

チェコ経済月報(4月9日)

主な動き*

目

- Jan 1** The year 2019 will bring 3 significant anniversaries. Czechs will mark 30 years since the Velvet Revolution that toppled 4 decades of communist rule, 20 years since the CR's admission to NATO and 15 years since the CR joined the EU.
PM Babiš does not rule out a cabinet reshuffle this year. The ANO leader said he would definitely be speaking to some ministers in the party's minority coalition with the ČSSD. The KSČM, who support the government on key votes, are dissatisfied with the work of ANO nominee Ťok as MT Minister and the ČSSD's MFA Minister Petříček. Mr. Babiš said that Mr. Ťok needed to get tougher and deliver results, adding that he would also get tougher. ČSSD leader Hamáček says he is opposed to any of the ČSSD's ministers being replaced.
- 4** The CR's state budget for 2018 ended with a surplus of CZK2.9bn, said MF Minister Schillerová. According to the MF, it is the 2nd best result since 1996. The MF had initially planned for a CZK50bn budget deficit.
- 5** The Cabinet will later this month weigh up changing the title of the MRD. PM Babiš wants to have the government department – which was set up 22 years ago – renamed the Ministry of Public Investment, a move that would be accompanied by a rearrangement of the purviews of government offices. The MRD Minister Dostálová is in favour of the change. However, other cabinet members have said they need time to consider the matter.
- 8** The Cabinet has agreed on special legislation in the event of a “hard Brexit” to treat Britons living here as if they were EU nationals up until December 31, 2020. That date mirrors one for a similar policy which the British government has announced for EU nationals living within the UK. The Czechs government hopes to get the legislation passed as soon as possible. The draft special legislation was prepared primarily by the MI and is to be put into action if a hard Brexit were to take place in March 2019.
The Cabinet has ordered the administrators of the CR's critical infrastructure to carry out an analysis of the risks of using software and hardware produced by Chinese Huawei and ZTE. This concerns a total of 160 public and private organisations. The NCISA has been instructed to provide them with assistance in this regard, PM Babiš said. The NCISA last month flagged up the usage of Huawei and ZTE products as a potential security threat.
- Y-o-y growth in industrial output in the CR slowed to 4.8% in November. In October growth had reached 6.7%. However, taking into account seasonal factors, industrial output actually rose by 0.9%. The main driver of growth remained motor vehicle production, which went up by 10.2%. By contrast construction stagnated in the 11th month of 2018 following growth of 10.4% in October.
- 9** Unemployment in the CR rose from 2.8% in November to 3.1% in December. The increase followed a 4-month period of stagnation. However, December's unemployment rate was still lower than the same time the previous year, when it stood at 3.8%. The total number of people out of work last month was the lowest for December since 1996. The vacant jobs figure was up both m-o-m and y-o-y.
The CR had by the end last year received about 25% of the total CZK582.9bn in EU funds allocated to the CR for the 2014-2020 programme period, according to the MRD, which is responsible for the absorption of EU funds. The MRD said all 10 operational programmes fulfilled the set conditions and thus the CR does not have to return any money, which amounts to CZK145.6bn.
- 10** Consumer prices in the CR rose by 2.1% in 2018. It was the 3rd highest average annual rate of inflation in 10 years, according to the CSO. The cost of basic necessities, such as food, housing and transport, accounted for the largest part of the increase, along alcohol and tobacco. Consumer prices in December increased by 0.1% compared with November, driven mainly by price increases in food and non-alcoholic beverages. The CNB has set an annual average inflation rate target of 2% and last year raised the base interest rate 5 times to tame inflation. CNB governor Rusnok said further tightening of monetary policy is likely this year.
- 10** The MFA Minister Petříček said the Chinese ambassador to Prague, Zhang Jiangmen that publicising the content of a private meeting was inappropriate. This was a reference to talks between Czech PM Babiš and Mr. Zhang before Christmas. Afterwards the Chinese envoy said on social media that the Czech leader had climbed down over banning Chinese-made Huawei mobile phones at the OGCR. Mr. Babiš later said this was a lie. Mr. Petříček said he believed the discussion would ensure similar misunderstandings did not occur again. The PM ordered 160 key Czech organisations to look into whether they were at risk from using products made by Huawei or another Chinese firm, ZTE.

11 The economy grew 2.4% y-o-y in the Q₃ 2018 and by 0.6% in quarterly terms, the CSO said. Per capita income rose 2.8% in annual terms during the Q₃, when the average monthly salary reached CZK26,442. Meanwhile, retail sales excluding cars and motorcycles rose by 6.1% y-o-y in November, about 1.5pps above the market consensus.

Jan 11 The MEYS will back a proposal by the teachers' TU to raise the average salary of teachers by the end of 2021 to CZK49,450. That amounts to a 35% increase from current levels and about CZK5,000 more than the coalition government has committed to so far. To reach figure of CZK49,450, the TU expect a 15% increases this year and in 2020, followed by a 10% increase in 2021.

14 The greatest problem the health system is currently facing is a lack of nurses, MH Minister Vojtěch and President Zeman agreed after a meeting. Laying out his plans for 2019, the MH Minister said he wanted to increase shift rewards for nurses by CZK5,000. Both men also agreed on the necessity of digitising the health sector. CZK320bn has been allocated to the MH in 2019, CZK23bn more than last year.

EU auditors have begun examining documents held in Prague by the SZIF in connection with allegations of conflict of interest on the part of the PM Babiš and the company Agrofert, which he placed in trust funds 2 years ago. Similar controls began at the MRD and the MLSA. Critics say that Mr. Babiš is still able to influence Agrofert despite it being in trust funds. They also say that as PM he has influence over negotiations on the EU budget and the use of EU funds in the CR. The PM is facing criminal charges of abusing EU subsidies in connection with a hotel and conference centre near Prague. He denies any wrongdoing and says he is the victim of a politically motivated campaign.

15 The UK's departure from the EU would affect a great many Czech citizens living in Great Britain, the MFA Minister Petříček said. He said Czech estimates put the figure at around 100,000. Mr. Petříček said he would regard a possible no-deal Brexit as unfortunate but said the Cabinet would also have to plan for such an eventuality. The minister also said elections to the EP in March would be a test of the resilience of European liberal democracy and the EU as a whole.

16 The average mortgage rate rose to 2.91% in December from 2.78% the previous month. Mortgages have risen at the fastest rate in 10 years. The size of an average mortgage loan grew steadily throughout 2018 to stand at nearly CZK2.3mn in December. The number of applicants had surged in September as people sought to get mortgages before tougher lending guidelines set by the CNB came into effect on October 1. Under the guidelines, a borrower should not be eligible for a loan which is greater than 9 times their annual net income, or need to spend over 45% of their monthly net income to service the debt.

17 Illegal migration to the CR has stabilised since the migrant crisis of 2015, with fewer than 5,000 people found to be in the CR last year without required papers. The majority of the 4,992 foreigners found to be in the country illegally were Ukrainians, followed by Moldavians, Vietnamese, and Russians. In total, that is 254 more people than in 2017. The number of foreigners who arrived legally but overstayed their visas rose by 165 to 4,653.

20 PM Babiš has confirmed that a government planned tax reform will have to be postponed until 2021 since the national budget could not afford the subsequent fall-out in revenues it would bring about. The opposition parties have criticized the delay. The proposed tax reform envisages the abolition of the so-called "super gross" tax wage. Instead, the draft amendment introduces a progressive tax rate of 19% for income of up to CZK1.5mn and 24% for income above this amount. Entrepreneurs, including those claiming expenses as a percentage of income, will be allowed to deduct 75% of social security and health insurance contributions paid.

22 The ChD has voted to return pay for the 1st 3 days of illness to Czech employees from July of next year. MPs overruled a Senate veto of a bill to that effect, which was tabled by the ČSSD. Senators argued that the current legislation – under which the 1st 3 days are unpaid – keeps the sickness rate down. However, the MLSA Minister Maláčová said employees should not be punished for being unwell.

23 The average price of new homes sold in Prague reached CZK101,091/m² by the end of 2018, an increase of 18.6% y-o-y. The number of residential dwellings sold dropped by 9% to 5,000 last year, the lowest since 2012. The most expensive flats are traditionally in Prague 1 (currently at CZK198,000/m²) and in Prague 2 (CZK164,000/m²). The most affordable apartments are in Prague 4 and Prague 10, where the average price is CZK89,000/m². In terms of price/m², smaller flats are more expensive than larger ones, regardless of location.

Air traffic over the CR set a new record in 2018. The number of take-offs, landings, and flyover flights increased by 6.9% y-o-y, to 912,815 in total. An average of 2,500 aircraft used domestic airspace in a given day. The busiest traffic was also at Prague's Airport, where the number of take-offs and landings grew y-o-y by 4.8% to 155,216. Total traffic at Czech airports rose by 3.5% in annual terms.

The Cabinet is looking to introduce changes to the educational system to place greater emphasis on apprenticeships. The move is part of a long-term strategic plan to increase the CR's overall competitiveness and bolster innovation. Among those working on the plan are experts from the CI, CCC, ASMP, and representatives of schools and the MEYS and MIT. PM Babiš, as chair of the government's R&D council, will oversee implementation of the strategic plan, which identifies 10 key areas requiring fundamental change. These include creating half a dozen development centres for making breakthroughs in artificial intelligence, laser technology and nanotechnology.

Jan 24 Overall confidence in the economy has declined for a 3rd consecutive month, dropping by 0.6 points to 98 points. Compared to last January, overall confidence in the economy is down, with levels lower for both business and consumers y-o-y. Overall confidence in the economy last dipped below 98 points in July 2017, when it stood at 97.7 points. However, while business confidence has fallen in monthly terms, that of consumers has not, holding steady at December's level.

The production of passenger cars in the CR increased by 1.7% last year to a new record of 1.437mn vehicles, the AIA said. Production has now grown for a 5th straight year. Exports of passenger cars rose 2% y-o-y while domestic purchases dropped 1.7% in 2018. Škoda Auto increased its production to 886,103 cars, up 3.3% in annual terms. It said growth was due to the modernisation and expansion of its Czech manufacturing plants. Hyundai, on the other hand, recorded a 4.6% drop in production to 340,300 cars. TPCA, returned to production growth with a 6% increase to 210,993 vehicles.

The EET introduced to counter the grey economy and tax fraud brought some CZK12.3bn into state coffers last year, MF Minister Schillerová said. The MF had projected that receipts from the online sales-reporting system would be some CZK600mn lower, she said. Compared to 2017, last year's EET revenue increased by CZK4.4bn. The EET system was introduced in stages, starting in December 2016, when it applied only to restaurants and accommodation facilities. As of March 2017, it also became mandatory for wholesalers and retailers. The planned 3rd and 4th "waves" will affect craftspeople and food producers such as farmers' markets. These are unlikely to take effect until 2020.

According to the Median, the ANO would win the general election with 30% now, 0.5% more than in November, followed by the ODS with a 2% rise, winning 15.5, and the Pirates with a 0.5% rise, reaching 13.5. The ČSSD would finish 4th with 9%, 1.5% less than in November, followed by the SPD with a 2% drop to 8% and the KSČM with a modest gain, reaching 7.5%. Other parties have not passed the 5% ChD threshold.

25 Speaking at the World Economic Forum in Davos, PM Babiš said cyber-security concerns should be resolved at EU-level. The PM met with the Huawei representative within the framework of the forum, to inform him about the present situation. He said that in the wake of a security warning regarding Huawei products by the NCISA, Czech experts were analysing the possible security risks to the CR's infrastructure. When the warning was released a few weeks ago PM Babiš ordered the OGCR to cease using mobile phones produced by the Chinese company. Other Cabinet bodies have followed suit.

26 The Union of Judges is preparing to upgrade its ethical codex in connection with suspicions that President Zeman had tried to influence the outcome of court rulings in cases that involved the Office of the President or that he felt strongly about. It has emerged that the president's chancellor met with judges on a number of occasions to inform them about the president's stance on a given court case. The CC's president Rychetský stressed in connection with the scandal that he trusted the independence of Czech courts and the said meetings did not automatically mean that judges were influenced by them. On the other hand, he said the matter was serious in that such incidents inevitably undermined public trust in the judiciary.

29 The crime rate in the CR declined by 4.9% in 2018. It was the 5th year in a row that the number of reported crimes was down. Just over ½ of the crimes reported last year involved property. Some 116 murders were registered, 30 fewer than in 2017. The police said they had managed to clear up 54.9% of all the crimes they dealt with.

The CR has improved its standing in TI's Annual Corruption Index for 2018. The CR has moved 4 rungs up the ladder to 38th spot in the worldwide rankings. Under TI's criteria, the CR picked up 59 points compared to 57 in 2017. However, it is still lagging behind the EU average by 6 points.

30 Senators from the Liberal Democratic Caucus - Senator 21 say they will take legal action against President Zeman for alleged gross violations of the Constitution. Senator 21 caucus head Láska said that the impetus stemmed from improper interventions by the president and his staff.

31 The CR obtained CZK45.3bn more from the coffers of the EU last year than it put in, according to the MF. The difference in 2017 was CZK56bn. The MF said the gap had decreased partly because of higher Czech contributions to the EU and partly because a rise in the use of EU funds for the 2014 to 2020 period had not offset a decline in EU budget revenues in the previous 7-year period. The CR has been a net beneficiary of EU funds every year since it joined the bloc in 2004.

- Feb 2** The MF says that if the UK leaves the EU without having reached a deal it would lead to poorer economic results in the CR. A no-deal Brexit would result in GDP growth of below 2.0% this year, between 0.6% and 0.8% less than would otherwise have been expected. If the UK exits the EU with a deal the Czech economy should expand by 2.5% in 2019, the MF believe.
- 3** The Cabinet is preparing more significant income tax cuts than previously planned to make up for the fact that the planned abolition of the so-called “super gross” tax wage has been postponed until 2021. Under a tax reform bill being drafted by the MF the income tax Czechs pay could drop from the present 20 to under 19%. MF Minister Schillerová said she wanted to link the proposed tax changes with changes to the health insurance system. On the other hand, the PM has stressed the need to cut expenditures in public administration and has requested ministers from his own party to outline their cost-saving plans.
- Feb 6** The CR ranks 12th among EU countries with a 2% share in the EU's total industrial output, the CSO announced. Czech industrial output grew 3% y-o-y in 2018, the 5th consecutive year of growth. Although above the EU average, the full-year growth rate slowed from 6.5% in 2017. Leading 2018 growth was the production of computer, electronic and optical equipment, and metals. In previous years, the automobile industry was the biggest contributor.
- PM Babiš has been fined CZK200,000 on a misdemeanour charge by the local authority in the town of Černošice after it ruled that he was in conflict of interest because he continued to control media outlets via the Agrofert conglomerate. Mr. Babiš's lawyers have filed an appeal against the decision by the authorities in Černošice near Prague, where he lives. A complaint had been taken to them by the Czech branch of TI. The PM is suspected of still controlling the huge Agrofert group despite having formally transferred ownership to trust funds. He denies this. The EC is currently investigating Agrofert's receipt of EU subsidies.
- The foreign trade surplus dropped by CZK30.8bn y-o-y in 2018 to of CZK132.7bn. Compared to 2017, exports of domestic companies increased by 3.5% and imports rose 4.6%. Germany was the country's largest trading partner, accounting for about a 1/3 of Czech exports and a 1/4 of imports.
- 7** Hotels and other accommodation facilities saw a record number of tourists in 2018. The overall number of tourists accommodated in hotels, bed and breakfasts and camps reached 21.3mn, which is an increase of 6.4% on the previous year. The number of overnight stays in the CR increased as well, reaching over 55mn. Over 10.6mn foreign tourists visited the CR last year. The biggest number came from Germany, followed by visitors from Slovakia, Poland and China.
- 8** The CNB has lowered its surplus predictions for the public finances in 2019 and 2020. In November it said the surplus should reach 1.3% this year. However, it has now revised that figure to 1.2%. Meanwhile, the CNB has reduced its surplus estimate for next year by 2pps. Overall growth predictions for the Czech economy in 2019 have also been cut to 2.9%, 0.4pps lower than the November forecast. Government debt is still very low in the CR compared to among its V4 neighbours. In 2017 it stood at 34.6%, more than 15% lower than in Slovakia and nearly 40% behind that of Hungary.
- While January's unemployment rates were still the lowest since 1997, the LO reports that the number of people without work has increased to 3.3%. Analysts expected this increase due to seasonal factors. However, the numbers are higher by 0.1pps than their projections indicated. Economists do not expect another major decrease in unemployment like that seen in 2018. Furthermore, the growth in vacancies is also projected to go down this year. Despite increases in the past 2 months, unemployment levels in 2019 are expected to continue being very low and to fall below 3.0% with the onset of spring. This trend is also expected to put further pressure on employers to increase wages.
- The MLSA is considering more regulation of agency employment. It also wants the LO to have more powers to combat the exploitation of foreign workers, MLSA Minister Maláčová said. She said these measures were part of a larger set that will be included in an employment bill due to be published in the Q₂ 2019. She also reacted to a German investigative article, which reported on miserable conditions for migrant workers employed at a Czech company owned by Agrofert. Ms. Maláčová said the article could act as an incentive for an investigation by labour inspectors. Mr. Babiš has said the story was ‘made up’.
- 9** The ME Minister Brabec says that this winter may partly compensate for the drought suffered by much of the CR in 2018. However, he said large amounts of snow were no guarantee drought would not occur in summer and warned that Czechs would have to prepare for a lack of water. Mr. Brabec said some municipalities needed to receive supplies of drinking water in February, which was unheard of. The days of “water prosperity” are over, he said. This week the government announced water management plans aimed at preventing drought becoming a recurring long-term problem.
- 10** According to Kantar, if elections had been held last month ANO would have come 1st on 32%. The Pirates would have come 2nd on 16.5%, ahead of ODS on 13.5%. All of the parties that are currently in the ChD would make it back in. However, 3 of them – including the ČSSD – would receive 5%, which is the threshold for election to the ChD.

- 12 The MD wants greater powers in defending the CR's infrastructure against cyber-attacks. MD Minister Metnar has prepared an amendment to the law on military intelligence which would allow military experts to trace and pre-empt cyber strikes effectively. A similar proposal was rejected by ChD earlier due to concerns regarding invasion of people's privacy. He argued that at a time when the functioning of the state depends on computer networks it is essential to protect hospitals, NPPs, banking systems and other key institutions effectively.
- 13 The CSO has reported a 5 month high in y-o-y inflation growth, which reached 2.5% in January. Housing costs as well as alcohol and tobacco prices experienced a particularly high surge. The highest increase is noticeable in electricity prices, which went up by 8.2%. Meanwhile food supplies experienced the biggest decrease in costs, with sugar prices down by almost a 1/4. However, foodstuffs are soon expected to increase as well. Analysts expect inflation rates to continue to rise up to 2.7% in the coming months. However, they expect the economy's lower growth predictions in 2019 will eventually slow down inflation as well.

Feb 13 The LO Inspection says it will crack down on foreign worker discrimination. Currently there are great disparities between Czech and migrant workers in areas such as salaries, working hours and holiday periods. The primary task is to ensure employers respect the EU employment law. With low unemployment rates in the CR, the number of foreign workers has been growing steadily in recent years reaching 5% of the population in June 2018. Many find work through so called employment agencies, which act as intermediaries and labour inspectors say they will also be one of the targets of the investigation. Data from previous years shows that especially among construction companies there is a large number of workers who lack work permits.

- 14 ČEZ says it is planning to invest CZK1.5bn into the Temelín NPP this year. ČEZ says its main aim is to modernise the NPP and strengthen its security.

- 15 GDP growth slowed to 3.0% in 2018 from 2017's 4.5% and in Q₄ alone the economy expanded by 2.9% in y-o-y terms, against the annual hike of 5.0% in the Q₄ 2017, CSO said in its preliminary estimate. Domestic demand boosted the economic performance. The annual hike in Q₄ was the 2nd fastest during the year, with Q₁ reporting a rise of 4.1% and both Q₂ and Q₃ seeing a 2.4% economic expansion. The economy grew faster at the end of the year compared to the previous quarter. In q-o-q terms, the Q₄ growth of 1.0% was the fastest over the past 6 quarters. Q₄ economic performance was mainly driven by foreign demand, but demand for investments goods on the domestic market also contributed to the expansion. GDP growth for Q₄ and the entire year 2018 was better than expected by analysts. They envisaged a Q₄ rise of 2.4% and a full-year increase of 2.8%.

The KSČM, whose support PM Babiš's Cabinet relies upon, is pushing for the ouster of 3 ministers. It wants to see MFA Minister Petříček (ČSSD) replaced, along with MT Minister Ťok and MH Minister Vojtěch (both ANO). The KSČM has threatened to withdraw their tolerance of the Cabinet on several occasions if their demands were not met.

The NCISA has reiterated its warning that Huawei and ZTE products should not be used in Czech critical infrastructure. The agency sent its reply to Huawei, following the company's request for a cancellation or modification of its statement originally issued in December last year. Huawei said the warning was in violation of international law and has threatened the CR with an international lawsuit. The Cabinet asked critical infrastructure administrators to analyse the risks posed by using Chinese hardware and software in January.

- 17 Average rents in Prague rose by 3% last year to CZK 340/m², a slower pace than in the previous year. The steepest average rise was in Prague 7 (11.4%) followed by Prague 1 (by 8.5%) and Prague 3 (by 8.1%). The highest average rents were in the city centre, at CZK 433/m² in Prague 1 and CZK 389/m² in Prague 2. The lowest were in Prague 9 (CZK 299/ m²) and Prague 10 (CZK 303/ m²). The number of available rental units in Prague fell by 15% y-o-y to 6,324 last year.

PM Babiš pledged to abolish the "super gross" tax wage as part of a wider tax reform effort that would reduce taxes on employees. Mr. Babiš said he also wants to revise social benefits policies to be more pro-family. He equated a decline in Czech birth rates with a high tax burden. He was re-elected chairman of the ANO party.

Most Czechs living in big cities are exposed to levels of harmful noise levels, according to a noise map published by the MH. People exposed to above 40 decibels of noise at night are prone to suffer sleep disorders and insomnia. Those exposed to above 55 decibels during the day, the equivalent to the noise of a busy street, are at greater risk of having high blood pressure. According to the map, 90% of Czechs sleep in an environment where the average level exceeds 40 decibels and 10% where the level is even higher than 60 decibels.

Total assets of the CR amounted to CZK5.2tn at the end of 2017, up 1.3% y-o-y, according to the MF. As an accounting entity, the CR posted a profit of about CZK181bn last year, up 43% in annual terms.

18 PM Babiš on outlined his government's innovation strategy for coming decade. He said the main goal was for the country to move towards final products and creating greater added value, which would benefit employees, companies and the state. He said his ambition was to see the CR in the first European league of innovative countries. The opposition has criticized the PM for failing to support this trend in the past. In 2018 the CR dropped out of the list of 25 most innovative countries.

20 The average monthly salary in the Czech automotive industry rose by 8.7% last year to CZK40,865, or 31% above the national average. The number of employees in the sector increased by 3.8% to 133,000. Production of passenger cars in the CR increased by 1.7% last year to a record of 1.437mn cars. It has grown for 5 years in a row.

Farmers have applied for a total of CZK2.25bn in compensation for last year's severe drought. The state has thus far earmarked CZK2bn for this purpose. The government announced in February a new water management plan aimed at preventing drought from becoming a recurring long-term problem. ME Minister Brabec noted that municipalities needed external drinking water supplies in February, an unheard of situation signalling the days of "water prosperity" are over.

The average mortgage rate in the CR rose to 3.0% in January from 2.9% the previous month. The average rate has been climbing since reaching a record low of 1.8% in December 2016. In January 2018 it stood at 2.3%. The number of new housing loan contracts signed in January was the lowest in 5 years.

Feb 20 Foreign film crews spent more than 1,000 days shooting at Czech locations and studios last year, spending CZK5bn. Series accounted for about ⅓ of overall foreign productions. The CR in 2016 tweaked its incentives scheme to attract more foreign producers. It now offers a 20% rebate on qualifying Czech spend and up to a 10% rebate on qualifying international spend. Year 2018 was one of the strongest years in terms of the number of foreign projects filmed here and amount spent. In total, 40 foreign TV series and films were shot.

The CR will require all beef imported from Poland to undergo special inspections following the discovery of some 700kg of meat containing traces of the Salmonella bacteria. Authorities are now working to determine whether any infected meat has been sold to consumers".

21 The White House has officially confirmed the visit of Czech PM Babiš to Washington. President Trump will receive Mr. Babiš in the White House on March 7. The invitation came on the first day of a visit to Washington by MFA Minister Petříček, who is due to discuss bilateral and global issues with the US secretaries of state and defence, and President Trump's national security advisor. Cybersecurity issues – not least concerning those the Trump Administration says are presented by using products of Huawei and allowing implementing 5G infrastructure – are high on the Czech agenda.

Around ⅓ of the CR has very low or extremely low levels of underground waters, ME Minister Brabec said. The situation is particularly bad in central Moravia and Polabí in Central Bohemia. In many places, water towers have to be filled from water tanks. Mr. Brabec said this year's abundance of snow had no effect on the current drought which has been affecting the CR for 5 consecutive years.

22 According to the CVVM, the ANO would win a general election with some 30%, while the ODS would catch up with the 2nd Pirates. The ČSSD has weakened since January and would only narrowly beat the KSČM with 10%. The KDU-ČSL, SPD and STAN would get around 5% each, which is the parliamentary threshold. The CVVM poll shows that ANO would gain 30.5% of the vote in February, which is 0.5%pps less than in January. The opposition Pirates and the ODS would get 14.5% each, while the position of the ODS has strengthened by 1.5%. On the contrary, the ČSSD has lost and would get 11% like in the last polls of 2018.

The OPC has fined the food chains Billa and Penny Market CZK164mn for abusing their dominant position on the market. Both chains reportedly requested a special fee from their suppliers for buying their products, which is banned by the law. The decision is legally binding and both food chains have accepted it.

If US President Trump were to impose tariffs on European car makers, the Czech economy would suffer a loss of approximately CZK26bn and an estimated 25,000 people would lose their jobs, which is 0.5% of all employees. According to an assessment by the CzechTrade and MIT, tariffs could hit exports to the US to the tune of CZK20bn.

The SVA has traced all of the deliveries of Polish beef which were part of a shipment infected with the Salmonella virus. The CR has introduced strict controls on all beef imports from Poland. Although Poland protested against the move, the EC said it was up to the Czech authorities to take reasonable measures aimed at protecting consumers.

MH Minister Vojtěch has said he wants to order a blanket vaccination of doctors and nurses in high-risk departments, such as ER, against measles in view of the growing number of infected patients in Prague. In January and February alone doctors have registered 51 cases, as compared to 103 cases in all of 2018. The spread of measles is attributed to the fact that more parents are refusing to get their children vaccinated for fear of side effects. Doctors say this poses a serious problem for the whole society.

- 25 The NCISA's head Navrátil may be replaced due to political pressure. He has been under fire since the NCISA issued a binding warning against ministries using Huawei's products. Company threatened to sue after the NCISA did not rescind the warning. PM Babiš has criticised Mr. Navrátil for allegedly initially failing to explain his warning to the technology company. Huawei has also been publicly backed by President Zeman, who has long promoted close business cooperation with China.

About 200,000 foreigners work in the Czech capital and constitute $\frac{1}{5}$ of the workforce. Foreign workers in Prague are mainly filling jobs requiring unskilled labour it said. $\frac{2}{3}$ are citizens of non-EU countries. At the end of June 2018, according to the study, most were citizens of Ukraine (49,306), Russia (23,338), Vietnam (12,765), US (6,556) and China (4,967).

Prague has agreed to introduce free public transport, including trains, during smog alerts. The cost to the budget would be approximately CZK5mn/day. In recent years, Prague has considered implement a range of regulations to be enforced during periods when the city is hit by particularly bad air pollution, such as requiring factories to temporarily reduce output during periods of high smog barring trucks from entering the city.

Overall confidence in the economy slightly increased in February after declining 3 consecutive months. Confidence rose by 0.2 points to 98.2 points last month. In annual terms, overall confidence in the economy is lower than in February 2018, and the confidence of both businesses and consumers has declined.

- Feb 25 Days after announcing they had traced all deliveries of Polish beef infected with the Salmonella virus, the SVA now say another metric ton of suspect beef from the same source was imported into the CR. Polish authorities informed about another shipment of potentially infected meat under the terms of a rapid alert system.

Czech companies doing business with British firm have already been impacted by the UK's impending exit from the EU. A poll found 28% of Czech firms have noted a decrease in orders or revenue, which they blame on Brexit. About 40% said they had felt an indirect influence, for example, in the form of additional administrative costs or modifications to existing terms and conditions. However, only a $\frac{1}{4}$ of Czech firms surveyed said they worry that their British business partners will be unable to pay outstanding invoices.

- 26 Prague was the 7th richest region in the EU in 2017 in terms of per capita GDP, according to the Eurostat. Prague occupied the same position in the rankings a year previously. GDP per person in Prague 2 years ago stood at 187% of the average of the EU. UK capital London topped the rankings, achieving 626% of the EU average.

In March and April the CR will hold talks with mobile telephony operators from the US, Italy, France, the UK and South Korea about the planned introduction of a 4th operator onto the Czech market, PM Babiš said. An auction of frequencies should take place by the end of December, with the winner expected to receive them from the state in January or February 2020.

- 27 The GSA which runs the EU's satellite navigation programmes will undergo an expansion at its headquarters in Prague, the EU authorities agreed. This will include hiring dozens of new staff and is likely to be a further boost to the Czech space industry. The exact amount for the GSA's increased budget, is yet to be agreed upon. Currently EU member states are responsible for a $\frac{1}{3}$ of the world's satellite production and their combined space industry currently employs nearly 0.25mn people.

The Senate has passed a bill proposed by the government that seeks to protect the rights of British citizens in the country in case of a no-deal Brexit. The legislation seeks to create an 'intermediate period' lasting until the end of 2020 during which British nationals will retain the same rights as EU citizens. According to the statistics of the MI there are currently around 8,000 British citizens living in the CR, 5,000 of whom are employed.

NCISA has been building a web of specialised 'cyber attaches' together with the MFA in 3 strategic foreign missions. These specialists have so far been posted in Brussels, Washington and Tel-Aviv. Their activities include consultation and information sharing with members of foreign intelligence services.

The growth of the Czech economy provides the opportunity to deepen structural reforms, the EC advised in its annual analysis of economic and social affairs in the CR. According to the EC'S study data, the relatively low rate of social inequality and growing quality of life is masking a growing regional divide in the CR. Based on its findings, the EC advises focus should be put on investments in education and local innovations, while growth potential in the more backward regions of the CR should be boosted by digital and transport infrastructure.

Industrial regions, which feature large communities of foreign workers will be regularly policed by joint patrols made up of policemen from the CR, Slovakia and Poland, MI Minister Hamáček said. According to Mr. Hamáček tens of Slovak and Polish policemen will undertake work visits in cities such as Mladá Boleslav and Plzeň. Such cooperation has shown itself useful in the past, the MI Minister said and he is now discussing details of implementing such project again with his Polish and Slovak counterparts.

- 28 The amount of property investment in the CR went down by €2.62bn in 2018, a cut back of 30% compared to the previous year, a study by Colliers says. Transactions also decreased by 27%, as a consequence of the low amount of quality property investments currently on offer. This year's investment rate is expected to remain largely the same as in 2018.

Earnings from the tourism sector amounted to 2.9% of the total GDP in 2017, the CSO reported. Total earnings from tourism rose by 7.4% in the past year to CZK292bn, which is the highest figure since calculations for the sector started in 2003. Nearly 35mn foreign tourists visited the CR last year, accounting for 56% of the overall turnover.

- Mar 2 The differences between salaries in the CR are the smallest in Europe, according to the Eurostat and the annual report of the EC assessing the CR's economic and social affairs. According to the report, the income of the richest 20 % of the population was around 3.4 times higher than the income of the poorest 20% in 2017, while the EU ratio is 5.1. The CR also has the lowest share of people at risk of poverty or social exclusion. In 2017, it stood at 12.2 %, compared to an EU average of 22%.

- 3 Exports from the CR are likely to slow down in the Q₂ 2018, according to the AE. Among the main factors behind the negative development is the slowdown of German economy, uncertainty regarding Brexit and the threat of US President Donald Trump to impose a 25% tax on European cars. Exports from the CR increased by 2% y-o-y in December to CZK316.1bn.

Doctoral students in the CR are complaining that they don't receive sufficient financial support from the state, Czech Radio reported. Although the government recently raised the monthly payment to PhD students by almost 50%, up to CZK11,000/month, many of them still have to seek extra income. According to the data released by the MEYS, the drop-out rate among PhD students is around 50%. Nearly 10,000 students started their doctoral studies in the CR in the academic year 2014-2015, but only 4,749 of them graduated in 2017-2018.

- Mar 7 PM Babiš has held talks with the US President Trump. Mr. Babiš said that he had appealed to Mr. Trump not to introduce new tariffs on trade between the EU and the US, which could harm the CR. The topics on the agenda included American tolls on European cars, security cooperation and the situation in Syria, where the CR is the only country to have an embassy. President Trump praised the CR as a creative country, which was doing well economically as well as in other respects. The White House meeting was the highlight of the Czech PM's 3 day visit to the USA, which also included a meeting with CIA officials at Langley.

President Zeman signed into law a bill which would protect the rights of the several thousand British nationals living and working in the CR in the event that the Great Britain leaves the EU with no deal. The bill will ensure that British nationals will be guaranteed the same treatment as all EU citizens up until the end of 2020. The areas covered by the bill include for example acquiring Czech citizenship, permanent residence and pension insurance.

- 8 The average monthly wage in the CR grew by 6.9% in Q₄ 2018, according to the CSO. The average wage stood at CZK33,840. In real terms, discounting inflation, the rise was 4.7%. The median wage rose by 7.1% y-o-y to CZK29,247 in the Q₄. The average monthly wage for the whole of 2018 rose by 8.1% to CZK 31,885. The average gross monthly salary in Prague stood at CZK41,851 in Q₄ 2018, up 6.5% y-o-y. Prague salaries are the highest in the CR on average. The lowest are in the Karlovy Vary region, at CZK29,703. Nationwide, the average gross monthly salary stood at CZK33,840, up 6.9% y-o-y.

The unemployment rate fell to 3.2% in February, after 2 straight months of incremental growth, according to LO. A year ago, the unemployment rate stood at 3.7%. Some 241,417 people were out of work in February, the lowest number for the month since 1997. The number of advertised vacancies increased to 333,111. Citing seasonal factors, the LO said unemployment should continue to drop slightly in the coming months, with positions opening especially in the construction, gastronomy, agriculture, forestry and tourism sectors. The lowest unemployment rate remains in Prague, where 1.9% of people were out of work. The highest is in the Moravian-Silesian region, at 4.8%.

- 11 MF Minister Schillerová will be holding one-on-one talks with individual cabinet ministers this week to try to agree on cost-cutting measures that would save next year's state budget CZK25bn and keep the deficit below CZK40bn. She has said the cuts are necessary in view of the slowing economy and has suggested individual ministers put forward their own suggestions as to where money could best be saved and herself has suggested making redundant 10% of public sector employees. The opposition has criticized the government for squandering money and the KSČM, whose votes are essential to keeping the minority government in office, is calling for a CZK30bn deficit next year.

- 12 The CR is marking the 20th anniversary of its entry into NATO on March 12th, 1999. It joined the alliance together with Poland and Hungary in NATO's first expansion eastwards after the fall of communism in Central and Eastern Europe. PM Babiš highlighted the fact that NATO membership is in the CR's vested interest since it provides a guarantee of security. He said the CR would meet its commitment to spend 2% of the CR's GDP on defence by 2024. Speakers addressing the conference cited international terrorism, Russia's expansionist ambitions and cyber warfare as the main threats facing NATO today.

13 The ChD has approved an amendment to the Aliens Act that would make it easier to expel foreigners who have been repeatedly convicted of crimes in the CR. The MI Minister Hamáček, who drafted the amendment, said it would speed up the expulsion process to at most 6 months, in part because the SAC would have at most 90 days to appeal such an order. Currently, proceedings to revoke a foreign offender's residence permit can now last over 2 years, Mr. Hamáček said, noting the case of a drug dealer that took 6 years. Regarding the employment of foreign nationals, he said the Aliens Act amendment would also allow the government to introduce extraordinary work visas for a limited period of 1 year, thereby giving the government greatly flexibility to respond to market conditions. Among other things, the draft would let the Cabinet set quotas for economic migrants or introduce compulsory integration courses for foreign workers.

The CR is officially regarded as having eradicated ASF, transmitted by wild boars, EC said. SVA said this makes the CR the 1st country in the world so far to have eradicated the disease on its territory. However, the disease continues to spread in Europe, including in neighbouring Poland, so the risk of in being reintroduced is high.

14 Czech household debt reached CZK2.32tn in the Q₄ 2018. Y-o-y, the debt burden increased by CZK177bn, or 8.3%. To the contrary, high-risk debt, where clients failed to pay off at least 3 instalments in a row, dropped by CZK4.5bn to CZK34.6bn. One of the main factors behind the increasing overall debt burden is attributed to rising house prices.

The LČR said that around 1mn m³ of timber were damaged by the windstorm that swept through Europe. Damaged trees represent around 8% of the annual quota of felled trees with damages estimated at CZK0.5bn.

A total of 1,350 people applied for asylum in the CR last year, according to the Eurostat. Ukrainians traditionally made the most asylum requests, followed by Cubans and Georgians. The overall number of people seeking asylum in the EU dropped by 11% y-o-y to 580,000. Most of the asylum seekers came from Syria, Afghanistan and Iraq.

Mar 15 People across the CR are commemorating the anniversary of the occupation of Czechoslovakia by Hitler's Germany on this day 80 years ago, which was followed by the establishment of the Protectorate of Bohemia and Moravia, which many see as the darkest 6 years in modern Czech history.

The January figures for industrial production and the construction sector show a y-o-y decline, the CSO announced. A 6.9% decrease in car manufacturing is seen as primarily responsible for the 1% decline in overall industrial production. Construction went down by 13.2% in comparison to figures in January 2018. Energy companies and pharmaceutical firms experienced an increase in production. The CSO also reported an overall 1.9% increase in the number of orders issued to Czech companies.

17 Český Krumlov, which draws over a 1mn tourists from around the world every year, is to impose charges on buses entering the South Bohemian town in a bid to regulate short-term visitors and raise revenues. The scheme, the first of its kind in the Czech Republic, will begin in June. The local authorities say 16,000 coaches arrive in Český Krumlov every year, with figures reaching up to 100 a day in summer. The number of buses stopping off in the small UNESCO-listed town represented an enormous strain. Groups of Asian tourists sped through the town taking photos before soon departing for other destinations. Each coach entering the tourist hotspot will have to pay CZK1,250 with advance booking or CZK1,500 without.

18 The CR has the highest number of vacancies in the EU, according to Eurostat. In the Q₄ 2018 the ratio of vacancies to the overall number of jobs in the EU rose from 2.2 to 2.3%. In the CR it rose by 0.1% to 6%, the highest figure in the EU. 2nd in line was Belgium and Germany with 3.4%, followed by Austria with 3.1%.

The CR will scrap the strict control measures it introduced on Polish meat imports after salmonella-infected beef and poultry was found in several deliveries from Poland on condition that Poland provides guarantees regarding its own control mechanism and the safety of its meat products, MA Minister Toman said.

19 The parties of coalition, ANO and the ČSSD, agreed to raise old age pensions by CZK900 a month as of January 2020. They also agreed to raise the children's allowance from CZK220,000 to CZK300,000. Altogether the hikes should increase state expenditures by CZK11bn next year.

20 President Zeman will meet Russian President Vladimir Putin again at the end of next month. The 2 leaders are expected to hold informal talks while both are in Beijing. Mr. Zeman will be in China between April 23 and 28 on what will be his 5th visit to the country as Czech head of state. The Czech president has cultivated warm relations with Moscow and Beijing since his election 6 years ago.

The CR is ready to agree with the UK's request to extend the Brexit deadline of March 29 at the EU Council meeting in Brussels. PM Babiš said.

21 The Czech population grew by almost 40,000 last year to an estimated 10,649,800 people. According to the CSO, as in recent years, most of the increase stemmed from immigration. A record 58,148 people moved to the CR from abroad in 2018 while 19,519 left the country. Ukraine and neighbouring Slovakia were the biggest source countries, followed by Romania and Bulgaria.

Around 9.6% of Czechs were threatened by poverty last year, according to the CSO. The number has grown by 0.6% on the previous year. The poverty line is set at CZK11,963 per individual and 25,122 per family with 2 children. The CR continues to rank among the EU countries with the lowest share of people under the poverty level. The average monthly wage in the CR currently stands at CZK33,840.

22 The amount of cases where people have contracted measles continues to rise in the CR. The overall number of cases has now risen to 366. More than a ⅓ of the diagnoses came from Prague, with the regions of Pardubice and Hradec Králové also registering a particularly large amount of new patients. Due to the Europe wide nature of the measles outbreak and frequent travel within the continent, hygienists expect the disease to continue spreading.

23 The number of Czechs who are happy with the economic situation and their own living standard has reached 49%, according to the CVVM. 36% of respondents said they were neither satisfied, nor dissatisfied, while 13% described their living standard as poor. The number of people who are happy with their living standard grew from 45% to 49% as compared to 2018.

24 Interest in rental housing has seen a significant rise in recent months, in response to the CNB tightening mortgage rules. The interest in rental housing has driven rents higher, by an average 3% in Prague (to CZK340/m²) but as much as 11% in the most lucrative areas. The monthly rent for a medium-sized 2-room flat in Prague is now between CZK15,000 to CZK19,000, depending on its proximity to the city centre.

25 PM Babiš's ANO would be elected by 32% of Czechs in March, according to the CVVM. This was 1.5% more than a month ago. The ODS kept the 2nd place with 14%, followed by the Pirates, whose gain fell by 2% to 12.5%. The ČSSD saw their result rise by 1.5% to 12.5%. The 5% threshold to enter the ChD would also be certainly crossed by the KSČM with 8.5%, down from 10% in February. The KDU-ČSL, TOP 09 and the SPD are enjoying the support of just around the 5% threshold. TOP 09 would be now elected by 4% and the STAN by 3.5%.

26 The police have concluded an investigation into a case of alleged corruption involving the PM Babiš. Mr. Babiš and members of his family are facing prosecution on suspicion of wrongfully acquiring CZK50mn in EU funds in connection with Stork's Nest, a conference centre and hotel near Prague.

Mar 27 The CR has ended blanket checks on beef imported from Poland. The change means that companies accepting deliveries of beef from Poland are no longer required to carry out tests for salmonella. The MA said Poland had provided guarantees that it had done all it could to prevent meat from cattle unfit for human consumption from reaching the market. Earlier this year bad Polish meat ended up in 11 other countries, including the CR. Despite the end of mandatory testing the SVA will maintain an increased level of controls on meat imports.

27 The CR is no longer the most attractive country in the CEE region for German investors. According to a survey by the German-Czech Chamber of Industry and Commerce, Estonia now tops the list of 15 countries. The CR, now ranked 2nd, had held that spot for 3 consecutive years. Poland placed 3rd. The main contributors to the decline in attractiveness are a lack of qualified people and weak vocational education, investors said. Growing labour costs, lack of transparency in public procurement and corruption are also worrying.

The MA as of April will have enhanced powers to regulate timber harvesting and afforestation if necessary to minimize damage by the ongoing bark beetle calamity. President Zeman signed into law an amendment to the Forestry Act.

28 The CNB kept key interest rates on hold as the risks of a global economic slowdown and fallout from Brexit outweigh accelerating inflation at home. Consumer-price growth in February accelerated to its fastest pace in 16 months, with core inflation running at a record high, fuelled by a jump in salaries of over 6% in real terms. But several central bankers have urged for caution over the effects of a Eurozone slowdown, with Germany the market for about a ⅓ of Czech exports alone.

ANO would win elections with 30.5% of the vote, according to the Median. The ODS and the Pirates figured 2nd with 14% backing. The SPD would receive 8.5% of the vote, ahead of the KSČM and ČSSD on 8%. The STAN and the KDU-ČSL currently enjoy 5% backing, needed to enter ChD, while the opposition TOP 09 would not make it to the ChD as only 4% would vote for it.

29 MFA Minister Petříček has said he wants to talk to the MIT Minister Nováková about an incident on March 26, where a representative of Taiwan was forced to leave a diplomatic meeting, following a request to do so by the Chinese ambassador. MFA Minister has already discussed the matter with the ChD's Chairman of the Committee on Foreign Affairs Zaorálek, who fears that the MIT's decision could set a dangerous precedent. The MFA Minister apparently reassured Mr. Zaorálek that the CR will not let China exert pressure and that the agreed principles for reciprocal meetings remain valid.

The CNB has launched a special website informing currency exchange clients on their rights. Clients will be able to see the website's address on the payslips they receive once they do a transaction at a currency exchange office. The move is a consequence of a new law amendment that will start to apply from April 1st. It aims to strengthen the position of clients by allowing them to cancel the any transaction below EUR 1000 up to 3 hours after it has taken place.

- Apr 1** Conditions in the Czech manufacturing sector deteriorated further in March, when the PMI dropped for a 4th consecutive month, to 47.3 points. It is the lowest value for the indicator since 2012, Czech PMI stood at 48.6 points in February.
- 2** Mortgage lending fell by 26.9% in the first 2 months of 2019 to CZK24.5bn, according to the CNB. Market analysts attribute the drop to front-loading in the H₂ 2018 in anticipation of stricter lending guidelines and higher interest rates. The average mortgage rate in the CR has been steadily climbing since reaching a record low of 1.8% in December 2016. It stood at 3.0% in January.
Czechs are saving more as they are aware of a projected continued slowdown in economic growth and concerns over the effect of Brexit. The Czech economy is growing at a slower pace than other V4 countries, in large part due to a slowdown in Germany, its chief export market. Last year, Czech GDP slowed to 2.9% from 4.5% in 2017, according to the CSO. Nevertheless, Czech household consumption and investment will remain the main drivers of GDP growth, economists say. In part, the higher rate of household savings stems from rising average salaries.
- 3** The Czech commercial channel TV Prima plans to launch a 24-hour free-to-air news station in conjunction with CNN International Commercial, an arm of the U.S. cable news giant. The new station, called CNN Prima News, should begin broadcasting within 12 months. One CNN journalist will be on the channel's editorial board.
Bark beetle infestations in the CR are likely to get worse, experts from the Czech Agricultural University said. In a report, the scientists said that such infestations have been isolated in the past but would appear in synchronized form on large territories in the future. The intervention would need to be targeted at areas where it could prove effective. In some places harvesting infected trees is not economically efficient. 7 of the CR's 14 regions are currently suffering infestations. The problem was at its highest level in 2 centuries last year.
- 4** The head of the BIS Mr. Koudelka received a top award from America's CIA last month.
Prague will be hosting an international conference on cyber-security at the beginning of May. The event will be attended by representatives from the EU and NATO but also by experts from Australia and Japan. A debate about security of information and communication technologies was triggered in the CR by a warning by the NCISA in connection with Huawei products at the end of last year.
- Apr 4** The Ryanair has launched operation on 16 new lines from Prague in its summer flight schedule. The latest announced lines include for instance Zadar, Copenhagen, Stockholm and Marrakesh.
- 5** The MF has proposed levying a higher consumer tax on tobacco, spirits and gambling. The tax on cigarettes and tobacco should go up by 10%, that on spirits by 13%. Certain forms of gambling should also see a tax increase from 23% to 25% or even 30%. The proposed hikes would increase state revenues by approximately CZK10bn a year. If approved the amendment to the law would come into effect as of January 2020.
PM Babiš would not comment on Prague's position on the British request for a further Brexit delay, saying that he would wait to see developments at the EU summit next Wednesday. The PM said that for the CR, the most advantageous scenario would be if a new referendum were called in Britain and resulted in the country remaining in the EU. The PM previously said that the CR would support a solution enabling Britain to leave with a deal since this was in the interest of all parties involved.
- 7** Water reserves in the ground have not been fully replenished over winter. Despite above-average precipitation in December and January, most of the country's rivers are down to 50% of normal levels and the CR is most likely facing another drought. Last year was the hottest year on the territory of today's CR since 1961. The average temperature was 9.6°C, which is 1.7°C higher than the long-term average. Damages caused by the drought amounted to around CZK11bn.
Prices of older Czech apartments grew by an average 10.9 y-o-y in February, to around CZK39,000/m². The most expensive properties are in Prague, where the average price per m² for an old flat stood at CZK92,000. This is 5-times more than, for example, in the North Bohemian city of Ústí nad Labem.
- 8** MT Minister Ťok has confirmed that he will be leaving the cabinet in the coming weeks. There has been speculation in the media that aside from Transport Minister Dan Ťok, the reshuffle will also affect MIT Minister Nováková that has recently come under fire over an incident when a representative of Taiwan was forced to leave a diplomatic meeting at the MIT at the request of the Chinese ambassador.
The unemployment rate in the CR dropped to 3% in March 2019 from 3.2% in the previous month. It is the lowest jobless rate since last November, with the number of unemployed persons decreasing by 14,000 from the previous month to 227,000. The drop is attributed to the renewal of seasonal work and meets market expectations.
- 9** The CMKOS calls for an increase of minimum wage to CZK15,000 from CZK13,350 with effect from January 1, 2020. This would mean an increase in the ratio between average and minimum wages to 41.2%, according to CMKOS, the target is 45%. The CI believes that the increase in minimum wage should be up to 5%. The reason is not only a slowdown in the economy, but also a rise in corporate costs due to the cancellation of the waiting period.

Unemployment has decreased again due to seasonal work in the construction sector and agriculture. According to economists, the labour market remained very tight and that it would continue generating increased wages in 2019 as well. The decrease in the number of the unemployed was slowing down. This was due to companies' tendency to limit lay-offs at the end of seasonal work out of concerns about labour availability at its resumption and a weaker performance of the Czech economy.

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。

* **ACER**: Agency for the Coordination of European Energy Regulators; **ACM**: Association of Car Makers; **AE**: Association of Exporters; **AIA**: Automotive Industry Association; **ANO**: Ano 2011 Movement; **ASCR**: Academy of Sciences of the CR; **ASF**: African swine fever; **ASME**: Association of Small and Medium-Sized Enterprises and Crafts; **BIS**: Security Information Service; **Bn**: billion; **CAE**: Czech Association of Exporters; **CBA**: Czech Banking Association; **CC**: Constitutional Court; **CE**: Central Europe; **CEB**: Czech Export Bank; **CEPS**: Czech Electricity Transmission System Operator; **ChD**: Chamber of Deputies of the Parliament of the CR; **CI**: Confederation of Industry; **CIA**: Car Importers' Association; **CMC**: Czech Medical Chamber; **CMKOS**: Czech Confederation of Trade Unions; **CNB**: Czech National Bank; **CNG**: Compressed natural gas; **CR**: Czech Republic; **CSA**: Czech Airlines; **CSO**: Czech Statistical Office; **CSSA**: Czech Social Security Administration; **ČSSD**: Czech Social Democratic Party; **CTK**: Czech News Agency; **CTO**: Czech Telecommunications Office; **CVVM**: Public Opinion Research Centre ; **CZK**: Czech crown; **EC**: European Commission; **ECJ**: European Court of Justice; **EP**: European Parliament; **EE**: Eastern Europe; **EET**: Electronic cash registers system; **EIA**: Environment Impact Assessments; **EIB**: European Investment Bank; **EP**: European Parliament; **ERDF**: European Fund for Regional Development; **ERM II**: Exchange Rate Mechanism II; **ERO**: Energy Regulator Office; **ESA**: European Space Agency; **ESIF**: European Structural and Investment Fund; **ESM**: European Stability Mechanism; **EU**: European Union; **EY**: Ernst & Young; **FA**: Financial Administration; **FDI**: Foreign direct investment; **GDP**: Gross Domestic Product; **GRECO**: Council of Europe Group of States Against Corruption; **GSA**: European Global Navigation Satellite Systems Agency; **GVA**: Gross Value Added; **H**: Half of year; **HRL**: Human Rights and Legislation; **ILO**: International Labour Organization; **Kantar**: polling agency; **KDU-ČSL**: Christian Democrats; **KSČM**: KSČM of Bohemia and Moravia; **LČR**: Forest of the Czech Republic; **LNG**: Liquefied natural gas; **LO**: Labour Office; **M-o-m**: month-on-month; **MA**: Ministry of Agriculture; **MC**: Ministry of Culture; **ME**: Ministry of Environment; **MF**: Ministry of Finance; **MH**: Ministry of Health; **MI**: Ministry of the Interior; **MJ**: Ministry of Justice; **MIT**: Ministry of Industry and Trade; **Mn**: million; **MLSA**: Labour and Social Affairs Ministry; **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; **NCISA**: National Cyber and Information Security Agency; **NGO**: non-government organisation; **NHI**: National Heritage Institute; **NPP**: Nuclear Power Plant; **OGCR**: Office of the Government; **ODS**: Civic Democratic Party; **OSA**: Copyright Protection Association for Music Rights; **Pirates**: Czech Pirate Party; **Pps**: percentage point; **PJ**: petajoule; **PM**: Prime Minister; **Q-o-q**: quarter-on-quarter; **Q***: Quarter *; **RES**: renewable sources; **RIA**: Railway Infrastructure Administration; **SAC**: Supreme Administrative Court; **SAO**: Supreme Audit Office; **SFTI**: State Fund for Transport Infrastructure; **SPD**: Freedom and Direct Democracy; **SRMA**: State Material Reserves Administration; **STAN**: Mayors and Independents; **STEM**: Public Opinion Research company; **SÚJB**: State Nuclear Safety Authority; **SÚRAO**: Radioactive Waste Repository Authority; **SVA**: State Veterinary Authority; **SZIF**: State Agricultural Intervention Fund; **t**: tonnes; **TI**: Transparency International; **Tn**: trillion; **TOP09**: TOP 09 Party; **TTIP**: Transatlantic Trade and Investment Partnership ; **TU**: Trade union; **UN**: United Nations; **V4**: Visegrad Four; **VAT**: Value Added Tax; **Y-o-y**: year-on-year