to start next April and to last 12 months.

Support to RES is to be interrupted in the CR only if the EC demands it and until that time the money is to be paid, according to the statement of reasons to a proposed government resolution that is now in comment procedure.
  - 15 CEZ has said it will postpone proceedings aimed at renewing the operating license for the oldest reactor at the Dukovany NPP due to ongoing tests on welds for piping. It has asked the SUJB for permission to continue operation of the plant in the meantime.
  - 16 The CNB's Board confirmed its commitment to intervene on foreign exchange markets until the end of 2016 in order to weaken the crown and maintain an exchange rate of CZK 27/EUR. The board also agreed to keep interest rates, now at a historic low, unchanged. The two-week repo rate will be maintained at 0.05%, the discount rate at 0.05% and the Lombard rate at 0.25%.
  - 17 Farmers estimate the damages caused by this year's drought at CZK 2.6bn. The MA Ministry has prepared a financial injection of CZK 600mn that will be distributed among the farmers hit by the hottest and driest year on record. The harvest of corn, beet root, and potatoes, took the biggest hit, but fruits and vegetables and hops were also affected. The government's national strategy in coping with drought should be concluded by 2016.
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- 18** The state budget deficit will not exceed CZK 70bn this year, i.e. CZK 30bn less than projected, the MF said in the released state debt financing and management strategy for 2016. The government is committed to gradually reducing the gap in public spending, with the 2015 deficit having been projected at CZK 100 bn, and CZK 70bn for 2016. The long-term plan is for the deficit to reach CZK 60bn in 2017 and CZK 50bn in 2018.

The V4 countries are defending a common position at the EU summit in Brussels. In a joint declaration, the V4 underscored the need for the reliable protection of the EU's external borders and for the full operability of planned hotspots so as to ensure that the entry of all persons to the EU is fully under control. Moreover, the V4 countries called on all their European partners to support and preserve the Schengen Area as one of the basic building blocks of the European integration process. The V4 is prepared to support the United Kingdom's proposals aimed at strengthening competitiveness and increasing the role of national parliaments. However, V4 countries consider free movement one of the fundamental values of the European Union and will not support any proposal that would be discriminatory or restrictive with regard to this freedom.

- 18** The SUJB has extended the operating license for the first reactor of the Dukovany NPP until the end of March. The present license expires at the end of this year and the power utility CEZ, which operates the plant, asked the SUJB to suspend the administrative proceedings concerning a new license until February 28 because it needs more time to carry out extended checks at the unit. According to the SUJB, the postponement will have no impact on the power plant's operation.

The lower house of Parliament has approved a government proposal which will enable the CR to contribute over 800 soldiers to the NATO rapid response forces next year, instead of the previously approved 452. MD Minister Stropnický requested the amendment due to a general revision of the concept of NATO's rapid reaction forces which involves bigger contributions by individual membership countries. The Senate has already consented to the change.

- 22** PM Sobotka and the leaders of three Czech trade's unions have signed a collective agreement on civil service employees. Under the deal, which comes into effect at the start of next month, such workers will get five days paid sick leave a year. They will also receive special bonuses linked to landmark birthdays and for spending set periods in service. For instance, staff who reach the age of 60 will get CZK 10,000, as will employees who have been in service for 10 years.

The Czech government decided that no move would be made in 2016 to dump the Czech crown and adopt the euro. The CR currently meets nearly all the criteria for joining the euro zone apart from a minimum two year term in the ERM-2, in which the Czech crown would have a limited range to move against the euro. Decision still means that the earliest date for Czech adoption of the euro remains 2020.

- 27** Retailers say they have seen an increase in post-Christmas sales of up to 20% y-o-y. Consumer interest is traditionally boosted by slashes in prices of as much as 70 or even 75% on some items. Retailers traditionally offer major discounts between December 26 and January 6, although some continue sales even longer in January. According to the CTK, customers express the greatest interest in discounted winter apparel, electronic items, foodstuffs as well as firecrackers and fireworks for New Year's Eve.

- 28** The ERO will clear the way for state support for renewable energy sources to the tune of CZK 42bn crowns next year. The decision came in the wake of a call from the MIT which said the government's commitment regarding state support for renewables had now been published in the code of regulations.

Automobile production in the CR will surpass last year's record by three percent, the CI has confirmed. In 2015, some 1,285,000 cars were produced. In order to surpass last year's numbers, almost 40,000 cars needed to be manufactured in December, and 60 vehicles in the category of transport trucks. Bus and motorcycle manufacture passed last year's figures in November.

- 29** The minimum wage in the CR should increase further in the coming years, PM Sobotka said. He reiterated the government's commitment to increasing people's motivation to work saying he wanted to see the minimum wage in the CR reach CZK 11,000 in January 2017, which would amount to 40% of the average wage. The CI has criticized a further increase of the minimum wage, calling it "pre-election populism" on the part of the ruling coalition.

- 30** Average life expectancy for Czechs has this year risen to almost 76 years for men and 82 years for women, an increase of around seven months on the figures recorded in 2014, according to official government data. The average Czech male is now living 4.2 years longer than in the year 2000 with his female equivalent now living 3.4 more years. The trend has been attributed to better healthcare, healthier lifestyles and an improved environment.
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31 Czech household debt is on the rise with the overall sum owned to banks reaching CZK 1.321bn at the end of November, according to statistics released by the CNB. The debts of Czech households to banks grew by CZK 6.3bn m-o-m and by CZK 90bn y-o-y. Housing loans traditionally make up the biggest part of household debts. The debts of businesses decreased slightly dropping by CZK 247mn m-o-m to CZK 1.127bn.

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注：本報告は、チェコ政府公表資料、新聞等報道資料をとりまとめたもの。

<sup>i</sup> **ACM**: Association of Car Makers; **AIA**: Automotive Industry Association; **Bn**: billion; **CEPS**: Czech Electricity Transmission System Operator; **ChD**: Chamber of Deputies of the Parliament; **CI**: Confederation of Industry; **CIA**: Car Importers' Association; **CNB**: Czech National Bank; **CNG**: Compressed natural gas; **CR**: Czech Republic; **CSA**: Czech Airlines; **CSO**: Czech Statistical Office; **CTK**: Czech News Agency; **CZK**: Czech crown; **EY**: Ernst&Young; **EC**: European Commission; **ECJ**: European Court of Justice; **ERDF**: European Fund for Regional Development; **ERO**: Energy Regulator Office; **ESIF**: European Structural and Investment Fund **EU**: European Union; **FDI**: Foreign direct investment; **GDP**: Gross Domestic Product; **GVA**: Gross Value Added; **H**: Half of year; **LNG**: Liquefied natural gas; **LO**: Labour Office; **M-o-m**: month-on-month; **MF**: Ministry of Finance; **ME**: Ministry of Environment; **MH**: Ministry of Health; **MI**: Ministry of the Interior; **MIT**: Ministry of Industry and Trade; **MLSA**: Labour and Social Affairs Ministry; **Mn**: million; **MRD**: Ministry of Regional Development; **MT**: Ministry of Transport; **NAPDNE**: National Action Plan of Development of Nuclear Energy; **NAPCM**: National Action Plan for Clean Mobility; **NGO**: non-government organisation; **NHI**: National Heritage Institute; **NPP**: NPP; **PF**: petajoules; **PM**: Prime Minister; **Q-o-q**: quarter-on-quarter; **Q**: Quarter; **RES**: renewable sources; **SAO**: Supreme Audit Office; **SRMA**: State Material Reserves Administration; **SUJB**: State Nuclear Safety Authority; **t**: tonnes; **Tn**: trillion; **TU**: Trade union; **Y-o-y**: year-on-year; **V4**: Visegrad Four; **VAT**: Value Added Tax