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Česká spořitelna, a.s.
Budějovická 1518/13a
140 00 Praha 4
tel.: +420 956 718 012
EU_office@csas.cz
<http://www.csas.cz/eu>

EU OFFICE

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

Dear readers,

A number of traditional Czech proverbs highlight the need for change. Surely each of you knows „life is change“ or „a new broom sweeps clean.“ At the same time the sayings „you can't teach an old dog new tricks“ or „who does nothing spoils nothing“ are still valid. We took a risk with new things as well- what do you think? What do I mean? Well surely the new form of our EU News Monthly Journal which, after almost 12 years, has received a new modern coat and also reconstruction of some sections. I will be glad to hear any of your opinions; please write me your views on the change.

The fact that the feedback of readers is extremely important for us has also been confirmed by this whole new issue. Changing the Monthly prompted us to do a survey of readers that we realized at the end of last year. A more detailed presentation of the opinions of you, the readers, can be found in the Microscope section on page 8.

At first glance, the biggest innovation is the graphics. The eye should immediately 'hit' in a positive sense the cover page with its dominant element, a map of the European Union made of the words, which in our opinion best characterise the entire project of European integration. The three most important pieces of news in the current issue are captured on the bottom of the cover, while the classic content has been moved to page two. The inside of the Monthly underwent a „facelift“ as well: the lead paragraphs as well as the headers on each page have a new format, and the whole text is a bit expanded, so it has the effect of being more spacious. The Internet links referencing primary sources of information have a completely new form.

In terms of content, we have a new section called the EU Series, where we will feature continuing series of current, interrelated topics. The producer of the first series will be the Commission, the director, the Ministry of Regional Development and the position of screenwriter will be occupied by other ministry departments with the stage name of managing authorities. The series is called Czech Operational Programmes and the first part is devoted to the OP Enterprise and Innovation for Competitiveness. You can find it on page 15.

People are naturally playful and I suppose that our readers are too. That's why we have newly prepared a EUROquiz section for you where in each issue we will ask for your opinion on current issues related to the European Union, as well as evaluate your answers from the previous edition. In the inaugural EUROquiz in the May issue, we ask about Greece and its future in/outside of the eurozone. We will be pleased if you take part in the online voting. A link which includes the exact wording of the questions can be found on page 7.

Otherwise, this time the key theme of the May issue is the Digital Agenda project, which aims to eliminate regulatory barriers and connect the 28 digital submarkets into one whole. We write briefly about the Digital Agenda in the Commission's Column section on page 6, as well as in detail in the Main Topic starting on page 9. For those interested in business conditions abroad, we have kept the Doing Business section. This time we visited Georgia, which although distant in terms of location, is culturally closer.

Dear readers, although spring has long since begun, and the fifth month of the year carries with it the signs of love, I still firmly believe that you will also make time for information about current events in the EU. I hope that you like the new EU News Monthly Journal!

Jan Jedlička

EU Events



The government has approved the Czech Strategy in the EU. - Greece and the eurozone have not reached an agreement during April. Athens must return a total of 973 million euros to the IMF in May. - Cyprus ends restrictions on money transfers. – Special meeting of the European Council: the crisis in the Mediterranean. – The influx of refugees into Europe will be a record.

POLITICS

The government has approved The Czech Strategy in the EU

On 27 April the government unanimously approved a new approach for the activities of the Czech Republic in the European Union. The cabinet wants the Czech Republic to be seen as an **intelligible partner** in the Union and intends to actively pursue its national interests in Brussels. The individual ministries should also be better coordinated on European issues.



In the Strategy the cabinet intends to pursue four **main goals**, namely strengthening peace and security, economic development of the EU, ensuring justice and solidarity and firmly anchoring the Czech Republic in the Union.

In order to accomplish this, the government has selected **five concrete priorities**:

1. Operational Common EU Security and Defense Policy

The European Union must be able to solve its problems alone the government says. At the same time there are numerous security problems in the outside world - whether war in Ukraine or aggression of so-called Islamic states.

For example, the government promises that it will try to ensure that the Czech Republic can participate with the appropriate quantity and required quality in civilian and military EU missions and operations.

2. Deepening the EU Single Market

Removing barriers to the EU internal market has been a Czech priority for a long time. For example, the government promotes Europe-wide implementation of the Services Directive, so that freedom of movement will also operate in this area.

Two specific areas of the internal market are also on the current agenda - energy and the Digital Agenda. European Commission Vice-President Andrus Ansip is preparing a new strategy for the creation of a single digital market, which he will present in Brussels in early May.

3. Effective Utilization of EU Funds

The Czech Republic has long-term problems with the drawing of European funds. Improvement in this area is one of the main priorities of the government. EU funds are in fact seen as a means for the modernization of the Czech economy and strengthening the industrial base.

4. Common Action against Tax Evasion

The share of the gray economy in the overall EU economy amounts to nearly one-fifth.

Tax evasion thus interferes with the ability of states to use all available resources. The Government would like the EU to tackle this problem jointly.

The cabinet proposes, for example, simplifying tax legislation at the EU level and strengthening tax and customs administrations. It also wants to continue the European discussion on the unification of rules for calculating the tax base for corporate income tax.

5. Preparation for Accession to the Eurozone

The government does not want to set a specific date for accession to the eurozone. However, the Strategy states that without accession to the eurozone the Czech Republic cannot achieve full membership in the EU.

Meanwhile, the government wants to collect and analyze a variety of data. By 2020 it should then be clear exactly when the Czech Republic will enter the European Exchange Rate Mechanism ERM II. Two-year participation in this mechanism is one of the conditions for euro adoption.

Source: *Office of the Government of the Czech Republic*

<http://www.vlada.cz/assets/media-centrum/aktualne/The-Czech-Strategy-in-the-EU---summary.pdf>

Greece has not yet reached an agreement with the eurozone

On April 23, on the sidelines of a special meeting of the European Council in Brussels, Greek Prime Minister Alexis Tsipras met with German Chancellor Angela Merkel. The negotiations were preceded by a meeting of eurozone finance ministers in Riga, where the Eurogroup assessed the progress of the Greek government in fulfilling its reform promises.

The foreign creditors are still not happy with the plan of structural reforms which Greece pledged in exchange for an extension of the rescue programme, and therefore the country must redo it for the second time. Only when the creditors are satisfied, will they release the **7.2 billion euro** (about 200 billion Czech crown) from the package of financial aid the indebted country needs to pay its financial obligations.

Initially it was expected that the allocation of funds would be decided by 24 April, at the Eurogroup meeting. This did not happen however. It is not clear how much cash Greece has got left, it should nevertheless remain **solvent until June**.

In May Athens must return a total of 973 million euros to the International Monetary Fund, and this could therefore result in a situation where the country will have to choose between paying salaries and pensions or meeting its debt obligations towards the creditor institutions.

<http://www.consilium.europa.eu/en/meetings/eurogroup/2015/04/2>



ECONOMY AND EURO

Cyprus ends restrictions on money transfers

On April 7 a ban on **transferring capital abroad was abolished**. It was part of measures introduced in 2013.



This was supposed to protect the Cypriot banking system from massive withdrawals along with domestic capital transfer restrictions in the framework of the country's request to international lenders who subsequently provided Cyprus financial assistance.

Cyprus was the **only country in the eurozone**, where such a measure in the fight against the crisis was introduced. Cypriots were allowed to transfer abroad no more than **20,000 euros** a month and travellers a maximum of **10,000 euros**. Restrictions on the domestic movement of capital were cancelled in May 2014. Due to the launch of the rescue programme by the EU and the International Monetary Fund in the amount of 10 billion euros, the Cypriot government had to proceed with strict austerity measures and radical restructuring of the bloated banking sector. The Cypriot crisis heralded a downgrading of Cypriot government bond ratings, which major rating agencies announced in June 2012.

The local government turned to international lenders with a request for help. Its conditions were introduced in July, but a definitive agreement was not made until four months later.

<http://www.euractiv.com/sections/euro-finance/cyprus-ends-money-transfer-restrictions-313564>

EXTERNAL RELATIONS

Special meeting of the European Council: the crisis in the Mediterranean

In Brussels on 23 April a special meeting of the European Council was held. European Council President Donald Tusk summoned European leaders because of the recent tragic events, in which hundreds of refugees bound for Europe died in the Mediterranean.

The situation in the Mediterranean is **unsustainable in the long term**. The presidents and prime ministers therefore want to focus on the question of how European countries and institutions should intervene in order to resolve the crisis.

At the special meeting the European Council agreed on the need to **at least triple the funds** for the Triton rescue operation of the Frontex Agency, which operates in the Mediterranean.

Frontex is responsible for protecting the EU's external borders. Its monthly budget is about 2.9 million euros; it has four aircraft, a helicopter and seven ships of various types at its disposition.

Member States also decided to contribute to the mission. Upon arrival at the meeting, the Czech prime minister immediately promised that the **Czech Republic will contribute up to 60 experts**, one CASA aircraft and ten million crowns. The British Prime Minister David Cameron offered a flagship, two other vessels and three helicopters.

The possible distribution of the **5,000 asylum seekers in the EU Member States** was also discussed. According to Jean-Claude Juncker, the decision of each country is voluntary, because the EU has no legal convention that could impose this division as an obligation.



<http://www.consilium.europa.eu/cs/press/press-releases/2015/04/23-special-euco-statement/>

This will be a record year for the influx of refugees into Europe.

Experts expect that a record number of refugees will set out on the road to a better life. In recent years, their numbers have continued to increase and the pace is accelerating. Mainly because of the fighting in Syria and Iraq, in 2014 about 45% more refugees set out for developing countries than in the previous year. In the EU alone over **626 thousand people** requested asylum; worldwide there were 866 thousand asylum seekers.

Germany leads the top ten countries in terms of the number of applications for asylum, followed by the USA, Turkey, Sweden, Italy, France, Hungary, Great Britain, Austria and the Netherlands. Some of these countries are only a transfer station for refugees. Only a portion of those people who try also get into the desired country.

Foreigners flow into Europe almost exclusively **from the south and east**. These people often pay exorbitant sums to human smugglers, despite the risk that the attempt may not succeed. In just the first three months of this year at least 480 refugees have died in the Mediterranean Sea.

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

EU Events



The Commission has adopted a European Agenda on Security. - E-Government: the Czechs, Slovaks and Hungarians could learn from the Poles. - The first Czech Operational Programme has been approved. - Dispute over the monitoring system for EU subsidies. - Czechs meet resistance from other countries on looser rules for the drawdown of funds.

JUSTICE AND HOME AFFAIRS

The Commission wants to strengthen Europol for the fight against terrorism

In the next five years, the European Union will focus on the fight against terrorism, organized crime and cybercrime. The new **European Agenda on Security** in force from 2015 to 2020, which Jean-Claude Juncker's Commission presented on April 28, sets out three key priorities. Juncker designated the realisation of a security strategy as one of the objectives of his mandate.



Terrorism, organized crime and cybercrime are considered to be long-term problems of European security. The previous EU strategy (2010-2014), which the current Commission programme replaces, also focused on them. These threats also appear in the recently adopted Security Strategy of the Czech Republic.

The importance of these urgent security risks was also demonstrated by the events of the last few months, whether they be the terrorist attacks in Paris and Copenhagen, organized crime in the form of transporting refugees to Europe or the cyber attack on the French television station TV5 Monde at the beginning of April.

As the programme states, internal security is primarily the responsibility of Member States, but it is necessary to facilitate their cooperation, enhance mutual trust and exchange of information, and that is exactly the purpose the new strategy will serve.

The new security strategy has identified **seven different measures** to help Europe to deal with the most pressing threats. One of the **main goals** is to strengthen information exchange and cooperation between the police and the courts of the individual Member States and EU agencies.

The security programme proposes the establishment of a **European Counter Terrorist Centre** in order to strengthen the role of Europol. Thus the European Police Office would be able to more easily support the activities of the Member States in the fight against so-called foreign terrorist fighters, terrorist financing and trafficking of firearms.

In the fight against cybercrime the programme intends to facilitate the investigation of crimes committed online, for example by **changing the rules on access to evidence and information from the internet**. The security programme must still be approved by the Council and the European Parliament.

http://europa.eu/rapid/press-release_IP-15-4865_cs.htm

INFORMATION SOCIETY

E-Government: Czechs, Slovaks and Hungarians could learn from the Poles

The level of e-Government in the states of the Visegrad Group (V4) is well **below the average** of the EU twenty-eight. In this area only Poland shows comparable results with Western and Nordic EU countries.

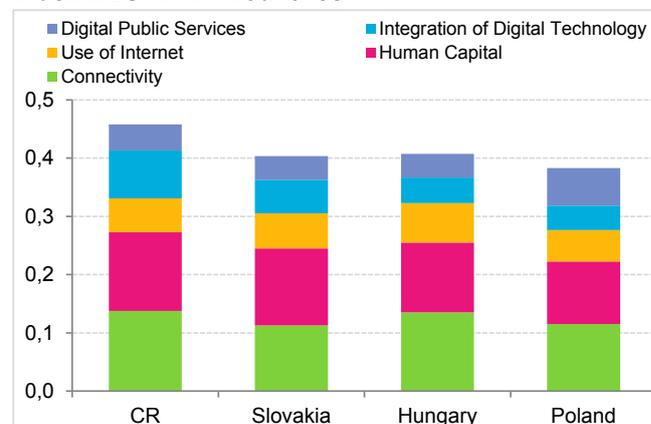
This was pointed out in the **DESI Index** (Digital Economy and Society), which in addition to e-Government monitors the degree of Internet usage and the levels of Internet connectivity in the countries of the Union. The index was released at the end of February by the European Commission under the leadership of Jean-Claude Juncker, who has set the Digital Agenda as one of the priorities for his post.

The Czech Republic has been lagging behind in e-government a long time. In this index it ended up only in 25th place. However the same is also true for the Czech Republic's partners in the V4, Hungary (26th) and Slovakia (27th).

In the Czech Republic, there has been a long-term **lack of political consensus** on the development of information and communication technologies (ICT) in public administration. Because of this the concept of development of e-Government also changes frequently. A major shift in streamlining the coordination of e-Government in the Czech Republic should be achieved through the establishment of the Government Council for the Information Society (in Czech the RVIS), which was launched in November. Within the Council for example, committees dealing with streamlining the architecture and strategy of e-Government have been set up.

For more about the DESI index refer to our Main Topic on pg. 9.

Index DESI in V4 Countries



Source: European Commission

<https://ec.europa.eu/digital-agenda/en/scoreboard/czech-republic>



REGIONAL POLICY

The first Czech Operational Programme has been approved

The first Czech Operational Programme which has received approval from the European Commission is **OP Enterprise and Innovation for Competitiveness (OP EIC)**.

It will be possible in the 2014-2020 period to obtain nearly **8 billion euros** (4.3 billion euros will be provided by the European Regional Development Fund) from the programme, which will be administered by the Ministry of Industry and Trade (MIT).

From the resources in the OP EIC it will be possible to support projects aimed at promoting a knowledge economy, the research activities of enterprises and their links with university networks.

The development of entrepreneurship, support for SMEs and energy efficiency will also be priorities. According to the MIT, the first calls for project proposals can be expected during 2015.

<http://www.mpo.cz/zprava157752.html>

Dispute over the monitoring system for EU subsidies

Since 2011 the Ministry of Regional Development has been preparing the **MS2014+** system for the 2014-2020 period, which is to replace the three different current systems and central umbrella system.

According to earlier statements from the department, it should be prepared for „full operation“ by now.

The results of the audit carried out by the Ministry of Finance say something else however. In particular, there were **irregularities in the selection procedure** for the tender which the firm Tesco SW won last year. In this context, the Ministry of Regional Development and anti-corruption police intervened.

But the Minister for Regional Development protested against the findings of the audit. The auditors apparently did unprofessional work, as evidenced by the number of errors in the text.

At the hearing on Monday, 27 April the **government decided** that it will **finance the monitoring system for EU funds from the state budget** (this will be about 252 million crowns), thanks to which utilization of EU money will not be put at risk. In the event that no misconduct is found, and it is a deductible expense, the system would be paid for by the EU funds.

<http://www.mmr.cz/cs/Ministerstvo/Ministerstvo/Pro-media/Tiskove-zpravy/2015/Dopady-auditni-zpravy-MMR-hleda-reseni-ve-prospech-Ceske-republiky>

Czechs meet resistance from other countries on looser rules for the drawdown of funds

According to the Minister of Regional Development Karla Šlechtová, there is a risk that the Czech Republic will not manage to use up to **80 billion** crowns from the previous 2007-2013 programming period. Nevertheless according to some, these numbers are exaggerated, and thus losses will probably be around twenty billion crowns.

Because of this, in cooperation with other countries, the Czechs are trying to salvage what they can at the last minute. For several months, therefore negotiations with the Commission have been underway to try to persuade it to allow greater flexibility within the existing rules for drawing.

The last time this happened was at the special meeting of the European Council, which took place on 23 April in Brussels. **Some countries do not have understanding** for these attempts, however.

Dissenting voices against the envisaged changes to the existing rules have been heard before in the past, most often from **Germany and the United Kingdom**. Money left unused at the end of the budget period is in fact returned. Thus the novelty is not that after a series of corruption scandals linked with European funds the net contributors are concerned about the effectiveness of the use of the resources.

During the last meeting with Commission President Juncker the Czech Republic revealed several options that could contribute to a better drawdown of funds. The first of these is the simplification of the rules for phasing large and time-consuming transport projects in particular.



Those projects which the country does not manage to complete by the end of 2015 could be partially financed in the current 2014-2020 programming period. An extension of the deadline for the use of financial instruments by one year, thus until the end of 2016 is also at stake. Negotiations are still ongoing.

http://ec.europa.eu/commission/node/180713_ro

Commission's Column



The European Commission Representation in the Czech Republic provides contributions to the EU News Monthly Journal in the „Commission's Column.“ In the May issue, this article discusses the EU Digital Market. The Commission ranks connecting the digital market in second place after the renewal of growth and investment.

THE COMMISSION IS STRIVING TO ALSO ACHIEVE A DIGITAL SINGLE MARKET

After the investment plan and the proposal to establish the Energy Union, the European Commission has now given a more concrete form to the **other ten policy priorities** that its President J.-C. Juncker presented to the European Parliament in 2014 as his programme for the next five years.

A **connected digital market** ranked in second place then after the renewal of growth and investment and shared with it high expectations. Currently in fact barriers to the digital market restrict consumers' access to goods and services, hinder the development of internet firms and start-ups and prevent businesses and governments from fully utilizing the possibilities of the new digital tools. The goal of the Commission proposal is to remove regulatory barriers and connect the 28 submarkets to create a single market. A fully functioning digital single market without barriers could contribute up to 415 billion euros of additional growth to the European economy annually.

The specific proposals of the Commission will **focus on three areas**: 1) *Improving the access of consumers and businesses to goods and services in the EU*; 2) *Creating favorable conditions and uniform rules allowing the development of digital networks and innovative services*; 3) *Maximizing the growth potential of the digital economy*.

In the first place, the Commission proposes **simplifying cross-border e-commerce**. The objective is primarily to harmonize the rules for concluding contracts and consumer protection so that buyers gain more confidence in purchases from abroad and businesspeople simplify sales to all EU Member States. Striving for more efficient and affordable parcel delivery services falls into the same area. The Commission's proposals should remove the obstacles that most of the companies in this sector consider crucial for their businesses development. The Commission will also focus on eliminating unjustified restrictions on access to services and goods or offering them under different conditions across the EU common market.



The area of copyright law requires fundamental modernization, according to the Commission.

The objective of these proposals is to simplify citizens' access to culture, thus promoting cultural diversity and at the same time opening up new opportunities for creators and content providers. Revision of legislation will also be done in the field of audiovisual services, which will be modernized to reflect the new business models of content distribution and to define its role in promoting European audiovisual productions. In particular, in order to **facilitate cross-border business**, the proposals aim to alleviate the administrative burden that different VAT regimes represent for businesses. A uniform method of registration and payment should greatly simplify the possibility of selling to other Member States, thus opening the market to smaller firms and start-ups.

Along with these measures primarily aimed at the development of trade in goods and services, the Commission has also proposed steps towards the development of new services and expansion of digitization in other industrial sectors. These include proposals for more effective coordination of Spectrum and its allocation at the national level, incentives to invest in broadband connections and efforts to facilitate the free movement of data or the definition of common standards in areas such as electronic services in healthcare, transportation and energy. Proposals in the area of e-government, such as the compatibility of individual national systems and the **linking of national business registers** should also facilitate this.

A necessary condition for the development of the digital market is enhancing security and user confidence. This should be ensured not only through cooperation with the cybersecurity sector, but also through the planned revision of the Directive concerning the processing of personal data and the protection of privacy. By the end of 2016, the Commission will present specific proposals in all these areas.

How quickly the digital single market will bring concrete benefits to citizens and businesses, will however depend on Member State governments and members of the European Parliament, who will decide on the final form of the Commission's proposals.

From the beginning of May, **details** on the individual proposals in the area of the digital market will be presented on the website of the European Commission http://ec.europa.eu/priorities/digital-single-market/index_cs.htm.



Our Information Service section outlines upcoming sessions of EU decision-making bodies accompanied by other significant events. Often agendas for negotiations by these important bodies are not ready until a few days before the actual meetings. can be found at: <http://europa.eu/newsroom/calendar/>; <http://www.es2015.lv/en/>.



Meeting of the key EU institutions

7 – 8 May 2015	Brussels, Belgium	18 – 21 May 2015	Brussels, Belgium
- Foreign Affairs Council		- European Parliament plenary session	
11 May 2015	Brussels, Belgium	19 May 2015	Brussels, Belgium
- European Parliament plenary session		- General Affairs Council	
11 May 2015	Brussels, Belgium	20 May 2015	Luxembourg, Luxembourg
- Agriculture and Fisheries Council		- Foreign Affairs Council	
12 May 2015	Brussels, Belgium	26 May 2015	Brussels, Belgium
- Economic and Financial Affairs Council		- Foreign Affairs Council	
18 May 2015	Brussels, Belgium	27 May 2015	Brussels, Belgium
- Foreign Affairs Council		- European Parliament plenary session	
18 – 19 May 2015	Strasbourg, France	28 – 29 May 2015	Brussels, Belgium
- Education, Youth, Culture & Sport Council		- Competitiveness Council	

Source: www.europa.eu, <http://www.es2015.lv/en>, access as of 30 April 2015



Dear readers, we would like to give you some more news regarding the content of our EU News Monthly Journal. On the following lines, we have prepared a quiz question regarding current events for you (which will be a regular feature). In the next issue you will find your answers with a short commentary from the point of view of analysts from the EU Office.

EUROquiz

Quiz question for this month:

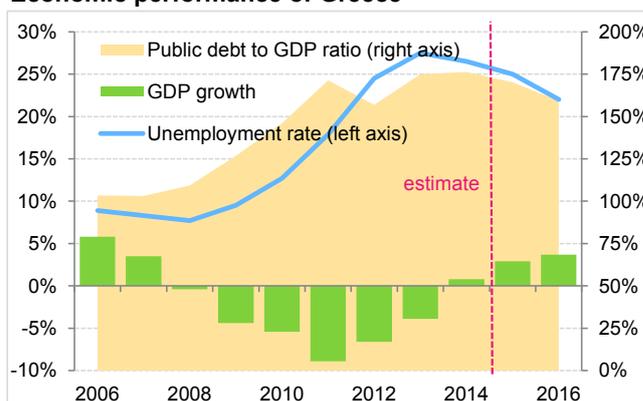
How do you think what is happening in Greece will turn out?

Possible scenarios resolving the situation in Greece:

- Greece will go bankrupt and leave the eurozone later this year
- Greece will go bankrupt and leave the eurozone in the coming years
- Greece will go bankrupt, but will not leave the eurozone
- Greece will handle its debt problems and avert the threat of bankruptcy and exit from the eurozone

You can send us your answer to this question using the form which you will find at: bit.do/euroquiz1

Economic performance of Greece



Source: Eurostat, European Commission



We are filling the contents of the May Microscope section with internal information, specifically a presentation of the results of a survey conducted among the readers of the EU News Monthly Journal regarding its contents, format, comparison with competing information sources, etc. the survey also revealed what kinds of readers read our publication, how often and why.

READERS GIVE THE MONTHLY AN EXCELLENT RATING

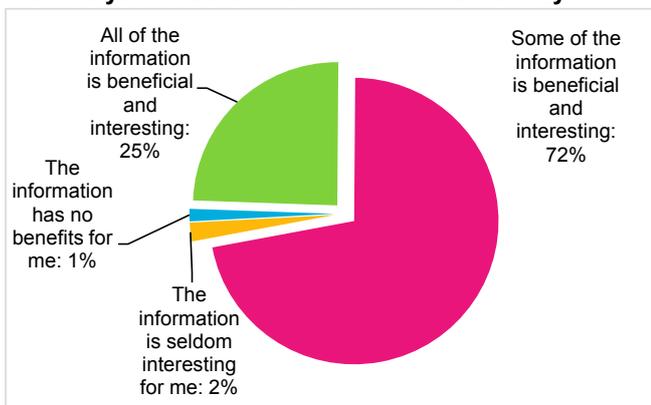
Perhaps every analytical employee and author of various reports from time to time considers the effects of his dematerialised work and asks himself, „Does anyone read it at all?“ Curiosity is best extinguished when you ask the recipients of these reports and analyses directly. We did this last December in the form of an internet survey (since asking the 20,000 readers personally in person is not possible), and were are presenting the results of the survey here.

Businessmen read us a lot

One of the findings of the survey is that our readers come from various work groups, but none of them significantly dominates the others. Approximately a fifth of our readers are businessmen, and every sixth person from the community of our readers comes from public administration and politics, and a tenth of our readers are from the academic sector. The largest group our readers (36%) consists of members of the public, meaning ordinary citizens, employees, pensioners, students and others. Approximately 70% of our readers are clients of Česká spořitelna or Erste Corporate Banking (a commercial brand for business clients).

Three fifths of our readers read our Monthly due to personal interest in the EU, a third read it for work purposes, and for the other seven percent it serves as a helping tool for fulfilling study requirements. For 97% of our readers, the information the Monthly brings is beneficial and interesting. (In fact, for a quarter of our readers „all“ information is even considered „very“ beneficial and interesting.)

How do you rate the information in the Monthly?



Source: Internet Survey 12/2014

How did the evaluation of individual chapters turn out?

This was one of the most important questions to which those surveyed responded by evaluating their satisfaction with individual chapters of the Monthly. We highly appreciate that

with only one exception, all of the sections of the monthly received an average score of more than 7 points; the maximum was 10 and the minimum was 0 points. (The News and Information Service received the best average rating). The lowest rated section was the „Familiarisation“ section (6.0 points), and this is why as of this issue you will no longer find it in the Monthly.

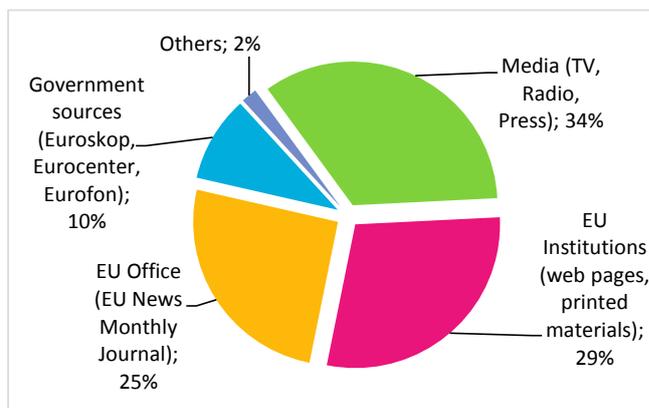
The topics that our dear readers mostly search for include information about the EU economy, the euro and finances, which are followed by sections related to EU political developments, business, science and research, energy, transport and foreign trade.

We are among the most important sources of information about the EU

I was personally very pleased with the comparison with „competitors“, specifically the responses to the question of what information sources readers mostly get information about the EU from. The media (TV, radio, press) and the EU’s bodies understandably held the first two places, followed closely behind by our Monthly of EU News. We have significantly surpassed the original government information sources about the EU, headed by a network of regional Eurocentres, the Euroskop.cz and the Eurofon telephone information line.

For us, the internet survey of satisfaction with the Monthly of EU News was not only a formal exercise, but an important source of essential feedback as well. We have taken all of the responses seriously to a maximum extent and have considered how to use the provided feedback to improve the Monthly even more. The May issue of our monthly describes how successful we have been with this effort.

From what sources do you most often receive information about the EU?



Source: Internet Survey 12/2014

Jan Jedlička, Manager of the EU Office of Česká spořitelna

The main topic of the May issue of the EU News Monthly Journal is the digital market. The connected digital market is one of the ten priorities of the new Commission, and its aim is to eliminate regulatory barriers and combine the 28 separate markets into a single one. You will also learn about how well member states are faring in digitalisation and about internet use among the EU's inhabitants.



Main Topic

DIGITAL EUROPE – THE NORTH'S DOMINANCE

DIGITAL MARKET – ONE OF THE COMMISSION'S PRIORITIES

The development and growth of technology in recent decades has reached incredible speed. This is no less true in the case of digital technology. Indeed, the overwhelming majority of the EU's inhabitants cannot imagine life without digital technology, since it has become an essential part of it. It certainly is not essential, but many of us would no longer want to live for a long time without access to the internet. We use the internet both in our professional and private lives. This is reflected by the growing number of daily users of the internet. As the number of users is growing, so are the demands for broadband coverage and awareness of the ways to use the internet, which is placing demands on its users as well.

After all, there are truly many ways to use the internet. These ways of using it range from activities in people's free time to shopping, internet banking and communication with state administrative bodies. A chapter in itself is the increasing popularity of using social networks, which are visited daily mainly by members of the younger generation.

However, the expansion of digital services is being met with a number of obstacles and limits. These can include blocking of certain services in specific locations. There is often a problem with connection of certain electronic services, which can often be attributed to geographical restrictions. Juncker's Commission wants to eliminate these and other aspects that prevent increasing of the effectiveness of the interconnection and digitisation of the EU. The single digital market has become one of the Commission's priorities.

A project team consisting of 14 European Commissioners is focusing on achieving one of the Commission's most important priorities. One member of the Single Digital Market team is Czech commissioner Věra Jourová, who since November 2014 has been responsible in the Commission for "Justice, Consumers and Gender Equality". The project team is headed by European Commission Deputy Chairman Andrus Ansip from Estonia. Discussions have been held at the level of the Commission regarding the issue of a single digital market, and the strategy itself for the single digital market is expected to be made public by the end of May.

The Commission has defined three main areas on which it will focus during its term:

1. *Better access to digital goods and services for consumers and businesses*
2. *Formation of an ideal environment for development of digital networks and services*
3. *Creation of a European digital economy and a society with long-term growth potential*

Better access to digital goods and services for consumers and businesses

The first area will focus on easier cross-border electronic trade, particularly for small and mid-sized enterprises, thanks to harmonised consumer and contractual conditions and more effective and affordable delivery of mail. Currently only 15% of consumers purchase online from other EU member states, due to shipping prices, which often exceed the prices of the products themselves.

Another defined problem related to access to digital products and services is „geo-blocking“, which blocks services based on geography. The European Commission would like to limit such blocking of services, so that the EU's inhabitants can use all of the online services that are available in other member states.

The European Commission will also focus on modernisation of copyrights, in order to ensure a correct balance between the interests of creators and those of users and consumers, and would like to focus on simplifying VAT rules. For small and mid-sized enterprises, as a result of the existence of different requirements and the complexity of tax regulations, there are high expenses, estimated at EUR 80 billion.

Formation of an ideal environment for development of digital networks and services

Next, the European Commission will focus on supporting investments into infrastructure. Therefore, it will conduct a review of current telecommunications and media regulations, to ensure that they correspond to newly defined activities, particularly as far as use by consumers are concerned and due to the quickly rising number of voice calls via the internet.

The European Commission will also focus on the growing importance of online platforms (search engines, social media, mobile app stores, etc.) for a prospering economy using the internet. This will include an examination of ways to boost confidence in online services thanks to greater transparency, how to include them in the online value chain and how to enable quick removal of unlawful content.

The key for boosting confidence is expected to be the quick adoption of data protection regulations.





Creation of a European digital economy and a society with long-term growth potential

Finally, the Commission will focus on help with the integration of new technology for all industrial sectors, since industry as a whole is a fundamental part of the European economy. Therefore, the individual standards for new technology must be established more quickly, due to their huge importance for the EU's ability to compete.

The Commission would also like for industry and society to gain as much as possible from the data economy. Every second, large volumes of data are created by people or generated by

machines, such as sensors, which gather information about climate, satellite images, digital photography, video recordings, transaction records and GPS signals. Large-volume data are an important source without question, but one that also raises important questions regarding ownership, data protection and standards. Juncker's Commission will also focus on the quickly growing sector of cloud computing (the share of digital data stored on the cloud is expected to grow from 20% in 2013 to 40% in 2020). For the population itself, besides ensuring the proper functioning of new digital technologies, the development of digital knowledge and utilisation of the capabilities and opportunities that they offer will also be important.

INDEX DESI 2015 – DIGITAL ECONOMY AND SOCIETY

And just how do individual member states fare in the area of digitisation? At the end of February, the Commission published the DESI (Digital Economy and Society Index), which combines 33 relevant indicators related to digital performance in EU member states. This index can be understood as a certain analytical tool for comparing states with each other, and over time it provides a basis for initiating the strategy of a single digital market. Individual countries are evaluated based on performance in 5 digital areas (which are divided into further indicators):

- **Connectivity** (fixed broadband coverage, the number of fixed broadband connections, implementation of mobile broadband and/or a spectrum, NGA coverage, the percentage of participants with high-speed broadband, etc.);
- **Human capital** (internet users, basic digital skills, IKT experts, graduates of STEM fields);
- **Use of Internet** (news, music, videos, games, services, „on demand“ video, IPTV – television via internet protocol, video calls, social networks, banking, shopping);
- **Integration of Digital Technology** (electronic information sharing, RFID, social media, electronic invoicing, cloud services, small and mid-sized enterprises selling via the internet, turnover from electronic trading, cross-border online sales);
- **Digital Public Services** (use of electronic public administration, pre-filled forms, completeness of online approaches, publicly accessible data, exchanges of medical information, electronic medical prescriptions).

Data are used in DESI 2015 based on availability from 2013 and 2014. Based on their evaluation, individual member states were ranked in a ladder based on their degrees of digitisation (the maximum value is 1.0), which were determined based on results in all of the aforementioned digital areas, which were assigned weight based on their importance. Therefore, the areas of „connectivity“ and „human capital“ each represent

25% of the overall index. „Integration of digital technology“ is outweighed 20%, and the other two areas, „internet use“ and „digital public services“ each represent 15% of the index.

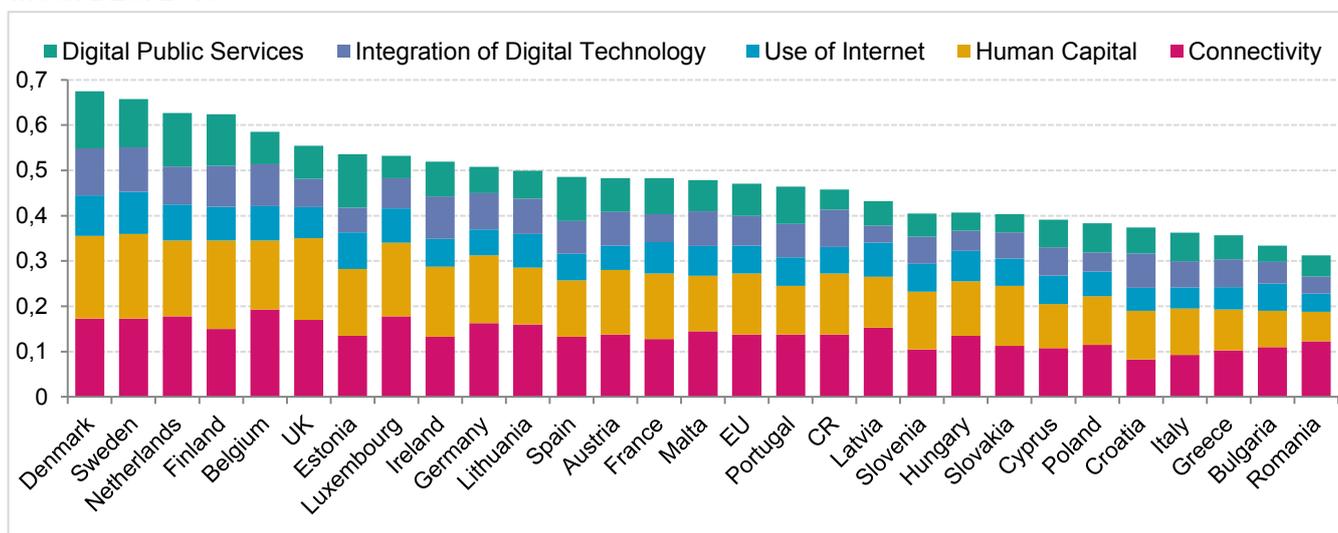
The differences in the degree of digitisation in individual EU member states are significant. Developed states with high innovation potential and a focus on new technology and progress emerged as victorious. With a grade of 0.68, when the maximum grade is 1.0, Denmark finished in first place, followed by Sweden, the Netherlands and another Scandinavian country, Finland. The bottom of the index certainly will not surprise you either. The positions of the less economically developed states of Romania and Bulgaria at the bottom (with 0.31 and 0.33 respectively) could have been expected. The fact that Greece and Italy are just above Romania and Bulgaria will not come as a surprise, but this information is evidence that these states are not in a good condition. They have not only macroeconomic problems, but also problems in the field of digitisation, which could represent a long-term problem and in the future a loss of the ability to compete.

DESI 2015 – Czech Republic

Of the 28 member states, the Czech Republic ranks among the medium-performing states in 17th place with a grade of 0.46. (According to the DESI 2015, the other medium-performing states are: Austria, Belgium, Estonia, France, Germany, Ireland, Lithuania, Luxembourg, Malta, Portugal, Spain and the UK.) The Czech Republic emerged ahead of most former Communist countries in Eastern Europe, and the differences between it and France or Austria are very small. The Czech Republic finished overall in 17th place in the DESI 2014. If we compare individual grades in the five main areas in the past two years, we can see that besides the area of „digital public services“ there has been improvement. Nonetheless, the other states are not waiting in the wings either in the areas of digital economy and society, and so the overall position for the Czech Republic has not changed.



Index DESI 2015



Source: European Commission

Index DESI 2015 in the Czech Republic

	DESI 2014		DESI 2015	
	rank	score	rank	score
Connectivity	15	0.48	14	0.55
Human capital	14	0.51	13	0.54
Use of Internet	19	0.37	20	0.39
Integration of Digital Technology	10	0.36	7	0.41
Digital Public Services	23	0.30	25	0.30

Source: European Commission

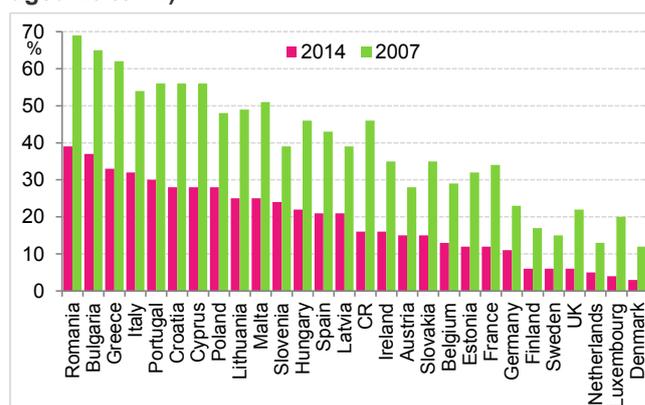
The Czech Republic has achieved above-average results only in the area of „Integration of Digital Technology“, where it finished in 7th place, which is an improvement by three steps on the ladder compared to DESI 2014. The results were excellent in the sub-categories „Small and Mid-sized Enterprises that sell via the internet“ (% of all SMEs with 10 or more employees, except in the financial sector) and „Turnover from Electronic Trading“ (% of turnover of all SMEs with 10-214 employees, except in the financial sector), where the Czech Republic even finished in 1st place in comparison with all EU member states.

The areas of „Connectivity“ (14th place) and „Human Capital“ (13th place) finished with average results, and in those areas there was also a slight improvement in sequence. For connectivity, this was helped by a rise in interest in both fixed and mobile broadband connections. Practically all households are covered by broadband internet (in rural areas this amounts to 91% of households).

The share of the population with 4G mobile connections available is also growing (12% in 2014). The share of regular users of the internet has also grown to 76% of the population (data from 2014), which compared to the previous year is an increase by six percentage points.

We are behind the EU average in internet use. Internet use offers a wide range of options. These include reading online news (86% of Czech users), playing online games (57%) and using social networks (50%). Internet banking is also growing in popularity (58% of Czech users), as is shopping. The area of „Digital Public Services“ seems problematic, and in it the CR not only fell by two places on the ladder compared to the previous index, but only achieved 25th place, mainly due to shortcomings related to the use of electronic public administration and completeness of online approaches.

Individuals who have never used the internet (in %, aged 16 to 74)



Source: Eurostat

Main Topic



Frequency of Internet access: once a week (including every day), Individuals, 16 to 74 years old

	2014 (%)	Δ 2014-2007 (pp)		2014 (%)	Δ 2014-2007 (pp)
Luxembourg	93	+21	Hungary	75	+26
Denmark	92	+16	Latvia	72	+20
Netherlands	91	+10	Spain	71	+27
Sweden	91	+16	Malta	70	+27
Finland	90	+15	Lithuania	69	+24
UK	89	+24	Slovenia	68	+19
Belgium	83	+20	Croatia	65	+33
Germany	82	+18	Cyprus	65	+30
Estonia	82	+23	Poland	63	+24
France	80	+25	Portugal	61	+26
Austria	77	+16	Greece	59	+31
Czech Republic	76	+34	Italy	59	+25
Ireland	76	+25	Bulgaria	54	+26
Slovakia	76	+25	Romania	48	+26
EU	75	+24			

Source: Eurostat

The share of users who use the internet regularly (at least once per week) has grown in recent years practically in all EU states by tens of percentage points. Nonetheless, huge differences remain between member states. In the most developed states, the share of regular users of the internet in the age category of 16 to 74 hovers at around 90%. This is in contrast with Bulgaria and Romania, which each have approximately a 50% share. The Southern states of Italy, Greece and Portugal are only slightly better with a 60% share of internet users.

Internet use among the generation of young people in member states born more than 16 years ago has increased so much already that almost everyone in the 16-24 age group uses the internet. There is room for higher growth in the area of digital technology only in less developed states in this segment, specifically Romania, Bulgaria and Italy. Another interesting and open group with room for growth is the population between the ages of 55 and 74. This group will undoubtedly be a target also for various marketing campaigns, since in terms of numbers of users and potential clients, whether shopping, services or banking, etc. are involved, this will be a very quickly developing group of users.

As the share of active and regular internet users is growing, the share of inhabitants (in the main group of inhabitants between the ages of 16 and 74) who have not yet used the internet is falling. In countries such as Denmark, Luxembourg and the Netherlands, this is only in single percentages. However, in Romania, Bulgaria and the Southern states of the EU, it is in tens of percent. The area of digital technology is undoubtedly

one of the several most important priorities of the Commission. Another step in the form of a single digital market will be approved by the Commission in May.

Share of inhabitants (ages 16-74) shopping online



Source: Eurostat

The Doing Business is part of the Foreign Business Guide offered by the Česká spořitelna EU Office. Within the program, we provide our clients from among small and mid-sized enterprises with information about how to expand abroad successfully and what business environment awaits them there. In the May issue, we will focus on the business environment in the Republic of Georgia.



Doing Business

GEORGIA

Official name	Georgia (Sak'art'velo)
Population	4,935.9 mil.
Area	69 700 sq km
Currency	Georgian Lari (GEL)
Official language	Georgian, Abkhazian

Source: *The World Factbook*

The Republic of Georgia is a country in mid-west Asia. It shares borders with Russia, Azerbaijan, Armenia and Turkey. Ethnic Georgians make up 80% of the population. Ethnic Azerbaijanis are the largest ethnic minority in the country (7%), followed by ethnic Armenians. The country's official language is Georgian, but Abkhaz is also an official language in Abkhazia according to the Georgian Constitution.

Giorgi Margvelashvili became president in 2013. The elections in 2013 also brought about a change of the political system, from a presidential to a parliamentary one with a prime minister. Irakli Garibashvili has served as the country's prime minister since November 2013.

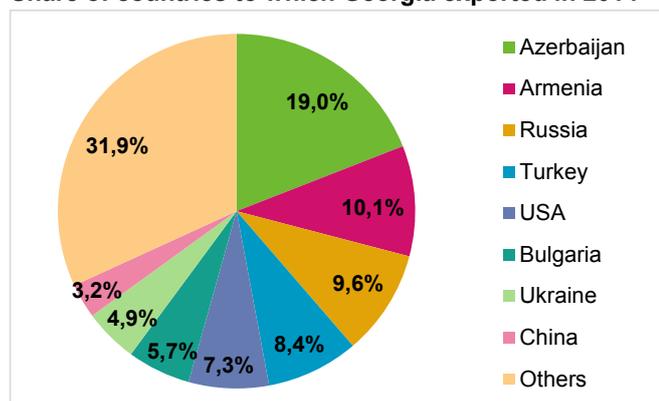
Structure of economy and foreign trade

Georgia's main export partners are Azerbaijan (19%), Armenia (10.1%) and Russia (9.6%). The country mostly imports from Turkey (20.1%), China (8.5%) and Azerbaijan (7.4%).

Overall, Georgia has a negative foreign trade balance, which in 2013 amounted to approximately \$5,117,000,000. (Preliminary numbers for 2014 even indicate a deficit of \$5,735,000,000.)

Georgia mostly exports motor vehicles, iron alloys and nuts. Commodities mostly imported to Georgia include diesel fuel, motor vehicles, which are often re-exported, gas and pharmaceuticals.

Share of countries to which Georgia exported in 2014



Source: GEOSTAT.GE; Preliminary Data

Macroeconomic outlook



In 2014, according to the IMF's estimates, the Georgian economy accelerated, and GDP grew by nearly 5%, which was 1.9 percentage points more than in 2013. Domestic demand was the main driver of this growth. In 2014, as a result of the crisis in Ukraine (the negative development of the Russian and Ukrainian economies and the sharp depreciation of their currencies, mainly compared to the U.S. dollar), Georgia's exports fell by 30%, and remittances of Georgian workers abroad fell by 25%.

The IMF expects the Russian economy to decline in 2015, and since an overwhelming majority of Georgian business partners rely on trade with Russia, Georgia's growth expectation for 2015 has fallen from 5% of GDP to 2% of GDP. In January 2015, GDP grew year-to-year by only 0.5%, while in subsequent months it sped up to 5%, culminating in the first quarter by unexpected 3.2% growth. A risk for this outlook could be the worse economic development in the region and greater depreciation of currencies among business partners.

In terms of inflation, the Georgian central bank's inflation targets are being fulfilled. With rising food prices in the background, inflation has noticeably risen (compared to the situation in 2013). This year the inflation target is 5%, and according to the IMF's estimates it is expected to be fulfilled for the most part. Last year, public finances registered worsening, when the deficit was at 1.8%. For 2015, further worsening to below the 3% limit compared to GDP is expected. Even despite the growing economy, public debt in relation to GDP will worsen, and during next year it will exceed 40% in proportion to gross domestic product.

Basic indicators (in %)	2012	2013	2014 ^e	2015 ^e
GDP Growth	6.4	3.3	4.7	2.0
Unemployment rate	15.0	14.6	-	-
Inflation	-0.9	-0.5	3.1	3.0
Current account balance	-0.8	-1.2	-1.8	-3.1
Public debt (% HDP)	69.8	71.0	71.0	69.8

Source: MFF; ^e - estimate

Labor market

The labour market and with it the unemployment level in Georgia have been affected by the economic crisis. Before 2008, the unemployment level was around 13%. However, in 2009 it rose sharply by 3 percentage points, and it culminated at 16.9%.

Since then, the labour market has experienced a slight recovery, and unemployment has fallen to below 15%.



The average wages in Georgia expressed in euros are approximately a third of Czech average wages.

The lowest wages in Georgia are in the sectors of education (EUR 191) and accommodation and dining (EUR 198).

The highest wages are enjoyed by employees in the financial sector (EUR 681). Other sectors are presented in the table.

Basic indicators of labor market		
Unemployment rate (January 2014)	14.6%	
Economically active population (2013)	2 004 th.	
Average monthly wage (2013)	350 EUR	
Ø monthly labor costs in sectors (2013)	Georgia	CR
Manufacturing	404 €	1 014 €
Construction	393 €	922 €
Wholesale and retail trade	313 €	944 €
Hotels and restaurants	198 €	570 €

Source: National Statistics Office of Georgia

Labor law basics

An employment contract can be verbal or in writing (if the employment relationship lasts more than three months). An employment relationship can be for a definite or an indefinite period. The probationary period may be set in writing only once for a period of 6 months. The work period is set at 40 hours per week and must not exceed 48 hours for companies with specific operations where more than 8-hour shifts are necessary.

An employee is entitled to 24 work days of leave per year and can request leave after 11 months of work or sooner of both the employer and the employee agree on sooner leave. Severance pay has been set at at least the amount of one month's wages in situations specified by labour legislation.

Commercial law basics

According to the World Bank's Doing Business Index, Georgia is the 5th best country in which to start a business. Establishing a company in Georgia takes only two days. Entry into the commercial register will cost GEL 100 (approximately CZK 1,200). A limited liability company can be established by one person.

There are no requirements for minimum capital for any type of company, and it is up to the partners what amount of capital they choose.

Form of Company	Minimum Capital
Limited Liability Company	not specify
Joint Stock Company	46 587,47 EUR

Source: Ministry of Economy and Sustainable Development

Main taxes and additional labor costs

In 2004, the Georgian government began implementing radical tax reforms to improve the business climate. It adopted liberal economic legislation and significantly reduced the number of taxes from 21 to 6. The individual income tax rate is 20%.

The corporate income tax rate is 15%. Most import tariffs to the country have been eliminated, and there are no quantity quotas for imports or exports. No tax is paid on inheritance, property transfers or capital gains, and there are no social or social insurance taxes. The VAT rate is 18%, and dividends are taxed at 5%. Georgia is currently party to 46 treaties on limiting double taxation. It has signed an agreement with the Czech Republic on support and mutual protection of investments as well as a treaty on limiting double taxation.

Tax/payment	Rate
Corporate Tax	15%
Individual Income Tax	20%
VAT	18%
Dividend Tax	5%
Property tax (local tax)	1%

Source: Ministry of Finance

Energy

Georgia's main sources of electric power are hydroelectric plants, which produce 82% of the country's electricity. The rest is generated by thermal energy. Georgia is the only country in the region that exports energy, and approximately a tenth of its production is exported to neighbouring states. However, in the winter it has to cover part of its consumption from imports. According to the government, only 25% of the potential of water flows is being used, and therefore a number of projects have been prepared for construction of hydroelectric power plants. Georgia is dependent on imports of natural gas and petroleum from neighbouring Azerbaijan. The price of electricity in Georgia is lower than in the Czech Republic, at around 6 euro cents per kWh.

Investment incentives

Foreign investments in the country are overseen by the Georgian National Investment Agency. With the exception of three industrial zones with reduced tax rates, Georgia does not provide foreign investors with a preferential approach, but relies on a liberal environment and mainly simple and low taxes. According to the agency, the sectors with the most prospects for investment in Georgia are energy, tourism and construction related to it, infrastructure, the processing industry, logistics and service centres. The food industry is not very developed, and agriculture also has potential.

With the new graphic layout, we are also presenting a new section called „EU Series“. In the individual issues, we will gradually familiarise you mainly with the operational programmes for 2014-2020. In the May issue we will focus on the first Czech operational programme approved by the European Commission, which is the OP Enterprise and Innovation for Competitiveness.



EU Series

OP ENTERPRISE AND INNOVATION FOR COMPETITIVENESS

After a lengthy and impatient wait, the Czech Republic can now „boast“ of its **first approved** operational programme, which is the **OP Enterprise and Innovation for Competitiveness (OP EIC)**. The European Commission granted its approval of the programme on 29 April. The programme corresponds to the OP Enterprise and Innovations (OP EI) from the previous programme period of 2007-2013 and represents a strategic framework for support of business.

A key document for drawing support from European Structural and Investment Funds (ESIF) in the 2014-2020 period is the **Partnership Agreement** (a form of the National Strategic Reference Framework from 2007-2013).

The aim of the OP EIC is „to achieve a competitive and sustainable economy based on knowledge and innovation“.

The Czech Ministry of Industry and Trade serves as the **management body** for the OP EIC, and the mediating entity, like in the previous period, is the CzechInvest agency.

Funds in the total amount of EUR **4,331 mil.** will be drawn for the OP EIC from the European Regional Development Fund (ERDF). The activities will be supported in the form of grants, financial instruments (discounted loans and warranties) in combination with these two forms of aid.

Regional support or the level of grants is the same for all NUTS II regions (except for the capital city of Prague, to which regional support does not apply). A role is played by the sizes of enterprises:

- **small enterprises** – a grant of 45% of eligible expenditures
- **medium-sized enterprises** – a grant of 45% of eligible expenditures
- **large enterprises** – a grant of 25% of eligible expenditures

The OP EIC is divided into 5 priority axes, which together encompass a total of **16 specific objectives**:

PA 1 - Research and development and development for innovation

PA 2 - Development of business and competitiveness of small and mid-sized enterprises

PA 3 - Effective handling of energy, development of energy infrastructure and renewable energy resources, support for implementation of new technologies related to handling of energy and raw materials

PA 4 - Development of high-speed internet access and information and communication technology

PA 5 - Technical assistance

The largest amount of resources will go to PA 1 (31.2%). It will be followed by PA 3 (28.1%) and PA 2 (20.6%).

Support programmes (will also be allocated to OP EIC (like in 2007-2013), and there are expected to be a total of 24 of them, of which 20 were already approved by the government on 9 February 2015. The Czech Ministry of Industry and Trade has already published preliminary information for applicants about the basic parameters of the first calls for submissions within the OP.

Prior to the official announcement of calls for submissions, potential applicants can become familiar with its draft version.

There is a total of **11 preliminarily published calls** for submissions. The table below presents an overview of them together with the types of calls and the planned allocation amounts. Preliminary information for applicants regarding the parameters of the calls can be found [here](#).

Preliminary (registration) applications are expected to be accepted during June 2015 via the application MS2014+, which replaces three different systems managed by three ministries during 2007-2013 (Benefit7, BENE-FILL, eAccount).

More information regarding the programme of support and calls for submissions for the OP EIC can be found on the websites of CzechInvest, the Ministry of Industry and Trade and the Ministry for Regional Development.

www.czechinvest.org | www.mpo.cz | www.mmr.cz

Overview of calls planned for announcement in 2015

Support programme	Type of call*	Planned allocation (CZK)
Applications	round-based	2 bn
Innovation	continual	4 bn
Potential	continual	1.5 bn
Cooperation	round-based	0.5 bn
Knowledge transfer partnership	round-based	0.3 bn
Technology	continual	0.25 bn
ICT and shared services	round-based	1.5 bn
Training centres	round-based	0.5 bn
Marketing	round-based	0.3 bn
Energy savings	continual	5 bn
Real estate	continual	1.5 bn

Source: MIT; *In continual calls, applications are received and evaluated continuously. In round-based calls, applications are received during a defined period and subsequently all evaluated at once.

Statistical Window



The “Statistical Window” in a tabular form shows important macroeconomic indicators from all member states and the European Union as a whole. It includes economic performance indicators, external economic stability indicators, fiscal stability indicators and price level to \emptyset EU. The source of the data is Eurostat and European Commission.

Key macroeconomic indicators

in %	GDP growth				GDP per capita (PPS, % of \emptyset EU)				Price level to \emptyset EU			
	2011	2012	2013	2014	2010	2011	2012	2013	2010	2011	2012	2013
Belgium	1.6	0.1	0.3	1.0	120.1	119.6	119.6	119.0	110.2	109.6	108.6	109.3
Germany	3.6	0.4	0.1	1.6	119.1	122.3	122.8	124.0	103.5	102.0	101.1	101.5
Estonia	8.3	4.7	1.6	2.1	63.8	69.0	71.2	72.0	74.8	75.9	76.9	79.9
Ireland	2.8	-0.3	0.2	4.8	127.9	128.1	128.3	126.0	118.1	118.7	117.0	118.1
Greece	-8.9	-6.6	-3.9	0.8	88.5	80.9	76.3	75.0	94.5	94.5	92.1	89.5
Spain	-0.6	-2.1	-1.2	1.4	99.0	96.0	95.0	95.0	96.6	96.9	95.0	94.8
France	2.1	0.3	0.3	0.4	108.8	108.8	108.4	108.0	110.1	109.7	108.1	109.1
Italy	0.6	-2.8	-1.7	-0.4	102.5	101.3	100.2	98.0	101.2	102.9	102.5	103.2
Cyprus	0.3	-2.4	-5.4	-2.3	96.6	93.4	91.3	86.0	88.7	88.7	87.4	86.2
Latvia	5.0	4.8	4.2	2.4	55.1	59.7	64.1	67.0	70.0	71.2	71.6	71.2
Lithuania	6.1	3.8	3.3	2.9	61.7	67.2	71.3	74.0	63.6	64.5	63.9	64.6
Luxembourg	2.6	-0.2	2.0	3.0	261.7	265.2	262.6	264.0	122.3	123.3	122.1	123.2
Malta	2.3	2.5	2.7	3.5	86.8	85.9	85.7	87.0	77.4	78.4	77.8	79.5
Netherlands	1.7	-1.6	-0.7	0.8	129.6	129.0	127.3	127.0	107.8	108.3	107.6	110.1
Austria	3.1	0.9	0.2	0.3	126.3	128.5	129.6	129.0	105.1	105.7	105.5	106.9
Portugal	-1.8	-3.3	-1.4	0.9	80.1	76.8	75.8	75.0	87.4	87.8	85.9	86.0
Slovenia	0.6	-2.6	-1.0	2.6	84.2	84.2	83.6	83.0	86.1	84.9	83.0	83.3
Slovakia	2.7	1.6	1.4	2.4	74.1	75.2	75.9	76.0	70.3	70.7	70.4	70.6
Finland	2.6	-1.4	-1.3	-0.1	114.0	115.5	115.0	112.0	121.7	122.2	121.7	123.5
Bulgaria	2.0	0.5	1.1	1.7	44.1	46.4	47.4	47.0	50.0	48.8	48.3	48.4
CR	2.0	-0.8	-0.7	2.0	80.5	80.9	80.8	80.0	74.6	75.5	72.2	70.6
Denmark	1.2	-0.7	-0.5	1.0	127.6	125.1	125.6	125.0	140.4	142.6	140.6	139.6
Croatia	-0.3	-2.2	-0.9	-0.4	59.0	61.0	61.2	61.0	75.2	73.0	70.0	68.5
Hungary	1.8	-1.5	1.5	3.6	65.9	67.0	66.5	67.0	63.0	61.5	60.3	59.7
Poland	4.8	1.8	1.7	3.3	62.8	64.9	66.8	68.0	60.4	58.6	56.7	56.5
Romania	1.1	0.6	3.4	2.9	50.5	51.1	52.8	54.0	57.4	58.8	55.4	57.5
Sweden	2.7	-0.3	1.3	1.8	123.3	124.9	125.9	127.0	119.7	125.7	128.7	129.8
UK	1.6	0.7	1.7	2.6	107.6	104.9	104.7	106.0	107.8	108.6	116.5	113.5
EU	1.7	-0.5	0.0	1.3	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 balance to GDP			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Belgium	-3.9	-4.1	-2.9	-3.2	102.1	104.0	104.5	106.4	0.3	0.6	-1.5	-0.1
Germany	-0.9	0.1	0.1	0.4	77.6	79.0	76.9	74.2	6.2	7.2	6.9	7.7
Estonia	1.0	-0.3	-0.5	-0.4	6.0	9.7	10.1	9.8	1.4	-2.4	-0.4	-1.5
Ireland	-12.6	-8.0	-5.7	-4.0	111.1	121.7	123.3	110.8	0.1	0.9	3.8	5.0
Greece	-10.1	-8.6	-12.2	-2.5	171.3	156.9	174.9	176.3	-10.4	-4.4	-2.3	-2.0
Spain	-9.4	-10.3	-6.8	-5.6	69.2	84.4	92.1	98.3	-3.3	-0.4	1.5	-0.1
France	-5.1	-4.9	-4.1	-4.3	85.0	89.2	92.2	95.3	-2.2	-2.5	-2.0	-1.8
Italy	-3.5	-3.0	-2.8	-3.0	116.4	122.2	127.9	131.9	-3.1	-0.5	0.9	1.8
Cyprus	-5.8	-5.8	-4.9	-3.0	66.0	79.5	102.2	107.5	-3.0	-5.5	-1.3	-1.2
Latvia	-3.4	-0.8	-0.9	-1.5	42.7	40.9	38.2	40.4	-3.1	-3.5	-2.2	-2.5
Lithuania	-9.0	-3.2	-2.6	-1.2	37.3	39.9	39.0	41.1	-4.5	-1.7	0.6	0.1
Luxembourg	0.3	0.1	0.6	0.5	18.5	21.4	23.6	22.7	6.5	5.7	5.2	4.8
Malta	-2.6	-3.7	-2.7	-2.3	69.8	67.5	69.5	68.6	-1.8	0.8	0.9	3.3
Netherlands	-4.3	-4.0	-2.3	-2.8	61.3	66.5	68.6	69.5	7.1	8.8	8.5	8.5
Austria	-2.6	-2.3	-1.5	-2.9	82.1	81.7	81.2	86.8	2.1	2.6	2.3	2.5
Portugal	-7.4	-5.5	-4.9	-4.6	111.1	124.8	128.0	128.9	-5.6	-2.6	-0.3	-0.2
Slovenia	-6.2	-3.7	-14.6	-5.4	46.2	53.4	70.4	82.2	0.9	3.0	4.8	5.9
Slovakia	-4.1	-4.2	-2.6	3.0	43.5	52.1	54.6	53.6	-3.8	0.3	0.8	1.1
Finland	-1.0	-2.1	-2.4	-2.7	48.5	53.0	56.0	58.9	-1.5	-1.9	-2.0	-1.4
Bulgaria	-2.0	-0.5	-1.2	-3.4	15.7	18.0	18.3	27.0	1.1	-0.7	2.2	1.7
CR	-2.9	-4.0	-1.3	-1.3	41.0	45.5	45.7	44.1	-4.6	-2.2	-2.2	-1.0
Denmark	-2.1	-3.7	-1.1	1.8	46.4	45.6	45.1	45.0	5.7	5.6	7.2	6.5
Croatia	-7.7	-5.6	-5.2	-5.0	59.9	64.4	75.7	81.4	-0.6	0.1	0.4	2.4
Hungary	-5.5	-2.3	-2.4	-2.6	81.0	78.5	77.3	77.7	0.8	1.7	4.2	4.1
Poland	-4.9	-3.7	-4.0	-3.6	54.8	54.4	55.7	38.7	-5.0	-3.8	-1.5	-1.3
Romania	-5.5	-3.0	-2.2	-1.8	34.2	37.3	38.0	48.6	-4.7	-4.7	-1.2	-0.9
Sweden	-0.1	-0.9	-1.4	-2.2	36.1	36.4	38.6	41.4	5.9	6.3	6.8	5.9
UK	-7.6	-8.3	-5.8	-5.4	81.9	85.8	87.2	88.7	-1.7	-3.7	-4.5	-4.1
EU	-4.5	-4.2	-3.2	-3.0	81.3	84.9	87.1	88.4	0.2	0.9	1.4	1.6

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