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Dear readers,

With the start of the summer holidays, the amount of key news stories related to European integration usually diminishes. This has also been the case in 2012, even though this July brought interesting topics.

The main one is the "neverending story" of the last two and a half years. What at the beginning seemed like an isolated problem of irresponsible Greek finance ministers grew into a debt crisis impacting the entire southern part of the Eurozone. Greece, Ireland and Portugal are basking under the protective umbrella of the EMU and IMF, which are protecting them from the storm represented by financial investors' lack of confidence. The country on the best path among this trio is Spain, whose cries for 100 billion euros to rescue its banks were heard by Ecofin. The rescue package is expected to be directed only to Spanish banks and therefore will not increase Spain's public debt, but nonetheless the rumor is being spread on the markets that the entire country has asked for help. Another reason for this is that the coffers of Spain's regions are drying up, and they have been asking the central government for help.

However, in the current issue of the monthly, you will also find more positive stories, including Czech ones. Prime Minister Petr Nečas has announced that the European Commission will resume payments from EU funds in several domestic operational programs. According to the Ministry of Finance, this would mean unblocking of up to 900 million euros that are currently frozen. At the time of current fiscal consolidation, structural funds represent the sole major source of public money that can jumpstart the stagnating economy. It is sad that we are handling this opportunity so ineffectively, whether because of the inability of relevant authorities to manage the flow of EU money properly for quality regional projects or because of criminal misuse of these funds, such as in the case of former Central Bohemia governor David Rath.

The main topic of this edition of the monthly is the new advisory offering of Česká spořitelna entitled "Guide to doing business (not only) in the EU, in which w advise our clients, particularly from the ranks of small and mid-sized companies, how to expand abroad successfully and what business environment awaits them here. As of the next issue we will begin publishing a regular section in which we will focus in detail on monitored countries, for the time being from the region of Central and Eastern Europe.

Dear readers, may the summer sunshine recharge your energy for the rest of the year.

Jan Jedlička

Spain will receive 100 billion euros for recapitalization of its banks, Eurozone finance ministers have agreed. The Spanish prime minister has introduced new austerity measures, which are expected to save the country 65 billion euros in the least two and a half years. In September, the European Commission will introduce a proposal for creation of a banking union. It is apparent from a meeting of creditors in Greece more support for the country will not be released until at least September.

ECONOMY AND EURO

Eurozone to provide Spain with bank recapitalization loan, ministers agree

Eurozone finance ministers have announced that they will **release up to 100 billion euros for the recapitalization of Spanish banks**. They are expected to agree on the exact amount in September, following endurance tests on 14 bank groups (approximately 90% of the Spanish banking system. Spain would then be able to receive the money until the end of the year.

During the first phase, Spain is **expected to receive 30 billion euros,** which it will be able to use directly for threatened banks. The Spanish Fund for Restructuring of Banks (FROB) is expected to function as a mediator in relation to this loan. The financial rescue package is likely to be accompanied by conditions, which are likely to include the expectation that Spain **will reform its financial sector.** The country will have to respect the already accepted obligations related to structural reforms and reduction of the state budget deficit.

The assistance to Spanish banks was approved after **Germany and Finland gave the green light for it**. Finland has agreed with Spain on guarantees for its future share of the loan. The value of the guarantees is expected to range around 40% of the total Finnish share, which will make up approximately 1.9 billion euros.

The Eurozone countries have also extended the period of time **Spain will be given to reduce its debt to under 3% of GDP**. It will have until 2014 to do so, and the European Commission anticipates that Spain will reach budget deficit level of 6.3% before the end of this year. However, according to a document from the Commission, achieving this "easier" goal will be very difficult for Spain.

We believe that even the prepared 100 billion euros for Spanish banks **will not get rid of the need to rescue Spain as a whole**. Besides the banking sector, regional governments are also running out of money. So far the autonomous region of Valencia and the Murcie region have turned to Madrid with requests for financial help with paying their debts, and the possibility that other indebted regions will also ask for help cannot be ruled out. **Moreover, returns from long-term state bonds have already reached 7% of their critical level,** and these high interest rates are not financeable for Spain over the long term.

http://www.consilium.europa.eu/homepage/highlights/eurogroup-grants-financial-assistance-to-spains-banking-sector?lang=en

Rajoy presents new austerity package, says it will save Spain 65 billion euros

Spanish Prime Minister Mariano Rajoy has introduced new measures, which he says will save Spain 65 billion euros over the next two and a half years:

- By increasing VAT by three percent to 21%,
- By privatizing airport, railway and port assets,
- By reforming public administration,
- By introducing new indirect taxes.

However, Rajoy will not touch Spain's money, by which he will be keeping one of his election promises.

http://www.lamoncloa.gob.es/Presidente/Actividades/ActividadesNacionales/2012/110712RajoyPleno.htm

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/131648.pdf

Barroso: We will introduce unified bank supervision in September

European Commission Chairman José Manuel Barroso stated following a meeting with Greek Prime Minister Antonis Samaras that the **Commission is working intensively on creating a banking union** and that a proposed mechanism for a unified form of bank supervision will be presented at the beginning of September. "This banking supervision over the Eurozone will be supported by the European Central Bank," he added.

EU leaders expect the move to **ensure better protection of depositors**, restore confidence in the financial sector and protect banks from additional shocks. According to Barroso, the banking union will restore **trust in banks as well as in the single currency, the euro.**

The banking union is also expected to be propped up by common banking rules, which will be valid throughout the EU, and a uniform deposit insurance system.

An inspection was also carried out in Athens **by the so-called troika** (representatives of the IMF, the European Commission and the European Central Bank). The bank examined **how the Greek government was continuing in reforms.** The Greek government has been criticized mainly for its slow pace of reforms, which in recent months was caused by two rounds of parliamentary elections with difficult negotiations regarding forming a coalition.

For the time being, **Greece will not receive any additional European money.** The troika plans another inspection at the beginning of August, but according to the Commission Athens will not receive another part of the 130 billion euro package sooner than in September.

Chairman Barroso's visit was merely another episode in the Greek tragedy. At the time when this issue of the Monthly went to press, it **began being speculated that Greek debts might even be forgiven by public investors** such as the ECB, the IMF and other EU member states.

In our opinion, Greek can be helped only by a combination of these two steps:

- **Additional massive forgiving of Greek debt,** which will reduce the increasingly astronomical amount of public debt,
- **Radical and painful austerity and reforms**, which will restore the price competitiveness of Greece's production sector.

If these options fail, Greece is certain to face an exit from the Eurozone and default or bankruptcy.

http://ec.europa.eu/commission_2010-2014/president/news/archives/2012/07/20120726_1_en.htm

TAXATION AND CUSTOMS UNION

EU seized nearly 115 million counterfeited goods last year, mainly from China

The number of goods suspected of breaching intellectual property confiscated at the EU's borders has been rising. While in 2010, **EU customs officials seized** 103 million products, nearly 115 million were seized last year. Moreover, the total value of these goods has grown by 200 million euros to nearly 1.3 billion.

According to the **Europe 2020 strategy** approved by the EU at the beginning of 2010, protection of intellectual property rights is supposed to be one of the main pillars of Europe's economy and should help significantly boost growth in areas such as research, innovation and employment.

"EU customs authorities are the first line of defense in the fight against counterfeits, which threaten the safety of our citizens and undermine legal business activity," said the **commissioner for taxation and customs union, audits and the fight against fraud, Algirdas Šemeta.**

"I will continue to push for even greater protection of intellectual property rights in Europe, through our work with international partners, industry and member states," he added.

According to data from the European Commission, the main source of counterfeit goods **is China, from which 73% of the products** breaching intellectual property rights originate.

However, certain other countries surpass China in certain categories of products. The largest counterfeiter of food products is **Turkey**, the main counterfeiter of alcoholic beverages is **Panama**, **Thailand** produces the most counterfeit non-alcoholic beverages, and **Hong Kong** is the main counterfeiter of mobile phones.

Pharmaceuticals make up the largest share of goods seized by customs officials (24%), followed by **packaging materials** (21%) and **cigarettes** (18%). Products of daily need and production, which could potentially be hazardous for consumers' health and safety, represented 28.6% of the total amount of confiscated products, compared to 14.5% in 2010.

Development of seized counterfeiters in EU

Year	Counterfeiters
2001	94 421 497
2002	84 951 039
2003	92 218 700
2004	103 546 179
2005	75 733 068
2006	128 631 295
2007	79 076 458
2008	178 908 278
2009	117 959 298
2010	103 306 928
2011	114 772 812

Source: European Commission

http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/statistics/2012_ipr_statistics_en.pdf

INTERNAL MARKET

Czech economy is 16th most competitive in EU

The World Economic Forum has issued a new study, in which it compares the competitiveness of the 27 EU member states, and it **ranked the Czech Republic in 16th position**. Of the newest member states, the Czech Republic trails in third place behind Estonia and Slovenia.

The Czech Republic is evaluated overall as **an open economy with low wage differences and an effective labor market**. The authors also praise the country's social policies.

Commissioner for Energy Günther Oettinger has proposed adding a fourth goal - industry comprising a 20% share of GDP - to the three strategic goals known as 20-20-20. The Commission has introduced a plan to support smart technology in cities and wants to allocate 365 million euros for its implementation. Transport ministers have proposed connecting transport and traffic with a digital agenda and improving rail and bus connections.

However, according to the study, the **Czech Republic lags** behind mainly due to not enough emphasis on sustainable development and support for renewable energy resources. **The Czech Republic is also below the EU average** in innovation and availability of the newest technology.

Most competitive countries according to World Economic Forum

Rank 2012	Economy	Score
1	Sweden	5,77
2	Finland	5,71
3	Denmark	5,60
4	Netherlands	5,46
5	Austria	5,33
6	Germany	5,28
7	United	5,23
8	Luxembourg	5,13
9	Belgium	5,04
10	France	4,98
11	Estonia	4,74
12	Ireland	4,66
13	Slovenia	4,59
14	Portugal	4,59
15	Spain	4,52
16	**Czech Republic**	**4,49**
17	Cyprus	4,40
18	Malta	4,39
19	Latvia	4,36
20	Lithuania	4,31
21	Italy	4,30
22	Slovak	4,13
23	Poland	4,08
24	Hungary	4,06
25	Greece	3,95
26	Romania	3,79
27	Bulgaria	3,76
-	**EU**	**4,94**

Source: World Economic Forum

The highest positions on the ladder are held by the **Scandinavian** countries, followed by the **Netherlands**, **Austria** and **Germany**. The study found that the most competitive country is Sweden.

According to the report, **the success of the Scandinavian** countries is mainly due to their large financial support for research and development, quality schools, excellent business environment with plenty of competition, a focus on new advanced technologies and innovations, active and thoroughly implemented social policy and environmental protection.

Greece, **Bulgaria** and **Romania** ranked at the bottom of the ladder.

http://www3.weforum.org/docs/CSI/2012/Europe2020_Competitiveness_Report_2012.pdf

ENTERPRISE

Oettinger wants to add to the 20-20-20 trio of objectives and boost energy

On its path to a low-carbon economy, the European Union **should not take its eyes away from its crucial industrial base**, wrote German Commissioner for Energy Günther Oettinger in a recent issue of the German economic daily Handelsblatt.

"Europe should consider adding another, fourth, goal to its 20-20-20 set of three goals," he said.

He elaborated that he believed the fourth permanent goal should be for industry to make up 20% of GDP by 2020. According to available data, industry made up only 18% of GDP in 2010, although Oettinger pointed out that back in 2000 it made up 22%. "We need to boost industrial production," he told the newspaper.

The Commissioner also said he believed **Europe was currently too dependent on imports of energy resources**, mainly from Russia and the Middle East, and that the EU should strive to achieve the most effective means of production and energy consumption. He said this was the only way the EU could effectively tackle competition with the United States, where natural gas prices have declined sharply thanks to extraction from shale formations. He said the US must manage its energy industry with the awareness that the safety of deliveries and the availability of energy are a decisive factor in a global context.

The commissioner intensified his rhetoric **at the energy conference in Brussels**. He said that Europe was entering a global disadvantage, because it was not willing to accept the risk of drilling for oil from sea beds and sand. He went on to say that the EU so far had not managed to examine sufficiently the potential of shale gas.

There has been debate about **the safety of research drills in areas with potential beds of shale gas**. While Poland and the UK already call for these resources in their energy strategy, countries such as Bulgaria and France have banned these activities on their territory. Shale gas has attracted significant attention in the last six months in the Czech Republic as well.

http://www.handelsblatt.com/politik/international/gastkommentar-teuere-energie-fuehrt-zu-europas-deindustralisierung/6883080.html

http://ec.europa.eu/commission_2010-2014/oettinger/headlines/speeches/2012/07/doc/2012_07_17open_project.pdf

ENERGY AND TRANSPORT

Commission: Effective use of financial resources necessary to develop smart cities

The European Commission has presented **a new plan to support smart technology in urban areas.** For 2013 it has decided to allocate 365 million euros for the development of such technology.

The innovation plan is focused on promoting joint use of financial resources in the sectors of energy, transport and information and communication technology (ICT). The Commission says **the private sector should also participate** in the projects.

The plan calls for example for support for satellite technology for managing transport, city buses powered by electricity using digital technology and infrastructure for electric vehicles.

According to the Commission, **making energy consumption more effective in cities** is one of the most important aspects for fulfilling energy and climate objectives, to which the EU has committed itself to do by 2020. Urban areas consume 70% of the energy in the EU.

Another important focus of the smart cities concept is improvement of traffic and transport. "European cities most often suffer traffic accidents, traffic jam, poor air quality and excessive noise," explained **European Commissioner for Transport Siim Kallas.**

Support for the development of smart cities goes hand in hand with other innovative initiatives of the European Commission, such **as the program for development of newly emerging technology** such as household robots and nano materials capable of noticing changes in the behavior of a human body.

The Commission also stressed that the EU would **support only projects that are cost effective**, because it does not have enough financial resources for experimenting.

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/760

AGRICULTURE AND FISHERY

EU travel to become smarter, Commission wants to connect transport with digital agenda

Travel throughout the EU should become **easier in the future thanks to smart technology**. European ministers of transport and telecommunications in Nicosia, Cyprus, have discussed linking the European digital agenda with the White Book regarding transport from 2011.

The ministers negotiated regarding **options of better interconnection of rail and bus systems**. They were interested mainly in achieving progress in the creation of intelligent transport systems (ITS), the goal of which is to make travel more comfortable for passengers.

The EU is seeking to make transport more effective and reduce the strain on European motorways. According to data from the European Commission, **truck traffic is expected to grow by 55% by 2020**, and **passenger traffic is expected to grow by 36%**.

One of the impacts of this development is an increase in energy consumption accompanied by an increase in greenhouse gases. The EU estimates that their amount as a result of traffic and transport will grow by 15% by 2020. EU official say intelligent transport systems would reduce traffic delays by 20% and prevent 30% of traffic accidents. Moreover, they would support overall mobility in Europe.

However, according to **European Commissioner for Transport Siim Kallas**, the creation of ITS in Europe is so far stalled. Member states mainly are reportedly to blame, because they are not willing to share information with each other and take coordinated measures to make it easier for travelers to plan their trips across the continent.

For financing ITS, the executive council would use the **new Connecting Europe Facility or resources from the framework program for research and development Horizon 2020.**

However, **the European office for personal data protection has raised objections** against the method of

An old financial conflict between Croatia and Slovenia has bubbled to the surface, but we do not believe Croatia's entry to the EU is in jeopardy. Brussels has produced reducing the number of emissions permits in the European emissions trading system (EU ETS), and an exemption for the Czech Republic allowing allocation of permits free of charge as part of the EU ETS has been extended.

creating ITS and says sharing information in order to facilitate, for example, ticket reservations could jeopardize the security of certain data.

http://www.cy2012.eu/index.php/en/file/b2KSi_qGBxf2nxXo9+AUZw

ENLARGEMENT

Will an old banking dispute threaten Croatia's EU entry?

The relationship between Croatia and Slovenia has been tense for several years already. After the countries settled a border dispute regarding part of the coast in the north Mediterranean, when enabled Zagreb to complete its accession negotiations, **an old financial conflict bubbled** to the surface, which again is muddying the waters between the two countries.

And what is the dispute about? Croatia is demanding bilateral negotiations with **Slovenia about approximately 172 million euros**. According to Zagreb, that **money is owed to former Croatian clients of the no longer existing Ljubljanská banka (LB)**, who deposited their savings into that bank before the collapse of Yugoslavia in 1991, at a time when Slovenia and Croatia were both part of the same country.

However, Slovenia says it is necessary to resolve this matter within broader negotiations regarding all yet unresolved disputes between former Yugoslav republics, which Slovenia says should be held **under the supervision of the Bank for International Settlements (BIS).**

Croatia is expected to become the 28th EU member state on 1 July 2013, but **of course this requires approval from all of the current member states**, including Slovenia. According to certain Slovenian politicians, resolving this dispute should be one of the conditions for Slovenia to ratify the accession agreement for Croatia.

"I personally would like for Croatia to join the EU as soon as possible and for us to ratify the agreement," **Slovenian Foreign Minister Karl Erjavec** said at a meeting of foreign ministers in Brussels. "However, a condition for this is resolution of the issue regarding LB in accordance with the obligations that Croatia committed itself to when closing chapter four," Erjavec added, referring to the accession chapter regarding free movement of capital.

The European Commission views the dispute as **a bilateral issue between the two countries** and says its resolution is up to them. Nonetheless, the Commission has expressed support for approving Croatia's entry to the EU as quickly as possible.

http://www.euractiv.cz/rozsirovani-eu/clanek/neshody-slovinska-a-chorvatska-pokracuji-muze-za-to-letity-bankovni-spor-010112

ENVIRONMENT

Commission proposes first steps for rescue of emissions trading system

The European Commission has **proposed reducing the number of emission permits** in the European emissions trading system (EU ETS). As of the third phase of trading, which starts next year, the issuance of several hundred million permits will be suspended. There is talk about 400 million, 900 million or even 1.2 billion.

"In the EU ETS an excessively large number of permits have accumulated in the past few years," said European Climate Commissioner Connie Hedegaard. "It would not be wise to flood the market with more," she added.

The EU ETS has long **faced problems due to the low prices of permits**. The opinion has been expressed for quite some time that reducing their number would benefit the market.

European institutions emphasize that the purpose of the EU ETS is to support investments into low-carbon technologies, which is not enabled by the low prices of permits. Not enough funds are flowing to development of modem technologies, such as carbon capture and storage (CCS).

CCS is one of the **most important parts of the European plans for decarbonization.** According to the Commission's estimates, in 2003 this technology could contribute to reducing the amount of emissions by 15%. Companies that are already investing into low-carbon technologies have welcomed the Commission's decision, while large consumers of energy have become concerned about their competitiveness and have voiced opposition to political interference in the system.

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/850

Czech Republic to keep receiving free permits after 2012, must adjust investment plan

The European Commission has approved **requests from the Czech Republic, Bulgaria and Romania** seeking continued **free allocation of permits as part of the EU emissions trading system** (EU ETS) even after 2012. Therefore, the Czech Republic will still have the opportunity

to assign power companies free emissions permits worth **approximately CZK 50 billion.**

As of next year, all European energy sectors are expected to purchase their emissions permits in auctions or on the market. Based on the revised directives regarding the EU ETS from 2009, certain countries were given the opportunity to request a temporary exemption from the rule, but **they are required to fulfill certain conditions.** These include the requirement that an amount corresponding to the value of free permits is invested into the modernization of energy infrastructure, the diversification of energy storage and clean technologies.

The Commission already previously approved the assignment of free permits to **Estonia**, **Cyprus** and **Lithuania** and will decide soon about requests from Hungary and Poland.

http://ec.europa.eu/clima/news/articles/news_2012070601_en.htm

Commission wants cars to be more effective, to help climate and economy

The European Commission has proposed **goals for reducing the amount of carbon emissions released by cars and trucks.** Within eight years, new vehicles in the EU will produce a third less carbon dioxide than they do now.

If the new directive is adopted, **by 2020** newly produced automobiles will be able **to release a maximum of 95 grams of CO2 per driven kilometer**, which is 40 grams less than the amount cars produce today and 35 grams less than called for by the goals set for 2015.

According to **EU Climate Commissioner Connie Hedegaard**, these goals are ambitious, but are not impossible to fulfill. She pointed out that the **new rules** will benefit consumers, who will save on fuel. She also said the measures would help European auto makers to remain competitive on the global market.

The proposal has been **criticized by auto makers**, who oppose the stricter rules, and **green organizations**, who say the proposal does not go far enough. Auto makers say it will lead to **high costs for research and development of new technologie**s and adaptation of production to the new requirements.

According to the Commission, **the average driver should save 340 euros** on fuel during the first year and over 13 years, the average lifespan of a car, should save 2,900 to 3,800 euros compared to the goal for 2015. Overall, more efficient automobiles could ensure savings of 30 billion euros annually, and the proposal will reportedly lead to job creation.

The directive will need approval from member states and the European Parliament. W**e expect a lengthy negotiation process**, because auto makers will lobby strongly against the proposal.

http://ec.europa.eu/clima/news/articles/news_2012071101_en.htm

EP demands implementation of eCall system on EU motorways

The European Parliament has approved a resolution for mandatory implementation of the electronic safety system eCall. Ecall is an automatic emergency calling system, which European lawmakers say should be mandatory as of 2015 and installed in all new cars and light utility vehicles in the EU. In the event of a serious traffic accident, the system would automatically call the emergency number 112, send information about the location of the vehicle and ensure free voice communication between the persons in the vehicle and an emergency operator.

http://www.europarl.europa.eu/news/en/pressroom/content/20120703IPR48185/

JUSTICE AND HOME AFFAIRS

EU supervision of Romania expected to continue

The European Commission, **as part of mechanism for cooperation and verification**, **has issued monitoring reports** for the purpose of evaluating court reforms and the fight against organized crime and corruption in the two last countries to join the EU (in 2007), **Romania and Bulgaria**.

Romania

The report states that **in the past five years, Romania has made progress**, and many foundation stones for the legislative framework have been laid.

Romania has **created a basis for crucial modernization of its court system**. Institutions such as the country's National Anti-corruption Directorate and the National Integrity Agency (ANI) have already proved that they can achieve convincing results when prosecuting corruption at a high level. Recent court decisions in corruption cases at a high level represented **an effective solution of these most sensitive cases, and the court system proved its ability to confirm its independence**.

However, despite the progress that Romania has achieved, the report concludes that **the goals of the mechanism of cooperation and verification still have not been fulfilled**.

In connection with recent events casting doubts about functioning of the rule of law and court independence, the Commission will adopt another report as part of the mechanism for cooperation and verification before the end of this year in order to assess whether its concerns have been addressed and whether democratic control and the balance of bower have been restored.

Bulgaria:

The report states that **in the past five years**, Bulgaria has made progress, but that the reforms are not sustainable and irreversible. It says Bulgaria should focus on **solving legal and institutional problems** and on implementing recently adopted legislation.

The Commission says the reforms need better management, and it recommends focusing on completing reforms. **The Commission will conduct another evaluation at the end of 2013.**

http://ec.europa.eu/cvm/progress_reports_en.htm#eleventh

EP deals fatal blow to anti-piracy agreement ACTA

The European parliament in Strasbourg has rejected the controversial anti-piracy agreement known as ACTA. **A total of 478 MEPs voted against ACTA**, and only 39 supported it. Therefore, ACTA is definitely dead in the EU. **The "NO" vote means only one thing**: ACTA cannot become valid in the EU.

According **to Czech Social Democratic MEP Pavel Poc (S&D)**, who voted against the agreement, two variants were initially proposed. MEPs considered whether to scrap the agreement definitively or to delay voting on it and wait for a decision from the EU Court Tribunal, to which the European Commission referred the matter in the spring.

MEPs agree that the 27 EU countries **need an effective global agreement on protection of intellectual property**, but they say ACTA does not fulfill that requirement. Signatories of ACTA, which since January of this year have included the Czech Republic, have promised themselves **the creation of internationally valid rules** in order to strengthen protection of intellectual property rights.

ACTA does not only address sharing of files, music or films over the internet, but also is intended to assist in combating the misuse of trademarks and the spread of various types of counterfeits, such as fake pharmaceuticals and counterfeit clothing.

http://www.europarl.europa.eu/news/en/pressroom/content/20120703IPR48247/

REGIONAL POLICY

Nečas: Commission to resume fund drawing for several OP

Czech Prime Minister Petr Nečas announced following a telephone call with EU Commissioner for Regional Policy Johannes Hahn that the **Commission will resume paying funds for seven operational programs in the CR.**

The Czech Republic then received a letter in which the Commission called off the warning that was contained in a letter from 20 March 2012 regarding **14 operational programs of the European Fund for Regional Development and the Cohesion Fund.**

The Commission will resume payments for the following operations programs:

- ROP Southeast
- ROP Moravia-Silesia
- ROP Central Moravia
- ROP Southwest
- OP Prague Competitiveness
- OP Research and Development for Innovation
- OP Business and Innovation (with the exception of expenditures for financial engineering and technical assistance)
- OP Technical Assistance

For other programs (Environment, Transport, ROP Northwest, Education for Competitiveness, Business for Innovation, ROP Central Bohemia, Cross-border Cooperation between the CR and Poland**), the Commission says it is first necessary to find an appropriate solution to yet unresolved issues.**

The Czech Ministry of Finance says unfreezing of these funds will enable **payment of up to 900 million euros**, which is more than CZK 22 billion. "**The Ministry of Finance has prepared payment requests to be submitted to the Commission for payment of 460 million euros**, which is just under 12 billion crowns. If payments are resumed for operational programs with individual problems, the Czech Republic could receive another **2.5-3 billion euros** (CZK 64-77 billion) by the end of the year," commented Czech Deputy Finance Minister Jan Gregor.

http://ec.europa.eu/ceskarepublika/news/120723_komisar_hahn_vyjadreni_cs.htm

http://www.vlada.cz/cz/media-centrum/tiskove-zpravy/premierpetr-necas-evropska-komise-obnovi-proplaceni-prostredku-zestrukturalnich-fondu-pro-ceskou-republiku-97792/

The Commission has presented three legislative packages for improving consumer protection in the financial services sector (a draft regulation regarding key information for investors in structured retail investment products, revision of the directive about arranging insurance and a proposal for strengthening protection for purchasers of investment funds). The European central bank has lowered its key interest rate by 25 basic points to 0.75%.

2 JULY

EU organic logo fully up and running from 1 July 2012:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/706

Reinforcing the capital base of the EIB to support jobs and growth:
http://www.eib.org/about/news/reinforcing-the-capital-base-of-the-eib-to-support-jobs-and-growth.htm

3 JULY

The Newshub: a new tool to follow EP politics as they happen:
http://www.europarl.europa.eu/news/en/headlines/content/20120628STO47900/

Youth unemployment: studies show apprenticeships and traineeships useful but need to be improved:
http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1599

4 JULY

Rio+20 reconfirms cities and regions role in the future of sustainable development:
http://europa.eu/rapid/pressReleasesAction.do?reference=COR/12/41

Commission proposes legislation to improve consumer protection in financial services:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/736

Knowledge, responsibility, engagement: the EU outlines its policy for the Arctic:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/739

Social welfare and budget talks high on Cyprus Presidency agenda:
http://www.europarl.europa.eu/news/en/pressroom/content/20120629IPR47972/

5 JULY

MEPs call on Commission to do more to defend free movement:
http://www.europarl.europa.eu/news/en/headlines/content/20120628STO47903/

6 JULY

President Barroso and Vice-President Rehn welcome the European Parliament's final vote on Project Bonds:
http://ec.europa.eu/economy_finance/articles/financial_operations/2012-07-05-project-bonds_en.htm

ECB lowered key interest rate:
http://www.ecb.int/press/pr/date/2012/html/pr120705.en.html

9 JULY

Eurobarometer: What Europeans think of food security, food quality and therelation between agriculture & the countryside:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/748

Aid for Trade to developing countries: EU maintains its leading positron:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/758

10 JULY

Quarterly report on the euro area:
http://ec.europa.eu/economy_finance/publications/qr_euro_area/2012/qrea2_en.htm

€8.1 billion investment in research and innovation to create growth and jobs:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/752

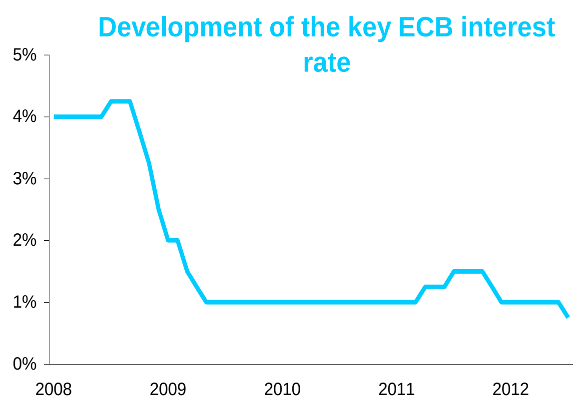
11 JULY

New FP7 Space Research brochure "Eye on Space":
http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6065

Your Voice in Europe: inform the EU and be informed:
http://www.europarl.europa.eu/news/en/headlines/content/20120706STO48453/

12 JULY

Protecting taxpayers' money: Commission proposes to strengthen use of criminal law against fraudsters:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/767



Source: ECB, main refinancing operations rate

Diary

13 JULY

Crime victims to benefit from same level of support throughout the EU:
http://www.europarl.europa.eu/news/en/headlines/content/20120706STO48455/

Cyprus presidency: Investment in research and innovation can offer a way out of the crisis:
http://www.cy2012.eu/index.php/en/news-categories/areas/competitiveness/press-release---investment-in-research-and-innovation-can-offer-a-way-out-of-the-crisis

EU and Russian drugs agency chiefs meet in Moscow to discuss plans for future cooperation:
http://www.emcdda.europa.eu/news/2012/fs-3

16 JULY

The Cyprus Presidency supports Montenegro's European course:
http://www.cy2012.eu/index.php/en/news-categories/areas/foreign-affairs/press-release--the-cyprus-presidency-supports-montenegros-european-course-

17 JULY

New forum to discuss simplification of VAT:
http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6071

18 JULY

MEPs call for improvement of passenger rights:
http://www.europarl.europa.eu/news/en/headlines/content/20120706STO48459/

EU and USA agree to foster transatlantic SME cooperation:
http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6073&lang=en&tpa_id=127

19 JULY

State aid: Commission invites comments on use of state aid rules for supporting risk capital investments:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/789

European Commission targets barriers to Single Market for research and innovation:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/788

Antitrust: Commission opens proceedings against Microsoft to investigate possible non-compliance with browser choice commitments:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/800

2012 Report on Public finances in EMU:
http://ec.europa.eu/economy_finance/publications/european_economy/2012/public-finances-in-emu-2012_en.htm

20 JULY

Fighting fraud: Fall in suspected fraud against EU funds:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/809

Have a safe trip: Commission consults on how to help victims of road accidents abroad:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/807

23 JULY

Food: Latest Report shows EU Controls ensure our food is safe:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/806

25 JUNE

Draft Budget 2013: Investing in growth and jobs:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/393

26 JUNE

Russian policy in the eastern Mediterranean and the implications for EU external action:
http://www.iss.europa.eu/publications/detail/article/russian-policy-in-the-eastern-mediterranean-and-the-implications-for-eu-external-action/

27 JULY

New internet service improves greatly GPS reliability:
http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6112&lang=en&tpa_id=168&title=New%2Dinternet%2Dservice%2Dimproves%2Dgreatly%2DGPS%2Dreliability

30 JULY

Looking ahead: the European Council priorities up to 2014:
http://www.european-council.europa.eu/home-page/highlights/looking-ahead-the-european-council-priorities-up-to-2014-(1)?lang=en

London Calling: the Olympic dimension of the European Parliament:
http://www.europarl.europa.eu/news/en/headlines/content/20120713STO48868/

31 JULY

Security industry: Commission proposes programme to enable further growth:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/863

Our Information Service section outlines upcoming sessions of EU decision-making bodies accompanied by other significant events such as international summits with super powers. Often agendas for negotiations by these important bodies are not ready until a few days before the actual meetings so they can be as up-to-date as possible. Agendas can be found at: http://europa.eu/newsroom/calendar/.

Meeting of the key EU institutions

29 – 30 August 2012	**Nicosia, Cyprus**	- Informal Meeting of Ministers and State Secretaries for EU Affairs
7 – 8 September 2012	**Pafos, Cyprus**	- Informal Meeting of Foreign Affairs Ministers
9 – 11 September 2012	**Nicosia, Cyprus**	- Informal Meeting of Agriculture and Fisheries Ministers
14 – 15 September 2012	**Nicosia, Cyprus**	- Informal Meeting of Economic and Financial Affairs Council (ECOFIN)
17 September 2012	**Nicosia, Cyprus**	- Informal Meeting of Energy ministers
19 – 20 September 2012	**Brussels, Belgium**	- Justice and Home Affairs Council
20 – 21 September 2012	**Nicosia, Cyprus**	- Informal Meeting of Sport Ministers
24 September 2012	**Brussels, Belgium**	- General Affairs Council
24 – 25 September 2012	**Brussels, Belgium**	- Agriculture and Fisheries Council
26 – 27 September 2012	**Nicosia, Cyprus**	- Informal Meeting of Defence Ministers
4 October 2012	**Luxemburg, Luxembourg**	- Employment, Social Policy, Health and Consumer Affairs Council (EPSCO)
4 – 5 October 2012	**Nicosia, Cyprus**	- Informal Meeting of Education Ministers
8 October 2012	**Luxemburg, Luxembourg**	- Eurogroup

Access as of 31 July, 2012

The aim of the main topic of this issue of the Monthly is to introduce in detail the new advisory program from the EU Office entitled "Guide to doing business (not only) in the EU". As part of the program, we are advising clients mainly from small and mid-sized businesses regarding how to expand their activities abroad successfully and what business environments await them in different countries. Starting with the next issue, a regular section will be published.

DOING BUSINESS GUIDE (NOT ONLY) IN THE EU

INTRODUCTION

The process of globalization in the past two decades has picked up pace to an incredible extent, which has had effects not only for multinational concerns, but increasingly also for local small and mid-sized businesses. The domestic market is also becoming small for them, which is important particularly in the environment of the Czech Republic with its 10 million inhabitants. Additional success in business is conditioned on expansion beyond this country's borders. These tendencies were boosted further by our accession to the EU in 2004 and the resulting barrier-free access to the EU's internal market of half a billion mostly wealthy consumers. Besides opportunities to realize production in other EU markets, competition between foreign-owned businesses has increased on our market as well and is increasingly pushing Czech business operators towards cross-border projects.

They can easily take on two forms: either direct exporting of Czech products (although it is becoming increasingly worth it for Czech businesses to export not only products, but capital as well) or the establishment of a subsidiary on a foreign market and buy up production capacity there or build it from scratch.

The main topic of this issue of the Monthly is devoted to business owners who would like to receive more information about opportunities for doing business both in EU member states and in non-member states.

Rather than being about obtaining data and information from each of the monitored countries, this section will provide details about Česká spořitelna's new advisory program "Guide to doing business (not only) in the EU". This section is also a precursor to an upcoming new regular section, which will begin being published as of the next issue of the Monthly and in each edition of which one of the programs of the covered countries and its conditions for doing business will be presented.

NEW ADVISORY PROGRAM OF ČESKÁ SPOŘITELNA

Česká spořitelna already prior to the Czech Republic's accession to the EU was seen as the bank with the best knowledge of the EU on our market and a bank that understands the complex issues related to European integration and is able to advise its clients professionally about the opportunities that EU membership will provide to them as well as about potential risks of which they should beware. This topic is given a personal approach by a special informational and advisory division in the bank known as the EU Office.

The demand from the bank's clients, particularly from small and mid-sized businesses, has prompted the EU Office as of this year to expand its advisory services to include advice about doing business and to create the comprehensive "Guide to doing business (not only) in the EU". The basic purpose of this guide is to provide information and advice to our clients regarding how to start business activities abroad successfully.

This program, which is entirely unique on the Czech banking market, is intended primarily for current and potential corporate clients of Česká spořitelna (primarily from the ranks of small and mid-sized businesses) and is provided free of charge. More information is available on our website www.csas.cz/eu in the section "Guide to doing business in the EU".

Monitored topics

The main advantage of the program is its comprehensive nature, since it addresses all main topics and problems that a business owner must resolve when expanding abroad:

- Country profile, basic geopolitical information, regional memberships, key sectors, energy sector characteristics
- Macroeconomic development, potential risks, public finances, foreign exchange rates
- Labor market, education structure, unemployment level, average wages
- Commercial law and forms of companies, requirements for capital, process of establishing companies
- Tax and accounting aspects, contributions to social security and health insurance, employment law
- Incentives for foreign investors, grants from EU funds

Covered countries

In this conclusion of this issue of the Monthly the topics described above are examined for all countries of central, eastern and southeastern Europe:

- Bulgaria
- Czech Republic
- Croatia
- Hungary
- Germany
- Poland
- Austria
- Romania
- Russia
- Slovakia
- Serbia
- Ukraine

If necessary, we can also cover more exotic countries such as Azerbaijan, which is also part of the profile of the countries we have mapped. The contents of the profile will continue to grow in the future, and given business operators' preferences we expect our focus to be directed further beyond the borders of our continent.

Key program products

A basic product is the Country Report. It contains 25-30 pages with a basic description of all monitored topics that are key for each business operator. The report also includes an offer of services from our sister department the International Desk, which enables arrangement of banking services and banking advisers abroad through partner banks without the need to travel to the particular country. The Country Report is available upon request from each client's banking adviser.

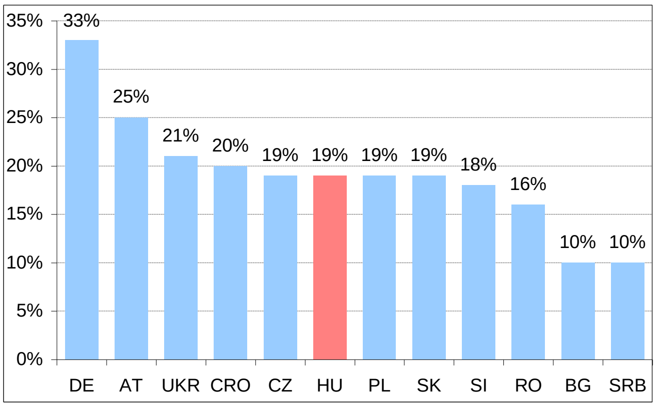
Another written material is the Country Sheet. It is a one-page overview document, which in points, tables and graphs summarizes the basic aspects of the business climate in the particular country. Besides these two standardized reports, the EU office also offers clients of Česká spořitelna individual advice and consulting, which can be in the form of creation of a specific report custom tailored to the client's needs with a detailed view of the monitored topics (such as investment incentives) or in the form of a personal meeting with the client and discussion of his/her specific case.

The EU Office is a consultation and informational workplace that provides information regarding all of the monitored topics and is capable of helping a client solve specific problems, but it does not have the capacity to carry out the following legal steps. Therefore, the program also includes providing of contact information for recommended local legal, accounting, tax and PR firms in the target country who have perfect knowledge of the local environment.

SAMPLING OF MONITORED INFORMATION

Taxation of corporate profits

Corporate tax in CEE



Source: European Commission

It is clear from the table that the basic corporate tax rates in the monitored countries range from 10-25%, except Germany, which has a rate of 33%.

Companies in Germany pay the highest taxes (29.83%), while in certain regions the tax rate is substantially lower (under 23%), but in others it can reach up to 33%. Besides the basic 15% tax on the profits of corporations, there are also trade license taxes, which differ in individual municipalities, and the tax burden is further increased by the solidarity surcharge, which was introduced in 1995 in reaction to the need to finance a reunified Germany.

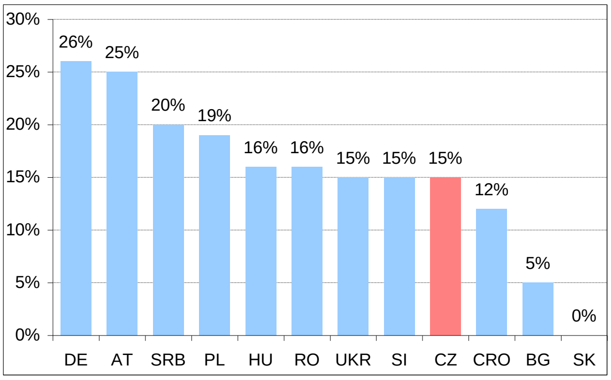
The second highest corporate taxes are in Austria. Our neighbor to the south is an example of a country in which the tax rate is a flat 25%, and regardless of the amount of profits or losses all taxpayers must pay a minimum amount of income tax, which amounts to 5% of their registered capital. An exception is provided for newly established capital firms.

The lowest corporate taxes are in Southeastern Europe, in Serbia, Bulgaria and Romania. As far as the last named country is concerned, since the reform year of 2010 the tax rate has been 16%. In Bulgaria the rate is even lower, at a mere 10%, and business operators in Serbia enjoy the same record low tax rate.

Like elsewhere in Europe, it applies there that foreign companies doing business in these countries pay taxes only on income originating from sources in those countries.

Taxation of dividends

Dividend tax in CEE



Source: European Commission

As far as taxing of dividends is concerned, Slovakia is clearly the most advantageous country in the region for businesses. In 2004 the requirement to pay taxes on dividends was eliminated.

The second best tax situation in relation to dividends is Bulgaria, where, however, it is important whether the dividend is received by a resident or non-resident. If the dividend recipient is a resident of Bulgaria, he/she pays no taxes on it, and non-residents pay a 5% tax. It is also worth mentioning Romania, because if a company owns at least 10% of shares for a period of two years and has its registered seat in the EU or the EEC, it is relieved of the obligation to pay taxes on dividends.

The highest taxes on dividends are imposed in Germany and Austria. Germany has a more complicated system due to the mentioned solidarity tax, and the overall withholding tax from dividends reaches 26.375%. The situation is somewhat simpler in Austria, where the rate is firmly fixed at 25% in all regions and for all shareholders.

The taxes specified above in the event of payment of dividends to non-residents can be reduced based on valid agreements on elimination of double taxation.

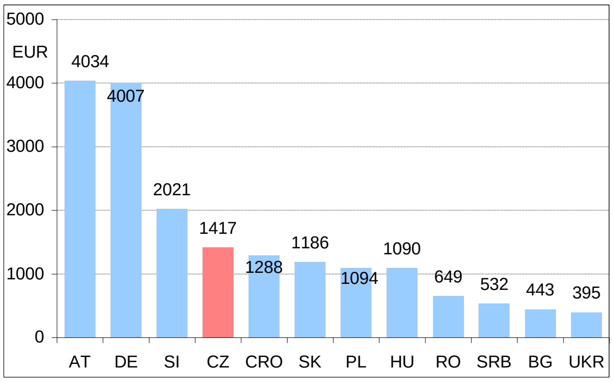
Average costs for labor force and minimum wage

No one will probably be surprised that in the monitored region average labor costs are the highest in Germany and Austria, behind which there is a huge gap. The third most expensive employees are in Slovenia, although there the average labor cost are half what they are in Germany and Austria. In Austria, which on a monthly basis "leads" over Germany by 27 euros, the most financially demanding sectors are IT and communications (average monthly labor costs up to 5,959 euros) and industry (4,475 euros), while gastronomy and accommodation services are at the opposite end of the ladder (2,172 euros). In Germany the highest labor costs are in the energy sector (4,322 euros). In Slovenia, where the costliest sector is IT and communications (3,193 euros), all other sectors of the economy have average labor costs of around 2,000 euros.

The cheapest labor force in the monitored countries is in Ukraine, where labor costs reach an average of 395 euros, which is not even a third of the total costs in the Czech Republic. Bulgaria has only slightly higher labor costs than Ukraine, and the country with the third cheapest labor costs is Serbia.

The indicator of average labor costs is monitored by Eurostat and includes all costs related to employment, meaning wages and salaries, employers' contributions to social security, costs for training, costs for hiring new employees, miscellaneous costs, etc.

Average labour costs in CEE



Source: Eurostat, in 2011 in business economy, include employee compensation, employers' social security contributions, vocational training costs, other expenditure

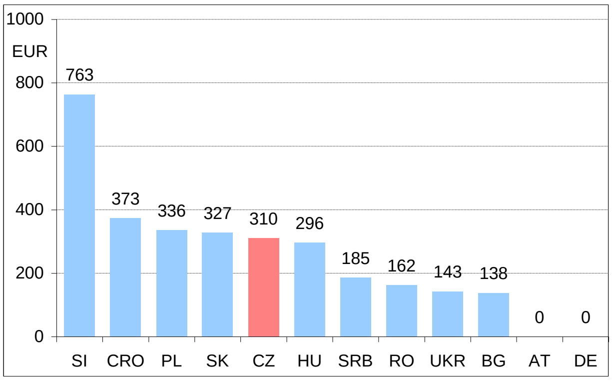
Minimum wage

Additionally, in minimum wages there is a clear difference between western and Eastern Europe. The lowest wages are in the east in Ukraine, Bulgaria, Serbia and Romania. In the western part of Europe, in Germany and Austria there is no nationwide guaranteed minimum wage, but minimum wages are regularly agreed upon in collective agreements with unions.

The lowest minimum wage is in Bulgaria, where it is only 5 euros lower than in Ukraine. The country in the region with the highest nationwide minimum wage is Slovenia, where the minimum wage is 763 euros, double the minimum wage in Croatia (373 euros). In Slovenia the minimum wage remained stable until 2011 at 597 euros, and in the second half of the year it grew by more than 130 euros. The

growing trend is continuing, and the minimum wage is rising by 15 euros approximately every six months. However, Croatia's minimum wage has remained around 380 euros, plus or minus 3%, for the fourth consecutive year.

Minimal wages in CEE

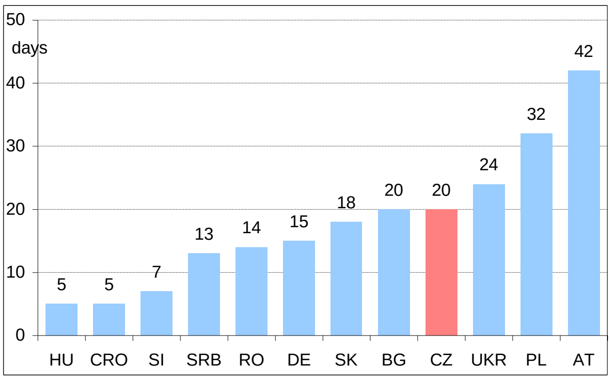


Source: Eurostat, in 1H 2012

Time and financial demands for establishing a company

As far as the amount of time it takes to establish a limited liability company in the monitored region, it is fastest in Hungary and Croatia (just under a week) and lasts only two days longer in Slovenia. It takes the longest to set up a business in Austria, 42 days according to the World Bank and its product "Doing Business 2012". However, the amount of time it actually takes is probably lower, since World Bank experts count as part of this period the 1-2 weeks for publishing information about the registration of the company in the press, which, however, does not slow down the other steps necessary for establishing the company.

Time required to set up a company in CEE



Source: Doing Business Project 2012

It takes the most time to set up a company in Poland, an average of 32 days. Setting up a company is the least expensive in Slovenia, Bulgaria, Ukraine and Romania, where it costs up to 150 euros. However, it is most expensive in Poland (2,635 euros), followed by Austria, where it is 1,000 euros cheaper, and Germany, where it costs 1,442 euros.

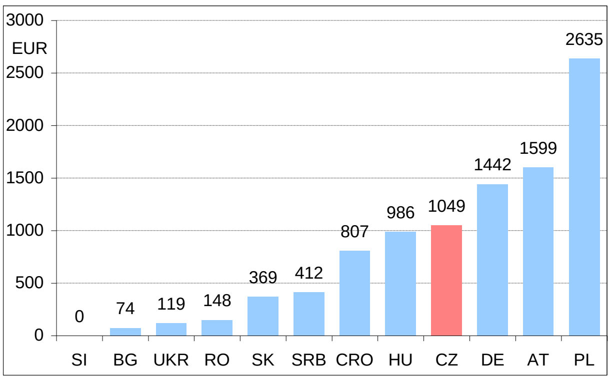
The easiest place to set up a company is Slovenia, where it is only necessary to open a bank account, which takes one den, and then fill in a form on the internet and wait 4 to 6 days until everything is processed. These steps, as far as explicit costs are concerned, are entirely free. In Hungary, to set up a company, the applicant needs to hire an attorney to prepare needed documents and agreements, pay 50% of the registered capital, electronically file a request for commercial registration and register for social security. Each step takes a maximum of one or two days. In Croatia it is necessary to determine the availability of the desired company name, obtain notarizations and relevant documents, register in the commercial register, obtain a stamp from the statistical office and open a bank account. Each step can be done within one day.

Poland has a very interesting approach, since all routine procedures take a total of 5 days, but the applicant must wait 4 weeks for the request for registration of the company in the nationwide court register.

In Bulgaria, where setting up a company is the cheapest, registration for VAT is free, approximately CZK 60 is paid for notarial services, and the most expensive step is registration in the commercial register, which costs only the equivalent of CZK 1,400.

In Ukraine the most interesting part of the process are 3 different payments to banks - for opening the account for the registered capital, followed by payment of the registration fee and finally opening of a permanent account. The most expensive part of the process is notarial services (CZK 1,500), and other registration fees cost around CZK 100.

Costs of setting up a company in CEE



Source: Doing Business Project 2012

The statistical window in a tabular form shows important macroeconomic indicators from all member states and the EU as a whole. It includes economic performance indicators (per capita GDP as compared to the EU average, GDP growth, unemployment rate), external economic stability indicators (current account to GDP), fiscal stability indicators (public budget to GDP, public debt to GDP), and pricing indicators (annual inflation based on HICP, base price level).

Key macroeconomic indicators

	GDP growth y-on-y			Current account to GDP*			Unemployment rate			Inflation y-on-y average		
in %	2009	2010	2011	2009	2010	2011	IV-12	V-12	VI-12	IV-12	V-12	VI-12
Belgium	-2.8	2.3	1.9	-1.6	1.4	-0.8	7.1	7.1	7.2	2.9	2.6	2.2
Bulgaria	-5.5	0.4	1.7	-8.9	-1.0	0.9	12.2	12.2	12.4	2.0	1.8	1.6
CR	-4.7	2.7	1.7	-2.4	-3.9	-2.9	6.7	6.7	6.7	4.0	3.5	3.8
Denmark	-5.8	1.3	1.0	3.3	5.5	6.5	7.7	7.8	8.0	2.3	2.1	2.2
Germany	-5.1	3.7	3.0	5.9	6.1	5.7	5.5	5.5	5.4	2.2	2.2	2
Estonia	-14.3	2.3	7.6	3.7	3.6	3.2	n/a	n/a	n/a	4.3	4.1	4.4
Ireland	-7.0	-0.4	0.7	-2.9	0.5	0.1	14.6	14.7	14.8	1.9	1.9	1.9
Greece	-3.3	-3.5	-6.9	-11.1	-10.1	-9.8	22.5	n/a	n/a	1.5	0.9	1.0
Spain	-3.7	-0.1	0.7	-4.8	-4.5	-3.5	24.4	24.7	24.8	2.0	1.9	1.8
France	-2.7	1.5	1.7	-1.5	-1.7	-2.2	10.0	10.0	10.1	2.4	2.3	2.3
Italy	-5.5	1.8	0.4	-2.0	-3.5	-3.2	10.6	10.6	10.8	3.7	3.5	3.6
Cyprus	-1.9	1.1	0.5	-10.7	-9.9	-10.4	10.5	10.6	10.5	3.6	3.7	2.9
Latvia	-17.7	-0.3	5.5	8.6	3.0	-1.2	n/a	n/a	n/a	2.8	2.3	2.1
Lithuania	-14.8	1.4	5.9	4.4	1.5	-1.6	13.6	13.6	13.7	3.3	2.6	2.6
Luxembourg	-5.3	2.7	1.1	6.5	7.7	7.3	5.3	5.4	5.4	3.0	2.7	2.6
Hungary	-6.8	1.3	1.7	-0.2	1.2	1.4	10.7	10.9	11.0	5.6	5.4	5.6
Malta	-2.7	2.3	2.1	-8.3	-6.3	-3.1	5.8	6.0	6.2	3.8	3.7	4.4
Netherlands	-3.5	1.7	1.2	4.1	7.1	9.2	5.2	5.1	5.1	2.8	2.5	2.5
Austria	-3.8	2.3	3.1	2.7	3.0	1.9	4.0	4.2	4.5	2.3	2.2	2.2
Poland	1.6	3.9	4.3	-3.9	-4.6	-4.3	9.9	9.9	10	4.0	3.6	4.2
Portugal	-2.9	1.4	-1.6	-10.9	-10.0	-6.4	15.2	15.2	15.4	2.9	2.7	2.7
Romania	-6.6	-1.6	2.5	-4.2	-4.4	-4.4	7.4	7.7	7.6	1.9	2.0	2.2
Slovenia	-8.0	1.4	-0.2	-1.3	-0.8	-1.1	8.2	8.2	8.2	2.9	2.4	2.4
Slovakia	-4.9	4.2	3.3	-2.6	-3.5	0.1	13.7	13.7	13.8	3.7	3.4	3.7
Finland	-8.4	3.7	2.9	1.8	1.4	-0.7	7.5	7.6	7.5	3.0	3.1	2.9
Sweden	-5.0	6.1	3.9	7.0	6.9	7.2	7.4	7.8	7.5	1.0	0.9	0.9
UK	-4.4	2.1	0.7	-1.5	-3.3	-1.9	8.1	n/a	n/a	3.0	2.8	n/a
EU	-4.3	2.0	1.5	-0.8	-0.7	-0.6	10.3	10.4	10.4	2.7	2.5	2.6

	Public budget to GDP*			Public debt to GDP			GDP per capita to Ø EU			Price level to Ø EU		
in %	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Belgium	-5.6	-3.8	-3.7	95.8	96.0	98.0	118.0	119.0	118.0	112.3	111.4	111.8
Bulgaria	-4.3	-3.1	-2.1	14.6	16.3	16.3	44.0	44.0	45.0	51.3	50.8	51
CR	-5.8	-4.8	-3.1	34.4	38.1	41.2	82.0	80.0	80.0	73.1	75.2	76.7
Denmark	-2.7	-2.5	-1.8	40.6	42.9	46.5	123.0	127.0	125.0	143.8	142.4	142.2
Germany	-3.2	-4.3	-1.0	74.4	83.0	81.2	116.0	118.0	120.0	106.1	104.3	103.4
Estonia	-2.0	0.2	1.0	7.2	6.7	6.0	64.0	64.0	67.0	76.5	74.8	78.9
Ireland	-14.0	-31.2	-13.1	65.1	92.5	108.2	128.0	127.0	127.0	126.7	119.1	116.7
Greece	-15.6	-10.3	-9.1	129.4	145.0	165.3	94.0	90.0	82.0	95	95.1	95.1
Spain	-11.2	-9.3	-8.5	53.9	61.2	68.5	103.0	100.0	99.0	97.8	97.1	97.4
France	-7.5	-7.1	-5.2	79.2	82.3	85.8	108.0	108.0	107.0	112.4	110.8	110.7
Italy	-5.4	-4.6	-3.9	116.0	118.6	120.1	104.0	100.0	101.0	104.9	103.5	103.1
Cyprus	-6.1	-5.3	-6.3	58.5	61.5	71.6	98.0	95.0	92.0	90.1	89.2	89.4
Latvia	-9.8	-8.2	-3.5	36.7	44.7	42.6	51.0	55.0	58.0	76	72.2	74.1
Lithuania	-9.4	-7.2	-5.5	29.4	38.0	38.5	55.0	57.0	62.0	67.4	65.1	65.6
Luxembourg	-0.8	-0.9	-0.6	14.8	19.1	18.2	266.0	271.0	274.0	120.9	120.5	121.9
Hungary	-4.6	-4.2	4.3	79.8	81.4	80.6	65.0	65.0	66.0	63.4	64.9	64.3
Malta	-3.8	-3.7	-2.7	68.1	69.4	72.0	82.0	82.0	83.0	78.4	78	78
Netherlands	-5.6	-5.1	-4.7	60.8	62.9	65.2	132.0	133.0	131.0	107.8	107.6	108
Austria	-4.1	-4.5	-2.6	69.5	71.9	72.2	125.0	126.0	129.0	108	106.3	106.7
Poland	-7.4	-7.8	-5.1	50.9	54.8	56.3	61.0	63.0	65.0	58.2	61.9	60.1
Portugal	-10.2	-9.8	-4.2	83.1	93.3	107.8	80.0	80.0	77.0	89.2	88.2	87.5
Romania	-9.0	-6.8	-5.2	23.6	30.5	33.3	47.0	47.0	49.0	57.6	58.8	59.8
Slovenia	-6.1	-6.0	-6.4	35.3	38.8	47.6	87.0	85.0	84.0	85.6	84.6	83.5
Slovakia	-8.0	-7.7	-4.8	35.6	41.1	43.3	73.0	73.0	73.0	73.6	71.7	72.4
Finland	-2.5	-2.5	-0.5	43.5	48.4	48.6	115.0	115.0	116.0	124.7	123.5	125.2
Sweden	-0.7	0.3	0.3	42.6	39.4	38.4	120.0	124.0	126.0	108.5	121.6	127.8
UK	-11.5	-10.2	-8.3	69.6	79.6	85.7	111.0	112.0	108.0	96.6	100.3	101.7
EU	-6.9	-6.5	-4.5	74.8	80.0	82.5	100.0	100.0	100.0	100	100	100

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