



EU News

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Dear readers,

Although winter began to show its cruel and cold face this November, a number of EU member states were quite hot at the same time. Apparently, this applies most of all to Ireland, which attracted the attention of politicians, experts, media and the public in connection with the ongoing story of rescue operations, where a member country is not able any more to help itself using its own resources. It has been known of course that Ireland is not at all well off. How could it be well when it was not only severely affected by economic recession, but when its financial sector also proved to be about the most vulnerable within the Union. The Irish state rushed to save it and only in 2009 spent for this purpose about 10% of GDP from the pockets of local taxpayers. However, even such a huge sum was not enough and additional public rehabilitation proved to be necessary. Already in late summer or early autumn, the estimates of this year's deficit of Ireland represented some 15% of GDP, which is an amount beyond any leniency or tolerance. When, however, the recent debate has revealed that this figure could be more than twice as big, action had to be taken. Investors' patience has been truly exhausted.

In November, the long-awaited Fifth Cohesion Report was published, which is a detailed strategic analysis about not only how the EU funds spent in the recent period have been used in practice and what is the effect they bring, but mainly about what ways their policy should evolve in the future. Its content focuses primarily on how to correct particular problem areas of the current use of European funds. This is also the reason why much more attention should be paid in the future to the selection and listing of the supported priority areas that are typical and specific for the particular territories. Moreover, the so-called integrated approach to territorial development should be much stronger and pithier, primarily in the sense that the various forms of applied intervention should be mutually related and synergistically supported. Also, a greater degree of participation and the introduction of the elements of return are most likely to become the aspects that are good to be kept in mind in the new programming period, as well as the far more precise quantification of the impacts caused by the supported projects. Finally, it is good to get prepared for stronger and more intensive regional cooperation across borders.

Conditionality, however, should not be exaggerated or carried too far. Apparently, one has to agree that it is not good that the funds of EU cohesion policy (i.e. the funds of taxpayers across the EU) would be received by a country, whose conduct is fiscally undisciplined, whose economic development is full of structural defects, which fails to accept timely the single market directives, or in which excessive corruption is merrily blossoming. It would be pitiful, however, if countries whose behaviour is substantially above average, e.g. those who are able to export even in the current economic situation affected by the crisis, would be penalised, as someone has suggested. It would be an absurd act of punishing those successful, which would clearly have a definitely negative impact on the competitiveness of the whole Union.

Petr Zahradník

Finance ministers of EU approved the aid for Ireland to cope with the financial crisis. Ireland is thus the first country to use the EFSF fund designed in spring. The autumn macroeconomic forecast of the European Commission brought optimistic conclusions. It supposes a gradual recovery in the economy of the European Union and within that process also in the Czech economy. The European Parliament adopted a new directive to regulate the operation of alternative investment funds, such as hedge funds.

EURO AND ECONOMY

The EU has agreed on a rescue package for Ireland

Finance ministers of EU member states at their extraordinary meeting in late November **approved a rescue loan to Ireland**, which is floundering in financial crisis.

The total amount of the bailout assistance will reach EUR 85 billion. The remedy of damage on the financial markets will swallow EUR 35 billion, of which about EUR 10 billion will be an immediate injection to recapitalise banks and the rest can be used by the Irish to rehabilitate public finances. Brussels **has also extended the deadline for Ireland to cut the huge budget deficit**, which will exceed this year a record 30% of GDP, to 3% as required by EU rules by one year, until 2015.

Besides the European Union, which will participate in the package with EUR 45 billion from the eurozone rescue fund and from the European Commission, the assistance will be participated also by the IMF, which will lend Dublin about EUR 22.5 billion. **Also non-eurozone countries** – the UK, Sweden and Denmark – **will be involved in the loan through bilateral loans**. The reason is the presence of the British capital in a number of Irish banks and the interdependence of financial markets. Ireland itself will not hang back either. Prime Minister Brian Cowen has vowed that his country will release for the rescue of banks EUR 17.5 billion from the state budget and reserves in the pension system.

Distribution of the loan to Ireland

Contribution by Ireland	17.5
IMF	22.5
EFSM*	22.5
bilateral loan euro area	17.7
bilateral loan UK	3.8
bilateral loan Sweden	0.6
bilateral loan Denmark	0.4
TOTAL	85.0

Source: Council of the EU, *) EFSM – European Financial Stabilisation Mechanism

The conditions to be met by Ireland in order to reach the offered helping hand from the international community will be agreed at the December meeting of finance ministers of EU member states.

A helping hand will be given also by the Czech Republic. According to Deputy Finance Minister Tomáš Zídek, **Prague**

will guarantee CZK 6.7 billion to flow to Ireland from the EU, more specifically from the European Financial Stabilisation Mechanism (EFSM).

In addition to the immediate assistance to indebted Ireland, the finance ministers of member states and the euro area also discussed the form of the **permanent crisis mechanism**. Although a rescue mechanism (ESFS) already exists in the EU, its operation expires in 2013. The core of the system is the requirement for the involvement of private holders of government bonds so that they too would feel the state's bankruptcy. According to initial reports, the system will not always operate automatically in the same way but will be tailored to the particular country. The plan will be finally fine-tuned in the coming months.

http://www.consilium.europa.eu/uedocs/cms_data/docs/press_data/en/ecofin/118051.pdf

Maturity of Greek loan extended

Greece negotiated in late November the extension of the maturity of the overall loan from the IMF and the EU of EUR 110 billion until 2021, i.e. six years more than stipulated by the current agreement. In exchange, it will pay higher interest. The fixed interest rate of the loan now is 5.5% and it should increase to 5.8%. The last instalment of the promised loan should be received by Greece in 2013.

However, the agreement has yet to be elaborated in detail and formally approved at the December meeting of Eurogroup and ECOFIN. The decision must also be approved by the parliaments of the euro area countries.

The reason for the extension is an effort to calm the financial markets, because then it will be easier for the country to handle its debt.

The Commission's forecast: Economic recovery in the EU is taking hold

The European Commission's regular semi-annual economic forecast projected a slightly optimistic picture – **the economic recovery will continue**. EU's GDP is expected to grow by around 1.75% in 2010-2011 and by around 2% in 2012. A better than expected performance so far this year underpins the significant upward revision to annual growth in 2010 compared to the spring forecast.

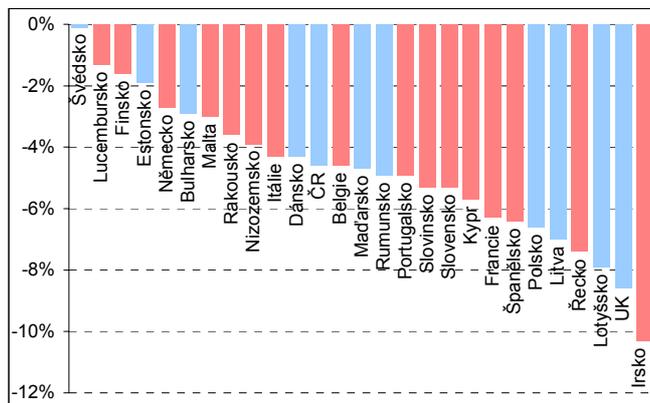
However, amid a softening global environment and the onset of fiscal consolidation, **activity is expected to moderate towards the end of the year and in 2011**, but to pick up again in 2012 on the back of strengthening private demand.



With the economic recovery taking hold in the EU, **labour-market conditions are expected to improve slowly**, as is the budgetary situation. The unemployment rate is projected to fall gradually from around 9.5% this year to around 9% in 2012. However, overall conditions are likely to remain weak, reflecting, inter alia, the cancellation of policy measures taken in response to the recession and the ongoing structural adjustments, particularly in the public sector.

Some improvement is also evident on the fiscal side, with around half of EU member states set to post a **lower general government deficit** this year than in 2009. For the EU as a whole, a deficit of slightly above 5% of GDP is expected in 2011, with a further decline of about 1 percentage point in 2012 as the recovery gains ground. The debt ratio, however, is set to remain on an upward path over the forecast horizon.

Public budget deficit as of GDP



Source: European Commission - Outlook Autumn 2010

Relatively subdued consumer-price inflation is in sight in both the EU and euro area over the coming period. Inflation in terms of Harmonised Index of Consumer Prices is projected to average 2% in the EU this year and next year, easing to around 1.75% in 2012.

A positive trend is expected in the Czech Republic

The forecast sounds in a similar spirit for the Czech economy. After the last year's decline in GDP of 4.1%, **we should see a growth of 2.4%** this year and of 2.3% next year. The Commission expects acceleration to 3.1% in 2012.

According to Brussels, our budget deficit will reach 5.2% of GDP this year with reduction to 4.6% and 4.2% in the next years. **Unemployment will fall gradually** after this year's expected increase. On the other hand, inflation can be

expected to grow steadily, reaching, however, only 2.2% in the last monitored year 2012.

<http://europa.eu/rapid/pressReleasesAction.do?reference=P/10/1614>

European Commission's Economic Outlook – Autumn 2010

in %	2009	2010	2011	2012
GDP growth	4.1	2.4	2.3	3.1
Unemployment	6.7	7.3	7.0	6.7
Inflation (HICP)	0.6	1.2	2.1	2.2
Public budget deficit*)	5.8	5.2	4.6	4.2
Public debt *)	35.3	40.0	43.1	45.2

Source: European Commission, *) as of GDP

FOREIGN TRADE

EU wants new trade strategy to prevent unfair foreign state aid

The European Union is **set to raise its defences** against the practices of third countries, which in its opinion harm European companies, according to a new EU trade strategy.

According to the European Commission, many foreign countries are helping firms or sectors directly by providing financial aid, or indirectly by exempting them from taxes or by extensively purchasing their goods. The trade strategy states that Brussels is ready to use trade defence **instruments to tackle "new forms of distortion** such as subsidisation of strategic sectors, including where third countries use export restrictions to confer indirect benefits [on] downstream industries".

"We will support EU businesses if third countries use trade defence instruments in an unfair way, including, where appropriate, by **raising these issues in the WTO**," we can read further. According to the Commission, when appropriate, bilateral negotiations with trading partners could help solve these issues more efficiently than complex and time-consuming multilateral agreements.

The document also deals with the access of European firms to public procurement markets in third countries. Brussels laments that the EU market for government contracts is much **more open than the markets of its trading partners**, notably China. This imposes unfair limits on the internationalisation of EU companies, especially in sectors where they are highly competitive, notably "public transport, medical devices, pharmaceuticals and green technologies," reads the document.



Events

In November, the EU was busy with negotiations on the common European patent. After Italy rejected the compromise solution, a group of several member countries has been formed calling for the adoption of the European patent within the mechanism of enhanced cooperation. The proposal for the reform of the Common Agricultural Policy supposes reducing the differences between subsidies paid to the new and the old member countries.

The presented EU trade strategy can create a good **framework for further liberalisation of world trade**. Its pragmatic approach is very positive – the EU can be a pioneer in opening up markets, but in the case of the business partners' lack of interest in taking a similarly accommodating step, the adoption of retaliatory measures is correct.

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=636&serie=382&langId=en>

FINANCE

MEPs approved regulation of hedge funds and private equity funds

The European Parliament approved **new EU-wide rules on the marketing of alternative investment funds** (e.g. hedge funds and private equity funds), according to which the managers of these funds must now meet strict registration, reporting and initial capital requirements.

The directive contains a number of provisions to **combat asset stripping**. It primarily stipulates that within the first two years that a company is taken over by a private equity investor the fund may not mediate or support such activities, as distributions, capital reductions, reverse repurchasing of shares or acquisition of own shares. This is intended to deter private equity investors from attempting to take control of a company just to get it sold and make a quick profit.

Moreover, the Parliament has pushed through that strong information and disclosure requirements are to be imposed on private equity investors, particularly regarding information for shareholders, employees and their representatives on **the planned strategy for the company**.

Depositary liability has been increased to prevent further Madoff-style scandals. The **directive requires that if a depositary** legally delegates its tasks to others, it must provide a contract, which allows the fund or the fund manager to claim damages against the entity to which the tasks are delegated. This measure should ensure that at no point in the chain would liability be irretrievably lost.

The agreement will also enable non-EU fund managers to market to investors across the EU without first having to seek permission from each member state and comply with different national laws. The funds and fund managers will obtain **the single passport** only if the non-EU country they are located in meets minimum regulatory standards and has

agreements in place with member states to allow information sharing.

The newly proposed regulation is a **natural reaction to the financial crisis**. The adopted directive contains both positive steps (single European passport, broader reporting obligation, greater demand on capital) and more controversial steps (restricted disposal of the fund's assets over two years).

<http://www.europarl.europa.eu/en/pressroom/content/20101110IPR93908/html/Parliament-ushers-in-new-EU-rules-for-hedge-funds-and-private-equity>

ENTERPRISE

EU patent without Italy? Czech Republic takes its time deciding whether to join

Italy found itself in a political squeeze at the November Competitiveness Council meeting. Its opposition to the compromise proposal submitted by the Belgian Presidency led at the beginning of the month to the blocking of the European patent agreement and several states therefore intend to **ask formally the Commission to prepare a proposal for the so-called enhanced cooperation**. The Czech Republic is still hesitating about its participation and wants a legal analysis.

Sweden, Germany, the United Kingdom, Ireland, the Netherlands, Slovenia and Estonia made clear they were tired of the long-standing disputes over the patent protection in the EU and announced they would formally ask the European Commission for assistance in the preparation of a draft common patent agreement based on the so-called enhanced cooperation mechanism. More EU member states are welcome to join the pact.

The group of dissatisfied countries has adopted a bold tactics. Thanks to the proposal to establish enhanced cooperation, they have a chance to **break the Italian resistance to the Commission proposal** according to which during the transitional period (in fact, until high-quality automatic translation tools are available) the official languages of the European patent would be only English, German and French. Italy does not like the fact that the official languages do not include Italian and, therefore, along with Spain, swept aside the compromise proposal prepared by the Belgian Presidency.

European companies have complained of the **highly expensive system of European patent protection** for many years. They spend 10 times more on patents than their American and Japanese rivals do.



Internal Market Commissioner Michel Barnier said after the ministerial meeting that the Commission was ready to work rapidly on preparing the enhanced cooperation in the field of patent protection.

This would mark only the second time that member states have used the side door of enhanced cooperation to sidestep blocking members. For the first time it was in July, when 14 countries – including Italy, Spain, Germany and France – agreed to simplify divorce rules for couples of different nationalities.

The negotiation over the common European patent is a more than a decade long fight between member states. It has not been resolved either in the Czech Republic, which had this issue as one of its priorities during its Presidency in 2009. The Czech Republic should **stop hesitating and clearly stand on the side of the countries supporting innovation and enhanced competitiveness** – those promoting the common EU patent, albeit applied so far only as enhanced cooperation.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/intm/117687.pdf

ENERGY AND TRANSPORT

Commission to unveil EUR 1 trillion energy strategy for 2020

The European Commission presented in November the EU **energy strategy for the coming decade**. If Europe is to be able in the future to cover its energy needs in a sustainable way, it will be necessary to invest around one trillion euros into the sector.

The document **identifies energy savings as its first priority**, whose details will be set out by the Commission in the new energy efficiency plan, whose presentation is scheduled for next spring.

The EU has set itself the objective of **reducing its energy consumption by 20%** by 2020. The Commission believes that the greatest potential in terms of energy savings is in older buildings and therefore wishes to accelerate the renovation rate. Energy savings in transport, a sector that emits a fifth of Europe's greenhouse gas emissions, will be harnessed by introducing energy efficiency standards for all vehicles and establishing a "robust car labelling system". The public sector should play a crucial role in savings as energy efficiency criteria should "become conditionality obligations in all spheres, notably for allocating public funds".

Another priority of energy strategy for the next decade will be to build an **integrated pan-European energy market**, as both electricity and gas markets remain fragmented by national boundaries.

"The new challenge to 2020 is, however, to provide the **backbone for electricity and gas** to flow where it is needed," the document says.

New infrastructure will also be key to integrating renewable electricity to the grid (new energy interconnections and the development of smart grids). It will therefore be addressed in a separate infrastructure package that the Commission is planning to present this December. The strategy also points out major planned projects like offshore **wind farms in the North Sea** or the **Desertec initiative** (solar power station project in the Sahara).

The strategy also focuses on creating a common EU external energy policy so that the bloc can "effectively project its combined market weight in relations with key third country partners".

<http://europa.eu/rapid/pressReleasesAction.do?reference=P/10/1492>

AGRICULTURE

Farm subsidies to be fairer to newer EU members

The European Commission presented its long-awaited blueprint for reforming the Common Agricultural Policy of the European Union.

The document, in which the European Commission proposes to end the current system that favours farmers in old member countries met with warm welcome in the Czech Republic. In practice, the draft does not mean that Czech farmers receive the same subsidies as their German colleagues – in determining the amount of payment, factors such as market weight, productivity or climatic conditions should be also taken into account. Nevertheless, **the differences between the subsidies** that farmers receive **should be reduced in the future**.

Current aid criteria are "inherited from the past", the Commission explained, saying that aid amounts were calculated based on **the production volumes of the "old" EU member states in 2000-2002**.



The annual evaluation report on the progress of countries seeking membership in the EU brought no significant surprises. Croatia and Iceland have the fastest chances for EU accession, but the report contains no specific dates. In the published Cohesion Report, the European Commission outlined the possible form of EU regional policy after 2013. Emphasis will be placed mainly on ensuring that the regional policy objectives would be closely linked with Europe 2020 Strategy.



On the other hand, the Czech Republic fundamentally rejects **the proposal to limit the subsidies to larger farms**, on which the CR is oriented due to past collectivisation. The European Commission has recycled its earlier proposal for a financial advantage for small farms, which in the negotiations on the CAP Health Check two years ago met with opposition from some (mostly new) member states led by Germany and the Czech Republic. A ceiling on payments would also be introduced to avoid the funds being siphoned off by large industrial farms at the expense of smaller farmers.

The Commission's other big priority is to **“do more to support the diversity of European agriculture”** with a rural policy dimension that includes “a green component”.

Agricultural practices, which could be supported under the scheme, could include, for example, maintaining **green cover during the winter period to enrich the soil, crop rotation, creating ecological fallows or permanent pastures**. The Commission now wants to conduct an impact assessment to determine which activities will be eligible for the aid in the future.

<http://europa.eu/rapid/pressReleasesAction.do?reference=P/10/1527>

ENLARGEMENT

The Commission praises Croatia and Iceland and rebukes Serbia and Bosnia

The Commission published in the first half of November its annual reports on the advances of countries toward EU membership. **The greatest praise from Brussels was earned by Croatia and Iceland**. On the other hand, Serbia, Bosnia and other Balkan countries must somewhat increase

their reform efforts. The evaluation reports also serve the countries as guidance on what to do next and what to avoid in the reform process.

The progress reports unveiled by the European Commission yesterday were received this year by nine countries – four countries, which boast the title of “candidate countries” (Croatia, Turkey, Macedonia and Iceland), and five states referred to in the document as “potential candidates”. These are Serbia, Albania, Montenegro, Bosnia and Herzegovina, and Kosovo.

Croatia: Praise, but there is still much to do

Croatia is currently finishing the EU accession talks. The progress report highlighted in **particular the successful fight against corruption and improved competition**. Yet the Commission did not mention the exact date of its entry into the EU. The Croats must still improve the area of judicial reform and fundamental rights. The condition for accession talks remains the cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY).

Turkey: New civilian constitution would be invited

Since the start of accession talks, **only one chapter has been provisionally closed** with eight other chapters blocked due to the unsettled dispute with Cyprus. The European Commission has praised Turkey for important constitutional changes, but said that the whole accession process would be accelerated by the adoption of an entirely new constitution that would significantly reduce the military's influence in the country. The area of human rights, freedom of religion and expression was criticised.

Iceland: Give the citizens more information about the EU

Accession negotiations with Iceland were opened in July this year and the Commission commended it for the achievement of European standards in many areas, which was significantly contributed especially by Iceland's membership of the European Economic Area and the Schengen area. On the other hand, Reykjavik was **reproached for taking no action in fisheries and agriculture**, which pose the greatest obstacles to its entry into the EU.

Macedonia: “Name issue” holds back progress

The Commission has made it clear for Macedonia that accession talks cannot reach a successful conclusion (or cannot even be started) if it fails to **solve the Greek-Macedonian dispute over the name of the country**.



Events

Serbia: Catch Mladic

The Commission highlighted in the evaluation report the **improvement of the relations of Serbia with its regional neighbours**, notably with Croatia and Bosnia and Herzegovina, but also expressed disappointment with the country's lack of cooperation with the ICTY.

Montenegro and Albania: The talks could start, but the path to them is long

Although the Commission appreciated the long track that the two countries have successfully travelled towards EU membership, they **still have much to learn and catch up with** (the fight against organised crime and pervasive corruption, judicial reform and home affairs).

Bosnia and Herzegovina: In need of a vision

“Developing a shared vision by the leaders on the overall direction of the country and on key EU-related reforms remains essential for further progress towards EU membership,” the strategy paper says.

Kosovo: Still at odds with its Serb minority

“More needs to be done **to tackle corruption, organised crime and money-laundering,**” this is the start of the Commission's list of challenges that Kosovo has to tackle in the near future.

<http://europa.eu/rapid/pressReleasesAction.do?reference=P/10/1485>

List of candidate and potential candidate countries

Croatia	candidate, applied for membership in 2003.
Turkey	candidate, applied for membership in 1987.
Iceland	candidate, applied for membership in 2009.
Former Yugoslav Republic of Macedonia	candidate, applied for membership in 2004.
Montenegro	potential candidate, applied for membership in 2008.
Albania	potential candidate, applied for membership in 2009.
Serbia	potential candidate, applied for membership in 2009.
Bosnia and Herzegovina	potential candidate, has not applied for EU membership.
Kosovo	potential candidate, has not applied for EU membership.

EXTERNAL RELATIONS

Obama: We basically agree on everything at the summit

The summit between the EU and US leaders, which was held on 20 November in parallel with the EU and NATO meeting was according to US President Barack Obama not too “exciting” because the leaders of the two powers **have found common ground in virtually all subjects** that were on the table.

Nevertheless, Lisbon was fairly busy. In addition to the meeting of the representatives of the European Union and NATO the capital city of Portugal hosted also the summit of the US **President Barack Obama** with the two EU leaders – **Herman Van Rompuy**, President of the European Council, and **José Manuel Barroso**, President of the European Commission. The choice of the venue could not be more symbolic – the EU-US summit is the first since the adoption of the Treaty of Lisbon.

The summit between the US and EU representatives was **originally scheduled for last spring in Madrid**, but it ultimately did not take place, because the US administration refused to come to Europe.

After the meeting the **politicians acknowledged that the talks were also dominated** by economic issues, especially the results of the two-day G20 summit of the world's most developed economies (19 countries and the EU), which had been held a week before in Seoul, South Korea. The politicians reiterated the need to do everything possible to prevent future currency wars and national protectionism.

Another commitment that the leaders of the two powers have adopted is to bring **the frozen multilateral negotiations in the WTO**, which started in 2001 in the Qatar capital Doha, to “a successful, ambitious, comprehensive and balanced conclusion”.

Since the EU-US meeting took place after the NATO summit, it is understandable that its agenda included the topics discussed by the leaders of NATO members – especially the **building of the anti-missile system** to which Russia was invited, and the phase-out of NATO troops from Afghanistan. EU leaders have found common ground with the US President even in the question of the fight against nuclear proliferation and the need to continue the peace negotiations in the Middle East. The EU and US leaders also discussed the possibilities of cooperation in the field of cyber security.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/117897.pdf

REGIONAL POLICY

The Commission wants EU funds linked with Europe 2020

The European Commission published the Cohesion Report, which officially **started the debate on the future of European funds** after 2013.

Presenting the report, EU Regional Policy Commissioner Johannes Hahn and EU Commissioner for Employment, Social Affairs and Inclusion László Andor have said that regional policy **should underpin the objectives of Europe 2020 Strategy**, which the EU expects to bring Europe to the path of sustainable growth based on advanced (and low emission) technologies, which will also ensure a high level of social cohesion.

According to the Commission, the investment priorities of the entire cohesion policy should be submitted to the Strategy. In addition, the report states that based on these objectives, the member states preparing their programme documents should agree with the Commission on partial targets and indicators, through which they would inform Brussels on **how the EU funds contribute to the fulfilment of Europe 2020 Strategy**.

Many of the proposals brought by the document are likely to provoke a heated debate. Besides the already mentioned periodic assessment of progress, there is a great chance that resentment will be caused in many countries by the proposal under which a member state wishing to get money from European funds would have **to make certain reforms in areas related to cohesion policy** (e.g. legislation in the field of environmental protection or education).

There will be objections most probably also to the proposal to introduce a penalty **mechanism for violation of the budget rules of the Stability and Growth Pact**. Member states that do not respect budgetary discipline may temporarily or permanently lose part of the payments from the Cohesion Fund.

As a result of the adoption of the Lisbon Treaty, which added to the original regional policy objectives (economic and social cohesion) the objective of "territorial cohesion", greater space should be devoted after 2013 to the support of urban areas or territorial units that are **geographically and demographically disadvantaged**. Greater relevance should be also given to macro-regional strategies, such as the so-called Danube Strategy.

The European Commission's proposal is the kick-off of the future discussions on the final regional policy after 2013. From the Czech Republic's point of view, it is crucial that

financial aid will continue to be directed to less developed regions.

<http://europa.eu/rapid/pressReleasesAction.do?reference=P/10/1490>

HEALTH AND CONSUMER PROTECTION

Lawmakers tighten rules on prescription drug information to patients

During its November plenary session, the European Parliament adopted two reports, which require the revision of existing EU legislation **on patient access to information** on the characteristics of administered drugs and their effects on human health.

MEPs demand that **accurate and objective information** should be provided to the patients directly by the pharmaceutical companies that manufacture the drug (and know their product).

The companies must therefore indicate exact information (drug characteristics, specification, indication, etc.) **on drug labels, as well as in the leaflets in packaging**. At the same time, the packaging must also contain the assessment report of the product issued with its registration.

When discussing the reports, the MEPs touched also the sensitive topic of **prescription drugs advertising** that we can encounter, for instance, in magazines or while waiting for medications in pharmacies. Although the **European Union has a law prohibiting such advertising**, it is still occurring in some member states because of their varying interpretation of the rules. This shows how very easy it is to overstep the boundary between mere provision of information and commercial advertising.

The European Commission also became aware of this danger and **therefore banned advertising in mass media**, such as television and radio. European legislators have expanded the ban to print media (newspapers, magazines, etc.).

Both documents are now waiting for approval by member states. They will be discussed by the health ministers at their December meeting.

One of the points on the agenda will be **the establishment of dedicated websites to provide the general public** with "objective, unbiased information" on prescription medicines sold in the respective countries. At the same time, member states should publish information in printed form.

<http://www.europarl.europa.eu/cs/pressroom/content/2010124IPR99488>



Diary

From among other events, worth noting is the tug-of-war between the EuroParliament and the Council regarding the European budget for next year. The ministers of member states insist on austerity steps, while the MEPs would prefer a more generous budget. EC Vice-President Antonio Tajani inaugurated in Beijing a centre for European small and medium-sized enterprises (EU SME Centre) which should open up business opportunities for these enterprises in the Middle Kingdom.

NOVEMBER 3

Strong measures for more efficient economic governance:
<http://www.consilium.europa.eu/showFocus.aspx?id=1&focusId=531&lang=cs>

Three Member States face levies worth € 19 million for exceeding milk quota: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1454>

A new EU economic governance - a comprehensive Commission package of proposals: http://ec.europa.eu/economy_finance/articles/eu_economic_situation/2010-09-eu_economic_governance_proposals_en.htm

NOVEMBER 4

Digital Agenda - 10 successful years for GÉANT EU-funded high speed research network: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1448>

Nuclear waste - Commission proposes safety standards for final disposal: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1460>

NOVEMBER 5

European Commission proposes to ban phosphates in laundry detergents: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1465>

European Commission sets out strategy to strengthen EU data protection rules: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1462>

NOVEMBER 8

Commission to recover € 578.5 million of CAP expenditure from the Member States: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1470>

EU and Croatia provisionally close further three chapters: http://ec.europa.eu/enlargement/press_corner/whatsnew/news-by-date_2010_en.htm

The European Commission consults on further policy in the field of credit rating agencies: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1471>

NOVEMBER 9

European Court of Auditors - Annual Report concerning the financial year 2009:
<http://eca.europa.eu/portal/pls/portal/docs/1/5926723.PDF>

Commission opens gateway to China for European small and medium size enterprises: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1478>

Environment: EU adopts stricter rules on industrial emissions:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1477>

NOVEMBER 10

3043rd Justice and Home Affairs Council meeting:
http://www.consilium.europa.eu/uedocs/cms_data/docs/press_data/en/jha/117609.pdf

Clean bill of health for EU accounts; auditors find fewer errors in payments: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1480>

EIB to help implement NER300 programme:
<http://www.eib.org/about/news/eib-to-help-implement-ner300-programme.htm?lang=en>

NOVEMBER 11

CO2 emissions from new cars see biggest fall in 2009:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1496>

More than half of EU27 enterprises are innovative:
<http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/10/166>

European Commission opens debate to change gears in the fight against poverty: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1494>

NOVEMBER 12

EU and Mediterranean countries reinforce trade partnership:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1502>

Research - Europe-wide poll shows public support for responsible innovation in life sciences and biotechnology:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1499>

NOVEMBER 15

Statistics - A wide range of statistics on the diversity of the 271 regions of the EU:
http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/1-11112010-AP/EN/1-11112010-AP-EN.PDF

Suspension of duties for imports and increase of exports:
http://ec.europa.eu/agriculture/newsroom/09_en.htm

11th Report on the practical preparations for the future enlargement of the euro area:
http://ec.europa.eu/economy_finance/articles/euro/2010-11-report-preparations-enlargement-euro-area_en.htm

NOVEMBER 16

EU consumers not making full use of the savings opportunities of energy market liberalisation, study finds:



Diary

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1507>

Customs security: European Commission publishes new guidelines for import and export procedures:
http://ec.europa.eu/ecip/security_amendment/procedures/index_en.htm

NOVEMBER 17

3045th Economic and Financial Affairs Council meeting:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/117790.pdf

NOVEMBER 18

Commission proposes EU priority corridors for power grids and gas pipelines: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1512>

NOVEMBER 19

3046th Education, Youth, Culture and Sport Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/117839.pdf

Digital Agenda - Europeana gives online access to over 14 million examples of Europe's cultural heritage:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1524>

Statistics - EU27 surplus in trade in goods with the USA almost doubled in the first six months of 2010:
http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/6-18112010-AP/EN/6-18112010-AP-EN.PDF

EU27 Member States' trade in goods with USA (mil. eur)

Germany	15 594	Estonia	142
Ireland	5 240	Lithuania	100
Italy	4 419	Malta	47
UK	3 847	Slovenia	38
Sweden	2 273	Poland	36
France	1 687	Latvia	24
Austria	1 295	Bulgaria	9
Denmark	1 079	Cyprus	-27
Belgium	845	Romania	-38
Finland	778	Luxembourg	-152
Portugal	253	Greece	-512
Hungary	207	Spain	-588
Slovakia	197	Netherlands*	-5 409
CR	163	EU-27	31 547

Source: Eurostat, * affected by so called "Rotterdam effect"

New customs rules allow developing countries more benefits from trade with the EU: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1526>

NOVEMBER 22

3047th General Affairs Council meeting:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/117939.pdf

Commission presents Report on how the European Company Statute works for business: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1531>

NOVEMBER 23

Main results of the Foreign Affairs Council:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/117948.pdf

Enterprise and Industry: Commission welcomes recovery in the European tourism sector: http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?lang=cs&item_id=4722

NOVEMBER 24

Digital Agenda - Commission-funded research brings invisibility one step closer: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1538>

NOVEMBER 25

EU law - Commission acts to ensure that European legislation is fully and properly implemented:
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/605>

NOVEMBER 26

Environment: EU set to revise law on hazardous substances in electrical and electronic equipment: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1596>

Employment in Europe 2010 report:
<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=948&furtherNews=yes>

NOVEMBER 29

3049th Competitiveness Council meeting:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/118015.pdf

NOVEMBER 30

3050th Agriculture and Fisheries Council meeting:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/agricult/113636.pdf

Budget 2011 - Commission fast-tracks new draft to help Council and Parliament reach agreement:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1612>

The end of the year is usually hectic. This year was exemplary in this respect due to the height of the “Irish crisis”. Of great importance will be the Eurogroup and ECOFIN meetings where details of the aid for Ireland will be negotiated. Nevertheless, the main event of the last month of this year will be the meeting of the European Council. Its main topics will be the fiscal crisis with emphasis on its urgent tackling and the adoption of permanent mechanisms for the future.

Meeting of the key EU institutions

2. - 3. 12. 2010	Brussels, Belgium
- Council Justice and Home Affairs	
2. - 3. 12. 2010	Brussels, Belgium
- Transport, Telecommunications and Energy Council	
6. 12. 2010	Brussels, Belgium
- Eurogroup	
6. - 7. 12. 2010	Brussels, Belgium
- Employment, Social Policy, Health and Consumer Affairs Council	
6. - 7. 12. 2010	Brussels, Belgium
- European Development Days	
7. 12. 2010	Brussels, Belgium
- Economic and Financial Affairs Council	
7. 12. 2010	Brussels, Belgium
- Informal Council for the Copenhagen process (Education)	
9. 12. 2010	Brussels, Belgium
- Foreign Affairs Council (Defence & Development)	
10. 12. 2010	Brussels, Belgium
- Competitiveness Council	
13. - 16. 12. 2010	Strasbourg, France
- European Parliament Plenary Session	
13. - 14. 12. 2010	Brussels, Belgium
- Agriculture and Fisheries Council	
13. 12. 2010	Brussels, Belgium
- Foreign Affairs Council	
14. 12. 2010	Brussels, Belgium
- General Affairs Council	
16. - 17. 12. 2010	Brussels, Belgium
- European Council	
20. 12. 2010	Brussels, Belgium
- Environment Council	



In the past two issues of EU News Monthly, we wondered about the main principal ideas of the slowly starting debate on the future of EU cohesion policy – to what extent, for what purpose and how the EU funds will be managed and distributed after the end of the current programming period. Today we will ponder upon the state in which our regions actually are and what development priorities they currently perceive.

DEVELOPMENT PRIORITIES OF THE REGIONS OF THE CZECH REPUBLIC AND ANALYSIS OF THEIR ABSORPTION CAPACITY AFTER 2013

The content of the main theme of this EU News Monthly is a reflection on the character of the respective regions of the Czech Republic from the point of view of socioeconomic analysis, what are their perceived development priorities and how this situation corresponds to the main points of the ongoing debate about the expected future shape of EU cohesion policy after 2013.

In the following text, we will categorise these priorities in relation to the regions of the Czech Republic as follows:

- Economic competitiveness
- Successful society
- Efficient infrastructure
- Attractive region

These material priority areas will be characterised with regard to the appropriateness and compatibility with the future EU cohesion policy from the following range of priorities:

- Convergence (C)
- Welfare (W)
- Development (D)
- Post-crisis (P)

The priority areas and the types of priorities have their **internal** dimension related to the needs and priorities of the Czech Republic and its regions determined by the national borders – and their **external** dimension respecting the new territorial dimension.

Definition of the material priorities of the regions of the Czech Republic

The previous sequels to this topic have already accentuated that EU cohesion policy after 2013 in terms of its material priorities will be essentially determined by the impact of the economic crisis. In addition to the convergence (C), welfare (W) and development (D) priorities, the material needs and priorities of the Czech Republic and its regions have been extended by the set of post-crisis (P) priorities generated or identified based on the crisis impacts and consequences.

One of the major impacts of the crisis on the needs and priorities of the development of the Czech Republic and its regions and one of the major changes in the parameters under which the EU cohesion policy was working in the Czech Republic, probably is the temporary

stoppage of the course of the real convergence process.

Active real convergence, which was even extraordinarily dynamic in a certain period, has consistently accompanied the socioeconomic development of the Czech Republic and its regions almost throughout the decade just ending.

However, it is quite realistic that probably from 2010 or perhaps 2011 (we will not have comprehensive harmonised statistics for this period sooner than after two or three years) – due to faster economic performance – the process of real convergence closing on the EU average in terms of the Czech Republic will be restored again.

As regards the needs and priorities of the Czech Republic and its regions in relation to the future cohesion policy, the political assignment has been given in the Policy Statement of the Czech government, which states: “The government will promote the allocation of sufficient funds for structural and cohesion policy and will at the same time champion the simplification of the drawing down of funds from the structural funds. It will strive to have the financial outlook create the prerequisites for further modernisation of the infrastructure of new member states and for support for EU competitiveness in the areas of science and research, energy and transport. Economic recovery and growth are a key condition for the further development of Czech society. They are also a key element of the Europe 2020 Strategy, to which the Czech Republic fully subscribes as an active EU member.”

It is this economic and political reality that creates the framework for the future needs and priorities of the Czech Republic and their fulfilment and solution can be effectively contributed by the future EU cohesion policy.

Future development needs of the Czech Republic as a whole in terms of cohesion policy after 2013

Macroeconomic framework. It seems that for the economic performance of the second decade of the 21st century in the conditions of the Czech Republic it is most likely not possible to anticipate mere extrapolation of the developments from the period before the onset of the economic crisis. It is likely that the average growth until 2020 – seen through the eyes of today – will be slightly slower and less dynamic (due to the braking effect of public

finances and the still very subdued investment activity, the process of economic recovery will be rather slow). It is estimated at about 3.5-3.8% of the average real growth a year.

It is quite clear that many extensive development factors on which the economic development was built – despite concurrently major qualitative changes – are coming close to their exhaustion and the subsequent growth strategy must be more strongly based on qualitatively more exacting growth factors:

1. Here, a still considerable obstacle is the quality and degree of the (non-)refinement of the entrepreneurial environment (elimination of administrative barriers, performance of effective public sector in relation to entrepreneurs, greater extent of application of research and development findings, quality and sustainable education process, enhancement of innovation capabilities).
2. Increased integration of economic actors within the international production process (resulting from the high degree of openness of the Czech economy; more specifically, this represents focus on: new technologies, licenses, patents, procedures that could be sold or implemented on the international market, diversification of the structure of exports, and reinforcement of the capital strength of domestic firms and companies).
3. The need to settle the accumulated problems of a structural nature particularly in the labour market (tackling the problem of the non-employability of certain social groups, overcoming the differences in the

qualification and education structure of workers, eliminating institutional and administrative barriers in the labour market, establishment of permanent training and further training as an essential parameter of professional qualification, etc.).

4. Adaptation of the outputs of the education system to the needs of practice (despite the evidently improving education structure of the population and the labour force, there are still disparities between the capabilities and possibilities of fresh graduates and the needs of their potential employers).
5. Improvement of the quality and connectivity of infrastructure in the broadest sense (with emphasis on mobility and the rendered quality of the service/output standard in the transport, communication, social and cultural, educational, energy, environment and tourism areas).

Based on this defined macroeconomic framework and in accordance with the formation of the debate on the future of cohesion policy and its major substantive points, we can define the following priorities with regard to the above-defined development, convergence, welfare and post-crisis aspects in the needs of the Czech Republic and its regions. In the following tabular summary, we examine also the appropriateness of the respective priority area from the perspective of the future cohesion policy. The following tabular summary identifies the material priority needs in terms of the Czech Republic as a whole, and in a further approximation we will try to accentuate them more specifically with regard to the specifics of the respective regions.

DISTRIBUTION OF PRIORITY AREAS CONSISTENT WITH THE FUTURE EU COHESION POLICY IN REGIONS

Prague

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Science, research, innovation and education (support for science, research and innovation, promoting the information society)	D
Successful society	Lifelong learning, Promoting youth employment	D
Efficient infrastructure	Transport connection to the European transport infrastructure; promoting public transport; reducing the impact of individual private car traffic on the environment	D, W
Attractive region	No priorities or needs were mentioned (which is quite paradoxical especially for Prague that is very rich in monuments and dependent on tourism)	D, W



Main topic

Central Bohemia

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Development of the production base; development of SME; use of labour supply	D
Successful society	Increasing public education with an emphasis on labour flexibility; job opportunities in rural areas; structural and functional integrity of the system of health services and the health and social care system; offer of leisure activities; environmental education and training in the region	D, W
Efficient infrastructure	Sustainable development of the region; improvement of the quality of the protection of groundwater and surface water; development of transport and logistics infrastructure; modern waste management; improvement of air quality and protection; energy industry development; development of water management; housing development; development of information infrastructure; balanced development of settlements; services in rural areas	C, D
Attractive region	Development of domestic and foreign tourism in the region; development of sports and recreational activities and other forms of active leisure in the region; promotion of rural development through rural tourism; conservation of cultural heritage in its use for tourism; cultural and social life in rural areas	W, D

South Bohemia

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Development of entrepreneurial environment; strengthening competitiveness and development of research capacities to improve the conditions for business; enhance competitiveness of business entities and utilise the capacity of research and development as a source of innovation of the business sector	D
Successful society	Development of lifelong learning, labour market, social and health area and promotion of leisure activities in order to develop education and innovative tools of the labour market, social infrastructure and facilities for sport and leisure activities and improving the quality of health and social services and their optimisation	D, W
Efficient infrastructure	Development of infrastructure and transport services to improve the current situation and build a new transport and technical infrastructure and improve traffic conditions and transport services; environmental development and integrated approach to address risks to ensure the conditions of particular aspects of environmental protection and the introduction of a system of integrated risk solution; encouraging diversification of rural economy with focus on the use of modern forms of agriculture, fisheries and forestry with the concurrent utilisation of the potential and conservation of local traditions and landscape values; effective exercise of public administration, partnerships, cross-border relations	C, D
Attractive region	Development of the basic and supplementary infrastructure of tourism, development of competitive tourism products, utilisation of cultural and natural heritage and development of cultural activities; organisation and management of tourism; marketing and promotion of the territory to develop tourism with focus on its different types with concurrent utilisation of the potential of cultural heritage with regard to preserving its specific values	W, D

Plzeň



Main topic

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Priority emphasis on science, research and innovation in terms of the results, smoothness and flexibility of the incorporation of innovation into firms	D
Successful society	Focus of the educational system on the “production” of an adequate number and quality of human resources for science and research; development of an effective system able to face the demographic challenges (development of services for the elderly, optimisation of educational opportunities, integration of foreigners)	D, W
Efficient infrastructure	Provision and development of adequate technical infrastructure in the region (transport connection of the region, intra-regional transport) and waste management	C
Attractive region	Culture, sports and recreation; regeneration of the area and its settlements; cross-border relations	W, D

Karlovy Vary

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Key emphasis on innovation, fostering innovation in enterprises and ensuring transfer of technology between research and the commercial sector; entrepreneurial environment and infrastructure – development of the region’s entrepreneurial base (improvement of the entrepreneurial environment and development a broad-based business infrastructure)	D, C
Successful society	Human resources and education – promoting secondary and university education	D
Efficient infrastructure	Primarily, revitalisation of declining areas of cities and villages; revitalisation of brownfield sites and areas of the type of public spaces and parks	C
Attractive region	Not mentioned among strategic priorities	

Ústí nad Labem

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	A very strong emphasis on the advancement of research, development and potential for the creation of innovation – this emphasis should express itself in a change of the character of the regional economy towards strengthening industries, branches and jobs with higher added value, in increased innovation potential of the regional economy and in an increased role of research and development within the economy as well as in strengthening the cooperation of the individual actors in research and development	D
Successful society	Increase in the potential of human resources and improvement of the labour market situation – enhancement of the employment rate of the inhabitants in the region, elimination of long-term unemployment and unemployment of the groups most at risk of losing their jobs; increase in local employment of the population, including self-employment and trade-certificate-based business in specific sectors, for which the particular locality has development potential; extended and more effective cooperation between the educational system and the labour market needs; increasing the educational level, qualification and professional competence of the population, reducing the proportion of population at risk of social exclusion	C, D, W
Efficient	The key infrastructure problem is the revitalisation of the existing and the potential	C



Main topic

infrastructure	desolate localities, which should result in eliminating the environmental burdens developed in consequence of production and mining activities; improving the state of the landscape and its environmental components; improving the environment for the people living in residential areas of cities; increasing the social status of people living in problematic localities
Attractive region	Not mentioned among strategic priorities

Liberec

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	The aim is a dynamic and competitive economy, improvement of its competitiveness, support for the entrepreneurial environment, especially SME; support for science, research and innovation	D
Successful society	Quality and healthy human resources through support for education and lifelong learning, reinforcement of an active employment policy	D, W
Efficient infrastructure	The aim is a comprehensive and quality infrastructure in terms of improving transport infrastructure and its optimisation, improvement of transport services, modernisation of technical infrastructure, including the development of alternative energy sources, support for housing reconstruction; improvement of public service; a healthy living environment without burdens – strengthening the stability of forest stands, waste reduction, recycling promotion, promotion of sewage water treatment, restrictions on emissions of pollutants into the air, promoting environmentally friendly and economically acceptable alternative energy sources; improvement of the quality of public administration	C, D
Attractive region	Improvement of the quality of tourism infrastructure and services; support for sustainable tourism; support for culture and sports	D, W

Hradec Králové

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Increasing the investment attractiveness of the region; promoting the development of the research and innovation environment in the region; improving the entrepreneurial environment for SME	D
Successful society	Support for vocational education training at all levels in accordance with the requirements of the labour market; efficient and integrated provision of health and social services	D, W
Efficient infrastructure	Promoting environmental protection; improvement of transport accessibility and mobility, completion of the transit transport road network; modern and more efficient public administration; integrated solution of the issue of rural development	C, D
Attractive region	Improved utilisation of the region's potential for tourism, culture and leisure activities	D, W

Pardubice

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Long-term growth and competitiveness: strengthening the capacities for knowledge-based economy and innovation; strengthening the competitiveness of the region's economy (support for SME and their involvement in innovative activities of knowledge-based economy; improving the efficiency of economic activities	D
Successful society	Increasing the competitiveness of the workforce in the region; promoting long-term	D



Main topic

	employability of the population through qualification improvement	
Efficient infrastructure	Support for a balanced growth of the region with focus on lagging areas: building modern infrastructure, improving mobility and transport connection between economically important localities	C, D
Attractive region	Not mentioned among strategic priorities	

Vysočina

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Building the innovative potential of the regional capital along with selected university centres; promoting regional products and organic products	D
Successful society	Development of the system of secondary schools in regional centres and tertiary education in the city of Jihlava; promoting specialised secondary education in some micro-regional centres; promoting education and qualification improvement of human resources in tourism	D
Efficient infrastructure	Developing an active rural society; improving the quality of public services in regional centres and the regional capital; protecting the Highlands landscape; the future of the power industry – utilisation of the potential of the Dukovany nuclear power plant, energy saving, promotion of appropriate alternative energy sources, development of environment-friendly methods of waste incineration; improvement of accessibility by transport: improvement of transport connection, better quality of public transport	C, D
Attractive region	Competitive tourism: promotion of rural tourism, quality improvement and warranty for the services in tourism	D

South Moravia

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Support for science and research; improvement of the entrepreneurial environment for SME;	D
Successful society	International mobile programmes for students and young researchers; enhancement of the network of social and health services; measures for active employment policy	D, W
Efficient infrastructure	Construction of road and railway transport infrastructure; reducing the impacts and consequences of human activities on the environment; improving the environment and landscape, minimising the negative effects of climate change; improving the quality of public services; support for cities as the drivers of territorial development; cross-border, international and transnational cooperation	C, D
Attractive region	Improving the competitiveness of the tourism sector	D

Olomouc

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Enterprise, research and innovation: support for the entrepreneurial base with high labour productivity, targeted support for the entry of new investors, targeted interventions in favour of high-tech manufacturing; optimisation of offered convenient business areas; widening the possibilities for research; improving the conditions for cooperation between the private and research sectors; promotion of	D



Main topic

	the region and its strategic position on the international level; strengthening the role of cities as the generators of development	
Successful society	Informing pupils and students about convenient branches and the local labour market; increasing the attractiveness of the demanded branches (improvement of the quality of equipment and the forms of financial support), promoting variant forms of employment, including part-time jobs; evaluation and optimisation of the care for elderly people, including leisure; support for maintaining the quality and availability of health care in peripheral localities of the region	D, W
Efficient infrastructure	Promoting the use of renewable energy sources and energy-saving technologies and waste processing	D
Attractive region	Development of recreation, primarily in rural areas	D, W

Zlín

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Strengthening the application of research and development and innovation projects; reinforcing the importance of the services sector in regional economy; strengthening the role of SME; preserving the competitiveness in the region's dominant industrial sectors	D
Successful society	Education, healthcare and social affairs: increasing the competitiveness of the workforce in knowledge-based economy (lifelong learning, foreign languages), reducing the unemployment rate towards its natural level; improving the efficiency of social and health services	D, W
Efficient infrastructure	Improving the environmental parameters; improving the attractiveness of life	C
Attractive region	Increasing the number of tourists and the utilisation of the capacities of tourism; enhancing public awareness and respect for the region as a tourist destination; care for the original cultural heritage of the region	D, W

Moravia-Silesia

Priority area	Measures and examples of intervention	Type of priority
Economic competitiveness	Support for capturing new trends and conditions in society from the perspective of companies; assistance in estimating future demand, creating new products and developing new markets, engaging in business networks, developing innovative business conditions; support for the creation of new companies (spin-offs, start-ups); promoting environmental technology investment and exports	D
Successful society	Addressing the loss of jobs in traditional industries and preventive tools against the growth of unemployment; provision of quality education and training institutions responding flexibly to labour market trends and business sector demand; support for establishing and maintaining an educated workforce: using the information on the development and state of the labour market for improving the educational system	C, D
Efficient infrastructure	Promoting the availability of entrepreneurial infrastructure, improvement of the environment; promoting the reduction of emissions of industrial enterprises, reduction of energy consumption; development of housing support to stabilize competent workforce: cooperation with land-use planning, cooperation with developers and individual builders	C, D
Attractive region	Not mentioned among strategic priorities	

Key macroeconomic indicators

in %	GDP growth y-on-y			Current account to GDP*			Unemployment rate			Inflation y-on-y average		
	2007	2008	2009	2007	2008	2009	VIII-10	IX-10	X-10	VIII-10	IX-10	VIII-10
Belgium	2.9	1.0	-3.1	2.2	-2.9	0.5	8.6	8.5	8.5	2.4	2.9	3.1
Bulgaria	6.2	6.0	-5.0	-26.8	-24.0	-9.4	10.0	10.0	9.9	3.2	3.6	3.6
CR	6.1	2.5	-4.8	-3.2	-0.7	-1.1	6.9	6.9	6.9	1.5	1.8	1.8
Denmark	1.7	-0.9	-4.9	1.5	2.2	4.0	7.3	7.6	7.8	2.3	2.5	2.4
Germany	2.5	1.3	-5.0	7.6	6.7	4.9	6.8	6.7	6.7	1.0	1.3	1.3
Estonia	7.2	-3.6	-14.1	-17.8	-9.4	4.6	16.2	16.2	na	2.8	3.8	4.5
Ireland	6.0	-3.0	-7.5	-5.3	-5.2	-2.9	13.9	14.1	14.1	-1.2	-1.0	-0.8
Greece	4.5	2.0	-2.0	-14.4	-14.6	-11.2	na	na	na	5.6	5.7	5.2
Spain	3.6	0.9	-3.6	-10.0	-9.7	-5.4	20.5	20.7	20.7	1.8	2.1	2.3
France	2.3	0.4	-2.2	-1.0	-2.3	-2.2	9.9	9.9	9.8	1.6	1.8	1.8
Italy	1.5	-1.3	-5.0	-2.4	-3.4	-3.2	8.1	8.3	8.6	1.8	1.6	2.0
Cyprus	5.1	3.6	-1.7	-11.7	-17.5	-8.3	7.1	7.1	7.3	3.4	3.6	3.2
Latvia	10.0	-4.6	-18.0	-22.3	-13.0	9.4	na	na	na	-0.4	0.3	0.9
Lithuania	9.8	2.8	-15.0	-14.5	-11.9	3.8	18.4	18.4	na	1.8	1.8	2.6
Luxembourg	6.5	0.0	-3.6	9.7	5.3	5.6	5.0	5.0	5.0	2.5	2.6	2.9
Hungary	1.0	0.6	-6.3	-6.6	-7.0	0.2	10.9	10.8	10.9	3.6	3.7	4.3
Malta	3.8	2.1	-1.9	-6.1	-5.6	-3.9	6.2	6.2	6.2	3.0	2.4	2.2
Netherlands	3.6	2.0	-4.0	8.7	4.8	5.4	4.5	4.4	4.4	1.2	1.4	1.4
Austria	3.5	2.0	-3.6	3.6	na	na	4.4	4.5	4.8	1.6	1.7	1.9
Poland	6.8	5.0	1.7	-4.7	-5.1	-1.6	9.5	9.6	9.7	1.9	2.5	2.6
Portugal	1.9	0.0	-2.7	-9.4	-12.0	-10.3	11.1	11.1	11.0	2.0	2.0	2.3
Romania	6.3	7.3	-7.1	-13.4	-11.6	-4.5	na	na	na	7.6	7.7	7.9
Slovenia	6.8	3.5	-7.8	-4.8	-6.2	-1.0	7.4	7.4	7.6	2.4	2.1	2.1
Slovakia	10.6	6.2	-4.7	-5.7	-6.6	-3.2	14.6	14.7	14.7	1.1	1.1	1.0
Finland	4.9	1.2	-7.8	4.3	3.1	1.3	8.3	8.1	8.0	1.3	1.4	2.3
Sweden	2.5	-0.2	-4.9	8.4	9.5	7.3	8.2	8.2	8.1	1.1	1.5	1.6
UK	2.6	0.5	-4.9	-2.7	-1.5	-1.3	7.7	na	na	3.1	3.1	na
EU	2.9	0.8	-4.2	-1.0	-1.9	-1.1	9.5	9.6	9.6	2.0	2.2	2.3

in %	Public budget to GDP*			Public debt to GDP			GDP per capita to Ø EU			Price level to Ø EU		
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Belgium	-0.3	-1.3	-6.0	84.2	89.6	96.2	116.0	115.0	115.0	108.3	111.1	113.9
Bulgaria	1.1	1.7	-4.7	17.2	13.7	14.7	38.0	41.0	na	46.2	50.2	52.7
CR	-0.7	-2.7	-5.8	29.0	30.0	35.3	80.0	80.0	80.0	62.4	72.8	70.6
Denmark	4.8	3.4	-2.7	27.4	34.2	41.4	121.0	120.0	117.0	137.4	141.2	144.6
Germany	0.3	0.1	-3.0	64.9	66.3	73.4	116.0	116.0	116.0	101.9	103.8	106.4
Estonia	2.5	-2.8	-1.7	3.7	4.6	7.2	69.0	67.0	62.0	73.1	78.0	75.1
Ireland	0.0	-7.3	-14.4	25.0	44.3	65.5	148.0	135.0	131.0	124.5	127.6	125.0
Greece	-6.4	-9.4	-15.4	105.0	110.3	126.8	93.0	94.0	95.0	90.7	94.0	97.4
Spain	1.9	-4.2	-11.1	36.1	39.8	53.2	105.0	103.0	104.0	92.8	95.4	97.4
France	-2.7	-3.3	-7.5	63.8	67.5	78.1	108.0	108.0	107.0	108.1	110.8	114.3
Italy	-1.5	-2.7	-5.3	103.6	106.3	116.0	103.0	102.0	102.0	102.9	105.6	106.5
Cyprus	3.4	0.9	-6.0	58.3	48.3	58.0	94.0	96.0	98.0	88.1	90.5	91.2
Latvia	-0.3	-4.2	-10.2	9.0	19.7	36.7	56.0	57.0	49.0	66.6	72.6	74.8
Lithuania	-1.0	-3.3	-9.2	16.9	15.6	29.5	59.0	62.0	53.0	60.0	64.7	67.8
Luxembourg	3.7	3.0	-0.7	6.7	13.6	14.5	275.0	276.0	268.0	115.3	119.1	121.3
Hungary	-5.0	-3.7	-4.4	66.1	72.3	78.4	63.0	64.0	63.0	66.7	68.1	65.5
Malta	-2.3	-4.8	-3.8	61.7	63.1	68.6	77.0	76.0	78.0	75.5	78.8	81.4
Netherlands	0.2	0.6	-5.4	45.3	58.2	60.8	132.0	134.0	130.0	101.9	104.0	108.5
Austria	-0.4	-0.5	-3.5	59.3	62.5	67.5	123.0	123.0	123.0	102.2	105.1	107.9
Poland	-1.9	-3.7	-7.2	45.0	47.1	50.9	54.0	56.0	na	62.0	69.1	58.6
Portugal	-2.8	-2.9	-9.3	62.7	65.3	76.1	78.0	78.0	78.0	85.7	87.0	89.3
Romania	-2.6	-5.7	-8.6	12.6	13.4	23.9	42.0	na	na	63.8	60.9	57.5
Slovenia	0.0	-1.8	-5.8	23.4	22.5	35.4	89.0	91.0	86.0	79.0	82.3	85.5
Slovakia	-1.8	-2.1	-7.9	29.6	27.8	35.4	68.0	72.0	72.0	63.2	70.2	73.7
Finland	5.2	4.2	-2.5	35.2	34.1	43.8	118.0	117.0	110.0	119.9	124.3	126.4
Sweden	3.6	2.2	-0.9	40.0	38.2	41.9	125.0	122.0	120.0	115.7	114.5	107.0
UK	-2.7	-5.0	-11.4	44.5	52.1	68.2	117.0	116.0	116.0	112.6	100.1	92.7
EU	-0.9	-2.3	-6.8	58.8	61.8	74.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Eurostat, *) net balance, GDP per capita according to PPP

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