

## チェコ政治・経済月報(2月9日)

## 主な動き\*

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Jan 1 The New Year's Eve celebrations were muted around the CR, due to the coronavirus restrictions in force.

Tax amendments and amendments in the social sphere that come into effect in 2021 will improve the financial circumstances of many Czech families and employees. Lower income tax and a higher tax rebate, for lower and medium income groups, will save employees several thousand crowns in their monthly pay check. In addition, the minimum wage for which tens of thousands of people still work in the CR, has been raised by CZK600. More families are expected to be eligible for child allowances from January and the state has agreed to pay child support for non-payers of alimony and enforce payment from the debtor later. Old age pensions will increase by an average of CZK839 a month.

New rules have started to apply for foreigners travelling to UK, residing or working there as of January 1, 2021. For example, business trips or study programs lasting over 6 months now require a visa, while tourist trips do not. Until September 30, 2021, it will still be possible to travel to UK with an identity card, after that date people will be required to carry a passport. It is not possible for tourists to work or claim social benefits in the UK. People also have to reckon with more expensive calls and SMS messages.

In New Year's speech, the ChD's Speaker Vondráček called on Czechs to stand together in the fight against Covid-19. The Senate's Speaker Vystrčil also called for solidarity and cooperation in the fight against the coronavirus. PM Babiš described the pandemic as the biggest crisis in the CR's modern history; a crisis that had shown how vulnerable mankind is to such threats despite the advance of technology. The PM apologized for painful decisions that his government had been forced to make, saying that human lives and health had to be given priority. He thanked workers on the front lines who fought the pandemic, citizens for respecting the restrictions imposed, and each and every member of the society who had gone out of their way to help. He said the government had made a number of mistakes in responding to the crisis but had also learned valuable lessons.

2 Nearly 49,000 Czech citizens have applied for resident status in the UK.

3 The PM Babiš said that everybody in the country will be able to register for vaccination against Covid-19 from February 1. The criteria governing access to the vaccine will be age, health condition and employment. The over 80s can register for the jab from January 15.

4 Establishments forced to close due to anti-coronavirus measures may receive compensation of some CZK400 per worker per day under the Covid Gastro aid program approved. Entrepreneurs whose activities were limited or suspended between October 14 of last year and January 10, especially those running gastronomic establishments, will have the right to take advantage of the subsidies. MIT Minister Havlíček said that they can simultaneously request compensation for salaries, contributions, rent during the last quarter of 2020, and even a compensation bonus for freelancers.

The Association of Deans of Medical Faculties have called for university students in working in hospitals due to the coronavirus crisis to be adequately paid and to continue their studies. Currently, about 1,000 medical school students are helping out in hospitals and other medical centres, according to the deans, with more willing to volunteer under the aforementioned conditions.

The CTO plans to launch a price and quality index for mobile services in February and other telecommunications services some months later. For mobile services, the index will compare calls, SMS and data services. For fixed location services, consumers will be able to prices for calling, internet and television services. The relative price of mobile data in the CR is among the highest in Europe.

The year 2020 was worse than most Czechs (75%) had expected, but a majority (66%) remain optimistic for 2021, according to the Median. Women, people with a university education and residents of smaller cities were most optimistic. Among the greatest concerns are losing work and the further spread of Covid-19.

Only first and second grade pupils at elementary schools returned to classrooms in the CR following the winter break, due to the coronavirus situation.

5 Vaccination against the coronavirus will take place in 3 phases, MH Minister Blatný said. The initial A1 phase, which is currently underway, will see the inoculation of those over the age of 80 as well as health care, social care and relevant Interior Ministry staff. In phase 2B, other groups in society marked as high-risk or relevant groups will receive the vaccine. This includes people over the age of 65, those with relevant chronic diseases and priority groups involved in critical state infrastructure. The vaccination of health care staff and seniors, some 600,000 people according to the presentation, should be finished by March. After these 2 initial stages, the final phase 2 will be activated, where all other members of the population who register will receive the vaccine.

**Jan 5** The introduction of antigenic tests, requires changes in the current PES counter-epidemic system. Rather than the number of positive tests, the new main criterion for setting the level of coronavirus risk will be the number of hospitalised patients who arrived in hospital without being previously identified as possibly infected through the state's coronavirus tracing system. All other measurements relevant to the current PES calculations remain in place.

The MEYS has issued measures to adjust entrance exams for secondary school graduation courses and confirmed that no compulsory uniform entrance exams for 4-year graduation courses.

About 15,000 people, mainly medical staff and seniors, have been vaccinated have been vaccinated against Covid-19 in the CR.

- 6** Sales of new cars declined by 19% y/y in 2020, according the CIA. The best-selling brand, Škoda Auto, saw a fall of 13% in its sales compared to 2019. Volkswagen, 2<sup>nd</sup> in the market, sold 20% fewer cars while 3<sup>rd</sup>-placed Hyundai sold 17% less.

The CR's budget deficit for the year 2020 was CZK367.4bn, MF Minister Schillerová announced. Expenses used for combating the coronavirus pandemic reached CZK216.5bn. The Cabinet also increased investments which were worth CZK173bn, a rise by CZK34bn when compared to 2019. It is the largest deficit reached in the years since the establishment of the CR. However, the deficit was still lower than the maximum of CZK500bn approved by Parliament.

- 7** Some 60,459 people started businesses in the CR last year, which is 3,343 fewer than in the previous year and also the lowest figure in the past 4 years. 36,139 people gave up their trade licences and over 100,000 suspended their businesses, which is the highest number in a decade. By the end of 2020, there were over a million active businessmen registered in the CR; Prague has the most, with 174,000, while the Karlovy Vary Region has the least with 28,000.

Free antigen testing for Covid-19 will continue in the CR even after January 15, when the scheme had been due to end. MH Minister Blatný said the testing had proved to be useful especially in detecting people without symptoms of the disease. The current severe restrictions aimed at curbing a spike in Covid-19 numbers will remain in place until at least January 22.

- 8** The CR supports the EU call on China to release pro-democracy protestors arrested in Hong Kong, MFA Minister Petříček stated.

The Škoda Auto is preparing vaccination centers in which it hopes to inoculate its workers. However, it lacks access to the vaccine which is, for now, only in the hands of the state.

Unemployment rose in the CR in December to 4% percent. It is the highest rate of joblessness since the summer of 2017. The number of jobs posted in December rose as well, but only by a few hundred.

- 10** A Prague protest against government measures related to the coronavirus pandemic drew up to 3,000 people to Old Town Square, according to police estimates. The demonstration was organized in part by the Svobodní political party under the banner Let's Open the CR.

The average rent price for a two-room flat (2 + KK) in Prague dropped by 11.8% y/y in the Q4 2020 to CZK15,000. It fell by the same percentage in Ostrava and by 2.2% in Brno but stagnated in Pilsen, Liberec and Olomouc.

- 11** Several Czech hospitals have been forced to cancel operations and recruit students, soldiers and even policemen into their ranks to stave off a shortage in personnel due to the ongoing stress on the medical sector due to the COVID-19 epidemic.

- 12** The Skoda Auto has announced its volume of car deliveries fell by nearly 1/5 in 2020 to 1.004mn as opposed to the 1.242mn delivered in 2019. The decrease was largely caused by the impact of the COVID-19 pandemic, which for example saw manufacturing plants close for 39 days.

- 13** PM Babiš says between 70,000 and 75,000 coronavirus vaccinations had already been carried out in the CR.

The average rate of inflation lay at 3.2% in 2020, which is the steepest rise in 8 years according the CSO. The rise was affected mainly by food, tobacco and housing prices. However, consumer prices experienced the lowest y/y growth in December.

- 15** 6 out of 10 Czechs consider the state's response to the spread of Covid-19 to be adequate, according to the CVVM. 61% of respondents said the measures taken against the epidemic were appropriate, roughly a fifth of people rate them as exaggerated and 13% consider them insufficient. The majority of respondents said the measures were poorly communicated by the Cabinet. People rate the work of doctors, nurses, paramedics, and emergency crews exceptionally high, but are more critical of the performance of the government, the media and the WHO.

- 16** Close to 117,000 people aged over 80 registered for a vaccine against Covid-19 on January 15, the day the reservation system for this age group was opened. 9,800 of them were also able to book a specific vaccination term. The rest are waiting for vacancies which are dependent on fresh deliveries of the vaccine.

MH Minister Blatný has expressed serious concern over the news that the Pfizer-BioNTech will cut back on vaccine deliveries to Europe in the coming weeks due to changes to its production site.

- Jan 17** The state's overall tax revenues, excluding social security premiums, fell by 5.7% y/y in 2020, dropping by CZK61bn, to CZK1,015tn. The state received CZK426.5bn in VAT, a y/y decrease of CZK5bn and collected CZK22.4bn less in corporate income tax, a total of CZK160.6bn, according to the MF. The drop in revenues is ascribed to the coronavirus pandemic and related restrictions. At the end of March 2020, the state's tax revenues still showed a growth y/y.
- 18** Shops selling stationery products and children's clothes and shoes will be allowed to reopen from Tuesday in a slight easing of the current restrictions aimed at curbing Covid-19.  
The crime rate in the CR declined by 16.9% year-on-year in 2020. The police recorded a fall in the number of reported crimes in all categories. Thefts were down by around 1/4 on 2019 and violent crime fell by 10%.
- 19** The appearance of a variant of Covid-19 known as the "British" mutation has been confirmed in the CR.
- 21** MPs have voted to allow the Cabinet to extend the current state of emergency until February 14, a week less than the 30-day extension the Cabinet had sought.  
Václav Havel Prague Airport handled only 3.66mn passengers last year due to coronavirus-related restrictions, an annual drop of 79% and the lowest number in 25 years. Passenger traffic had been rising steadily since 2013 and reached a record 17.8mn in 2019. Record highs were also recorded for the months of January and February 2020, with over 2mn passengers served each month.  
Nearly 155,000 people in the CR have been vaccinated against Covid-19. More than 7,200 people have already received a 2<sup>nd</sup> dose, MH Minister Blatný said.
- 22** Avian influenza has appeared in the CR again after a year-long absence. The presence of the H5N8 virus was confirmed in South Bohemia. Since then, veterinarians have detected an outbreak of the deadly virus at 2 poultry farms in the region. MA Minister Toman said more cases are to be expected in the coming days, since the virus has already been confirmed in a number other European states.
- 23** Deliveries of Pfizer-BioNTech vaccines to the CR will be reduced by about 20% in the coming weeks, MH Minister Blatný said. The vaccination of new groups will slow down in February due to the shortage of supplies.
- 24** Vaccine registration for people below the age of 80 or chronically ill will not be launched in the beginning of February as it was originally planned, PM Babiš said. He said the inoculation against Covid-19 will start when there are enough vaccines. It also depends on the interest of people above the age of 80. According to the CSO, there are around 440,000 people above the age of 80 living in the CR.
- 26** Around 15% of the Czech workforce now comprises non-nationals, according to the CSO. The number of foreigners employed by Czech firms almost tripled in a decade, according to figures for the period between 2010 and 2019. The number of non-Czechs has increased in all sectors of the economy. There were 407,000 more non-nationals in the workforce at the end of the 10-year period in question, while the number of Czechs grew by only 63,000.  
The MH Minister Blatný says the Cabinet is not considering buying coronavirus vaccines outside the framework of a joint EU contract.
- 28** The Cabinet has announced some fresh restrictions aimed at curbing the spread of Covid-19. In an evident bid to keep people away from ski centres, only people on work trips will be allowed to stay at accommodation facilities; they must produce a letter from their employer confirming they are on a work trip and are not allowed to bring family members with them. Chair lifts will not be permitted to operate in ski centres.  
The CR has slipped 5 places on an TI's international index of corruption perception. The CR came 49<sup>th</sup> in the world in the 2020 edition of the annual table.  
The Cabinet has approved a transfer of CZK5bn from state reserves to the MD. The money is to make up for a last-minute cut in defence spending to the tune of CZK10bn which the Cabinet made in order to secure KSČM's support for the 2021 state budget.
- 29** The Cabinet has banned all non-essential travel to the CR, regardless of which country people are travelling from. The decision, made in connection with the worsening coronavirus pandemic, enters into force on midnight January 29. The ban does not apply to working trips, trip to visit relatives, medical facilities and care homes, trips to attend weddings or funerals.
- 30** Interest in renting out or buying country cottages is still growing in the CR, with some real estate companies reporting a growth of 40% y/y. The trend is directly linked to the coronavirus pandemic that has restricted or banned travel. The price of such properties has risen by 20 to 35% since the beginning of 2020. People are also increasingly converting recreational facilities into permanent housing.  
The MT plans to gradually reduce congestion on Czech roads by expanding 90km of Czech motorways by a 3<sup>rd</sup> lane. The construction of the 3<sup>rd</sup> lanes will be undertaken in stages, due to the complicated administrative process involved, with work due to begin in 2 years on the D1 motorway, from Prague to Brno.
- 31** The number of people hospitalized with Covid has dropped by 476 to 5,391, but the risk index has once again risen from 68 to 70 points. Over 16,000 people have died from Covid or related complications in the CR since the pandemic started. The government is particularly concerned about the risk of new mutations spreading. The British variant has already been confirmed in 6 regions, although it is not yet spreading by community transmission.

**Feb 1** The SZIF in late 2020 recommended 2 companies in the Agrofert conglomerate founded by PM Babiš receive EU subsidies despite Brussels investigating his suspected conflict of interest. An audit by the EC found that Mr Babiš is in violation of conflict of interest because he remains the main beneficiary of Agrofert despite having placed it in trust funds in February 2017 after a change in Czech law. A Czech translation of the final EC report is due in May.

Smartwings Group, whose holdings include national carrier Czech Airlines, is seeking CZK500mn in compensation for flights cancelled due to anti-coronavirus measures last spring. Airlines are currently under a protective moratorium against creditors that expires at the end of February.

The Cabinet has approved a proposal by MF Minister Schillerová to suspend the 21% VAT on respirators for 2 months in order to make them more affordable.

- 2** The number of deaths in the Czech Republic increased by around 15% in 2020, according to the CSO. It is the steepest increase on record since 1950. According to preliminary data, 129,100 people died last year, which is almost 17,000 more than in 2019. The reasons for the increase in mortality are not reported in the statistics, but are generally ascribed to the coronavirus pandemic. According to the MH, 11,872 people died of Covid-19 or related complications last year.

In 2020 the Czech economy experienced the steepest drop in the CR's modern history. The gross domestic product fell by 5.6%, after growing for 6 consecutive years, the CSO said, citing various factors linked to the coronavirus pandemic. In the Q4 2020, when the CR operated largely in lockdown mode, the GDP fell by 5%. Lower household consumption and a sharp decline in foreign demand in the H1 2020 also contributed to the y/y decline. The trade, transport, and hospitality sectors were the worst affected but the sphere of industry, construction and services suffered as well. Employment fell by 1.6% last year.

- 3** The CC has overturned parts of the CR's electoral law that judges said breach the principle of equality and impinge on the chances of competing parties. Under the change, coalitions of parties standing together would need just 5% of the vote to reach the threshold for the ChD. Previously each party in a coalition was required to get at least 5% of the vote on their own to make the ChD. The CC also struck off an article that enabled a situation under which far more votes have been required to win seats in some constituencies than in others. The changes are due to take effect immediately, meaning they should apply during elections planned for October. The amendment must be approved by both houses of Parliament.

The CR will buy the breakthrough drug Bamlanivimab which has been found to be highly effective against Covid-19 in patients at risk of developing severe symptoms, PM Babiš said.

- 5** The CZK is at its highest level against the Euro since the start of the coronavirus crisis last March. On February 4, 1 euro traded against CZK25.89. In contrast, it weakened against the US dollar, which traded against CZK21.61.

The MF will propose resuming borrowing from the EBRD in response to the coronavirus pandemic. MF Minister Schillerová has said that EBRD assistance in the form of loans, capital investments or technical assistance could help speed the economy recovery. The CR drew EBRD loans from 1991 to 2007, when the CR's transformation process was deemed complete. Other post-communist EU members, such as Poland, Slovakia and Hungary continued to benefit from EBRD investments.

Unemployment in the CR reached 4.3% in January, an increase of 1.2% y/yr and 0.3% compared to December, the LO announced. A m/m increase was recorded in all 77 of the country's districts in January. It rose most in Jindřichův Hradec (up 19.4%) and Písek (up 18%). In Prague, unemployment rose by just 0.1% to 3.5%. MLSA Minister Maláčová has said unemployment will likely continue to rise in the coming months due to the impact of the coronavirus pandemic. However, it remains well below the EU average, which stood at 7.5% in December.

- 6** Testing for Covid-19, covered by health insurers, could begin at companies in the CR by the end of February. Agreement has been reached on this between employers and government ministries, the CI said.

The first doses of the AstraZeneca vaccine against Covid-19 arrived in the CR.

- 8** The Cabinet has approved a bill under which people who are forced to quarantine will receive a daily sum of up to CZK370 as an incentive to stay home. The compensation would be paid by employers – who would then reduce social security payments by the same amount – and last for 10 days. Compensation for loss of income by the self-employed is to be doubled.

The number of new apartment constructions launched in the CR fell by 1/4 last year. While the figure fell nationally by 24.5% in Prague the downswing was a full 40%.

- 9** The CR is helping Moldova and Peru in the fight against the coronavirus by donating facemasks and ventilators to the two states. In total the Prague government is sending 700,000 facemasks, 100,000 protective gloves, other PPE gear and 55 ventilators to Moldova and Peru.

Some 10.8mn tourists stayed in accommodation in the CR in 2020, which was a y/y fall of 51%. The number of foreign tourists fell by nearly 3/4 last year, when the coronavirus pandemic hit the CR. Previously tourism numbers had been rising steadily for several years.

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。

**ASF:** African swine fever; **ASME:** Association of Small and Medium-Sized Enterprises and Crafts; **ATM:** Association of Towns and Municipalities; **BIS:** Security Information Service; **Bn:**bn; **CAE:** Czech Association of Exporters; **CAP:** Common Agriculture Policy; **CBA:** Czech Banking Association; **CC:** Constitutional Court; **CE:** Central Europe; **CCS:** Central Crisis Staff; **CEB:** Czech Export Bank; **CEPS:** Czech Electricity Transmission System Operator; **CFC:** Czech Fiscal Council; **ChD:** Chamber of Deputies of the Parliament of the CR; **CHI:** Czech Hydro meteorological Institute; **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; **CoE:** Council of Europe; **ČOI:** Czech Trade Inspection Authority **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; **EBRD:** European Bank for Reconstruction and Development; **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; **GDPR:** General Data Protection Regulation; **GP:** general practitioner; **GRECO:** Council of Europe Group of States Against Corruption; **GSA:** European Global Navigation Satellite Systems Agency; **GVA:** Gross Value Added; **h:** heller; **H:** Half of year; **HN:** Daily Hospodářské noviny; **HRL:** Human Rights and Legislation; **IHIS:** Institute of Health Information and Statistics; **ILO:** International Labour Organization; **Kantar:** polling agency; **KDU-ČSL:** Christian Democrats; **KSČM:** KSČM of Bohemia and Moravia; **LČR:** Forest of the CR; **LNG:** Liquefied natural gas; **LO:** Labour Office; **M/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:** Ministry of Labour and Social Affairs; **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; **NCCOC:** National Centre for Combating Organised Crime; **NERV:** National Economic Council; **NGO:** non-government organisation; **NHI:** National Heritage Institute; **NIPM:** National Institute for the Preservation of Monuments **NPP:** Nuclear Power Plant; **NSC:** National Security Council; **OGCR:** Office of the Government; **ODS:** Civic Democratic Party; **OPCR:** Office of the President of the CR; **OPDP:** Office for the Personal Data Protection; **OSA:** Copyright Protection Association for Music Rights; **Pirates:** Czech Pirate Party; **Pps:** percentage point; **PJ:** petajoule; **PM:** PM; **Q/q:** quarter on quarter; **Q\*:** Quarter \*; **RAWRA:** Radioactive Waste Repository Authority **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; **STFI:** State Fund for Transport Infrastructure ; **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; **Tricolour:** Tricolour party; **TTIP:** Transatlantic Trade and Investment Partnership ; **TU:** Trade union; **TUL:** Technical University of Liberec; **UN:** United Nations; **V4:** Visegrad Four; **VAT:** Value Added Tax; **WHO:** World Health Organ; **Y/y:** year on year