



EU News

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Dear readers,

Last month was characterised by the Olympic spirit. Russia showed the world that even despite certain initial concerns, it was capable of hosting and managing the security for an event as large as the Olympics. However, interesting events did not only occur on sport fields, but a lot also occurred on the European scene, about which you can read in this issue of our Monthly.

Have you ever encountered corruption? According to the first ever "Report on the Fight against Corruption in the EU", issued at the beginning of February by the European Commission, 13% of respondents in the Czech Republic said that in the past year they had encountered or been witnesses to corruption, and 95% (!) believe that corruption is a widespread problem in the Czech Republic. It seems that the affairs regarding carps, wine boxes, newspaper shops and quid pro quo are being monitored.

Another important piece of news is that the Czech government is planning to join the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, also known as the Fiscal Pact. So far the form of ratification is being negotiated, but the Czech prime minister does not perceive this only as a symbolic step, but even as a step towards the Czech Republic's eventual adoption of the euro. The Baltic state of Latvia became the newest member of the Eurozone as of 1 January 2014. Did you know, that it is the state with the fastest growing economy in the EU and that it is one of only a few states that have managed to reduce their public debt? You can read about this and much more in the Foreign Business guide on page 14.

At its regular meeting at the end of March, the European Council will evaluate the new framework for climate and energy in the EU. We will also examine this main topic of the Monthly in terms of numbers, how individual member states are doing with reducing greenhouse gas emissions, increasing of the share of energy produced from renewable resources, energy efficiency and whether the development trend will lead to fulfilment of set European and national goals.

In two of our regular sections, we will focus on young people. In the Dating with MFF section, we will familiarise you with Erasmus+, a new EU programme for education, professional preparation, youth and sport from the 2014-2020 multi-annual financial framework. The main goal of this programme is to increase qualifications and facilitate students' access to the job market. The Commission's column also touches on this and focuses on the current and very pressing theme of youth unemployment. In December 2013, an average of 23.2% of young people in the entire EU were unemployed, which represents 7.5 million people between 15-24. The EU is offering a solution in the form of a Youth Guarantee scheme.

It's March, and it already seems that winter is over in many parts of the Czech Republic. Nonetheless, we will still return to winter, this time a little into the future. This may sound strange, but I will explain it to you immediately. On 25 February the EU issued its Winter Economic Prognosis with an outlook all the way to 2015, which is slightly optimistic both for the EU as a whole and for the Czech Republic. The Microscope section of the Monthly focuses on this prognosis.

Dear Readers, I wish you an optimistic mood and a sunny entrance to spring.

Tomáš Kozelský



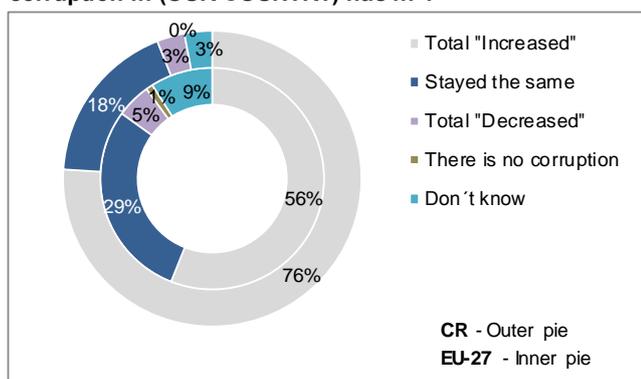
European Commission presents first "Report on the Fight against Corruption in the EU". - Czech government wants to join the Fiscal Pact within two months. - MEPs support capping inter-bank fees. - Italy decides to introduce a 20% tax on payments from abroad. - MEPs approve a ban on flavoured cigarettes and new rules for e-cigarettes. - MEPs approve eCall. It will enable new vehicles to call for help automatically when an accident occurs.

POLITICS

Commission presents first "Report on the Fight against Corruption in the EU"

At the beginning of February, the European Commission published its first ever "Report on the Fight against Corruption in the EU". Corruption is a major problem in the EU, which still has not been eliminated. The report summarises the corruption situation in the individual 28 member states.

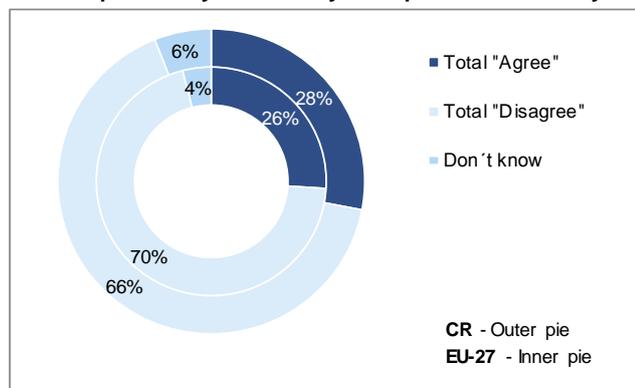
In the past 3 years, would You say that the level of corruption in (OUR COUNTRY) has ... ?



Source: European Commission - Eurobarometer

It also describes **anti-corruption measures**, which member states have implemented. The report also specifies which measures have proved to be effective, which could be improved and how.

You are personally affected by corruption in Your daily life



Source: European Commission - Eurobarometer

The character and extent of corruption, along with the effectiveness of anti-corruption measures **differ greatly in individual states**. According to the report, all member

states should address the corruption problem more in the future.

The European Commission as part of its "Report on the Fight against Corruption in the EU" also presented **the results of the Eurobarometer survey**, which examined **European citizens' position regarding corruption**. Three quarters of Europeans (76%) and **95% of Czechs** believe that **corruption is widespread in their countries**. More than half of surveyed Europeans (56%) and **76% of Czechs** believe that in recent years **corruption has increased**. Moreover, about 8% of Europeans and **13% of Czechs** said that in the past year they had either encountered or witnessed corruption. A total of 28% of Czechs and 26% of Europeans said they encountered corruption in their everyday lives.

The Czech Republic has the largest problems with corruption related to **assignment of public contracts** and **misuse of public resources**. It has also not managed to achieve effective legal regulation of conflicts of interest in state services, which the European Commission has encouraged it to carry out.

<http://ec.europa.eu/anti-corruption-report>

Will the Czech Republic adopt the Fiscal Pact?

The Czech government would like **within two months** to join the **Fiscal Pact**, a treaty, which should lead to lower budget deficits. However, the government's legislative council must first evaluate how the ratification of the treaty will proceed. It is still not clear to the government **how many MPs and senators will have to approve the pact before it can take effect**. Prime Minister Bohuslav Sobotka also wants to discuss the Czech Republic's plan to join the pact with the tripartite.

The Fiscal Pact, also known as the **Treaty on Stability, Coordination and Governance in the Economic and Monetary Union**, requires states that adopt it to adopt specific legislation within one year after the Treaty becomes valid.

It should ensure that **the structural state budget deficit does not exceed 0.5% of GDP**. Countries whose debt exceeds 60% of GDP must reduce it by at least 5% annually. This would also apply to the Czech Republic if it joined the Eurozone.

Prime Minister Bohuslav Sobotka has said that he does not only perceive joining the Fiscal Pact as a symbolic step, but as **another step towards the Czech Republic's adoption of the euro**. The Czech government and the Ministry of

Foreign Affairs want to prepare a concept defining the Czech Republic's participation as a member of the EU and will aim to engage the professional and general public more in discussions regarding the Czech Republic's direction. The cabinet also wants to participate more actively in **placement of Czech citizens in European institutions**.

<http://www.euractiv.cz/cr-v-evropske-unii/clanek/sobotka-chce-o-fiskalnim-paktu-jednat-i-s-tripartitou-odbory-pristoupeni-podporuji-011598>

Radical measure: Italy to impose a 20% tax on payments from abroad

Italy has intervened against money laundering with a drastic measure: **it will impose a 20% tax** on incoming payments from abroad. Italians will be able to request refunding of the taxes, but they will have to prove the origin of the money.

The decision was pushed through by outgoing Prime Minister Enrico Letta and applies to all incoming bank transfers. Italian banks will be required to deduct the tax automatically **from all transactions** that have occurred since 1 February 2014. The first deduction will not occur until as of 16 July 2014, after which the deductions will occur regularly each month.

<http://www.euractiv.cz/ekonomika-a-euro/clanek/radikalni-opatreni-italie-zavadi-dan-20-procent-na-platby-ze-zahranici-011563>

ECONOMY AND EURO

MEPs support capping inter-bank fees

Members of the European Parliament sitting in the Economic and Monetary Committee have expressed support for the European Commission's proposal to restrict **inter-bank fees** billed to each other by banks during credit and debit card transactions. MEPs have supported a proposal to cap these fees to a certain level.

For credit cards, the cap is expected to be 0.5% and for debit cards it is expected to be 0.2% or 7 euro cents, depending on which of the two is lower.

The measure is expected to apply to both domestic and cross-border payments and should take effect within one year from the moment when the legislation become valid. The legislation will now go to a plenary session, which is expected to vote on it this spring.

However, there is only expected to be a partial vote, in which the European Parliament will express its position and then decide whether to commence negotiations with the

Council. The final decision will then depend on the new European Parliament, whose members will be chosen **in the May elections**. It will decide whether to approve the report based on the proposal and to discuss it within the Trialogue, or whether the entire process will have to be restarted.

According to the Commission's statistics, merchants in the EU regularly pay **CZK 10 billion euros** in fees for card payments. Moreover, the Commission claims that the fees are non-transparent and that their amounts have been changing in individual EU states.

<http://www.europarl.europa.eu/news/en/news-room/content/20140219IPR36454/html/MEPs-back-cap-on-card-payment-fees>

INTERNAL MARKET

MEPs approve a ban on flavoured cigarettes and new rules for e-cigarettes

The European Parliament has given its final blessing to **the new European tobacco directive**. Under the directive, flavoured cigarettes will stop being sold, and cigarette boxes will have to display large warnings containing images. Now the directive awaits only final approval from member states.

As of 2016, cigarette boxes in the EU will carry **large visual warnings**. The new directive will require the health warnings to cover **65% of the front and back of boxes** accompanied by warning images. As of 2020, menthol flavoured cigarettes will also no longer be allowed to be sold in the EU.

Electronic cigarettes have paradoxically become the most sensitive issue in relation to the directive. So far, the rules for their sale have not been defined across the board in the EU. In its original proposal, the Commission planned to regard e-cigarettes as **pharmaceutical products** and planned for them to be subject to regulation as such.

However, in the end, countries will be able to choose whether to regulate them as pharmaceutical products or as **"normal"** tobacco products.

If they opt for the second variant, e-cigarettes will not be allowed to contain **more than 20 mg of nicotine per millimetre**. This approximately corresponds to one pack of regular cigarettes.

<http://www.europarl.europa.eu/news/en/news-room/content/20140221IPR36632/html/Tobacco-Directive-Parliament-approves-plans-to-deter-young-people-from-smoking>

Events

New reforms to the joint agriculture policy will take effect as of 2015. The EU is expected to offer more support for small and mid-sized farms and for farmers who comply with environmental standards. - The new Ukrainian government wants to sign the Association Treaty with the EU in March. - Switzerland will restrict immigration, even for EU citizens. The country's citizens decided on this in a February referendum. Switzerland's restrictions on immigration could deprive the country of EU money for research.

ENERGY AND TRANSPORT

MEPs approve „eCall“

Now it awaits approval from member states in the Council of the EU. **The system will use the emergency phone number 112.** Although it has functioned for several years already, some states still have problems with it. This emergency line has been in use in the Czech Republic for 11 years already.

This phone number can be used free of charge in any EU member state as well as in some other countries, such as **Norway and Iceland.** The specified system will function as a **pan-European service for automatic emergency calling** from vehicles, using the emergency phone number 112.

It will first be implemented in new modules of personal and light utility vehicles, and later it is also expected to be implemented in motorcycles, trucks, buses and other vehicles.

„eCall“ is expected to save 2,500 lives in the EU annually. Moreover, it will significantly **shorten the response time of ambulances** – in some cases by up to 50% – which will also greatly reduce the number of serious injuries. Unlike similar commercial systems, this service will be available for everyone throughout the EU.

<http://www.europarl.europa.eu/news/en/news-room/content/20140224IPR36860/html/Parliament-supports-life-saving-eCall-system-in-cars>

AGRICULTURE AND FISHERY

Common Agriculture Policy reform

New reforms of the Common Agriculture Policy will take effect as of 2015. The EU is expected to offer more support for small and mid-sized farms and for farmers who comply with environmental standards.

As a result, the Czech Republic will mainly experience reduction and capping of direct payments, money that farmers receive based on the sizes of their farms. The Commission's proposal originally called for **imposition of caps for large farms** receiving 150,000 euros annually, regressively reduced **to the maximum possible payment of 300,000 euros.**

The Czech Republic has fought against this step, because as a result of collectivisation before 1989, the average size of a Czech farm is significantly below average, and **capping is therefore not beneficial to the Czech Republic.**



The result is that **specification of the maximum amount** should be **voluntary** for member states.

The new reforms are expected to focus not only on small farmers, but also on young farmers and those who comply with **environmental standards.** As part of the process of **"greening"** financial bonuses will be paid to farmers who grow at least three different crops and set 7% of land aside to develop naturally.

The Czech Republic has supported the new environmental measures, but the country says that agricultural approaches favourable for the climate and the environment should mainly be addressed in the second pillar, the chapter devoted to **rural development**, not **compensatory payments** (first pillar).

The CR's aim during the negotiations regarding reform should be to promote the voluntary character of these measures, which would more motivate farmers. Under the new reforms, certain **quota systems** should temporarily be maintained, specifically **for milk until 2015, for sugar until 2017 and for wine until 2030.**

Agricultural policy has traditionally been one of the main items in the EU budget. For the period of 2014-2020, it represents 39%.

http://ec.europa.eu/agriculture/index_en.htm

ENLARGEMENT

Ukraine is prepared to sign the Association Treaty with the EU in March

It had originally been expected that Ukraine would sign the **Treaty on Association with the EU** at the November summit of the Eastern Partnership in Vilnius. However, the Ukrainian government announced before the summit that it had decided to end preparation to sign the Treaty, and tens



of thousands of demonstrators took to the streets in protest. Dozens of people lost their lives during the violence that followed.

At the end of February, a new temporary government gained support, headed by one of the leaders of the opposition against the ousted former president Yanukovich, pro-European **Arseniy Jatsenyuk**. According to Ukraine's ambassador to the EU, Konstantin Yeliseyev, the new Ukrainian government would like **to sign the Association Treaty at the next summit of the European Council**, which will take place from 20-21 March.

Yeliseyev says the new Ukrainian government has several reasons for wanting to sign the treaty quickly. First of all, it wants to do so in response to the demands of protesters in the **Kiev Maidan**. Second, it believes that signing the treaty will boost the position of Ukraine's new government in relation to Russia.

However, Yeliseyev also says the quick signing of the treaty should prevent this topic from becoming a factor in relation to the upcoming **presidential elections**. They will take place on 25 May. **The Association Treaty should also serve as a basis for reforms**, which are necessary in order for the country to receive financial assistance from abroad. Ukraine suffers from serious economic problems. Last, but not least, it should serve for confirmation of **Ukraine's territorial integrity**.

So far, however, it is not entirely clear whether Ukraine will in fact agree to sign the Association Treaty with the EU. It is our hope that the tense situation in the country can be resolved as soon as possible without the loss of more human lives.

<http://www.euractiv.com/europes-east/ukraine-wants-sign-association-a-news-533818>

EXTERNAL RELATIONS

Swiss referendum restricts immigration

Switzerland will restrict immigration, even for EU citizens. The country's citizens decided on this in a February referendum. The proposal received the support of 50.3% of voters. The proposal was presented by nationalists from the Swiss People's Party.

It argues that **too many foreigners** arrive in Switzerland each year and that the country cannot cope with them. The proposal was opposed by Swiss business organisations, which are concerned about an exodus of qualified workers.

In the end, voters narrowly supported the nationalists' proposal in the referendum. The referendum was



participated in by **55.8%** of Swiss voters, which was the highest percentage since 2005.

The restrictions on immigration received the most support from the German-speaking and Italian-speaking parts of Switzerland, while they were most opposed by French-speaking Swiss.

The Swiss government now must amend the country's constitution to reflect the changes. The country has **three years** in order **to impose quotas on the number of immigrants**. The specific limits will have to be set by the country's parliament.

Bern has already announced that for now it will not open its **labour market to Croatians**. Although Switzerland is not part of the EU, it is part of the Schengen zone. Within the Schengen zone, people can cross national borders without having to go through passport control.

Other European states are arguing that Switzerland is planning to breach these rules. The European Commission has describe the decision as **against the principles of free movement of persons**.

It also wants to examine what impact the vote could have on overall relations between the EU and Switzerland.

<http://www.euractiv.com/global-europe/eu-swiss-referendum-debate-conse-news-533409>

Switzerland's restrictions on immigration could deprive the country of EU money for research

The European Commission, in connection with the results of the Swiss referendum on restricting immigration, has postponed negotiations on Swiss participation in the **Horizon 2020 and Erasmus+** programmes.

They involve allocation of money for science, research and education. In the last programme period, Swiss scientists received **1.8 billion euros** from the Horizon programme.



Events

The European Commission is planning to limit investment incentives. The limits are expected to affect mainly support for large companies. Now, large companies can obtain from public funds up to 40% of the value of a project. As of July 2014, this is expected to be only 25%. - The Czech Republic had the worst situation in the EU with drawing of EU funds in 2013. Last year, the member states did not manage to draw a total of CZK 16 billion from EU funds. From that alone, the Czech Republic was deprived of CZK 10 billion.

According to European Commission Chairman José Manuel Barroso, Switzerland cannot make use of the benefits of the world's largest market without offering something in return.

Although he did not name any specific sanctions, he indicated that the Swiss could lose the right to live and work **freely in EU states** and hinted that Swiss companies could also face obstacles.

<http://www.euractiv.cz/vnejsi-vztahy/clanek/kvuli-omezeni-imigrace-muze-svycarsko-prijit-o-evropske-penize-na-vyzkum-0115570>

REGIONAL POLICY

European Commission is plans to limit investment incentives

As of the middle of next year, the European Commission plans **to limit investment incentives in EU member states**. The limits are expected to affect mainly support for large companies.

Under the European Commission's proposal, the Czech Republic (along with other member states) could alone **provide support only up to 100 billion euros annually**, which probably will lead to reduced interest from investors in incentives. The Ministry of Industry and Trade would like to see a legislative amendment take effect that would make it possible to offer incentives to companies in a different way.

It is considering the possibility that, for example, **investors in industrial zones could be relieved of the requirement to pay real estate taxes for a period of 10 years**, or technological centres could receive a 20% discount on payments of social security and health insurance premiums for employees.

How is the European Commission's new proposal specifically expected to look? Now, large companies can obtain from public funds up to **40% of the value of a project. As of July 2014, this is expected to be only 25%**. The Commission also would like to limit the total value of support that individual states could provide to companies for investments.

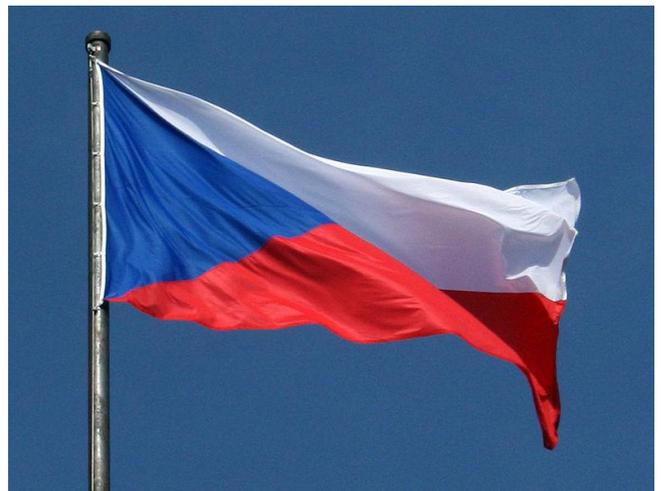
The maximum amount is expected to be 100 million euros (see above), meaning approximately CZK 2.7 billion. Further support for projects, which would exceed this limit, would be approved by the Commission individually. It should become clear at the end of March whether eventually the Czech Republic will manage to agree with Brussels on an

exception in the form of the already mentioned amendment and thus avoid limitation of investment incentives.

http://europa.eu/rapid/press-release_IP-14-105_en.htm

The Czech Republic had the worst situation in the EU with drawing of EU funds in 2013

The Czech Republic had the worst situation in the EU with drawing of EU funds from 2007 to 2013. Last year, the member states **did not manage to draw a total of CZK 16 billion** from EU funds. From that alone, **the Czech Republic was deprived of CZK 10 billion**. The biggest problems were faced by the Environment and Education Ministries.



The problems with drawing of resources for 2007-2013 will probably continue this year as well, during which there will be a risk that **the Czech Republic will not draw up to CZK 24 billion**. The biggest losses could occur in the three operational programmes specified below:

The Environment OP – there is a risk that the country will not manage to draw CZK 13 billion

The Research and Development OP – there is a risk that the country will not manage to draw CZK 7.5 billion

The Business and Innovation OP – there is a risk of a loss of CZK 1.5 billion

According to Minister of Regional Development Věra Jourová, the problems with drawing of European funds can be attributed to several factors, such as continuous poor financial planning and slow drawing of resources. She says the verification system has failed.

<http://www.euractiv.cz/regionalni-rozvoj/clanek/cesko-je-v-cerpani-penez-z-evropskych-fondu-nejhorsiv-eu-011539>



The European Commission Representation in the Czech Republic has been adding regularly to the Monthly with contributions in the Commission's column section. The March issue focuses on youth unemployment. It is one of the largest current socio-economic problems in the EU. The EU is offering a solution in the form of a Youth Guarantee scheme for young people. The scheme should ensure that everyone under 25 years of age in the EU will receive a specific job offer within 4 months of finishing studies.

YOUTH UNEMPLOYMENT: EU OFFERS A SOLUTION IN THE FORM OF A YOUTH GUARANTEE SCHEME

A Youth Guarantee scheme for young people is one of the main ways that the European Union wants to respond to the problem of youth unemployment and social exclusion. The scheme will offer young people jobs, education and professional preparation.

Youth unemployment is one of the largest current socio-economic problems in the EU. Youth unemployment levels in the EU have long been alarming, and in December 2013 an average of 23.2% of young people in the entire EU were jobless. This means that every fifth young person cannot find work. Around 7.5 million young people between the ages of 15 and 24 are not working or furthering their education.

The worst situation is in Greece and Spain, where more than half of young people have long been unemployed. The third highest youth unemployment level is in Croatia, with 49.2%. By the end of last year, the youth unemployment level in the Czech Republic was 18.8%. The results of this situation are serious both for young people and for the economy and society as a whole. Deepening of the crisis on the job market can have a permanent effect on a large part of an entire generation.

What is the goal of the Youth Guarantee scheme?

The guarantees for young people should ensure that everyone under the age of 25 can get a specific offer for a decent job within 4 months of either completing formal studies or losing previous employment. The offer should be for a job, professional experience, an internship or an opportunity for further education. The offer should correspond to the specific needs and situations of each individual, particularly with regard to the individual's **education level, skills and experience**.

EU states agreed on these principles outlined by the EC in April 2013. They were inspired by positive experiences from Austria and Finland, which already have similar schemes of guarantees for young people. For example, in Finland the scheme was used by 83.5% of applicants for jobs, experience, internships and further education within 3 months of their registration with labour offices.

How will the Youth Guarantee scheme work?

Each member state should create and implement its own system, which in the end should ensure that young people can find work or acquire further training.

For this, it will be necessary for there to be **more intensive cooperation among all key actors**, meaning employers, public administration bodies, employment services, educational institutions, services for supporting young people, trade unions, etc.



Some countries will have to carry out certain reforms, such as by modernising professional education and preparation systems and employment services.

Financing

The scheme will be financed by member states, and the EU will provide support from the **European Social Fund** (with total resources of **over 10 billion euros annually** during 2014-2020) and will also allocate for this purpose **6 billion euros** from the **Youth Employment Initiative**. EU member states are currently preparing national implementation plans for the Youth Guarantee scheme for young people.

The Czech Republic has already prepared this plan and submitted it to the EC for evaluation. Under the proposal, the CR is expected to receive **12.7 million euros from the Youth Employment Initiative**, and the Czech government is expected to allocate at least the same amount as part of involvement of the European Social Fund.

The exact calculation of how much the system of guarantees for young people will cost is not yet available. According to estimates from the International Labour Organisation, the total costs for the **system of guarantees for young people in the Eurozone is expected to reach 21 billion euros annually**. The Eurofound foundation has calculated the economic loss resulting from youth unemployment in the entire EU in 2011 as 1.5% of the EU's total GDP, **more than 150 billion euros**.

Therefore, it is necessary for the amounts that will be necessary for these purposes to be taken into consideration in view of the high social and economic costs that would result from increases in youth unemployment over the long term.

More information about the Youth Guarantee scheme for young people can be found at:

<http://ec.europa.eu/social/youthguarantee>.

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/eucalendar/>;
<http://gr2014.eu/events/>

Meeting of the key EU institutions

3 March 2014 - Environment Council	Brussels, Belgium
4 March 2014 - Transport, Telecommunications & Energy Council	Brussels, Belgium
6 March 2014 - Justice and Home Affairs Council	Brussels, Belgium
7 March 2014 - Economic and Financial Affairs Council	Brussels, Belgium
10 March 2014 - Eurogroup	Brussels, Belgium
10 March 2014 - Informal Meeting of Ministers for Tourism	Athens, Greece
10 - 13 March 2014 - European Parliament Plenary Session	Strasbourg, France
14 March 2014 - Transport, Telecommunications & Energy Council	Brussels, Belgium
17 March 2014 - Foreign Affairs Council	Brussels, Belgium
18 March 2014 - General Affairs Council	Brussels, Belgium
20 - 21 March 2014 - European Council	Brussels, Belgium
24 - 25 March 2014 - Agriculture and Fisheries Council	Brussels, Belgium
1 - 2 April 2014 - Informal Meeting of Ministers for Economic and Financial Affairs (ECOFIN)	Athens, Greece

Source: www.europa.eu, <http://gr2014.eu/events/>, access as of 28th February 2014



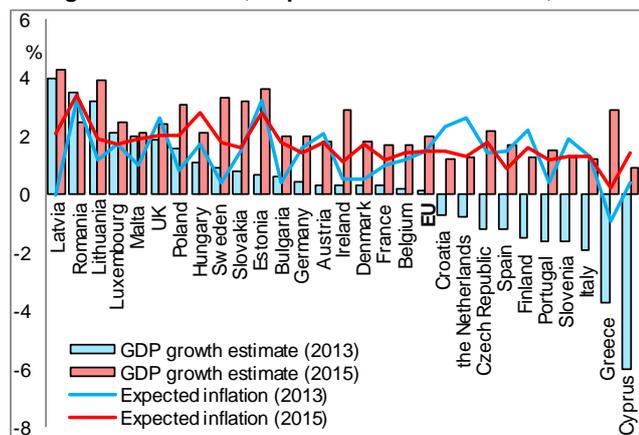
In the March "Microscope" section, we focus on the last in a series of three detailed prognoses of the European Commission for 2013. The winter prognosis will clarify macroeconomic data regarding EU member states for previous years and will present an overview of many economic indicators for 2014 and 2015. Overall, the report is moderately optimistic. In 2014, the Czech economy is expected to grow by 1.8%, and by 2.2% in the following year. Declining unemployment is expected to be another positive development.

EUROPEAN COMMISSION'S WINTER PROGNOSIS

Ireland In most of the Czech Republic, it does not appear to be winter when you look out the window, and the lengthening sunny days are adding to optimistic moods. **The Winter Economic Prognosis**, issued on 25 February by the European Commission, can also be characterised by moderate optimism. The most recent, third consecutive, prognosis of indicators for 2013 clarifies data from previous years and the outlook related to many economic indicators for 2014 and 2015.

The good news is that the EU's economy ended up in positive numbers already in the second quarter of 2013, and this **growth is expected** to be sustained and even sped up to an estimated **2% in 2015**. The European Commission predicts that the Eurozone will achieve slightly **lower GDP growth of 1.2% this year and 1.8% in 2015**. Growing domestic consumption and investments are expected to be the driving force for this growth.

GDP growth estimate, expected inflation in 2013, 2015



Source: European Commission's Winter Prognosis 2013

Even despite certain rigidity, this positive trend will appear with a delay on the labour market. Despite expected positive developments, unemployment remains a major problem. The unemployment level in the EU **reached 10.9% in 2013**, and by 2015 it is expected to decline slightly by 0.5%.

However, the differences in member states' unemployment levels remain enormous. At the top, each with an unemployment level of approximately 5%, are **Austria, Germany and Luxembourg**. On the other end of the ladder are **Spain and Greece**, whose unemployment levels are expected to fall below 25% in 2015. So let's hope that the trend of declines in unemployment will be long-term.

Development of key macroeconomic variables (in %)

	CR			EU		
	2013	2014	2015	2013	2014	2015
GDP Growth	-1.2	1.8	2.2	0.1	1.5	2.0
Unemployment rate	7.0	6.8	6.6	10.9	10.7	10.4
Inflation	1.4	1.0	1.8	1.5	1.2	1.5
Public budget deficit	-2.7	-2.8	-3.3	-3.5	-2.7	-2.7
Public debt	46.1	47.2	48.6	89.4	89.7	89.5

Source: European Commission's Winter Prognosis 2013

Inflation in the EU has declined more quickly than expected. It will remain at a low level in the years to come as well. For this year, the EC's prognosis estimates that the EU will experience a **1.2% inflation level**, and that the Eurozone's inflation level will be 0.2% lower. Only slight growth is expected in 2015 (EU 1.5%).

Compared to the previous autumn prognosis, there has been a slight correction in the estimate of indebtedness of individual countries and the EU as a whole, which should not exceed 90% of GDP. However, in the case of **Greece**, debt for this year **is expected to reach 177%**, which can no longer be dealt with by the country without external assistance.

The Czech Republic's economic recovery from the end of last year is expected to continue in subsequent years. For 2014, the European Commission expects **1.8% economic growth** and even expects 2.2% growth in 2015. Even despite the not very favourable numbers from recent months regarding the labour market, the unemployment level in the **Czech Republic is expected to drop to 6.6% in 2015**.

The easing of monetary policy by the Czech National Bank last November involving weakening of the Czech crown changed the originally expected inflation from the autumn prognosis for 2014 **from 0.5% to 1%**. The decline in electricity prices also had an effect on low growth. Public debt for this year is expected to be **47.2% of GDP**, which puts the Czech Republic among less indebted member states. The country's deficit should be maintained below 3% this year, and **a 3.3% deficit is expected in 2015**.

Although the number of unemployed people in the CR recently approached records, we hope that better times are ahead and that the economy has the worst behind it.

Tomáš Kozelský, EU Office ČS



Main topic

In the main topic of the current issue of the Monthly, we will focus on the new EU framework for climate and energy for the period until 2030. The framework is based on goals set to be achieved by 2020 and on the EC's energy plan and the plan for transition to a competitive low-carbon economy by 2050. The EU's main goals related to sustainable development include: greenhouse gas emission reduction, increasing the share of renewable resources in overall energy consumption and increasing energy efficiency.

CLIMATE AND ENERGY IN THE EUROPEAN UNION

1. INTRODUCTION

This March the European Council will evaluate the EU's **new framework for climate and energy until 2030** (you were able to read more about this in the Commission's Column in our last issue of the EU News Monthly).

The framework is based on goals set to be achieved by 2020 and on the European Commission's energy plan and the plan for transition to a competitive low-carbon economy by 2050.

The disclosure about the political framework until 2030 corresponds to the Commission's green book from March 2013, which launched a wide range of public consultations about the best extent and structure for objectives related to climate and energy aimed to be achieved by 2030.

These documents reflect the EU's objective **to reduce greenhouse gas emissions by 2050 by 80-95%** compared to 1990 as part of efforts required from developed nations.

The sustainable growth goals that the EU wants to achieve by 2020 include:

- **reduction of greenhouse gas emissions** by 20% by 2020 (compared to the situation in 1990);
- increasing the share of **renewable resources** in total energy consumption to 20%;
- achieving a 20% increase in **energy efficiency**.

However, in the EU's new framework for 2030, there are even more ambitious plans which have been set by the European Commission and which will be stricter as of 2020.

The main objective of the EU's energy and climate policy, which the EU hopes to achieve by 2030, is a 40% reduction of emissions compared to 1990, which the EU aims to fulfil exclusively through domestic measures.

The European Commission will call on the Council and the European Parliament to express consent by the end of 2014

for the EU to adopt at the beginning of 2015 a commitment to 40% reduction as part of international negotiations regarding a global climate treaty, which is expected to be signed in Paris at the end of 2015.

The European Union's binding goal related to energy from renewable resources making up at least a **27% share by 2030**, based on a more market oriented approach with conditions supporting newly emerging technology, will bring major energy benefits relying on domestic sources of energy, employment and growth.

The goal related to energy from renewable resources at the EU level is necessary, so that it can become an incentive for continuing investments in this area. However, this goal has not been assigned as an internal goal through an EU legal regulation, which leaves member states with **the flexibility to transform their energy systems** based on their own needs and circumstances.

Improving energy efficiency will contribute to achieving all of the goals of the EU's energy policy. A transition to a competitive, safe and sustainable energy system is unthinkable without such improvement. The task of achieving energy efficiency for the climate and energy areas by 2030 will be further evaluated during examination of the directive regarding energy efficiency, which is expected to be carried out during this year.

The Commission will consider the need for potential changes to the directive, as soon as its study is completed. **Energy efficiency** will also have to include domestic energy plans of member states.

However, let's look at this topic in terms of numbers, how individual member states are doing with regard to these indicators and whether the development trend will lead to fulfilment of European and national goals.

2. GREENHOUSE GAS EMISSIONS

In a key area related to greenhouse gas emissions, many member states have made major progress and have contributed to a great extent to **reducing greenhouse gas emissions in the EU**. The goal to reduce greenhouse gas emissions by 20% by 2020 compared to the situation in 1990 is certainly achievable. Although **Malta** and **Cyprus**

have much higher greenhouse gas emissions than in 1990, they are still small producers of emissions.

Besides the joint European goals, national goals have also been set. However, with regard to greenhouse gas emissions, these national goals have been set compared to 2005. The lowest goal, -1%, was set for Portugal.



Goal for greenhouse gas emissions (2020) compared to emissions from 2005

EU*	-20%	Germany	-14%
Denmark	-20%	France	-14%
Ireland	-20%	Poland	-14%
Luxembourg	-20%	Italy	-13%
Bulgaria	-20%	Slovakia	-13%
Romania	-19%	Estonia	-11%
Sweden	-17%	Spain	-10%
Latvia	-17%	Hungary	-10%
The Netherlands	-16%	Czech Republic	-9%
Austria	-16%	Cyprus	-5%
Finland	-16%	Malta	-5%
UK	-16%	Greece	-4%
Belgium	-15%	Slovenia	-4%
Litva	-15%	Portugal	-1%

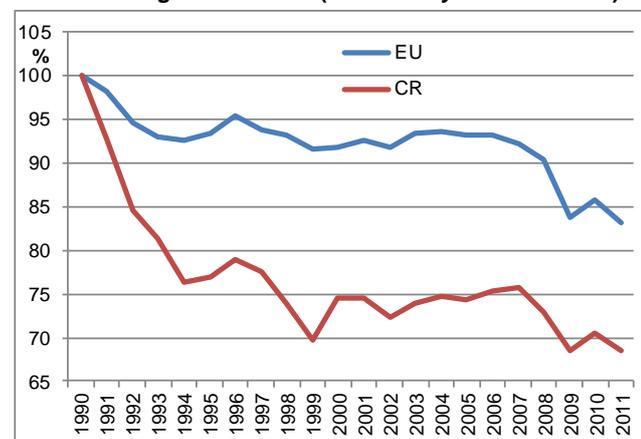
Source: Eurostat, European Union; *compared to emissions from 1990; data for Croatia are not available

The Czech Republic is supposed to reach greenhouse gas emissions **by 9% by 2020** compared to 2005. Member states Denmark, Ireland, Luxembourg and Bulgaria are expected to reduce their emissions by a fifth.

The largest reductions in greenhouse gas emissions occurred in the EU (like in the Czech Republic) at the beginning of the 1990s and subsequently after 2007.

However, the developments related to greenhouse gas emissions have not been the same in individual sectors of the economy. For example, reduction occurred in the

Greenhouse gas emissions (reference year 1990 = 100)



Source: Eurostat

processing industry, in construction, in energy and in agriculture. **Emissions increased in the transport sector.**

This can be attributed both to the structure of the transport sector and to the openness of the economy as well as to growing demands and distances. Road and air transport has been increasing rapidly, often at the expense of railways.

Greenhouse gas emissions in 2000 and 2011 (reference year 1990 = 100)

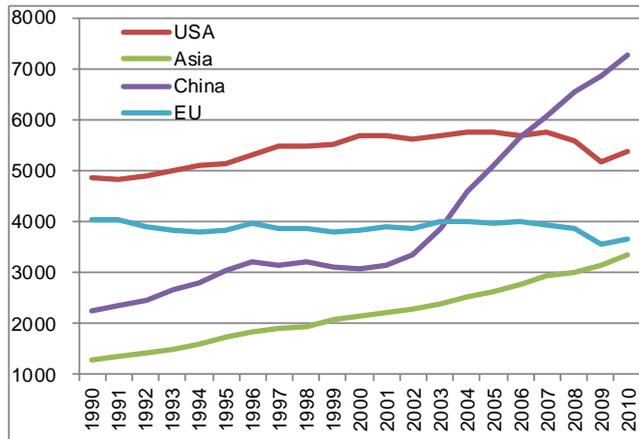
	2000	2011
Malta	151	151
Cyprus	147	147
Spain	126	126
Portugal	116	116
Greece	110	110
Austria	108	108
Slovenia	106	106
Ireland	106	106
Luxembourg	100	100
Finland	97	97
Italy	95	95
The Netherlands	95	95
Croatia	89	89
France	89	89
Poland	88	88
Sweden	86	86
Belgium	85	85
Denmark	83	83
EU	83	83
UK	75	75
Germany	74	74
Czech Republic	68	68
Hungary	67	67
Slovakia	63	63
Bulgaria	60	60
Estonia	52	52
Romania	50	50
Latvia	45	45
Lithuania	44	44

Source: Eurostat



Main topic

CO₂ emissions in 1990-2010 (in mil. tonnes CO₂)



Source: International Energy Agency (IEA)

Although greenhouse gas emissions have been decreasing in the EU, from a global perspective emissions of carbon

dioxide (CO₂), the mainly significant greenhouse gas, have been increasing.

Other greenhouse gases (in the so-called Kyoto basket) besides the already mentioned CO₂ include methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HCF), perfluorocarbons (PCF) and sulphur fluoride (SF₆). Global emissions of carbon dioxide grew from 1990 to 2010 by 44%. Developing Asian economies contributed to this to a great extent.

According to data from the **International Energy Agency (IEA)**, carbon dioxide emissions decreased in the EU by approximately 10%, while in the United States they grew by 10%. However, in China's case these are very low numbers.

Still in 1990, China's emissions compared to the EU were approximately half, while today they are twice that level. The change of trend and rapid increase in carbon dioxide emissions in China has been occurring mainly since 2000. Between 2000 and 2010, CO₂ emissions in China increased by nearly two and a half times their previous level.

3. SHARE OF RENEWABLE ENERGY IN GROSS ENERGY CONSUMPTION

The framework for support of energy from renewable resources has been set in order to reduce greenhouse gas emissions and support more environmentally friendly forms of transport. For this purpose, national action plans and conditions for using bio fuels have been defined.

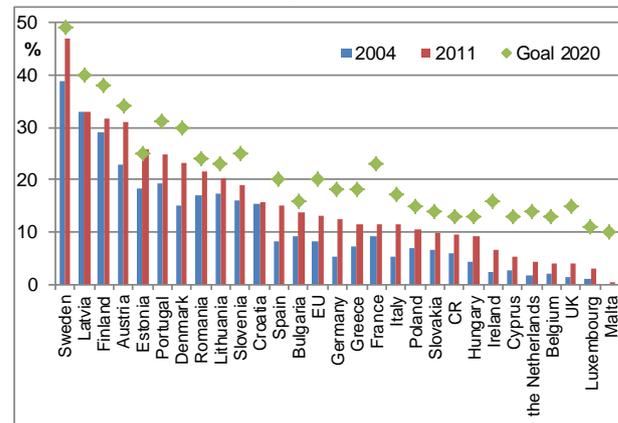
This has been addressed by **European Parliament and Council Directive 2009/28/EC** of 23 April 2009, on support for use of energy from renewable resources and on amendment and subsequent cancellation of Directives 2001/77/EC and 2003/30/EC. Each member state has calculated a goal related to its share of energy from renewable resources in gross final consumption for 2020.

These goals correspond to the European Community's overall goal of **reducing greenhouse gas emissions by 20% by 2020**, increasing the share of renewable resources in overall energy consumption to 20% and achieving a 20% increase in energy efficiency (20-20-20).

Moreover, each member state will ensure that the share of energy from renewable resources in all types of transport in 2020 will amount to **at least 10% of final energy consumption** in transport in the particular member state.

Each member state will adopt a national action plan for energy from renewable resources, which will set target shares of energy from renewable resources in transport and during electric power generation, heating and cooling in 2020.

Share of renewable energy in the EU (in %)



Source: Eurostat; data for Croatia are not available

These action plans must take into consideration the impacts of other measures related to energy efficiency on end consumers of energy (the more significant the reduction in **energy consumption**, the less energy from renewable resources will be necessary for fulfilling the goal).

These plans must also outline procedures for reforming planning systems and creating prices and access to distribution systems for **the benefit of energy from renewable resources**.



Main topic

The European Commission has proposed achievement of the new goal by 2030, so that the pan-European goal for **the share of renewable resources can be set at 27%**. However, this goal will not create a basis for specific commitments of member states, as similar goals have done so far.

The share of energy from renewable resources in end consumption has been increasing in recent years **in all EU member states**. This to a great extent the result of the rapidly developing solar and wind power generation sectors.

However certain member states are still far from on track to achieve the set national goals by 2020. Nonetheless, most states are on the right path to achieve these goals. In 2011, **Estonia** even achieved its goal by 25%. **Sweden**, **Romania** and **Bulgaria** are also very close behind.

The most growth in the share of energy from renewable resources since 2004 has been achieved by **Denmark** (by 8.2% to 23.1% in 2011), **Austria** (by 8.1% to 30.9% in 2011) and by **Sweden** (by 8.1% to 46.8% in 2011). Fulfilment of 23% of the share in France appears problematic (in 2011, the share of energy from renewable resources in final consumption amounted to only 11.5%), since the trend of growth of this indicator in recent years has been very low.

In the **Czech Republic's** case, renewable resources in gross end consumption must make up a 13% share. In 2004, the share of renewable resources was only 6%, and was 9.4% in 2011. So the **Czech Republic** can be expected to achieve its goal. The EU's goal to increase the share of renewable resources in its total energy consumption to 20% by 2020 is also achievable (in 2011 this share was 13%).

4. ENERGY EFFICIENCY

According to data from Eurostat, consumption of primary energy in the EU in 2012 reached **1,583.5 million tonnes** of oil equivalent (TOE). The trend in consumption of primary energy grew in the EU from the beginning of the 1990s until 2006. However, in recent years there has been a slight decline, and in 2012 the consumption of primary energy returned to the level from 1996.

The EU's dependence on energy imports is becoming problematic. More than half of the energy consumed in the EU must be imported. According to information from Eurostat, in 2012 the EU imported **53.3% of its energy**. The Czech Republic is one of the states least dependent on energy imports (25.2% in 2012).

Romania and Estonia are slightly better off. Denmark is the only EU state that is not dependent on imports, and in fact it is a net exporter. By contrast, **Malta, Luxembourg and Cyprus** can practically rely only on energy imports.

More information about energy efficiency You can find on Eurostat, or in our special analysis ([on CSAS website](#)).

Primary energy consumption is understood as gross domestic consumption of energy, except for any non-energy uses of energy carriers (such as natural gas not used as fuel, but for chemical production). Such figure is important for **measuring actual energy consumption** and its comparison with goals set by the Europe 2020 Strategy.

The percentage of savings is calculated using values from 2005 and prognoses for 2020. The goals set by the Europe 2020 Strategy will be achieved as soon as this value reaches 20%.

Gross domestic consumption is defined as: **primary production + imports, regenerated products and changes in reserves – exports and deliveries of fuel to a coastal container** (for marine vessels with any flags).

It includes the energy necessary to satisfy domestic consumption within the territory of the particular state.

5. CONCLUSION

The areas of climate and energy in the EU have been undergoing changes in recent years. Fulfilment of goals set for **2020 or newly for 2030**, which the European Council will discuss at its next regular spring meeting, should steer the EU towards less energy dependency, which should have a positive effect on the European economy as a whole.

The quickly developing area of renewable energy resources is well apparent in member states, and their share in final consumption has been gradually increasing. Other changes have been occurring involving reductions in greenhouse gas emissions, where many member states have made major progress.

Doing business

The Guide to Doing business section is part of the advisory programme "Foreign Business Guide", which the EU Office has offered since the beginning of this year. Within the program, we provide our clients from among small and medium-sized businesses with information about how to expand abroad successfully and what business environment awaits them there. You can find more information about the programme here: www.csas.cz/eu. In this issue we present Latvia.

LATVIA

Official name	Republic of Latvia
Population	2 041 763 (2013)
Area	64 589 km ²
Currency	Euro (EUR) – from 1 January 2014
Official language	Latvian

Source: Eurostat

The Republic of Latvia is located on the South-east coast of the Baltic Sea between Estonia and Lithuania.

Supreme power is held by the country's parliament, comprised of 100 members elected for four-year terms. Election of the country's president requires the votes of more than 50% of members of parliament in a secret ballot. The country's current president is Andris Bērziņš. Supreme executive power is in the hands of the prime minister.

The current prime minister of Latvia is Laimdota Straujuma. She replaced former prime minister Valdis Dombrovkis, after he resigned on 27 November 2013 in response to the collapse of a roof at a supermarket in Riga. Agriculture makes up 5% of GDP, and just under 8% of the labour force are employed in that sector, a much higher percentage than in the EU as a whole.

Structure of economy and foreign trade

The situation in industry in Latvia is close to the EU average; 23.6% of employees work in industry, producing nearly 26% of GDP, while these values are more than 10% higher in the Czech Republic. The dominant sector is the service sector, where 68.6% of the labour force works and which comprises 69.3% of GDP. Latvia's main export

partners are Russia (18.2%), Lithuania (14.9%) and Germany (7.5%). The country exports mainly food, wood and wood products, metals, machines and textiles. It imports mainly machines and equipment, consumer goods and chemicals. Latvia's main import partners are Lithuania (19.1%), Germany (11.6%) and Russia (9.2%).



Macroeconomic outlook

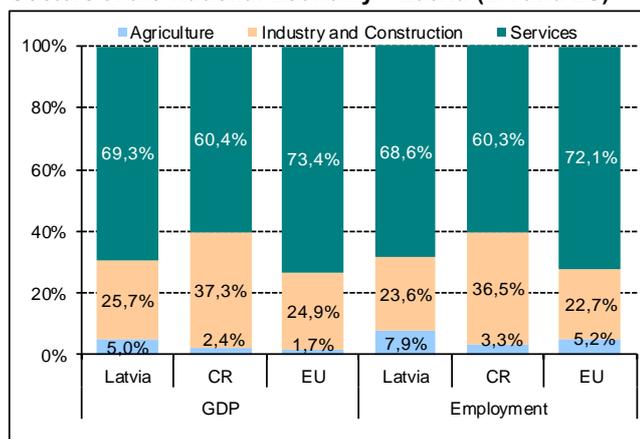
Economic growth slowed year-to-year in the first half of 2013 to 4.0%, compared to 5.2% growth in 2012. Thanks to growth in real wages and employment, private consumption also grew in the same period by 0.4% to 6.2%.

Prior growth in consumer demand slowed slightly. In the first half of 2013, investments into modernisation of capacities also declined, in response to weaker external demand.

The main drivers of growth were services and construction, and the large real estate market is expected to be revived in the future. However, by 2015, imports are expected to exceed exports, mainly due to growth in foreign investment. The economy is expected to grow in subsequent years by around 4% of GDP, which should help lower unemployment and reduce public debt.

Latvia is considered a model example of a country that has successfully coped with the debt crisis. Even in the most difficult year, 2009, when the country's economy fell by 17.7%, the country did not devalue its then currency, the lat. Instead, it successfully coped with macroeconomic imbalances through internal devaluations (savings and reductions in wages).

Sectors of the National Economy – Latvia (CR and EU)



Source: Eurostat, data as of 2012

Basic indicators (in %)	2012	2013 ^e	2014 ^e	2015 ^e
GDP Growth	5.2	4.0	4.2	4.3
Unemployment rate	15.0	11.9	10.5	9.2
Inflation	2.3	0.0	1.9	2.1
Current account saldo	-10.4	-9.2	-9.3	-9.8
Public debt	40.6	38.4	38.7	32.7

Source: European Commission; ^e - estimate

Labor market

In 2012, the country's unemployment level, like in neighbouring countries, represented an above-average 15%, by which it contrasted with the rest of the EU. Since then, unemployment has been continuously declining, and

at the end of 2014 it could reach 10%, which, although below the EU average, is still 3% higher than in the Czech Republic.

The lowest labour costs in the country remain in the sectors of accommodation, dining and hospitality (599 euros), and some of the highest are in the IT and communications sectors (approximately 1,620 euros).

Basic indicators of labor market		
Unemployment level (September 2013)	12.1%	
Minimum monthly wage (2014)	320 EUR	
Ø monthly labor costs in sectors	Latvia	CR
Manufacturing (2012)	831 €	1 445 €
Transport and storage (2012)	1 062 €	1 488 €
Accommodation and food ... (2012)	599 €	917 €

Source: Statistical Offices of Latvia and Czech Republic

Labor law basics

An employment contract must be in writing and can be arranged for a definite or an indefinite period, and it must specify work conditions, agreed rules and the amount of wages.

An employment contract entered into for a definite period must not exceed two years (including extensions). The work period is 40 hours per week. Wages cannot be lower than the minimum wage set by the government (320 euros per month in 2014).

Commercial law basics

Latvia offers investors the opportunity to form several different kinds of companies: joint-stock companies (AS), limited liability companies (SIA), limited partnerships (KS), public companies (PS), individual enterprises (self-employed persons - IK), branches of foreign companies and European companies.

Form of Company	Minimum Capital
Limited Liability Company - SIA	cca 2 850 EUR
Joint Stock Company - AS	cca 35 625 EUR
European Company - SE	120 000 EUR

Source: Ministry of Economy

For a limited liability company (SIA), the minimum registered capital is approximately 2,850 euros. Partners are liable for the company's obligations only up to the amounts of their unpaid investments. For a joint-stock company, the minimum registered capital is 35,625 euros.

The number of shareholders is unlimited, and the company is subject to an audit obligation by law.

Main taxes and additional labor costs

The corporate tax rate is generally set at 15%, but the reduced corporate tax for micro-enterprises (if a company does not have more than 5 employees and yearly turnover of up to 100,000 euros) is 9%.

The individual income tax rate is 24%. The basic VAT rate is 21%, and the reduced rate is 12%. Dividends paid to non-residents are not taxed in Latvia. Each employee contributes to social security and health insurance 11% of his/her wages, and the employer contributes 24%.

Tax/payment	Rate
Corporate Tax	15 % / 9 %
Individual Income Tax	24 %
Social insurance (employee)	11 %
Social insurance (employer)	24 %
VAT (basic /lower)	21 % / 12 %

Source: Ministry of Finance

Energy

Until 2011, the price of electricity in Latvia was 20% lower than in the Czech Republic, but in the second half of that year its price rose by a fifth. Since then the price of Czech electricity, expressed in euros, has been declining, while the price of Latvian electricity has been rising, and in the first half of 2013 one kilowatt hour cost more than 12 euro cents, which is about 20% higher than in the Czech Republic.

Natural gas prices in Latvia are very volatile (changes by 30-40% have been no exception), and the price of natural gas for large consumers currently hovers at around €10.42 per GJ. Latvia is a relatively exotic state from the point of view of energy production. It produces energy only from two sources. About 45.5% is dependent on natural gas, and 54.5% originates from renewable resources.

Investment incentives

Latvia has been attracting investors interested in green technology, information technology, healthcare, genetics, transport and logistics, engineering, timber and food processing. It offers investors the opportunity to use special economic zones and provides other incentives, such as tax relief for large investment projects.

It also offers opportunities for training for unemployed persons, grants for employment of young people and other specific groups of the population.



In the March issue of our "Dating with MFF" section, we will familiarise you with another programme related to the European multi-annual framework, Erasmus+. The funds from that programme are intended to support education, professional preparation, youth and sport. Within the seven-year horizon of 2014-2020, the programme is expected to assist up to 4 million people and to support various partnerships and alliances among educational and youth organisations.

ERASMUS+

The Erasmus+ programme is a new EU programme for education, professional preparation, youth and sport presented in the multi-annual financial framework of 2014-2020. It is financed from budget heading 1a: Competitiveness for Growth and Jobs, and the total allocation for the seven-year period is **14.7 billion euros**.

This programme corresponds to the previous successful Erasmus program and combines several other EU programmes, which in the previous programme period of 2007-2013 had financial resources available for education, professional preparation and support for young people.

The programme now also provides more support for sport, particularly at the local level. **Erasmus+** has at its disposal 40% more financial resources than education programmes had in the previous period. Supporting young people is a priority for the EU, and therefore it is trying to invest large amounts of money for this purpose.

The main goal of Erasmus+ is to increase **students' qualifications** and enable them to find jobs more easily. The financing from the programme is focused on development of young people's skills, ensuring of more study-related stays abroad for students for the purpose of learning foreign languages and increasing their chances to find good employment. Two thirds of the entire budget are focused on achieving this objective.

Other objectives include **modernisation of the education sector** in EU member states and support for partnership among various learning institutions, organisations, companies, local and regional authorities and NGOs. Thanks to the Erasmus+ programme, over seven years more than 4 million persons will receive financial support for their study, internships, work or volunteer activities abroad.

The grants will be divided among two million university students, 650,000 professional school students and 500,000 people who travel abroad as part of foreign exchange programmes or as volunteers. Support will also be received by around 800,000 education sector workers and those working with young people, 200,000 students as part of the programme of guarantees for loans for Master's Degree study programmes abroad and more than 25,000 students as part of shared Master's Degree study, which requires study at at least two universities abroad.

Funds are also intended for 125,000 schools, including professional schools and universities, training facilities, youth organisations, etc., for the purpose of creating up to

25,000 strategic partnerships. In addition, 3,500 learning institutions and companies will also be supported, which should create over 300 **knowledge alliances** and alliances for acquiring skills in sectors where it is necessary to improve overall employment levels and support development. Financial resources will be also be provided to 600 partnerships involved in sport.

Grant applicants can register on-line with the national agencies in their countries or with the Executive Agency for Education, Culture and the Audio-visual Sector in Brussels. The national agency in the Czech Republic is the [Foreign Cooperation House \(DZS\)](#).

The EU is expected probably during 2014 to earmark additional financing to support educational activities for cooperation with partnering non-EU countries. You can find more information about the programme at: http://ec.europa.eu/education/index_en.htm.

Supported areas of the Erasmus+ programme

Education and training

School – opportunities for staff; cooperation between institutions and schools; cooperation between schools

Adult education – opportunities for staff; cooperation between institutions and organisations; cooperation with business; platform for Adult Learning in Europe (epale)

Vocational education and training – opportunities for students, trainees, apprentices; opportunities for staff; cooperation between institutions; cooperation with business

Higher education – opportunities for students and for staff; opportunities for trainees; opportunities for Master's Students; cooperation between institutions; cooperation with business; cooperation outside the EU

Jean Monnet – opportunities for teaching and research; opportunities for policy debate and exchanges; cooperation between institutions

Youth

Mobility for young people – opportunities for young people and for youth workers

Partnerships for young people – policy development; strategic partnerships; capacity building

Sport

Sport in Erasmus+ - transnational collaborative projects; non-commercial European sporting events of major importance; strengthening of the evidence base for policy making

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), external economic stability indicators (current account to GDP), fiscal stability indicators (public budget to GDP, public debt to GDP) and price level to ø EU. The source of the data is Eurostat.



Key macroeconomic indicators

in %	GDP Growth				GDP per capita (PPS, % of ø EU)				Price level to ø EU			
	2010	2011	2012	2013	2009	2010	2011	2012	2009	2010	2011	2012
Belgium	2.4	1.8	-0.3	0.0	118.0	119.0	119.0	119.0	112.3	110.2	109.6	108.6
Bulgaria	0.4	1.8	0.8	0.9	44.0	44.0	46.0	47.0	51.3	50.0	48.8	48.3
CR	2.5	1.9	-1.3	-0.4	83.0	80.0	80.0	79.0	73.1	74.6	75.6	72.2
Denmark	1.6	1.1	-0.5	0.7	123.0	128.0	125.0	125.0	143.0	140.4	142.6	140.5
Germany	4.2	3.0	0.7	0.4	115.0	119.0	121.0	121.0	107.0	103.5	102.0	101.1
Estonia	3.3	8.3	3.2	3.0	63.0	63.0	67.0	68.0	77.3	74.8	75.9	76.9
Ireland	-0.8	1.4	0.9	1.1	128.0	127.0	127.0	129.0	125.6	118.1	118.7	117.0
Greece	-4.9	-7.1	-6.4	-4.2	94.0	87.0	79.0	75.0	95.0	94.5	94.5	92.1
Spain	-0.3	0.4	-1.4	-1.5	103.0	99.0	98.0	97.0	97.7	96.6	96.9	94.9
France	1.7	2.0	0.0	-0.1	109.0	108.0	109.0	108.0	112.2	110.1	109.7	108.1
Croatia	-2.3	0.0	-2.0	-1.0	62.0	58.0	61.0	61.0	76.3	75.2	73.0	69.9
Italy	1.7	0.4	-2.4	-1.3	104.0	101.0	100.0	98.0	104.8	101.2	102.9	102.5
Cyprus	1.3	0.5	-2.4	-8.7	100.0	97.0	94.0	91.0	89.8	88.7	88.7	87.4
Latvia	-0.9	5.5	5.6	3.8	54.0	54.0	58.0	62.0	76.0	70.0	71.2	71.6
Lithuania	1.5	5.9	3.7	3.1	58.0	61.0	66.0	70.0	67.0	63.6	64.5	63.9
Luxembourg	2.9	1.7	0.3	0.8	255.0	267.0	271.0	271.0	121.5	122.3	123.3	122.1
Hungary	1.3	1.6	-1.7	0.2	65.0	65.0	66.0	66.0	63.2	63.0	61.5	60.3
Malta	3.2	1.8	1.0	1.4	84.0	87.0	87.0	86.0	78.0	77.4	78.4	77.8
Netherlands	1.6	1.0	-1.0	-0.8	132.0	131.0	131.0	128.0	107.9	107.8	108.4	107.6
Austria	2.1	2.7	0.8	0.6	125.0	127.0	129.0	131.0	107.9	105.1	105.7	105.5
Poland	3.9	4.5	1.9	1.1	61.0	63.0	65.0	66.0	58.1	60.4	58.6	56.7
Portugal	1.9	-1.6	-3.2	-2.3	80.0	80.0	78.0	75.0	89.2	87.4	87.8	85.9
Romania	-1.1	2.2	0.7	1.6	47.0	47.0	47.0	49.0	57.5	57.4	58.8	55.4
Slovenia	1.2	0.6	-2.3	-2.0	87.0	84.0	84.0	82.0	87.9	86.1	84.9	82.9
Slovakia	4.4	3.2	2.0	1.0	73.0	73.0	74.0	75.0	73.2	70.3	70.7	70.4
Finland	3.3	2.8	-0.2	0.3	114.0	113.0	115.0	115.0	124.0	121.7	122.2	121.7
Sweden	6.6	3.7	0.7	1.5	120.0	124.0	127.0	128.0	107.6	119.7	125.7	128.6
UK	1.8	1.0	0.3	0.6	111.0	111.0	109.0	110.0	96.8	107.8	108.7	116.5
EU	2.1	1.6	-0.3	1.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

in %	Public budget deficit to GDP				Public debt to GDP ratio				Current account saldo to GDP			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Belgium	-3.8	-3.7	-3.9	-2.9	95.5	97.8	99.6	101.4	1.9	-1.1	-1.4	1.4
Bulgaria	-3.1	-2.0	-0.8	-1.3	16.2	16.3	18.5	17.9	-1.5	0.1	-1.3	-2.6
CR	-4.8	-3.3	-4.4	-2.9	37.8	40.8	45.8	48.3	-3.9	-2.7	-2.5	-2.4
Denmark	-2.5	-1.8	-4.0	-1.7	42.7	46.4	45.8	45.0	5.9	5.6	5.2	4.5
Germany	-4.1	-0.8	0.2	-0.2	82.4	80.4	81.9	81.1	6.2	6.2	7.0	6.3
Estonia	0.2	1.2	-0.3	-0.3	6.7	6.2	10.1	10.2	2.9	2.1	-1.2	-2.2
Ireland	-30.8	-13.4	-7.6	-7.5	92.1	106.4	117.6	123.3	1.1	1.1	4.9	3.1
Greece	-10.7	-9.5	-10.0	-3.8	148.3	170.3	156.9	175.2	-10.1	-9.9	-3.1	-2.8
Spain	-9.7	-9.4	-10.6	-6.5	61.5	69.3	84.2	91.3	-4.5	-3.7	-1.1	1.6
France	-7.1	-5.3	-4.8	-3.9	82.4	85.8	90.2	94.0	-1.6	-1.9	-2.3	-1.6
Croatia	-5.2	-5.7	-3.8	-4.7	42.2	46.7	53.7	57.9	-0.9	-0.8	0.0	0.4
Italy	-4.5	-3.8	-3.0	-2.9	119.3	120.8	127.0	131.4	-3.5	-3.1	-0.7	1.0
Cyprus	-5.3	-6.3	-6.3	-6.5	61.3	71.1	85.8	109.5	-9.8	-4.7	-11.7	-1.9
Latvia	-8.1	-3.6	-1.2	-1.2	44.4	41.9	40.7	43.2	2.9	-2.2	-1.7	-2.1
Lithuania	-7.2	-5.5	-3.2	-2.9	37.9	38.5	40.7	40.1	0.1	-3.7	-0.5	-1.0
Luxembourg	-0.9	-0.2	-0.8	-0.2	19.2	18.3	20.8	23.4	8.2	7.1	5.6	6.3
Hungary	-4.3	4.3	-1.9	-3.0	81.8	81.4	79.2	79.7	1.1	0.8	1.6	2.5
Malta	-3.6	-2.8	-3.3	-3.7	67.4	70.3	72.1	73.9	-4.7	-0.2	0.4	0.0
Netherlands	-5.1	-4.5	-4.1	-3.6	63.1	65.5	71.2	74.6	7.8	10.1	9.9	8.6
Austria	-4.5	-2.5	-2.5	-2.2	72.0	72.5	73.4	73.8	3.4	1.4	1.8	3.1
Poland	-7.9	-5.0	-3.9	-3.9	54.8	56.2	55.6	38.6	-5.1	-4.9	-3.5	-2.5
Portugal	-9.8	-4.4	-6.4	-5.5	94.0	108.3	123.6	123.0	-10.6	-7.0	-1.5	0.1
Romania	-6.8	-5.6	-2.9	-2.6	30.5	34.7	37.8	38.6	-4.4	-4.5	-4.0	-3.9
Slovenia	-5.9	-6.4	-4.0	-5.3	38.6	46.9	54.1	61.0	-0.6	0.0	2.3	4.8
Slovakia	-7.7	-5.1	-4.3	-3.0	41.0	43.3	52.1	54.6	-3.7	-2.1	2.3	2.5
Finland	-2.5	-0.8	-1.9	-1.8	48.6	49.0	53.0	56.2	1.5	-1.5	-1.9	-1.7
Sweden	0.3	0.2	-0.5	-1.1	39.4	38.4	38.2	40.7	6.8	7.0	7.1	7.0
UK	-10.2	-7.8	-6.3	-6.8	79.4	85.5	90.0	95.5	-3.3	-1.4	-3.7	-2.7
EU	-6.5	-4.4	-4.0	-3.4	80.0	82.5	85.3	89.8	0.4	0.7	1.3	1.6

Source: Eurostat

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