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ČESKÁ SPOŘITELNA

Dear readers,

February is characterized by the least number of days in the year and spending holidays in the mountains. Thermophiles spend it somewhere in the south with a drink under a beach umbrella to escape the urban boredom and gray. But the events of the past month were definitely not dull. So if you are not traveling anywhere right now, then you can still enjoy the long winter evenings reading news and reports from our Monthly, which are not only related to the EU.

Continuing events concern Greece, which managed to gain a "postponement of the solution" in the form of an agreement with creditors to extend the rescue programme for the next four months. However, this extension will mean maintaining some unpopular measures. The Greek government submitted a list of reforms that finance ministers from the individual eurozone countries have already approved. The reforms should guarantee an inflow of money into the state treasury and among other things include the fight against tax evasion, corruption, etc. The European Commission has not been idle this month either and on 25 February unveiled a plan to create a European Energy Union.

What do you consider the biggest threat for today's European Union? Try to answer this question dear readers, and on page 4 you will learn how other respondents from the Czech Republic answered the questionnaire from the Office of the Government. Another event that also concerns the Czech Republic is related to the Civil Service Act. The European Commission considers it to be of such poor quality that it will not approve the subsidy programmes for the 2014-2020 period until the comments it has given on this law are dealt with. It would therefore be good to do something about this, since it is already March 2015 and the Czech Republic will again be confronted with the risk of not utilizing many billions of crowns as it "managed to do" in the previous funding period.

From the pen of the European Commissioners another initiative was created to boost investment and increase the mobility of capital within the European Union. In the Commission's Column on page 6 learn more about the proposal submitted to establish a Capital Markets Union. Do you know how much individual EU countries spend on defense? In our Dating section we take a closer look at the Common Foreign and Security Policy of the EU.

According to the winter forecast of the European Commission, the whole European Union should anticipate positive economic growth this year. The Microscope section also brings you information on how the Member States will do in other macroeconomic indicators and the expectations for the Czech Republic. We don't abandon macroeconomic indicators in our Main Topic section either where we look closely at selected countries of Central and Eastern Europe in terms of numbers and statistics that could interest potential investors, businesspeople or simply those interested in the position of the Czech Republic in the Central and Eastern European region.

And one more very interesting piece of news I want to share with you. In February Česká spořitelna celebrated 190 years since its foundation!

Dear readers, I wish you a pleasant winter and sunny onset of spring which is already knocking very strongly on doors in some places.

Tomáš Kozelský

EU OFFICE
Česká spořitelna, a.s.
Budějovická 1518/13a
140 00 Praha 4
tel.: +420 956 718 012
fax: +420 224 641 301
EU_office@csas.cz
http://www.csas.cz/eu

Jan Jedlička
Head of EU Office
+420 956 718 014
jjedlicka@csas.cz

Tereza Hrtúsová
+420 956 718 012
thrtusova@csas.cz

Tomáš Kozelský
+420 956 718 013
tkozelsky@csas.cz

Radek Novák
+420 956 718 015
radeknovak@csas.cz

under the auspices of Pavel Kysilka
CEO of ČS

An extension of the rescue programme for Greece, without which the country would find itself on the verge of bankruptcy, was approved. - The European Commission has presented a proposal for the Energy Union. The project should address all the problems which the EU is facing in the energy sector. - Brussels gives a helping hand to unemployed youth, sending them a billion euros. The released resources could support up to 650,000 young people without jobs.

POLITICS

An extension of the rescue programme for Greece has been approved

Tough negotiations between Greece and its creditors to **extend the rescue programme**, without which the country would be on the verge of bankruptcy, have finally produced results. The programme was **approved**, but for the time being only for four months, during which discussions on the future of Greece will continue.

In exchange for the money, Greece had until midnight 23 February to submit **proposals for structural reforms,** which were approved by eurozone finance ministers.

The priority of the **reforms** is to guarantee the inflow of money into the state treasury and include in particular the fight against tax evasion, corruption, smuggling of fuel and tobacco, and labor market reform focusing on the extensive civil service. Part of the list is however also resolution of the so-called humanitarian crisis in which part of the Greek population finds itself according to the strongest government party Syriza. Although the Greek government has taken the first step toward fulfilling at least part of its pre-election promises, the current plan instead favors the creditors, whom the **Greeks had to submit to** in many respects. A large part of the Greek population welcomes the agreement despite remaining cautious.

Some Greek politicians, however, criticise the concessions that the Greek government had to make, particularly members of the radical left-wing faction of the Syriza party. **Criticism from within** is misplaced because the new Greek government simply had no choice according to commentators. The fact that Greek Prime Minister Alexis Tsipras would have to compromise on his demands was already evident in the first few rounds of negotiations. In fact, in his election campaign **Tsipras mainly promised nationalization of Greek banks** and forgiveness of part of the Greek debt, which has currently reached an astronomical amount of 170% of GDP. But the majority in the eurozone, led by Germany vehemently opposed debt relief.

The Greek government has now gained some time and in four months, when it will actually break bread, this could lead to a solution that would be acceptable even for the more radical faction of the party.

http://www.consilium.europa.eu/en/press/press-releases/2015/02/140224-eurogroup-statement-greece/

ENERGY AND TRANSPORT

The European Commission has presented a proposal for the Energy Union

On February 25, European Commission Vice-President **Maroš Šefčovič** presented a comprehensive plan to create a **European Energy Union**. This is a project that should address all the problems which the EU is facing in the energy sector.

The Energy Union will create a system throughout Europe in which energy will **flow freely** across national borders, economic competition will operate and the most appropriate energy sources will be used.

In such an environment neither businesses nor ordinary consumers would suffer. According to the Commission's idea, companies will benefit from the latest technology, but clean energy will not be at high prices that creates obstacles for them. Households in turn, should be able to reduce their energy bills and eventually produce their own energy.

The entire Energy Union will ensure **greater energy security** in Europe. It is not only about new pipelines. A **reduction in greenhouse gas emissions** and the ambition to become the leader in renewable energy have strong places at the heart of the idea.

If a single European energy market is formed, **a single regulator** will be needed. Thus the powers and independence of the **Agency for the Cooperation of Energy Regulators (ACER)**, which currently makes recommendations to Member States, would be strengthened considerably. In its new role, it should start to oversee the development of the single market and deal with cross-border challenges so that national borders do not play a role in energy trading.

What will start to work this year

1. Linking electricity markets

The connection of the 28 European energy markets into one and extending the rules for electricity trading across the borders of Member States.

2. Strengthening the European regulator

Strengthening the powers and independence of the Agency for the Cooperation of Energy Regulators (ACER), which makes recommendations to Member States. In its

new role it will oversee the development of the single market and deal with cross-border challenges so that national borders do not play a role in energy trading.

3. Electrical connections

By 2020, the links between existing electricity networks should be improved. Each of the countries should fulfill the goal to connect 10% of its production capacity.

4. Renewable Energy Package

Increasing the share of renewable sources of energy – by 2030 this should rise to 27%.

5. A New Deal for energy consumers

Thanks to clever meters for example, consumers who have been passive until now will be able to use electricity in a way that it is most advantageous.

6. Efficient appliances

The Energy Labelling Directive, which helps customers identify which appliance will save the most energy, needs changes so that the range of labels corresponds to the new products that are appearing on the market.

7. Smarter financing for energy efficiency

The Commission emphasises energy efficiency, particularly in buildings.

8. Strategy for heating and cooling

Later this year the Commission will begin work on a strategy that should result in less loss of energy in district heating and cooling systems.

9. Strategy for the development of liquefied natural gas

In Central and Eastern Europe and the Mediterranean trading hubs for liquefied natural gas will be formed in order to develop the market and reduce prices.

10. Europe as a leader in clean technology

The Commission wants to promote research and development in areas such as energy storage and electromobility.

Source: EurActiv.cz

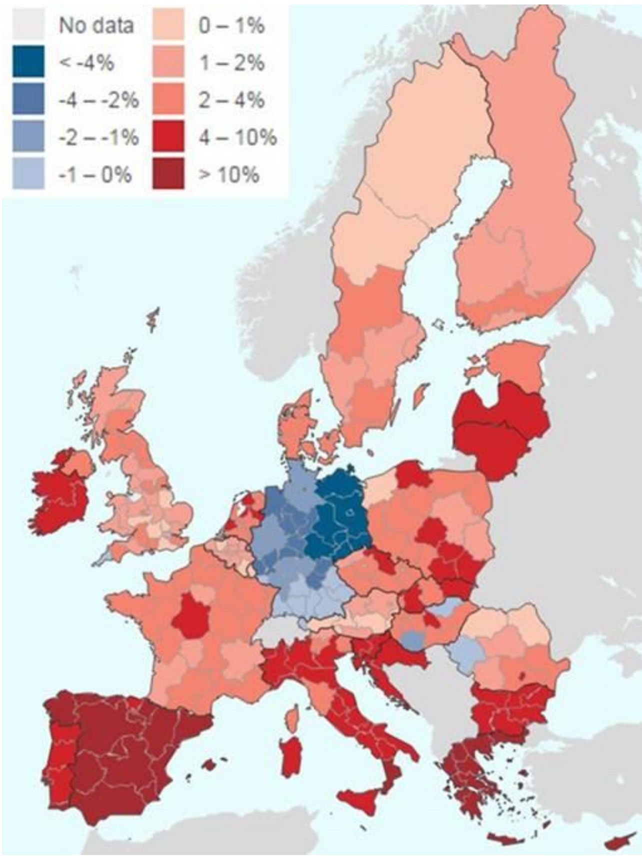
http://ec.europa.eu/priorities/energy-union/index_en.htm

EMPLOYMENT AND SOCIAL POLICY

Brussels gives a helping hand to unemployed youth

On 4 February 2015 the European Commission introduced a proposal that one billion euros will be reallocated to unemployed youth this year. Brussels is convinced that the funds released could **support up to 650,000 young people** without jobs. Support is directed to those regions of the EU where the **2012** youth unemployment rate exceeded the level of **25%**, which also applies to the Czech Republic.

The change in the unemployment rate in the EU regions (2008-2013)



Source: European Commission

The resources will be released within the framework of **the Youth Employment Initiative**, which aims to get unemployed young people back into work or training. Young people often have **difficulty finding work**, even when new jobs are created.

The Commission proposal will enter into force once it has been approved by the European Parliament and the EU Council. Member States will **pay** the released funds **to beneficiaries as advances for projects** immediately after the approval of the relevant operational programmes. The Youth Employment Initiative has been allocated a total of 3.2 billion euros. Funds from this initiative can be used for example **to provide first work experiences**, **internships**, **apprenticeship training**, business **start-ups** for young

The minimum wage in Greece has fallen by 14% since 2008, and thus is now twice as high as in the Czech Republic. - According to Czechs, terrorism and immigration are the biggest problems that threaten the EU. - The Czech Republic has negotiated with Brussels on the Civil Service Act and wants to start tapping into the funds. - If the CR cannot manage to deal with with all the risks and fails to realize some major transportation projects, it may lose its eligibility in 2015 for up to 85 billion crowns.

entrepreneurs or for instance programmes giving a second chance to people who prematurely left the educational system.

http://ec.europa.eu/social/main.jsp?langId=cs&catId=89&newsId=2173&furtherNews=yes

The minimum wage in Greece has fallen, and thus is now twice as high as in the Czech Republic

With 332 euros per month the **Czech Republic** has the **fourth lowest minimum wage** in the European Union; minimum wages are worse only in Lithuania, Romania and Bulgaria (the lowest with 184 EUR, or about 5,100 CZK). This comes from the latest research of the European statistical office Eurostat, which assessed the situation as of January 2015. The minimum wage in the Czech Republic is thus one of the lowest, even though on 1 January it was increased **from 8,500 CZK to 9,200 CZK**.

The only country that **recorded a fall in the minimum wage** is Greece, where the newly elected left-wing government led by Alexis Tsipras is trying to change this trend and return the minimum wage from the current 684 EUR (almost 19,000 CZK) to 751 EUR (20,800 CZK) per month. **Although the Greek minimum wage has fallen by 14% since 2008**, it is still more than **two times higher than in the Czech Republic**.

Except for Greece and Ireland, where it stayed the same, since 2008 the minimum wage has increased in all European countries. **Romania** (+95%), **Bulgaria** (+64%) and **Slovakia** (+58%), where the minimum wage is approximately 48 EUR (about 1,300 CZK) higher than in the Czech Republic, enjoyed the **most significant increases**.

Countries with a monthly minimum wage of above 1,000 euros include Ireland, Germany, Belgium, the Netherlands and Luxembourg (1,923 EUR, about 53,000 CZK), which is on top of the ladder. The statistics thus show that **the differences** between individual EU countries in terms of the level of minimum wages **are enormous**.

The Eurostat research covers only 22 EU countries. In the remaining six states, which include for example, Sweden, Finland, Austria and Italy, the institution of a minimum wage has not yet been established.

http://ec.europa.eu/eurostat/statistics-explained/index.php/Minimum_wage_statistics

EXTERNAL RELATIONS

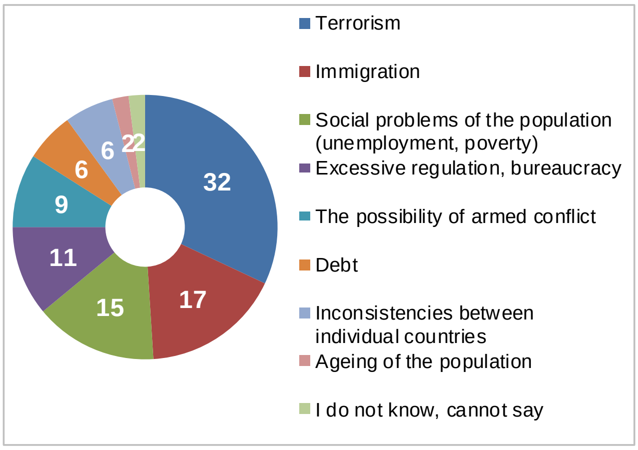
Czechs are most worried about terrorism and immigrants

According to Czechs, terrorism and immigration are **the biggest problems** that threaten the EU. That is one of the conclusions of a survey on the Czech public's awareness of the EU, which the Czech government ordered from the Ipsos agency in January 2015. **Terrorism,** with **32%,** was Czechs' most frequent response to the question of what they consider the biggest threat to the EU. Czechs **(17%)**, particularly from the right of the political spectrum, are concerned about **immigration** which remained in second place.

Nevertheless the perception of threats **changes** very **quickly** due to current events. In autumn 2014, the last of the Eurobarometer surveys that the European Commission publishes every six months, in fact only 17% of Czechs named terrorism as a problem for the EU, and conversely 26% mentioned immigration. Terrorism probably became a more significant perceived risk for the Czech people particularly after the Paris attack on Charlie Hebdo on 7 January 2015. Czech citizens do not remain indifferent to European threats and they ask that the Czech Republic becomes more involved in **enhancing European security.**

In fact, almost 80% of respondents state that the Czech Republic should **participate more in European border controls**, which are inadequate, according to the majority of respondents. Poor border protection particularly worries older people according to the survey.

What Czechs consider the greatest threats to the EU (in %)



Source: The Office of the Government of the Czech Republic

It is also interesting that in the opinion of an absolute majority of Czech respondents, a strong **common pan-European army** should be set up within 10 years. According to the Secretary of State, however, a joint EU army is not on the agenda. Instead current discussions are about different regional groupings, for example **forming a battlegroup within the Visegrad Four**, which would harmonize and improve the mutual communication of the small Central European armies.

http://www.vlada.cz/assets/evropske-zalezitosti/aktualne/CR-a-EU-v-roce-2015---na-web.pdf

REGIONAL POLICY

The Czech Republic has negotiated with Brussels on the Civil Service Act

At the Ministry of the Interior on **February 5** meetings were held between representatives of Czech ministries (Finance, Labour and Social Affairs, Interior and Regional Development), the Office of the Government and the European Commission on the **Civil Service Act**. For the first time the new Deputy Interior Minister for the Civil Service Josef Postránecký participated as well.

Brussels **does not consider** the legislation that applies in the Czech Republic from 1 January of this year to be of **good quality** and does not want to allow the Czech Republic to touch resources from EU funds until it deals with the Commission‘s objections. For the 2014-2020 period almost 24 billion euros are earmarked for the Czech Republic.

The European Commission has had the Czech version of the Civil Service Act in the spotlight for some time; it is most concerned about the **lack of transparency** in the system of remuneration of civil servants.

The Commission demands a significantly **smaller proportion of optional components** such as bonuses and rewards and an increase in the base rates. The rationale behind this is transparency and predictability of salaries in the state administration. Until this is resolved, it will not approve the Czech operational programmes**.**

Despite the fact that the **operational programmes are still being negotiated** and do not yet have the necessary "stamp" from the Commission, the Czech Republic will try to **announce the calls** for project proposals with some advance notice.

However, for this to be possible the managing authorities of individual operational programmes must meet certain conditions. One of them is the need for timely completion of guides for applicants and recipients.

http://www.mmr.cz/cs/Ministerstvo/Ministerstvo/Pro-media/Tiskove-zpravy/2015/Ministryne-Slechtova-Evropska-komise-se-pozitivne

This year the Czech Republic may not utilize up to 85 billion crowns

If the Czech Republic cannot manage to deal with all the risks and fails to realize some major transportation projects, in 2015 it may lose its eligibility for up to **85 billion** crowns from European funds. Minister Karla Šlechtová spoke on behalf of the government about such a scenario which is nevertheless considered extreme.

The department did an analysis that maps the current state of the individual operational programmes, as well as signs of potential risks which are necessary for calculating the estimate.

The Ministry for Regional Development prepared the report based on the information submitted to it by the individual governing bodies. It estimates that in 2015 the Czech Republic will fail to utilize 18 to 23 billion crowns. However, when spillover effects are accounted for the Ministry for Regional Development is also working with the scenario that the amount of undrawn funds may even be 41 billion crowns.

According to Šlechtová, the analysis contains a set of measures to reduce the risk of underspending in the individual operational programmes. According to Šlechtová, these measures in the form of contingency plans have been proven and the department can also bet on them in the future.

http://www.mmr.cz/cs/Ministerstvo/Ministerstvo/Pro-media/Tiskove-zpravy/2015/Vlada-schvalila-analyzu-cerpani-evropskych-fondu

The European Commission Representation in the Czech Republic provides contributions to the "Commission's Column" of the EU News Monthly Journal. In the March issue, this article discusses one of the European Commission's proposals for 2015 – the Capital Markets Union. The initiative should contribute to increasing the mobility of capital and its more effective allocation within the EU.

CAPITAL MARKETS UNION

In addition to the investment plan of the European Commission, which we introduced on these pages last December, the recently presented Capital Markets Union proposal should also contribute to more investment across the 28 European Union countries.

The main objective of this initiative is above all **to increase the mobility of capital** and its more effective allocation within the Union.

After the outbreak of the financial crisis in 2007, there was a significant **drop in investment** and financial resources are only slowly returning to the economy. One reason is the **large dependence** of European businesses on loans from banks, which are often financially consolidated during a long crisis.

Up to 80% of all investments in the European Union are thereby funded through banks (the data of course varies between countries according to the development of national capital markets).

During the crisis there was also some **financial market fragmentation** within the eurozone, when bank loans in countries with excessive fiscal imbalances had a **higher risk premium**, and thus higher interest rates to customers. Due to the crisis most banks also **limited loans**, especially to new or risky ventures. It is exactly this gap that the EU Capital Markets Union will help to bridge and **pave the way for non-bank investments** such as those from another EU Member State.

The specific barriers that currently prevent the greater development and integration of European capital markets are numerous. They are of a historical character, cultural (such as traditional distrust of non-bank capital financing bodies), but also economic and legal, such as differences in national insolvency and tax rules.

That is why on **18 February 2015** the European Commission launched a three-month round of consultations on the establishment of the Capital Markets Union. The results will be incorporated into an Action Plan which the Commission shall present this autumn.

In connection with the proposal for the Capital Markets Union, the European Commission has also decided to open discussion on the Prospectus Directive and the issue of **securitisation of financial products**. Both areas in fact have a major impact on the development of capital markets in the European Union.

Prospectuses are legal documents that companies use to reach out to investors. They contain facts which help investors decide where to place their investments.

However creating prospectuses, which often contain hundreds of pages of detailed information, **represents costs and administrative burdens** for businesses. For investors it may be difficult to navigate this flood of detailed information.

The Commission's objective is above all **to reduce the administrative burden** with which businesses must contend. Within the framework of the consultation, ways to simplify the information in prospectuses, assess when a prospectus is necessary and when it is not, and streamline the approval process will also be considered.

Securitization is the process where a financial instrument is created by **pooling assets**. Thus, more investors are able to purchase shares of those assets, thereby increasing liquidity and freeing up capital for economic growth.

A Europe-wide initiative should ensure high standards throughout the process, legal certainty and comparability across individual securitization instruments through a higher degree of standardization of products.

This would notably increase the **transparency, consistency and availability** of key information for investors, including in the area of SME loans, and promote increased **liquidity**.

Although to a large extent European companies will continue to rely primarily on bank finance, the capital markets will also enable traditional banks to **expand the range of financial instruments** to better suit the type of investments, for example to start-ups and riskier projects.

To cite just **one example** of the benefits that a fully functioning single capital market could offer: **if the venture capital markets in the EU were as well developed as in the US, in 2008-2013 up to 90 billion euros more would have been available to firms.**

Representatives of interest groups, government institutions and the private sector can participate in the consultation until 13 May 2015 on the European Commission website (http://bit.ly/CMU-Consultation).

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/; http://www.es2015.lv/en/

Meeting of the key EU institutions

2 - 3 March 2015	**Brussels, Belgium**	- Competitiveness Council
5 March 2015	**Brussels, Belgium**	- Transport, Telecommunications & Energy Council
6 March 2015	**Brussels, Belgium**	- Environment Council
9 March 2015	**Brussels, Belgium**	- Employment, Social Policy, Health and Consumer Affairs Council
9 March 2015	**Brussels, Belgium**	- Eurogroup
9 - 12 March 2015	**Strasbourg, France**	- European Parliament Plenary Session
10 March 2015	**Brussels, Belgium**	- Economic and Financial Affairs Council
12 - 13 March 2015	**Brussels, Belgium**	- Justice and Home Affairs Council
13 March 2015	**Brussels, Belgium**	- Transport, Telecommunications & Energy Council
16 March 2015	**Brussels, Belgium**	- Economic and Financial Affairs Council
16 March 2015	**Brussels, Belgium**	- Agriculture and Fisheries Council
17 March 2015	**Brussels, Belgium**	- General Affairs Council
19 - 20 March 2015	**Brussels, Belgium**	- European Council

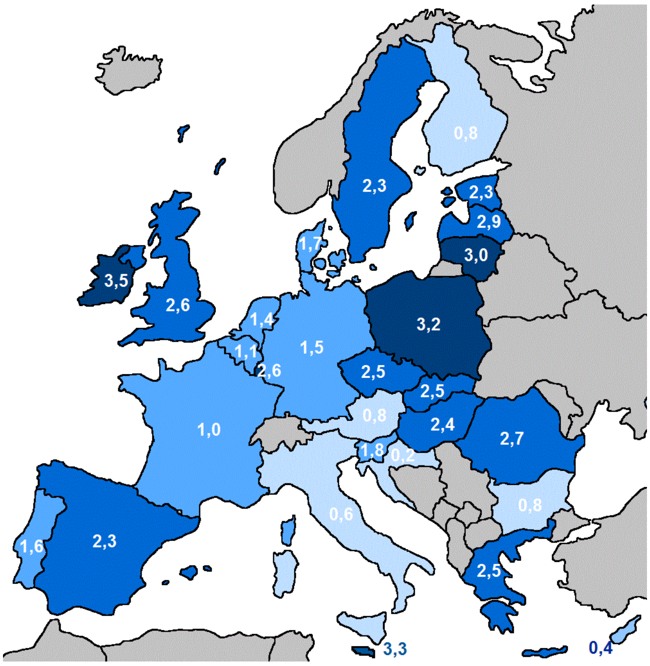
Source: www.europa.eu, http://www.es2015.lv/en/, access as of 28th February 2015

According to the winter forecast published by the European Commission on 5 February, the entire European Union should experience positive economic growth this year. Recall that this would thus be the first time that the Member States would be in positive territory since 2007. You can read about how the Member States will fare in other macroeconomic indicators and the expectations for the Czech Republic in the Microscope section on the lines which follow.

IS THE EU ON THE VERGE OF AN ECONOMIC RECOVERY?

The economic outlook for the Member States of the EU this year sounds positive according to the latest forecast from the European Commission which was issued on 5 February 2015. After all it is also the first time since 2007 when all EU Member States have reported **positive economic growth**.

Estimate of economic growth in the EU in 2015 (% of GDP)



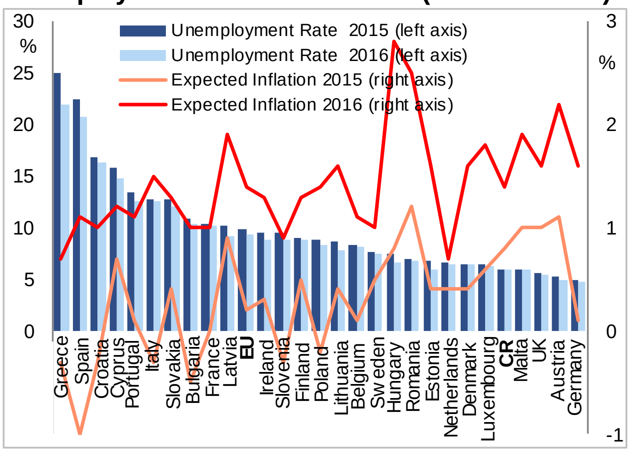
Source: European Commission – Winter Economic Forecast 2015

We must not rejoice prematurely however since, despite the increasing performance of individual Member States' economies, the recovery is not staggering. For example, 2015 growth in Croatia is expected to be 0.2% of GDP, in Cyprus 0.4% of GDP and in Italy 0.6% of GDP. A **positive outlook** is also expected for 2016, when nearly all Member States of the European Union will continue to accelerate the pace of their growth (except for Malta, Hungary and the United Kingdom). The situation in the labor market is improving slowly though. In some countries **high unemployment** and debt problems still predominate. Also the threat of deflation and geopolitical tensions in the east pose certain risks for the future.

The EU unemployment rate in 2015 will reach 9.8%. By 2016 improvements in the labor market are foreseen with a resulting drop in unemployment in practically all EU countries. Greece and Spain will continue to wrestle with the highest unemployment (over 20%), and on the contrary our neighbors Germany and Austria will do the best (about 5%). Low inflation, even in negative numbers in some countries (e.g. Spain -1%, Bulgaria -0.5%), should gradually increase to the EU average from this year's 0.2% to 1.4% in 2016. Measures for a stronger economy and wage growth should help.

Thanks to shrinking balances in public budgets, the development of public debt has also moved away from growth (from -2.6% of GDP in the EU in 2015 this is expected to decrease to -2.2% of GDP for 2016) to a slight decrease from 88.3% of GDP this year to 87.6% of GDP next year.

Unemployment and Inflation Rate (2015 and 2016)



Source: European Commission - Economic Forecast Winter 2015

And what are the expectations for the Czech Republic? There was a slight downward correction in the estimate of economic growth from the previous forecast for the Czech Republic. This year the economy should grow by 2.5% of GDP and in the next year (2016) by 0.1 percentage point more. The main drivers should be domestic demand and investment.

A certain decrease should be registered in last year's strong exports. The improving situation on the labor market may become a reason for rejoicing: the unemployment rate in 2016 should fall below 6% and wage conditions are also expected to improve, which could help consumption. In 2016 inflation should move to the EU average of 1.4%.

The negotiations with Greece and the geopolitical situation in the east or other stimuli could shift the EU's development downward instead however.

It appears that after a hiatus lasting several years, all EU member states have finally achieved economic growth. But how are the states in Central and Eastern Europe faring? In this issue, we will look closer at the Visegrad Four States (the Czech Republic, Poland, Slovakia and Hungary), the Czech Republic's other neighbours Germany and Austria and Eastern European states Romania and Bulgaria, both from a macroeconomic and a business point of view.

ATTRACTIVENESS OF CENTRAL AND EASTERN EUROPEAN COUNTRIES FOR INVESTORS

INTRODUCTION

The economies of EU member states the Czech Republic, Hungary, Germany, Poland, Austria, Romania, Slovakia and Bulgaria are experiencing moderate growth, after having overcome the recent economic crisis.

This is not a region of economic tigers, but it mainly consists of countries that have achieved high living standards, with quality education and a labour force with buying power who know their worth.

What is significant is the pro-export orientation of the mentioned countries, of which Slovakia, Germany and Austria use the euro, which under the EU's valid rules will also be adopted in the years to come by all member states that do not yet use the euro (except for the UK and Denmark, which have opted out).

Challenges for these countries include sustainable public deficits and the fight against unemployment, both of which are generally related to the recent financial crisis. In the recent period it has also been necessary to maintain positive inflation and especially long-term sustainable economic growth.

The countries are using a wide range of grants and incentives to attract foreign investors. The assistance programmes can be used in these countries to gain support from public budgets, usually within the range of 10 to 50% of eligible expenditures, depending on the size of the company and the country or specific region.

Countries also differ with regard to direct taxation, and Central and Eastern European states in particular are among those in the European environment who are trying to attract foreign investors to relatively low tax rates.

The countries can be characterised by a high level of protection for foreign investors and effective public administration from a global perspective.

Basic geographical and demographical indicators of selected EU states in 2014

	Number of inhabitants (in thousands)	Area (square km)	Currency	Length of roadways (km)	Share of population with internet*)
CR	10,512	78,867	Koruna	734	63.5%
Hungary	9,879	93,028	Forint	1,477	62.5%
Germany	80,780	357,022	Euro	12,819	80.6%
Poland	38,495	312,685	Złoty	2,737	58.3%
Austria	8,508	83,871	Euro	1,719	72.2%
Romania	19,943	238,391	New Leu	337	39.0%
Slovakia	5,416	49,035	Euro	417	75.0%
Bulgaria	7,245	110,879	Lev	458	46.9%

*Source: IMF, CIA World Factbook, European Commission; *)data for 2013*

MACROECONOMIC DEVELOPMENT

In recent years, the country with the most growth in the monitored region has been Poland, whose average growth in GDP reached 3%. Poland enjoys a large internal market, strong domestic consumption and sensible long-term macroeconomic policy. Other relatively fast growing economies among the selected states include Slovakia and Germany.

Both countries are very export-oriented, with strong exposure to growing Asian markets (Germany directly and Slovakia indirectly through German customers). Both countries' success can also be attributed to previously carried out structural reforms (tax and social reforms in Slovakia and labour market reforms in Germany), and the German export engine has also benefited from the euro, which is relatively weak for Germany.

According to the European Commission's estimates, in 2015 and 2016 Poland will maintain its role as the regional economic leader with growth of 3.2% and 3.4% respectively. Slovakia, Romania and the Czech Republic will also achieve solid performance.

Inflation pressures are not a problem in today's Europe, and in some states, especially in the southern part of the continent, there tend to be concerns about pressure from deflation instead. The relatively largest inflation in the monitored region is expected this year in Romania (1.2%).

Of the monitored states, Poland and Bulgaria will experience moderate deflation this year. If the European Commission's prognosis comes true, inflation in all member states in 2016 should reach positive values.

Estimate of key macroeconomic indicators for 2015 (in %)

	GDP growth	Inflation	Current account balance*)	Balance of public budgets*)	Public debt*)
CR	2.5	0.8	-0.3	-2.0	44.4
Hungary	2.4	0.8	4.4	-2.7	77.2
Germany	1.5	0.1	8.0	0.2	71.9
Poland	3.2	-0.2	-1.5	-2.9	49.9
Austria	0.8	1.1	2.6	-2.0	86.4
Romania	2.7	1.2	-1.1	-1.5	39.1
Slovakia	2.5	0.4	0.8	-2.8	54.9
Bulgaria	0.8	-0.5	2.1	-3.0	27.8
EU	**1.7**	**0.2**	**1.9**	**-2.6**	**88.3**

*Source: European Commission, *) to GDP*

The monitored states are mostly very pro-export focused and have their current account balances either in a surplus or approximately level. A certain extreme is Germany, which has a current account surplus of 8% of GDP due to factors including the weak euro. Relatively the worst result in this category is in Poland, with a deficit of -1.5% of GDP. A certain problem for these states is the condition of public finances. Although the states fulfil the Maastricht criterion related to the share of the state budget deficit in GDP, which must be lower than 3%, but even so there is room for improvement. The amount of public debt, which in these states is below the EU average, is also related to state budget deficits.

LABOUR MARKET

The selected EU member states represent a large labour force with huge buying power. Of the monitored states, except for Slovakia and Bulgaria, all of them have lower unemployment levels than the EU average. Austria and Germany can boast of a low unemployment level hovering at around 5%. The Czech Republic is close with a 6.1% unemployment level. Of these countries, the one with the highest unemployment in 2014 was Slovakia with 13.4%, which is relatively low compared to the 25% unemployment in Spain and Greece.

In view of the positive outlooks for economic growth in the coming years, the situation is also expected to improve on the labour market, which should be reflected in further growth in households' consumption.

Setting the minimum wages remains up to individual member states and is not handled at the EU level, so the minimum wage is not the same throughout the EU. Of the 28 member states, no minimum wage has been set in Denmark, Finland, Italy, Cyprus, Austria or Sweden.

Although none of these states has a statutory minimum wage, the wages there tend to be consistent with typical wages in individual sectors and industries.

In Germany there are set tariffs for certain occupations and professions, like in Austria.

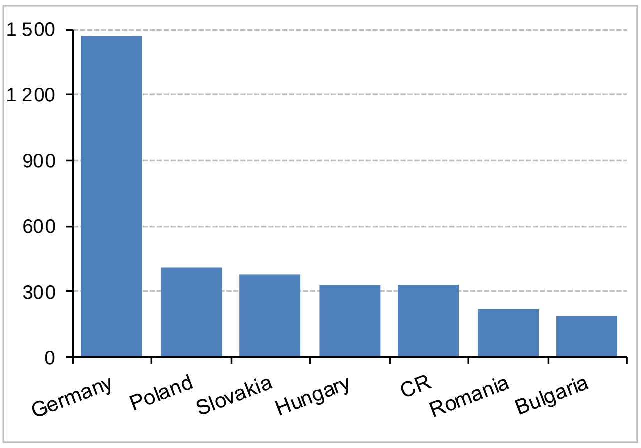
Labour market indicators in selected member states in 2013

	Secondary school graduates[1)]	University graduates[2)]	Labour force (in thousands)	Unemployment level[3)]
CR	72.4%	20.5%	4,937	6.1%
Hungary	60.0%	22.5%	3,938	7.7%
Germany	57.9%	28.5%	39,531	5.0%
Poland	64.4%	25.8%	15,568	9.1%
Austria	62.4%	20.7%	4,175	5.0%
Romania	60.6%	15.7%	9,247	7.0%
Slovakia	72.0%	19.9%	2,329	13.4%
Bulgaria	56.3%	25.6%	2,935	11.7%
EU	**46.7%**	**28.4%**	**216,508**	**10.2%**

Source: Eurostat, European Commission; 1) the share of secondary school graduates ages 25 to 64 among the total population in the particular region, 2) the share of university graduates ages 25 to 64 among the total population in the region, 3) data for 2014

Newly since 1 January 2015, there is a set hourly minimum wage of EUR 8.5 in Germany, which has the highest minimum wage in the monitored states, when expressed in euros. The lowest minimum wages are in Bulgaria and Romania.

Minimum monthly wage in 2015 (euros)



Source: Eurostat

Other labour cost comparisons are presented by an overview of average monthly labour costs. Labour costs are an employer's expenditures related to employing workers.

They include compensation for employees (including wages, salaries in money and in kind and employers' contributions to social security), costs for professional education and other expenditures (such as costs for hiring workers, expenditures for work clothing and taxes on wages considered labour costs minus any received support).

Labour costs are also an important factor related to individual member states' competitive positions.

There are major differences in average monthly labour costs both in the monitored member states among individual sectors.

There have generally long been lower labour costs in former Communist countries in Central and Eastern Europe (mainly in Romania and Bulgaria).

It will perhaps surprise no one that of the selected countries, Austria and Germany have the highest labour costs.

Average monthly labour costs in selected sectors in 2013 in EUR

	Business sphere	Processing industry	Construction	Wholesale and retail; ...	Transport and storage
CR	1,573	1,480	1,467	1,512	1,493
Hungary	1,364	1,336	1,080	1,220	1,250
Germany	4,356	4,867	3,510	3,662	3,526
Poland	1,294	1,173	1,139	1,076	1,170
Austria	4,562	4,713	4,212	3,830	4,673
Romania	879	745	704	772	918
Slovakia	1,263	1,255	1,210	1,118	1,127
Bulgaria	542	434	425	544	580
EU	**3,526**	**3,525**	**3,132**	**3,027**	**3,318**

Source: Eurostat

SUBSIDIES AND INVESTMENT INCENTIVES

All European countries, including the monitored countries, are seeking to attract foreign investors with various incentives and grant programmes. In order to maintain a fair competitive environment on the single market, these programmes are adjusted at the central level in Brussels in the form of regional support.

Its aim is to support less developed regions within the EU and to contribute to their development, mainly through support for investments and new job creation. Regional support may be provided to all member states in a maximum amount set by the European Commission.

In order for regional support (in the form of grants or investment incentives) to be provided to an investor, the particular investment mainly must be compatible with the internal market, meaning that it must be an investment with a clearly defined aim that is in the common interest. Each investment must need state intervention, must be proven to be suitable for regional support and must have a motivational effect.

Support must be restricted to a minimum, and it is necessary to limit its negative effects and prove its transparency. Regional support does not apply to the steel or synthetic fibre industry or to support for airports and energy. The special form of support also relates to the fisheries, aquaculture and agriculture sectors, as well as to transport (these sectors can also be partially or entirely excluded from regional support).

Support for these sectors is defined individually by the EU.

Overview of regional support types in the selected member states for the entire period of 2014-2020

	Maximum intensity of regional support for NUTS II regions			
	small businesses	mid-sized businesses	large businesses	exceptions + regions without support
CR	45%	35%	25%	Prague without support
Poland	45-70%	35-60%	25-50%	Warsaw (2014-2017, max. 15%) (2018-2020, max. 10%)
Slovakia	45-55%	35-45%	25-35%	Bratislava without support
Romania	55-70%	45-60%	35-50%	Bucharest and Ilfov 10-35%
Hungary	45-70%	35-60%	25-50%	Budapest 20-35%
Germany	30-50%	20-30%	10-20%	

Austria	30%	20%	10%	
Bulgaria	50-70%	50-60%	50%	Yugozapaden 25-45%

Source: European Commission

TAXES – A BASIC OVERVIEW

In the area of taxes, harmonisation has occurred in the EU practically only in relation to indirect taxes, which are regulated by European directives that set rules related to the number and amounts of individual rates.

Harmonisation is at a high level both for selective indirect taxes imposed on selected commodities (consumer taxes) and for general indirect taxes, which in the EU have the form of VAT.

The basic VAT rate must not be lower than 15% according to European directives, and member states can apply one or two reduced rates, which, however, must not be lower than 5%.

However, the directives also allow a rate lower than 5% (known as the super reduced rate) following a certain temporary period. Austria uses a certain other type of exception in the form of a "parking rate" of VAT of 12% (for wine from farms). The parking rate eases the transition from the reduced VAT rate to the basic rate.

For individual income taxes, individual EU states determine on their own what their resulting form will be, in relation to the number and amounts of rates and to tax discounts, etc.

The system of harmonisation throughout the EU is not very developed for corporate income taxes as for VAT and consumer taxes. There is cooperation among members in particular in relation to preventing double taxation and fighting tax evasion.

The systems and development of rates and taxable income for individual income taxes are overseen by individual EU states. Therefore, the structure of these taxes is very extensive.

From relatively simple systems, in which states have implemented flat tax rates or in which they have several sliding progressive rates, to different taxation based on social status, etc.

However, some EU states add various surcharges and local rates to the general or basic tax rates (such as Germany). In Germany, there is also a 5.5% solidarity surcharge. Therefore, the maximum or total corporate tax rate tends to be higher than the basic rate (around 30% in Germany's case).

If you are looking for the lowest corporate tax rate in the EU, you will find it in Bulgaria, where it is 10%.

Overview of tax rates (in %)

	Income tax rates		VAT rates	
	for individuals	**for legal entities**	**reduced rate**	**basic rate**
CR	15 / 22	19	10 / 15	21
Hungary	16	19	5 / 18	27
Germany	0 / 14-42 / 45	15	7	19
Poland	18 / 32	19	5 / 8	23
Austria	0 / 36,5 / 43,2 / 50	25	10	20
Romania	16	16	5 / 9	24
Slovakia	19 / 25	22	10	20
Bulgaria	10	10	9	20

Source: EK (DG TAXUD), KPMG, Deloitte, EY, Ministries of Finance; European Commission, VAT Rates Applied in the Member States of the European Union

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 Malta.

MALTA

Official name	Republic of Malta
Population	421,364 (2013)
Area	317 km^2
Currency	Euro (since 2008)
Official language	Maltese, English

Source: Eurostat

Malta is a group of islands located in the Mediterranean Sea and is surrounded by Sicily, Tunisia and Libya. From a geographical point of view, Malta consists of six islands, of which only three are inhabited (Malta, Gozo and Comino).

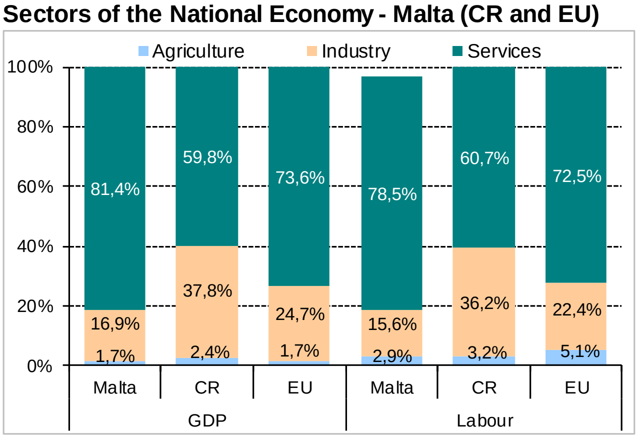
The country is a republic with a unicameral parliament, whose members are elected for five-year terms. Social Democrat Joseph Muscat has served as prime minister since 2013. Marie Louise Coleiro Preca, who is also a Social Democrat, has served as Malta's president since April 2014.

Structure of economy and foreign trade

Malta's main export partners are Germany (8.9%), Singapore (7.1%) and Libya (6.2%). The largest import partners of Malta, which is the smallest EU member state, are Italy (24.6%), Germany (5.6%) and the UK (5.4%).

The country's main export commodities include machines and equipment, mineral fuels, petroleum, petroleum products and pharmaceuticals. The country imports mainly mineral fuels, petroleum, petroleum products and parts of space and aviation machines.

Sectors of the National Economy - Malta (CR and EU)



Source: Eurostat, data as of 2013

Macroeconomic outlook

The Maltese economy, which since 2009 has not experienced a recession, continued in the first half of 2014 with robust growth (compared to the rest of the EU), and its GDP strengthened by 3.2%. This value resulted mainly from strong domestic demand, in part thanks to investments and public expenditures. In the first half of the year, net exports were among the drivers of growth, but for the year 2014 as a whole their contribution will be negative in the amount of 1.5%. According to experts in Brussels, the Maltese economy will grow by 2.9% in 2015. The following year, the pace of economic growth will slow only cosmetically, but will remain below 3%.

The main driver is expected to be the construction of a large power plant during 2014-2015. Declining interest rates are a favourable condition for growth of private investments.

The deficit of public finances has dramatically improved compared to previous years (by up to 4% of GDP), and in 2013 it was "only" 2.7% of GDP.

Malta's total debt has long ranged at around 60% of GDP, and the country is expected to reach its peak (71% of GDP) at the turn of 2014 and 2015, after which it is expected to decline slightly, according to the Commission's prognosis.

Basic indicators (in %)	2013	2014[e]	2015[e]	2016[e]
GDP Growth	2,5	3,0	2,9	2,7
Unemployment rate	6,4	6,1	6,1	6,2
Inflation	1,0	0,7	1,5	2,0
Current account balance	3,1	2,5	2,5	3,9
Public debt	69,8	71,0	71,0	69,8

Source: European Commission; [e] - estimate

Labor market

The unemployment level has long hovered at around 6%, and according to the Commission this will not change at all even in the future.

Basic indicators of labor market		
Unemployment rate (December 2014)	5.8%	
Labor productivity to ø EU (2013)	91.9%	
Minimum monthly wage	720 EUR	
Ø monthly labor costs in sectors	**Malta**	**CR**
Manufacturing (2013)	1,992 €	1,480 €
Wholesale and retail (2013)	1,693 €	1,512 €
Construction (2013)	1,521 €	1,467 €

Source: Eurostat

The minimum wage in Malta has been regularly growing each year, and in 2015 it is EUR 720, which is more than double the minimum wage in the Czech Republic. Monthly labour costs in Malta are on average 25% higher than in the Czech Republic.

Labor law basics

An employment contract must be entered into between the employer and the employee within eight days of the employee being hired and may be set for a definite period or an indefinite period.

The work period has been set at 40 hours per week. Together with overtime, the work period must not exceed 48 hours per week. The employee's written consent is necessary a week in advance in order to exceed that limit. The number of days of paid leave is not strictly set. Employees usually enjoy up to 5 weeks annually.

Commercial law basics

There are 11 necessary steps to set up a limited liability company, and administrative costs for it alone are just under EUR 2,000. At least two partners can set up a company, and 20% of the registered capital must be paid by the founding date. Two shareholders are needed to set up a joint-stock company, and 25% of the registered capital must be paid by its founding date.

Form of Company	Minimum Capital
European Company - SE	120,000 EUR
Public Limited Company	46,587.47 EUR
Private Limited Company	1,165 EUR

Source: Maltese Ministry for the Economy, Investment and Small Business

Main taxes and additional labor costs

The basic corporate tax rate in Malta is 35%. Individual income taxes have five brackets for residents, and the highest bracket of 35% is for income higher than EUR 60,000 per year. For non-residents there are four tax brackets, the lowest being 0% for income up to 700 euros and 35% for income above 7,800 euros.

The basic VAT rate in Malta is 18%. A reduced 7% rate applies to hotels, and a super-reduced rate of 5% applies to books (including electronic books), healthcare, newspapers, etc., and a 0% rate applies to food products and pharmaceuticals. The employer makes a contribution of 10% of the employee's weekly wages, and the minimum and maximum values of the contribution change each year. For 2014, the weekly maximum was EUR 41.21.

Tax/payment	Rate
Corporate Tax	35%
Individual Income Tax	0% / 15% / 25% / 29% / 35%
Social insurance (employee)	10% max. 41.21 eur/week
Social insurance (employer)	10% max. 41.21 eur/week
VAT (basic /1st lower/2nd lower)	0% / 5% / 7% / 18%

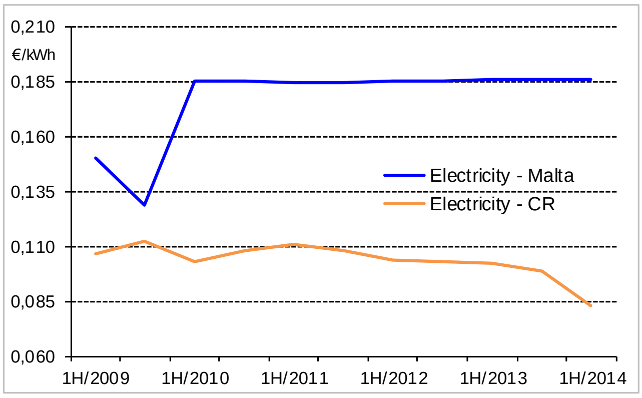
Source: Maltese Ministry of Finance

Energy

Electricity prices in Malta are regulated to a great extent by local authorities, and since 2010 the largest fluctuations have been in hundredths of percent. The price of electricity in mid 2014 was 18.6 euro cents per kWh. Malta relies on petroleum, which it imports in tankers, for 99.5% of its electricity. The other 0.5% comes from renewable resources. Malta is also the most dependent economy in the EU on imports of energy and energy raw materials, and in 2012 it even imported more than it consumed.

By 2020, 10% of Malta's produced electricity must come from renewable resources, and therefore major development can be expected in that sector.

Development of Energy Prices - Malta (CR)



Source: Eurostat, tariffs for wholesales excluding VAT

Investment incentives

The Malta Enterprise Agency is responsible for foreign investments in the country. Incentives fall under these categories: Investment support; Science; research and innovation; Access to finances; Development of SME; Employment and further education; Support for business.

The investment incentives are mainly aimed at businesses that have high added value and high potential in the area of employment.

At present, when Europe is coping with threats such as terrorism and the ongoing conflict along the Russian-Ukrainian border, the topic of the EU's security is more than relevant and cannot be neglected. How is the issue of the EU's security handled, and what resources does the EU have for handling it. In the March issue of the Monthly in the Dating the MFF section, we will examine the Common Foreign and Security Policy of the EU in detail, which is one of the parts of Heading 4. Global Europe.

COMMON FOREIGN AND SECURITY POLICY

Although for many decades European integration has played out mainly at the economic level, the foreign policy and security dimensions have been present ever since the beginning.

The establishment of European Political Cooperation in 1970 is considered **the first specific step** towards coordination of foreign policy. A closer tie between the EPC and EC came in 1986 with the Single European Act, but the **breakthrough** came only later in 1993 with the adoption of the Maastricht Treaty, when the Common Foreign and Security Policy (CFSP) of the EU was established as one of the three pillars of the European Union.

The Lisbon Treaty of 2009 abolished the pillar arrangement, and the CFSP was to a great extent integrated among **the EU's external activities**. However, the CFSP is specific due to its rules, approaches and financing. It is financed both from the EU budget and outside of it. The budget finances administrative expenditures, while operative expenditures related to defence and military matters are financed from outside of the budget. The Council decides about financing outside of the budget. **Military missions** are a typical example of this.

Here, it needs to be pointed out that military missions are carried out as part of The Common Security and Defence Policy – CSDP (known as the European Security and Defence Policy until the Lisbon Treaty became valid). It was established in 1999 to bring about military and crisis management cooperation. It is **part of the CFSP** and of its deepening and a tool for its implementation, since CSDP is focused primarily on military matters.

As far as **tools of the CFSP** are concerned, the EU cannot adopt any new legislative measures related to them. Each decision relates to a specific situation and therefore does not have general validity. Although decisions are **binding** for member states, there are no sanctions for breaches. Therefore, it is up to each country whether to remain a reliable partner.

If we examine the **institutional ensuring** of the CFSP, a key role is played by the **High Representative of the Union for Foreign Affairs and Security Policy**, a position assumed in 2014 by **Federica Mogherini** (who took it over from Catherine Margaret Ashton). We can describe Federica Mogherini as the EU "minister of foreign affairs" who carries out the EU's foreign policy and represents it in non-EU countries and in international organisations.

The High Representative is assisted in fulfilling her duties by the **European External Action Service**, which began its work on 1 January 2011. The primary role of the EEAS is to harmonise the EU's foreign policy and boost its position on the international level.

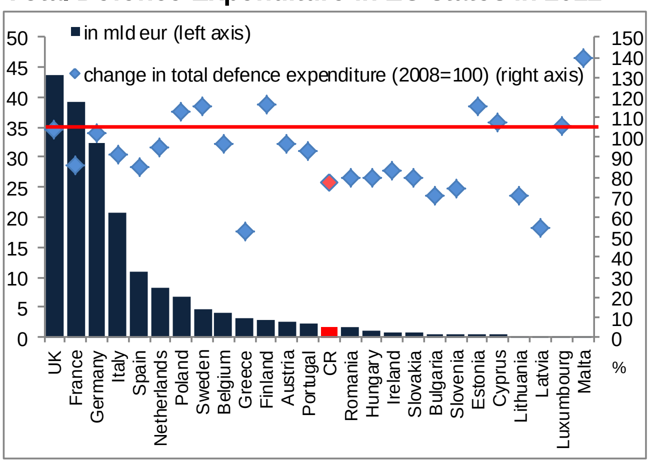
And **how is ensuring the EU's security and stability done in practice**? Most visible are the already mentioned **foreign missions as part of the CSDP**, through which the EU gets involved particularly in neighbouring regions and in regions having historic ties to European countries, and these missions can be either **military or civilian**.

The **first mission** (the EU's police mission in Bosnia-Herzegovina) as part of the CSDP was commenced on 1 January 2003, and since then **more than 30** such missions have taken place. Geographically, the missions are focused on the Western Balkans, former Soviet republics, the Middle East as well as sub-Saharan Africa (http://www.eeas.europa.eu/csdp/missions-and-operations/index_en.htm).

However, we would like to remind you of **how much individual EU member states spend on defence** (see graph). Only nine member states have increased their spending on defence since 2008. In the rest of the EU, **a gradual decline** in this spending can be observed. The most visible is the reduction in Greece and Latvia (around 50% in both countries). In 2012, the Czech Republic reached 77% compared to 2008 (and only 71% in 2014).

It remains to be seen whether EU member states will continue to reduce spending in this way.

Total Defence Expenditure in EU states in 2012



Source: EDA - National Defence Data 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), 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 and EC.

Key microeconomic indicators

	GDP growth				GDP per capita (PPS, % of ø EU)				Price level to ø EU			
in %	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Belgium	2,5	1,6	0,1	0,3	120,1	119,6	119,6	119,0	110,2	109,6	108,6	109,3
Germany	4,1	3,6	0,4	0,1	119,1	122,3	122,8	124,0	103,5	102,0	101,1	101,5
Estonia	2,5	8,3	4,7	1,6	63,8	69,0	71,2	72,0	74,8	75,9	76,9	79,9
Ireland	-0,3	2,8	-0,3	0,2	127,9	128,1	128,3	126,0	118,1	118,7	117,0	118,1
Greece	-5,4	-8,9	-6,6	-3,9	88,5	80,9	76,3	75,0	94,5	94,5	92,1	89,5
Spain	0,0	-0,6	-2,1	-1,2	99,0	96,0	95,0	95,0	96,6	96,9	95,0	94,8
France	2,0	2,1	0,3	0,3	108,8	108,8	108,4	108,0	110,1	109,7	108,1	109,1
Italy	1,7	0,6	-2,3	-1,9	102,5	101,3	100,2	98,0	101,2	102,9	102,5	103,2
Cyprus	1,4	0,3	-2,4	-5,4	96,6	93,4	91,3	86,0	88,7	88,7	87,4	86,2
Latvia	-2,9	5,0	4,8	4,2	55,1	59,7	64,1	67,0	70,0	71,2	71,6	71,2
Lithuania	1,6	6,1	3,8	3,3	61,7	67,2	71,3	74,0	63,6	64,5	63,9	64,6
Luxembourgh	5,1	2,6	-0,2	2,0	261,7	265,2	262,6	264,0	122,3	123,3	122,1	123,2
Malta	3,5	2,2	2,5	2,5	86,8	85,9	85,7	87,0	77,4	78,4	77,8	79,5
Netherlands	1,1	1,7	-1,6	-0,7	129,6	129,0	127,3	127,0	107,8	108,3	107,6	110,1
Austria	1,9	3,1	0,9	0,2	126,3	128,5	129,6	129,0	105,1	105,7	105,5	106,9
Portugal	1,9	-1,8	-3,3	-1,4	80,1	76,8	75,8	75,0	87,4	87,8	85,9	86,0
Slovenia	1,2	0,6	-2,6	-1,0	84,2	84,2	83,6	83,0	86,1	84,9	83,0	83,3
Slovakia	4,8	2,7	1,6	1,4	74,1	75,2	75,9	76,0	70,3	70,7	70,4	70,6
Finland	3,0	2,6	-1,5	-1,2	114,0	115,5	115,0	112,0	121,7	122,2	121,7	123,5
Bulgaria	0,7	2,0	0,5	1,1	44,1	46,4	47,4	47,0	50,0	48,8	48,3	48,4
CR	2,3	2,0	-0,8	-0,7	80,5	80,9	80,8	80,0	74,6	75,5	72,2	70,6
Denmark	1,6	1,2	-0,7	-0,5	127,6	125,1	125,6	125,0	140,4	142,6	140,6	139,6
Croatia	-1,7	-0,3	-2,2	-0,9	59,0	61,0	61,2	61,0	75,2	73,0	70,0	68,5
Hungary	0,8	1,8	-1,5	1,5	65,9	67,0	66,5	67,0	63,0	61,5	60,3	59,7
Poland	3,7	4,8	1,8	1,7	62,8	64,9	66,8	68,0	60,4	58,6	56,7	56,5
Romania	-0,8	1,1	0,6	3,4	50,5	51,1	52,8	54,0	57,4	58,8	55,4	57,5
Sweden	6,0	2,7	-0,3	1,3	123,3	124,9	125,9	127,0	119,7	125,7	128,7	129,8
UK	1,9	1,6	0,7	1,7	107,6	104,9	104,7	106,0	107,8	108,6	116,5	113,5
EU	2,1	1,7	-0,4	0,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

	Public budget deficit to GDP				Public debt to GDP ratio				Current account balance to GDP			
in %	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Belgium	-4,0	-3,9	-4,1	-2,9	99,6	102,1	104,0	104,5	1,9	0,3	0,6	-1,5
Germany	-4,1	-0,9	0,1	0,1	80,3	77,6	79,0	76,9	6,4	6,2	7,2	6,9
Estonia	0,2	1,0	-0,3	-0,5	6,5	6,0	9,7	10,1	2,8	1,4	-2,4	-0,4
Ireland	-32,4	-12,6	-8,0	-5,7	87,4	111,1	121,7	123,3	1,1	0,1	0,9	3,8
Greece	-11,1	-10,1	-8,6	-12,2	146,0	171,3	156,9	174,9	-10,1	-10,4	-4,4	-2,3
Spain	-9,4	-9,4	-10,3	-6,8	60,1	69,2	84,4	92,1	-4,5	-3,3	-0,4	1,5
France	-6,8	-5,1	-4,9	-4,1	81,5	85,0	89,2	92,2	-1,3	-2,2	-2,5	-2,0
Italy	-4,2	-3,5	-3,0	-2,8	115,3	116,4	122,2	127,9	-3,4	-3,1	-0,5	0,9
Cyprus	-4,8	-5,8	-5,8	-4,9	56,5	66,0	79,5	102,2	-9,8	-3,0	-5,5	-1,3
Latvia	-8,2	-3,4	-0,8	-0,9	46,8	42,7	40,9	38,2	3,0	-3,1	-3,5	-2,2
Lithuania	-6,9	-9,0	-3,2	-2,6	36,3	37,3	39,9	39,0	0,1	-4,5	-1,7	0,6
Luxembourgh	-0,6	0,3	0,1	0,6	19,6	18,5	21,4	23,6	7,7	6,5	5,7	5,2
Malta	-3,3	-2,6	-3,7	-2,7	67,6	69,8	67,5	69,5	-6,0	-1,8	0,8	0,9
Netherlands	-5,0	-4,3	-4,0	-2,3	59,0	61,3	66,5	68,6	7,4	7,1	8,8	8,5
Austria	-4,5	-2,6	-2,3	-1,5	82,4	82,1	81,7	81,2	3,4	2,1	2,6	2,3
Portugal	-11,2	-7,4	-5,5	-4,9	96,2	111,1	124,8	128,0	-10,6	-5,6	-2,6	-0,3
Slovenia	-5,7	-6,2	-3,7	-14,6	37,9	46,2	53,4	70,4	-0,1	0,9	3,0	4,8
Slovakia	-7,5	-4,1	-4,2	-2,6	41,1	43,5	52,1	54,6	-3,7	-3,8	0,3	0,8
Finland	-2,6	-1,0	-2,1	-2,4	47,1	48,5	53,0	56,0	1,5	-1,5	-1,9	-2,0
Bulgaria	-3,2	-2,0	-0,5	-1,2	15,9	15,7	18,0	18,3	-1,3	1,1	-0,7	2,2
CR	-4,4	-2,9	-4,0	-1,3	38,2	41,0	45,5	45,7	-5,2	-4,6	-2,2	-2,2
Denmark	-2,7	-2,1	-3,7	-1,1	42,9	46,4	45,6	45,1	5,7	5,7	5,6	7,2
Croatia	-6,0	-7,7	-5,6	-5,2	52,8	59,9	64,4	75,7	-0,8	-0,6	0,1	0,4
Hungary	-4,5	-5,5	-2,3	-2,4	80,9	81,0	78,5	77,3	0,3	0,8	1,7	4,2
Poland	-7,6	-4,9	-3,7	-4,0	53,6	54,8	54,4	55,7	-4,9	-5,0	-3,8	-1,5
Romania	-6,6	-5,5	-3,0	-2,2	29,9	34,2	37,3	38,0	-4,8	-4,7	-4,7	-1,2
Sweden	0,0	-0,1	-0,9	-1,4	36,7	36,1	36,4	38,6	6,5	5,9	6,3	6,8
UK	-9,6	-7,6	-8,3	-5,8	76,4	81,9	85,8	87,2	-2,6	-1,7	-3,7	-4,5
EU	-6,4	-4,5	-4,2	-3,2	78,4	81,3	84,9	87,1	0,0	0,2	0,9	1,4

Source: Eurostat