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ČESKÁ SPOŘITELNA

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Dear readers,

The month of July is usually a typical “cucumber season“ with people in holiday mode. This year, however, it is completely different! Personally, I cannot remember such a series of important topics and political summits at the highest level: Greece, immigrants, the energy package, and the TTIP,...

Ad Greece: Greek Prime Minister Alexis Tsipras has certainly entered the mighty current of history. First he encouraged the domestic electorate to loudly declare „OXI“ (NO in English) in the historic referendum on the adoption of the reform and austerity package, so that a few days later he could threaten to fire his fellow party members if they did not vote for the reform and austerity measures in the Parliament. This issue is so broad that we have dedicated the Main Topic section to it. MEP (and former Deputy Governor of the Czech National Bank) Ludek Niedermayer’s commentary in the Microscope section perfectly complements the factual description of the „Greek drama“ in the Main Topic section. What are his views? Do we have to „break the back“ of the Greeks and their debts or not? Read about this on page seven.

The holder of the presidential scepter of the EU in the second half of this year will be Luxembourg. A small country in size, which is nevertheless one of the richest and at the same time most influential EU states. After all, which country does the Commission President Jean-Claude Juncker come from? The Luxembourg Presidency will want to put the Union’s emphasis on growth and employment, the migration agenda, the Energy Union, the reform of the Economic and Monetary Union and the trade and investment agreement with the US known by the acronym TTIP (the Transatlantic Trade and Investment Partnership). A significant part of the agenda of the team around Prime Minister Xavier Bettel will also consist of the preparation of the global climate conference in Paris.

An important topic discussed during the seventh month of this year is also the so-called Summer Energy Package which the European Commission has presented. Its purpose is to realize the first steps on the way to the Energy Union - thus fulfilling the vision of an integrated energy market in order to ensure supply security with a high proportion of renewable sources, promote high efficiency in energy production and consumption, encourage the development of new technologies and contribute to increased competitiveness of the European economy. The package consists of four documents and you can get to know them better on page 5 in the Commission’s Column section.

The current EUROquiz also continues with the topic of energy. In it, we ask your opinion on how the energy mix in the European Union will look in 2030. In the present almost half of electrical energy is generated from fossil fuels (mainly coal and natural gas), followed by a 29% share of nuclear sources and the remainder, less than a quarter, is made up of renewable sources. Those of a playful nature can fill in our quiz. On the bottom of page 6 is a link to the web form.

In the Doing Business section this time we look at Switzerland. While the Czech Republic is famed as an industrial power, Switzerland relies on services with an emphasis on finance. Average wages there are 8 times higher on average than in the Czech Republic and despite that, in the country of the Helvetic cross there is still one of the lowest unemployment rates in Europe.

Dear readers, I hope that you will cope impeccably with the tropical days which prevail in the Czech lowlands precisely in the days when we are finishing this issue of the Monthly.

Jan Jedlička

EU Events

Luxembourg has assumed the EU Council Presidency from 1 July. – The Commission can expect changes, the Dutch have a theme for their presidency. - The Czech Republic has taken over the presidency of the Visegrad Group. - Capital controls in Greece: cancellation not in sight. - Commission: We also want money from the Member States for the Juncker investment package.

POLITICS

The Luxembourg Presidency of the EU Council

After Latvia, Luxembourg has taken charge of the EU Council Presidency **from 1 July** – it is a small country in size, which nevertheless is among the richest countries in the EU. Thus the presidency trio Italy - Latvia – Luxembourg will come to a close. It will already be assuming the presidency for the **twelfth time** – Luxembourg last held it in 2005.

Luxembourg's priorities are growth and employment, the social dimension of European policies, implementation of the European Agenda on Migration programme, creation of the Energy Union, reform of the Economic and Monetary Union, negotiations on the TTIP agreement and preparation of the Parisian climate conference (COP 21).

The seven main priorities of the Luxembourg Presidency

Stimulating investment to boost growth and employment	
Deepening the European Union's social dimension	Revitalising the single market by focusing on its digital dimension
Managing migration, combining freedom, justice and security	
Promoting sustainable development	Strengthening the EU's presence on the global stage
Placing European competitiveness in a global and transparent framework	

http://www.eu2015lu.eu/en/index.html

The Commission can expect changes

The political winner of the Greek drama of mid July, German Finance Minister **Wolfgang Schäuble**, calls for rebuilding the Commission, which according to him does not fulfill its original role as a supervisor of the internal market rules.

According to Schäuble and Jeroen Dijsselbloem, whose country takes over the EU Presidency from the beginning of 2016 and plans to make reform of the Commission one of the key themes of its presidency, the Commission currently has the power to move into a new function. This would be **independent** of politicians and would be similar to an **antimonopoly authority**.

http://www.euractiv.com/sections/euro-finance/germanys-schauble-wants-rebalance-eu-commissions-role-316727

The Czech Republic has taken over the presidency of the Visegrad Group

On 1 July 2015, the Czech Republic officially took over the yearlong presidency of the Visegrad Group (V4). **The motto** of the Czech Presidency is „V4 Trust“. The logo signifies that the foundation for the success of Visegrad cooperation is mutual trust between the V4 countries.

The thematic priorities of the Czech Presidency for the year 2015 - 2016

Digital Agenda and Development of Infrastructure	
Energy	Security and Defence Cooperation
European Neighbourhood Policy, Enlargement Policy, Transition Support and Development Aid	
Togetherness	Combating Tax Fraud and Evasion
Active Practising of the Solidarity Principle in the EU	

http://www.visegradgroup.eu/documents/presidency-programs/20152016-czech

ECONOMY AND EURO

Capital controls in Greece: cancellation not in sight

To save banks and stop the outflow of money from their accounts were the two main reasons why on 29 June, Greece decided to introduce capital controls and close its financial institutions. Although they **reopened on 20 July**, controls still remain. Because of this, since then it has been almost impossible for most Greeks to transfer their money from the country, open a new foreign account or buy stocks. **The exceptions** are students abroad, who can collect 5,000 euros per quarter, and Greeks in the care of doctors abroad. They are entitled to up to 2,000 euros. For other Greek people, however, withdrawals are still limited to 420 euros per week.The capital controls also greatly affect **Greek companies** which are unable to pay for orders from foreign companies.

This process has slowed down so much that suspicious suppliers have begun to demand payment in advance. Because of this, on Friday 24 July the head of the Greek central bank (The Bank of Greece) Yannis Stournaras partially released restrictions for Greek companies up to 100,000 euros per day.

Previously, the ceiling was set at half of that, i.e. 50,000 euros.

Although Greece is trying to loosen capital controls to some extent, the path to their complete removal will still be long. How soon the removal of capital controls happens will depend on the Greeks themselves, especially on how they fight with each other over their obligations. Namely, in exchange for a third bailout programme totalling up to 86 billion euros, Greece must implement the structural reforms which they agreed on with European creditors in early July.

Together with the banks, the **Athens Stock Exchange** was also closed on 29 June. It resumed its operations on 3 August and has experienced a record fall in shares. Significant losses were mainly in banking stocks; the main index recorded a drop of up to 22.8%. Shares of the largest Greek commercial bank, the National Bank of Greece, fell to their daily limit, which is 30%.

You can **read more** about the situation in Greece in our Main Topic on page 8.

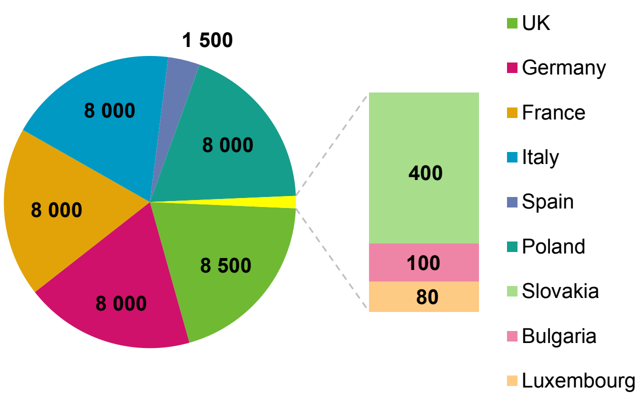
http://www.mnec.gr/?q=el/news/news

Commission: We also want money from the Member States for the investment package

National development banks will help launch the European Investment Plan, through which the Commission intends to boost EU economic growth, strangled by the economic crisis. On 22 July Vice-President Jyrki Katainen presented the Commission's ideas about the role the national banks should play in what is called the Juncker package.

The document from his office provides guidance on how Member States should **calculate their contributions** to the European Fund for Strategic Investments (EFSI), the base of which is 16 billion from the EU budget and 5 billion from the resources of the European Investment Bank.

EU Countries Contribution to the Investment Plan (mln eur)



Source: European Commission

A contribution to the Investment Plan would in fact not be a disadvantage during evaluations within the framework of the **Stability and Growth Pact**. Through it the budgetary policies of eurozone countries are guarded and it is also generally binding for EU countries which do not pay with the euro.

The Commission communication also contains guidelines for compliance with state aid rules and for mutual cooperation of development banks from different Member States which may (together with the EIB) create a so-called investment platform.

So far, a total of **9 countries** have offered contributions to the EFSI through their banks. Most recently Great Britain has decided to contribute. It wants to give 8.5 billion euros to the fund, which is so far the most among the Member States. The British money will thus join the existing pledges of Germany, Spain, France, Italy, Luxembourg, Poland, Slovakia and Bulgaria. The amounts of the contributions of the above-mentioned countries are shown in the graph below.

In the case of the **Czech Republic**, the Czech-Moravian Guarantee and Development Bank would consider coming in. The government, however, has not yet decided about the possibility to contribute to the investment plan.

http://europa.eu/rapid/press-release_IP-15-5420_en.htm

China wants to put money into the Juncker investment package

China could **contribute up to 10 billion euros** to the new three hundred billion euro investment plan of the European Commission. So far, however, the final decision has been held up by the question of how to provide more space on the European market for Chinese technology companies.

According to one source, an **agreement** could be made in late September during a planned meeting of European Commission Vice-President Jyrki Katainen and Chinese Vice Premier Ma Kai in Peking.

http://www.euractiv.com/sections/innovation-industry/chinas-bid-eu-investment-fund-trips-complex-rules-316244

FOREIGN TRADE

MEPs have approved the report for an agreement on the TTIP

Negotiations on a Transatlantic Trade and Investment Partnership (TTIP) between the United States and the European Union began two years ago. If it is successfully completed, this ambitious free trade agreement will cover more than 40% of world GDP. It would be the largest trade agreement in history. In fact, at present the EU and US already trade more together than any other two entities in the world. In addition to the expected benefits for the economies of both

EU Events

China wants to put money into the Juncker investment package. - MEPs have approved the report for an agreement on the Transatlantic Trade and Investment Partnership. - The EU must have an energy market which does not harm consumers. - Combatting climate change: almost fifty countries have already submitted a commitment to reduce emissions.

partners however, a number of concerns have been raised in connection with the agreement. For example, a number of opponents of the TTIP point out that the EU could find itself under pressure to alter the rules for regulation in areas such as health protection or the environment.

This week the European Parliament **approved** recommendations for the European Commission, which will negotiate the TTIP on behalf of the EU. Because the MEPs will eventually approve the final text of the agreement, the Commission must pay attention to what the Parliament thinks.

Recently the issue of settlement of disputes between investors and states in particular has been addressed in Parliament. For resolving **conflicts** between investors and countries in fact a new system must be developed to replace the existing mechanism for settling conflicts in mutual relations, called ISDS. Private arbitrators would thus not deal with disputes between companies and the government. Because of this, concerns have been raised that the EU Member States could be subject to rules proposed by the interests of large multinational companies. Simply put, we can say that ISDS enables private firms to demand financial compensation for loss of earnings due to the regulations of a foreign state in an arbitral tribunal.

http://europa.eu/rapid/press-release_STATEMENT-15-5327_en.htm

ENERGY AND TRANSPORT

The EU must have an energy market which does not harm consumers.

In Brussels holiday mode has not prevailed. After dramatic negotiations with Greece, attention has been focused on the Energy Union. Commission Vice-President Maroš Šefčovič and Commissioner for Climate Action and Energy Miguel Arias Cañete have introduced the first concrete proposals which the EU will have to deal with in the coming months

A package of four documents was published which includes:

- *rules for the functioning of the Emissions Trading System (EU ETS) after 2020;*
- *consultation material on the future design of the European electricity market;*
- *ideas to strengthen the position of consumers, who should play an active role in the energy market;*
- *new rules for labelling electrical appliances.*

Commissioner Cañete stated the benefits that the Commission wants to achieve. According to him, the revised ETS system will help reduce emissions by the amount that the United Kingdom produces annually. The new rules for the electricity market will steer the EU to a system that is able to utilize the production from renewable sources. Energy labels will allow for energy savings, which the EU can then send to the Baltic countries.

You can read more about the so-called Summer Energy Package on the following pages in the contribution of the European Commission Representation in the Czech Republic.

http://europa.eu/rapid/press-release_IP-15-5358_en.htm

ENVIRONMENT

Almost 50 countries have already submitted a commitment to reduce emissions

On 20 and 21 July informal ministerial meetings were held in Paris in preparation for the anticipated climate conference, which will result in signing a new global agreement to combat climate change at the end of the year. Representatives from 45 countries tried to move the climate talks forward during the informal meetings.

Nearly fifty countries have already submitted their commitments to reduce CO_2 emissions in the context of the forthcoming global agreement to combat climate change

In four months signatories to the UN Framework Convention on Climate Change will meet in Paris for the final negotiations. The aim of the agreement will be to keep global temperature increases below 2 degrees Celsius

Before the December talks, the UN must collect commitments from all 196 signatory parties. Therefore countries ideally committed to their plans for reducing emissions in the first quarter of this year. By the end of March, Switzerland, all 28 countries of the European Union, Norway, Mexico and the United States managed to sign on to reduce emissions.

By 2030 the EU Member States have agreed to reduce CO_2 emissions by 40% compared to 1990. By 2025 the USA plans to cut emissions by 26 to 28% compared to 2005.

http://www.cop21.gouv.fr/en/media-facilities/press-room/first-session-informal-ministerial-consultation-paris-july-20-21-2015

The European Commission Representation in the Czech Republic makes monthly contributions to the EU News Monthly Journal in the „Commission's Column." In the August issue, this article deals with the so-called Summer Energy Package which the Commission presented in July and which includes the first legislative proposals in the framework of the Energy Union.

THE SUMMER ENERGY PACKAGE BRINGS THE FIRST CONCRETE OUTLINES OF THE ENERGY UNION

In February 2015, the European Commission presented the Energy Union - a vision of an integrated energy market, which should ensure supply security with a high share of renewable sources, promote high efficiency in energy production and consumption, encourage the development of new technologies and contribute to a more competitive European economy.

In July the European Commission presented the so-called Summer Energy Package. It includes the first legislative proposals in the framework of the Energy Union and the announcement of a public consultation.

In total it consists of four documents:

- *a communication on strengthening the position of consumers in relation to energy producers and suppliers*
- *a consultation on the future design of the European electricity market*
- *new rules for labelling electrical appliances*
- *new rules for the functioning of the Emissions Trading System (the EU ETS) after 2020*

Consumers should be at the core of the Energy Union, and therefore the Commission's proposal introduces several significant changes that will strengthen their position. The proposals are based on **three basic ideas:** *1. the need to help consumers save money and energy by providing them with better information, 2. giving them greater scope for decision-making related to their participation in energy markets; and 3. ensuring the highest level of protection for them.* Among other things, **consumers** should thus get the opportunity to adjust their energy consumption and benefit from changes in supply and demand in real time, for example by consuming electricity during periods of low prices.

Distributors would also have to provide consumers with clearer and easily comparable billing statements, and in this way facilitate their eventual decision between the offers of different suppliers. Therefore part of the Commission's proposals will also speed up the procedures to change suppliers.

The creation of a new design of the electricity market is particularly needed so that energy will flow freely at the right moment to the areas where it is needed most. Moreover, the share of electricity produced from renewable energy sources will increase from the current 25% to 50% in 2030. Because of this the market will need to be more flexible since the production of electricity from renewable energy sources cannot be predicted with such precision as with conventional sources, and it can be more difficult to manage. This also means that an increasing amount of electricity will have to be traded across borders, which will require effective cooperation between all market participants. **Investment signals** will also be necessary, especially aimed at the introduction of new technologies such as smart grids, smart meters, smart households, self-generation and technology for energy storage.

Evropská
komise

Before laying down the legislative foundations in 2016, the Commission has opened a public consultation in order to find out the opinions of the European public on how such a market should look.

An important element of the Energy Union is also promoting high energy efficiency. Among other things, labels indicating the consumption of appliances sold will contribute to this. They were introduced twenty years ago, and their success has been and remains the motivation for the development of more efficient products.

Nevertheless, the quantity of information on the labels has grown with the rate of technological progress and they are currently too complicated. Therefore the European Commission proposes returning to the **traditional energy labels** with an A to G scale, which is easier and more understandable for the consumer.

The Commission has also proposed **changes in the Emissions Trading Scheme (ETS)**, which is the largest carbon market in the world.

Thanks to this system, companies try to replace the cost of buying emissions allowances with new clean technologies, therefore not only contributing to the growth of innovation in Europe but also reducing greenhouse gas emissions.

While by the year 2020 there is an **EU-wide commitment** to reduce the level of emissions by 1.7% per year, the new proposal foresees annual rate reductions of 2.2% by 2030. Thus by 2030 the EU would reach its commitment to reduce emissions by a full 40%.

Overall 15.5 billion allowances worth about 387.5 billion euros would be made available in the years 2021-2030. However this depends on a price of 25 euros per allowance.

More information on the Energy Union can be found at the address: http://ec.europa.eu/priorities/energy-union/

You can take part in the consultation on the future shape of the energy market in the EU at the address: https://ec.europa.eu/energy/en/consultations/public-consultation-new-energy-market-design

InfoService

Our InfoService 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.eu2015lu.eu.

Meeting of the key EU institutions

31 August 2015	**Brussels, Belgium**	**14 September 2015**	**Brussels, Belgium**
- European Parliament Committee Meetings		**- General Affairs Council**	
2 September 2015	**Luxembourg, Luxembourg**	**14 September 2015**	**Luxembourg, Luxembourg**
- Informal meeting of Ministers of Defence		**- Informal meeting of Ministers of Agriculture and Fisheries**	
4 September 2015	**Luxembourg, Luxembourg**	**16 September 2015**	**Brussels, Belgium**
- Informal meeting of Ministers of Foreign Affairs		**- European Parliament plenary session**	
7 – 10 September 2015	**Strasbourg, France**	**18 September 2015**	**Brussels, Belgium**
- European Parliament plenary session		**- Environment Council**	
7 September 2015	**Brussels, Belgium**	**22 September 2015**	**Luxembourg, Luxembourg**
- Agriculture and Fisheries Council		**- Informal meeting of Ministers for Energy**	

Source: www.europa.eu, http://www.eu2015lu.eu, access as of 31 July 2015

EUROquiz

QUIZ QUESTION FOR THIS MONTH

From the latest data on energy sources, the following play a major role in the production of primary energy in the EU:

- **Fossil fuels** - **45%** - of which: solid fuel (20%) + natural gas (17%) + crude oil (8%);
- **Nuclear** - **29%**;
- **Renewable energy sources** (RES) - **24%**.

Even a nuclear power such as France wants to reduce its share of nuclear energy production; the French Parliament passed a law according to which it has until 2025 to reduce the share of nuclear in electricity production from 75% to 50% and also reduce the consumption of fossil fuels by 30% by the year 2030.

How do you think the energy mix (the share of fossil fuel / nuclear / renewable sources of energy) for the entire EU will look in 2030, when now the answer is: 45/29/24?

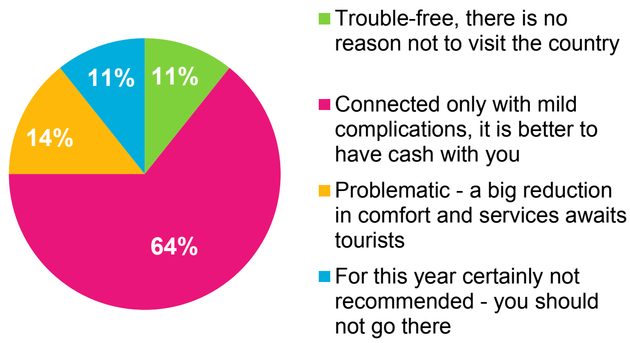
You can send us your answer to this question using the form which you will find at: bit.do/euroquiz4

ANSWER TO LAST MONTH'S QUESTION

The main theme of the past month was the Greek crisis, and this was reflected in the quiz question in the last Monthly. We left aside the question of whether Greece is awaiting bankruptcy or a Grexitu and we oriented ourselves to the theme of summer holidays in this beautiful country.

For two-thirds of respondents holidays in Greece are associated only with mild complications. Approximately 11% of the survey participants are not swayed by the economic news; for them holidays in the Southeast of Europe are hassle free. For the remaining quarter of readers, holidays in Greece are problematic or even not advisable.

How do you assess the current situation in Greece from the viewpoint of tourism?



Source: EUROquiz EU Office Česká spořitelna

Greece is back on the opening pages of the world‘s media. The rift between the Greek government, which has its „programme priorities“ and the Eurozone that have „money essential for the Greeks“ seems to have been averted in the end, but it was in fact only a few days ago when it seemed that the collapse of Greece and a change in the composition of the eurozone were imminent.

Microscope

GREEK COMPLICATION

In the following lines you will find what leads me to the view that “breaking the back of“ the Greeks would not be good, and it is not just the broken „Greek stick“.

The crisis is not deja vu...

...the beginning of the economic and debt crisis in the EU. Today the Union has a system for dealing with such „difficulties“ and in terms of contamination the Greek problems are significantly separated from the rest of the Union.

It‘s an unnecessary crisis...

...the previous government in Greece finally started implementing reforms. The results began to show: the economy started growing and the budget showed a primary surplus.

The government reduced the budget deficit from a level of around 10% to 3.5% last year. The new government of Prime Minister Tsipras, however, initially turned the economy towards recession and with that also a deterioration of the budget.

The current crisis...

...concerned a bank. When the possibility arose that the Greeks would not negotiate the necessary loans, the ECB stopped supporting loans to Greek banks. The economy faced bankruptcy due to the collapse of banks and lenders faced the risk that they would not ever see the money provided for Greece on its way out of the crisis.

The Syriza government deepened the crisis...

...the highlight was the referendum convened in record time, which should have strengthened the government‘s mandate to reject the loans conditional on savings and reforms.

A political crisis erupted...

The easing of credit conditions, laxity of Greek reforms and strengthening support for opponents of Greece put the politicians who should decide on providing new money under pressure. In combination with the rebellious and aggressive rhetoric of the Tsipras government against creditors and the programme, a lot of politicians began to talk about a Grexitu or other „radical“ solutions.

Is a Grexit in the cards?

...There is no legal procedure for it and it is questionable whether the eurozone could force a rebellious Greece into it.

During the following crisis there could be a threat of the collapse of Greek banks and then default on government obligations that would gradually raise the maturity of Greek liabilities and the legal chaos.

The dark future of Greece...

It is difficult to build new prosperity on the collapse of a financial system and a „default“ government. A new Greek currency could come into play as a „substitute“ for the euro, which the government would not have in its budget. However, neither the Greeks nor anyone else would care for such a „new currency“.

Did the eurozone provide new „bad“ loans?

It is probable that if Greece collapsed, creditors would lose a substantial amount of money. The Greeks would be able to gradually repay today’s loans if the repayments are spread out, interest is low and in particular if the local economy begins to grow with a balanced budget. But it is „on the edge“.

What is at stake...

The Greek crisis is related to the „permanence“ of the Union and its methods for resolving crises. Opening up the possibility today for the more or less controlled bankruptcy of a member of the Union will lead to considerations about whom to choose bankruptcy for and who to assist, and about uncertainty regarding the credibility of a country and the „permanence“ of the composition of the eurozone and the EU.

A Union of bankruptcies...

The participation of representatives of „bankrupt“ countries in the Union‘s decision-making would not make maintaining the nowadays difficult functionality of the Union easier. A constructive contribution to co-creating the EU‘s future could probably not be expected from such a government. This is also because the outside world does not understand that the structure of the Union - the largest economy in the world, could be shaken by the need to provide a few tens of billions in loans to one of its members. As a matter of interest, the loan being considered is in the order of tenths of a percentage of the annual GDP of the Union.

How to get out?

The Union is based on the responsibility of nations and solidarity among its members. In the case of Tspras‘ Greece, these principles are put into conflict. Under its weight many politicians have come to the conclusion that unless it is the first option, it won’t be the second either. This seems logical, but it can be the completely wrong solution strategically. In a few years no one will remember that at the turning point for the dismantling of a still solid Union stood the intransigence of the Greek Prime Minister and some principled finance ministers.

Will it work?

The politicians have finally found a solution. Only two things complicate it. The first is a greater understanding on the part of the Greeks that the changes are made for their benefit and that they will eventually bear fruit. The second are the signals of the politicians in creditor countries who just do not trust Greece and believe it would be better to „somehow“ say goodbye to them. Both of these attitudes hinder the success of the programme. It‘s a shame, but it might also come out that way...

It is a necessity I think, since in front of us and „our“ Europe there could be much larger problems than today‘s Greek complication. Therefore it is necessary to succeed in solving it .

Luděk Niedermayer, MEP

Main Topic

Greece, the cradle of European culture, is also a very popular tourism destination. General awareness has also been contributed to by the fact that this year Greece was undoubtedly the EU state most often mentioned in the media. In the next lines, we will remind you of why this country of 11 million „deserves“ the constant interest from the press, economists and the public.

NEVER-ENDING STORY: GREECE

INTRODUCTION

It is not necessary to present Greece for a long time. This cradle of European culture is a very popular tourism destination, which offers both historical heritage sites and natural wonders. General awareness has also been contributed to by the fact that this year Greece was (and for some time will remain) undoubtedly the EU state most often mentioned in the media.

Greece is going through a very stormy year, rich in events. The reason why this member state is attracting so much attention from the media and other EU states can be summarised very easily: Greece's difficult financial situation and the related threat of state bankruptcy and the risk of a Grexit, Greece's departure from the Eurozone.

Some important and interesting information related to it, regarding for example Greece's macroeconomic situation, industrial sectors, tourism, instalment amounts, rescue packages and much more needs to be savoured well, because it is sometimes difficult to become oriented in the flood of news and expert discussions regarding Greece.

HOW TIME HAS PASSED WITH GREECE

The fact that the financial system in Greece is not entirely healthy was immediately apparent this January, when two large Greek banks asked for funds from the emergency financing mechanism, which the European Central Bank then approved for them the following week. A key event for developments in Greece occurred just a few days later.

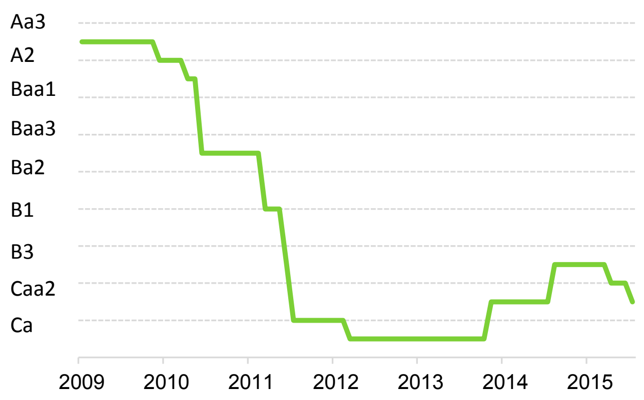
On 26 January, the country held early parliamentary elections. The winner (with 36.3% of the votes) was the left-wing Syriza party led by Alexis Tsipras, who was subsequently named Greek prime minister. Syriza gained its needed majority in parliament thanks to a deal with the Independent Greeks party. The blow for financing was the „drying up“ of one of the sources that the Greek government had been relying on. At the beginning of February, the European Central Bank decided that it would not accept the Greek government's bonds as a pledge for loans to commercial banks.

However, the highly indebted country must also make arrangements with its creditors. Following an agreement with ministers from Eurozone countries, Greece managed to get the end date of the loan assistance programme moved another four months forward. However, what the country did not manage to achieve was reduction of or a halt to the outflow of capital due to the crisis affecting Greek banks. The volume of deposits also decreased rapidly to its lowest level in several years. However, even with financial problems, the Greeks managed to meet their obligations and pay several debt instalments, including EUR 310 million in March, EUR 448 million in April and EUR 775 in May to the IMF.

Together with problematic financial developments, not only did the predictions for the development of Greece's economy for subsequent periods worsen, but the outlook for the country's credit rating from agencies also worsened.

The credit rating is important for investors, because it reflects the likelihood of the country's ability to pay back its loans and reflects the level of riskiness in the particular destination. At the end of July 2015, Greece's evaluation from rating agencies was in the speculative range (Moody's – Caa3, Standard & Poor's – CCC+, Fitch – CC), and if a rating is in the speculative range, a particular entity's bonds cannot be invested in by large institutional investors.

Credit Rating of Greece by Moody's



Source: Moody's

The Athens Stock Exchange and Greek banks have been closed since 29 June. The daily limit for withdrawal of cash from ATMs has been set at EUR 60 daily. Greece has become the first developed economy that has failed to pay back the IMF part if its debt from the rescue programme, in the amount of EUR 1.5 billion. Greece has asked the IMF to extent the period of time allowed for payment of the owed amount. At the end of June, the Greek parliament approved the holding of a referendum on adoption of proposals from international creditors for resolving Greece's indebtedness. The referendum itself took place on 5 July 2015.This referendum provides a certain reflection of the condition of Greek society and of how the Greek government is „negotiating“ with its population.

The result of the referendum was relatively clear: 61.3% of voters rejected the international creditors' conditions and stated "No, I don't approve," on their ballots. It may be appropriate to point out how the question was presented in the referendum and what its entire wording was. It is typical for the "yes" option to be specified first. However, in the Greek referendum, the "no" option was the first listed choice. And what exactly was the question that Greeks answered?

"Should the draft agreement submitted on 25 June to the Eurozone by the European Commission, the European Central Bank and the IMF, consisting of two parts forming the entire proposal, be adopted? The first document is entitled "Reforms for the completion of the current programme and beyond" and the second is entitled "Preliminary debt sustainability analysis."

Although in a sociological survey more than 80% of Greek citizens voiced support for keeping the euro, the country had to hold a referendum, which was basically pointless, because the government did not act based on the referendum results anyway.

On the day after the referendum, Janis Varufakis resigned from the position of finance minister, and Euklidis Tsakalatos became the new Greek finance minister. Indebted Greece officially asked the ESM for new loan assistance on 8 July. However, under the rules of the European Stabilisation Mechanism, the assistance itself must be connected with economic reforms, which must be approved by the European Commission, the ECB and possibly also the IMF. Therefore, Greece has begun preparing a package of reforms, which in the years to come should bring significant savings of approximately EUR 10 billion. Greece presented its 13-page proposal to the Eurozone states on 10 July. The representatives of the mentioned institutions, the European Commission, the ECB and the IMF, evaluated the proposal positively and consider it a basis for further negotiations regarding provision of a third rescue package worth up to EUR 86 billion. Greece received two rescue packages already in the past.

The first package – was received in March 2010, when the Eurozone decided to provide bilateral loans shared with the Commission in the total amount of EUR 80 billion. That amount was then reduced by EUR 2.7 billion, because Slovakia, Ireland and Portugal refused to participate in the financial assistance. The financial assistance agreed upon with the Eurozone member states was part of a joint package with the IMF, which mediated another EUR 30 billion.

The second package – was received in March 2012, after which Eurozone finance ministers approved its financing. Eurozone member states together with the IMF agreed on a loan of EUR 130 billion plus unpaid amounts from initial assistance and drawing of funds between 2012 and 2014. The total assistance reached EUR 164.5 billion, of which EUR 144.7 billion was provided via the European Financial Stability Facility (EFSF), while the IMF contributed EUR 19.8 billion. Drawing was postponed or halted several times before creditors reached a deal with the newly elected government. Following negotiations between creditors and the Greek government, the drawing was extended until February and then until 30 June of this year.

The Greek government approved the reform proposals as a basis for negotiations with creditors. By adopting the financial rescue package, Greece committed to reforms related to VAT, tax collection, pensions, public sector employee wages and other measures.

Main reform points adopted by Greece

Value-added tax (VAT): VAT collection should be made more effective. Greece will continue to have three VAT rates, 23%, 13% and 6 %. Changes will be made to the division of individual services:

- restaurant and catering facilities will be moved to the 23% basic VAT bracket;
- basic food products, utilities, accommodation and water will remain in the reduced 13% bracket;
- the lowest rate will remain in effect for medicines, books and theatres;
- by the end of 2016, tax discounts on islands will be abolished, starting with the islands that are most popular among tourists.

Tax reforms: A major emphasis is being placed on strengthening the legal framework for the purpose of making tax collection more effective. Increasing checks, powers and punishments for avoiding tax obligations.

- increasing the corporate tax rate from 26% to 28%;
- a special 12% tax for companies with profit exceeding EUR 500,000;
- abolishing of subsidies for consumer taxes on diesel fuel for farmers;
- revision of individual coefficients in relation to property taxes;
- simplifying individual income tax calculation, increasing and integration of solidarity surcharges;
- introduction of a tax on TV advertising and 30% taxation of gambling slot machines;
- increasing the tax rate on luxury boats from 10% to 13%.

If Greece has a fiscal budget deficit in 2015 as well, then based on the adopted reforms it must consider further increases of individual and corporate income tax rates.

Pensions: New changes in the area of pensions relate to early departure, freezing of limits, increasing of health insurance and cancellation of special contributions for retirees.

Main Topic

- Limiting of early retirement and setting conditions, including sanctions, for early retirement. An exception will remain in place only for demanding professions and for mothers caring for children with medical disabilities;
- Freezing monthly nominal pension limits until 2021;
- Increasing the health insurance contribution from an average of 4% to 6% and expanding it to supplementary retirement insurance;
- Abolishing of the special contribution for retirees, which ranged from EUR 57 to 320.

Public sector employee wages and other measures:

- Reform of wage tables, harmonisation of non-wage benefits. Establishing ceilings for payments of employees in individual positions in the public sector;
- Reduction of the defence spending ceiling by EUR 100 million and EUR 200 million for 2015 and 2016 respectively;
- Privatisation of the state Independent Power Transmission Operator (ADMIE) and other state property.

The European Commission has recommended providing Greece with a bridge loan via the European Financial Stabilisation Mechanism. That assistance should help cover Greece's soonest due obligations.

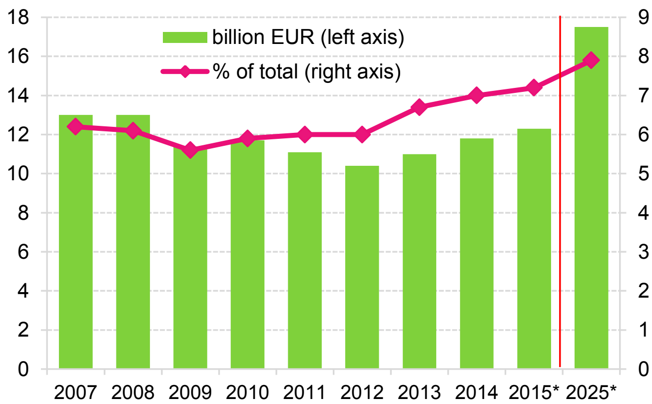
Greece has gained access to a three-month bridge loan in a total volume of EUR 7.16 billion from the EFSM.

According to the Finance Ministry's press release, the Czech Republic, following a deal with countries outside of the Eurozone, including Great Britain, Sweden and Denmark, is participating in negotiations regarding the possibility of securing a short-term loan for Greece for a period of up to 3 months. If Greece does not repay the loan, the Czech Republic and other states outside of the Eurozone will not be responsible for covering the losses, since they will be covered by the revenues from Greek bonds held by the European Central Bank (ECB). A couple of days ago, Greece paid the amounts it owed to the IMF, and therefore the IMF is prepared to continue helping the country. Athens was visited at the end of July by representatives of international creditors (the IMF, the EC, the ECB) and the European Stabilisation Mechanism (ESM) to discus the new rescue programme for Greece, after the Greek parliament approved what is already the second package of reform measures. The creditors conditioned the commencement of negotiations on economic reforms and austerity measures. The negotiations with creditors should end by 20 August, when Greece must pay back its debt of approximately EUR 3.4 billion to the ECB.

TOURISM - STILL IN GOOD CONDITION

Greece's poor economic situation is not only a matter of this year, since Greece has faced the risk of state bankruptcy already several times in recent years, and had to be rescued by EU institutions by their providing of rescue packages to Greece in 2010 and 2012. Tourism is very important for Greece and brings the country significant state budget income. The direct share of tourism in Greece's GDP in 2014 amounted to 7% of the growth expected in subsequent years. In 2014, the total growth in tourism (including investments

Total Contribution of Tourism to GDP



*Source: World Travel & Tourism; Economic Impact 2015 Greece; *estimates*

and corresponding sectors) even amounted to 17.3% of GDP. Tourism is also a very important source of jobs in Greece, due to its high unemployment level. In 2014, there were more than 340,000 people working in the country's tourism sector, which represents 9% of the total employed population.

Total Contribution of Tourism to Employment

*Source: World Travel & Tourism; Economic Impact 2015 Greece; *estimates*

In 2015, growth in employment in this sector by 3.8% (353,000 jobs) is expected. As far as the total benefit of tourism from corresponding sectors, the number of people working in them in 2014 even ranged at around 700,000.

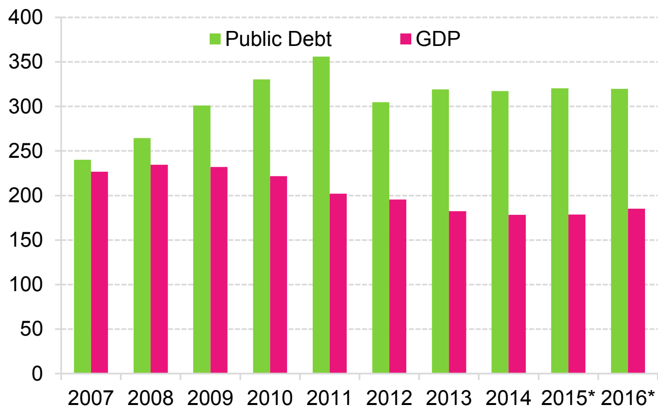
The Greek Statistical Office states that according to a statistical survey of the Bank of Greece, the number of tourists in 2014 compared to the previous year increased by 23%. The popularity of mainland Greece and the islands has also increased among Czech citizens, by 21.1% to 350,000 in 2014. In 2014, Greece was visited by more than 22 million tourists, including 13.2 million from elsewhere in the EU. It is recommended that tourists travelling to Greece bring with them enough cash and the medications that they use, but otherwise their stay should basically be problem-free. So far it is apparent from the most recent statistics that there has been 45.6% growth compared to the same period of 2014. However, the number of tourists for the first quarter represents only a fraction of those who travel to Greece during the main season, but it does give a certain reflection.

This growth will be influenced by the unfavourable situation in certain other destinations and probably only very negatively influenced by events occurring in Greece.

ECONOMIC BURDEN OF PRIOR YEARS

The unfavourable macroeconomic situation in Greece is not only a matter of the last few months. This southern state has been suffering from high public debt and declining GDP for a few years already. The absolute amount of Greek public debt (EUR 317 billion in 2014) is not so serious compared to other member states (it represents approximately a seventh of the debt of Italy, Germany or even the UK, whose debt hovers around EUR 2.1 trillion), but in relation to GDP Greece's debt is the highest in the EU. With its public debt at 177.1% of GDP, Greece's debt greatly exceeds that of the second place country Italy (132.1% of GDP) and third place Portugal (130.2% of GDP). The unhealthy economic environment and low competitiveness also bring with themselves a high unemployment level of more than 25%. The major social problems are reflected mainly in the youth unemployment level, which hovers at around 50%.

Gross Public Debt and GDP in bln EUR



*Source: AMECO, EC; *estimates*

PRODUCTION IN GREECE

According to Eurostat, work productivity in Greece is not at all at a favourable level, but some members of the Eurozone are much worse off. While in Greece for an hour of work EUR 20 is generated in permanent prices based on 2005 statistics, in Latvia and Lithuania the figure is approximately EUR 10, half Greece's amount. Of the 19 members of the Eurozone, Lithuania, Latvia, Slovakia and Portugal have lower work productivity than Greece.

Eurostat's statistics about the number of reported worked hours show another interesting phenomenon: Greeks work more hours per week than anyone else in the EU. The average Greek employed full-time works 44 hours per week (compared to the EU average of 41.5 hours).

Let's examine the Greek economy in greater detail. It is true that Greece traditionally has a low share of industry. It accounts for 16.% of GDP and employs 14% of the population. A very strong sector in Greece is the service sector, which accounts for nearly 80% of Greek GDP. The Structural Business Statistics (SBS) are an indicator of the actual productive output in the economy. In four sectors – industry, construction, trade and services – it monitors detailed information at the level of very detailed sub-sectors.

It is important that these statistics focus on companies and ignore the role of the state and of the financial services sector. The most important indicator is the total volume of production (measured by added value), and in Greece it is a third lower than in the Czech Republic. The most important sector at the level of NACE2 in Greece is wholesale and retail, which creates 15% and 11% of added value respectively, 50% more than in the Czech Republic. Accommodation and the higher representation of the energy and telecommunications sectors are also worthy of attention. That may be due to the fact that energy and telecommunications are essential – at lower production, the energy and telecommunications sectors will always yield the same production. It can be stated in general that Greece produces much less than the Czech Republic, not only in terms of volume, but also in terms of the number of industries that the Greeks are involved in. That is not good news for Greeks.

Main Topic

The most important sectors of the Greek economy based on value added and employment in mln EUR

NACE2	Value Added		Number of Employees	
	Greece	CR	Greece	CR
Wholesale trade, except of motor vehicles and motorcycles	15%	9%	15%	8%
Retail trade, except of motor vehicles and motorcycles	11%	6%	15%	9%
Manufacture of food products	5%	2%	5%	3%
Electricity	5%	7%	2%	1%
Construction of buildings	4%	2%	3%	3%
Land transport and transport via pipelines	4%	5%	2%	6%
Telecommunications	4%	3%	2%	1%
Accommodation	3%	1%	4%	1%
Warehousing and support activities for transportation	3%	2%	2%	1%
Total	**54.4 bln EUR**	**82.4 bln EUR**		

Source: Eurostat – SBS; sectors participating in more than 5% of total value added. The latest available information is from 2012.

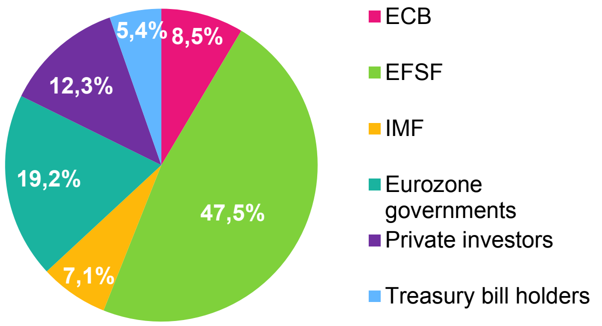
It has been shown that the more products countries are able to produce, the more successful they are on the international market (Hidalgo; the Product Space Conditions of the Development of Nations).

Conclusion

Greece‘s participation in the Eurozone seems rescued for a certain period of time. However, Greece and the Greek population are awaiting fulfilment of the reforms that they should not avoid. Now they should be willing to reduce government spending, which is not sustainable in the long-term, and if possible to jumpstart the economy as soon as possible and mainly to improve the situation on the labour market. The unemployment figures in Greece are truly dreadful. So is the amount of Greece‘s debt.

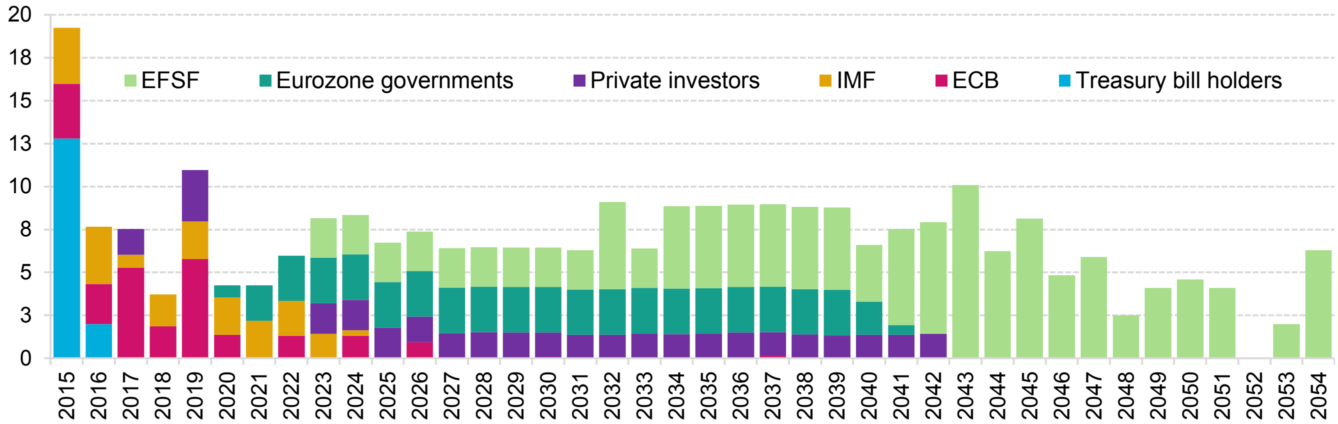
Greece‘s largest creditor is the European Financial Stability Facility (EUR 130.9 billion), followed by other Eurozone states, which Greece owes EUR 52.9 billion, and the ECB, which is demanding EUR 23.6 billion.

Greece's creditors



Source: WSJ

Planned debt payments to the creditors in bln EUR (since August 2015)



Source: WSJ; EFSF - European Financial Stability Facility, EIB - European Investment Bank, IMF - International Monetary Fund, ECB - European Central Bank (note: debt to EIB is just 0.02% of total)

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 August issue, we will focus on the business environment in the Republic of Switzerland.

Doing Business

SWITZERLAND

Official name	Swiss Confederation
Population	8 139 631 (2014)
Area	41 293 sq km
Currency	Swiss franc (CHF)
Official language	German, French, Italian, Romansh

Source: The World Factbook

The inland country of Switzerland is located in Western Europe, surrounded by Germany, Austria, Italy, Lichtenstein and France. The country's capital city is Bern, approximately 120,000 people live in it and its surroundings. Switzerland's largest city is Zurich with approximately 340,000 people. Switzerland is part of EFTA. In 1992 the country froze accession talks with the EU. The country is currently a member of the Schengen Zone.

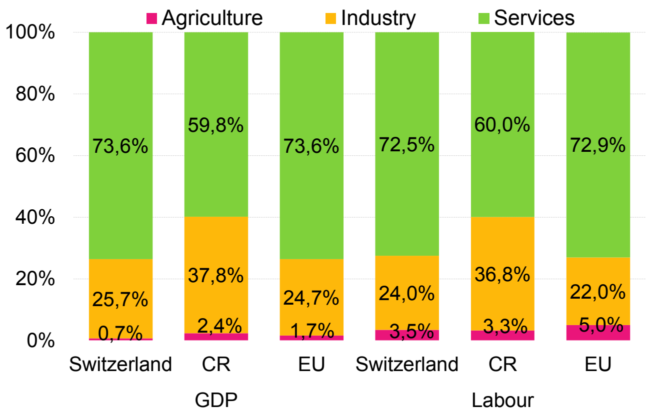
Switzerland is divided into 26 cantons, each of which has its own government and parliament. The central government is headed by the president, who is appointed for a one-year term. Since the beginning of 2015, Justice Minister Simonetta Sommaruga has served as president. At the federal level, Switzerland is governed by a bicameral parliament. The National Council is comprised of 200 directly elected legislators, and the Council of States has 46 representatives of individual cantons.

Structure of economy and foreign trade

Switzerland's largest export partners are Germany (18.5%), the USA (11.7%) and Italy (7.1%). The country exports mainly engineering products, chemicals, metals and watches.

It imports mainly engineering products, chemicals, vehicles and metals. The most important countries from which products are imported to Switzerland are Germany (28.2%), Italy (10.1%) and France (8.2%).

Sectors of the National Economy – Switzerland



Source: World Bank; GDP as of 2011, Labour as of 2012

Macroeconomic outlook

Many macro economists, following the Swiss Central Bank's January decision to cancel the fixed exchange rate of the Swiss franc to the euro, have predicted a major decline in GDP in 2015 and 2016. Some even predict a recession in 2015. However, the Commission is very optimistic and expects growth by 1.2% of GDP and 1.3% of GDP respectively in 2015 and 2016. During 2014, the contribution of domestic demand to economic growth was the lowest since the start of the financial crisis. Private consumption has long been a driver of the economy, but in 2014 it contributed only 0.4% of GDP. Except for in 2013, Switzerland has been experiencing long-term deflation and is expected to continue to do so in the future.

Swiss exporters have managed in recent years to come to terms with the strengthening franc by searching for market niches in international trade, which has saved Switzerland from the worst that resulted from the global financial and European debt crises. The budgets of this Alpine country tend to be balanced or with a surplus.

Basic indicators (in %)	2013	2014	2015^e	2016^e
GDP Growth	1.9	2.0	1.2	1.3
Unemployment rate	4.4	3.7	3.7	3.9
Inflation	0.1	-0.1	-1.0	-0.7
Current account balance (% GDP)	14.7	16.2	16.1	16.2
Public debt (% GDP)	35.2	35.5	35.1	35.0

Source: European Commission; ^{e} - estimate

Labor market

Switzerland's unemployment level has long hovered around an incredible 4%. The most recent available unemployment level according to the ILO method is 4.4%.

Basic indicators of labor market		
Unemployment rate (March 2015)	4.4%	
Minimum monthly wage	-	
Ø monthly labor costs in sectors (2012)	**Switzerland**	**CR**
Manufacturing	7 808 €	934 €
Construction	7 310 €	831 €
Financial & insurance activities	11 450 €	1 756 €
Transportation and storage	7 435 €	876 €

Zdroj: Federal Statistical Office

Doing Business

There is no centrally set monthly minimum wage (the idea was recently rejected in a referendum), but it is defined by collective agreements. The average monthly wages, after conversion to euros, approximately eight times greater than wages in the Czech Republic. Like in the Czech Republic, the highest wages in Switzerland are in the financial and insurance sectors.

Labor law basics

An employment relationship can be for a definite or an indefinite period. If the employment period exceeds 1 month, a written employment contract must be signed. The probationary period lasts 1-3 months. The termination notice period is 1-3 months, depending on the number of years the employee has worked.

The average work period is usually set by collective agreements at between 40 and 42 hours per week. At least 25% extra must be added to wages for overtime work. Employees over 20 years of age are entitled to 4 weeks of paid leave annually.

Commercial law basics

At least once shareholder and one member of the Board of Directors, which can be the same person, are necessary in order to found a joint-stock company. However, at least one shareholder must be a resident of Switzerland. The costs for establishing the company range from CHF 3,500 to 7,000 (approximately CZK 90,000 to 180,000). Similar requirements apply for founding a limited liability company (the number of persons and residence). The costs for establishing the company range from CHF 1,750 to 4,500 (approximately CZK 45,000 to 120,000).

According to the World Bank, Switzerland is the easiest place in the world to do business (and the tenth easiest in Europe). Founding a company takes 10 days and includes 6 procedures, and the fees depend on an amount of capital of approximately CHF 1,200 to 15,700 (CZK 31,000 to 410,000).

Form of Company	Minimum Capital
Limited Liability Company	20 000 CHF
Public Limited Company (AG)	100 000 CHF
General partnership	20 000 CHF

Source: Federal Department of Economic Affairs

Main taxes and additional labor costs

In Switzerland, the tax system is divided into 3 areas: confederation-based, canton-based and community-based, and different rates apply in each one. There is also a church tax.

It is interesting to note that even a foreign worker with an annual income exceeding CHF 120,000 must file a tax return for his global income.

Taxation of individuals is generally divided into: individuals and married couples (also depending on the number of children); rates are subsequently divided according to cantons and municipalities as well as according to income amounts (with 6 brackets from CHF 100,000 to 1 million). The basic VAT rate is 8%, there is a reduced rate of 3.8% for hotels, and there is another reduced rate of 2.5% for food and books. Financial services, education and healthcare are exempted from VAT. An employee and employer each contribute the same amount to social security (10.3%), and there is no ceiling. The employer and the employee also each pay 1.1% of annual income up to CHF 126,000 and 0.5% above that amount up to CHF 315,000 into the unemployment fund. The employer is required to contribute at least 50% of the employer's contribution into pension funds.

Tax/payment	Rate
Corporate Tax	12.75% - 25.94%
Individual Income Tax	7.57% - 34.86%
Social insurance (employee)	5.15%
Social insurance (employer)	5.15%
VAT	8% / 3.8% / 2.5%

Source: Federal Department of Finance

Energy

Like almost everything else, the price of electricity also varies greatly in Switzerland from canton to canton, and the differences can even reach as high as 50%. The energy market is in the process of deregulation with a large number of suppliers on the market. The average price of electricity is approximately CHF 0.21 per kWh, which is about 50% more expensive than in the Czech Republic.

On average, the price of energy comprises only a third of the end price; a third is paid by the end consumer for transport and management of reserves, and a third of the costs are taxes.

Approximately 70% of Switzerland's energy mix is from domestic production, 58% is from hydroelectric power plants and 36% comes from nuclear power plants. Geothermal power plants do not play a very significant role.

Investment incentives

Investment incentives in Switzerland differ from canton to canton. However, companies can expect assistance in their development, both for the industry and the service sectors.

Depending on the particular project, these incentives may take the form of tax reduction or the opportunity for tax holidays for a period of 10 years, contributions for investments, training or research and development programmes

In the August EU Series section, we bring you the fourth consecutive operational programme - the OP Transport. Its main purpose is to ensure quality transport infrastructure and gradually bring the quality of the transport network in the Czech Republic in line with „older" EU states. Below you will read about through which priority axes and with what resources the Czech Republic wishes to achieve this.

OP TRANSPORT

In the 2014-2020 programme period, the main document for realisation of investments and solving problems in the transport sector is the Operational Programme Transport (OP T). Based on its focus, it corresponds to the OP T from 2007 to 2013, but its structure differs. For example, additional supported areas have been added.

The OP T **managing body** is the Ministry of Transport. The State Fund for Transport Infrastructure will play the role of programme mediator.

Funds in the total amount of **4,696 mln eur** will be allocated via the European Regional Development Fund and the Cohesion Fund. In terms of the overall volume of financial resources, the OP T is the largest operational programme in the Czech Republic.

Compared to the previous period, when the OP T had a total of 7 priority axes, there has been a significant reduction of their number, and the OP T is now divided into a total of **4 priority axes**, which encompass a total of 9 specific objectives, which should enable more flexible use of resources:

PA 1 - Infrastructure for railway and other sustainable transport

PA 2 - Road infrastructure in the TEN-T network and public infrastructure for clean mobility

PA 3 - Road infrastructure outside the TEN-T network

PA 4 - Technical Assistance

The largest portion of financial resources will be allocated within priority axis 1 (51.02%), followed by priority axis 2 (28.26%).

The **main priorities** of the OP T include large infrastructure projects in the area of roadway and railway transport.

Resources will be newly invested also into modernisation of the vehicle fleet for passenger rail transport. More resources compared to the previous period are also expected for municipal public transport, including the metro, tram and trolley bus systems. Requests for support will be accepted via the MS2014+ application. Support recipients will be the owners/administrators of the involved infrastructure and means of transport (and other relevant subjects).

Examples of priority projects of the OP T for 2014-2020

Road transport:

- modernisation of the D1 motorway (e.g. segments: Mirošovice – Hvězdonice, Humpolec – Větrný Jeníkov)
- construction of the D1 motorway (e.g. Říkovice – Přerov – Lipník nad Bečvou)
- construction of the D3 motorway (e.g. Bošilec – Ševětín – Borek)

Rail transport:

- completion of modernisation of the 4th corridor to České Budějovice (e.g. the section Sudoměřice – Votice)
- modernisation of the Prague – Kladno route with connection to Václav Havel Airport

More information about the OP T and individual calls for submissions can be found on the website of the programme and relevant administrative bodies.

web.opd.cz | www.mdcr.cz | www.sfdi.cz I www.mmr.cz

Calls for the OP Transport planned for announcement in August 2015 (situation as of 31 July 2015)

Call	Allocation (bln CZK)	Supported activities[1)]
Projects within SO 1.1 of the OP	**46.1**	N/R
Projects within SO 2.1 of the OP - Development of new sections of the TEN-T roadway network	**32.8**	Development of new sections of the TEN-T roadway network
Projects within SO 2.1 of the OP - Modernisation, renewal and capacity expansion of already operated sections of the TEN-T roadway network	**14.1**	Modernisation, renewal and capacity expansion of already operated sections of category D, R and other 1st class roadways in the TEN-T network and modernisation of traffic and transport mechanisation resources for maintenance of the TEN-T roadway network[2)]; Support for implementation of new technology and applications for transport optimisation"
Projects within SO 3.1 of the OP	**19.6**	N/R
Projects within SO 4.1 of the OP	**2.2**	N/R

Source: OP Transport; 1) If N/R is not stated, then it means that the call for submissions is not targeted, and everything specified in the programme document for the particular specific objective will be supported; 2) in accordance with Article 9 paragraph 2 of Decision No. 661/2010/EU of the European Parliament and of the Council of 7 July 2010 on Union guidelines for the development of the TEN-T

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 ø EU. The source of the data is Eurostat and European Central Bank.

Key economic indicators

	Inflation (YoY)				Unemployment rate				Labor costs to Ø EU			
in %	III-15	IV-15	V-15	VI-15	Q2-14	Q3-14	Q4-14	Q1-15	2011	2012	2013	2014
Belgium	-0.1	0.4	0.8	0.9	8.4	8.6	8.6	8.5	148.6	149.5	150.4	149.6
Germany	0.2	0.3	0.7	0.1	5.0	5.0	4.9	4.7	121.8	122.9	123.1	123.3
Estonia	0.0	0.4	0.5	0.3	7.3	7.7	6.5	n/a	35.3	36.8	39.2	41.0
Ireland	-0.3	-0.4	0.2	0.4	11.7	11.1	10.4	9.9	115.8	115.8	115.0	113.9
Greece	-1.9	-1.8	-1.4	-1.1	26.9	26.2	26.0	n/a	72.6	66.9	61.5	60.2
Spain	-0.8	-0.7	-0.3	0.0	24.7	24.1	23.7	23.2	89.4	88.3	87.5	86.3
France	0.0	0.1	0.3	0.3	10.1	10.3	10.5	10.6	134.1	134.0	132.7	132.0
Italy	0.0	-0.1	0.2	0.2	12.4	12.8	13.0	n/a	112.3	112.0	113.0	112.1
Cyprus	-1.4	-1.7	-1.7	-2.1	16.1	16.3	16.4	16.1	71.7	70.3	67.4	64.4
Latvia	0.5	0.6	1.2	0.7	10.7	10.8	10.4	n/a	26.6	27.1	28.0	29.2
Lithuania	-1.1	-0.6	-0.1	-0.2	11.0	10.5	10.1	9.8	23.7	24.1	25.6	26.4
Luxembourg	0.1	0.0	0.4	0.5	6.0	5.9	5.9	5.8	147.3	147.7	150.5	152.3
Malta	0.5	1.4	1.3	1.1	5.9	5.8	6.0	5.9	58.9	60.6	61.7	61.2
Netherlands	-0.3	0.0	0.7	0.5	7.6	7.2	7.2	7.1	133.6	133.5	136.0	135.9
Austria	0.9	0.9	1.0	1.0	5.6	5.7	5.6	n/a	124.8	127.5	129.3	131.4
Portugal	0.4	0.5	1.0	0.8	14.3	13.5	13.5	13.6	53.0	48.8	47.9	46.7
Slovenia	-0.4	-0.7	-0.8	-0.9	9.7	9.7	9.5	9.4	60.9	59.9	58.5	59.1
Slovakia	-0.4	-0.1	-0.1	-0.1	13.3	13.1	12.6	12.3	35.2	35.2	35.8	37.1
Finland	0.0	-0.1	0.1	0.1	8.6	8.8	9.0	9.1	122.6	125.0	125.6	125.6
Bulgaria	-1.1	-0.9	-0.3	-0.6	11.5	11.4	10.6	10.3	14.2	14.4	15.4	15.6
CR	0.1	0.5	0.7	0.9	6.2	5.9	5.8	5.8	44.6	44.7	44.9	45.2
Denmark	0.3	0.4	0.4	0.4	6.4	6.5	6.3	6.3	152.5	151.5	151.6	151.8
Croatia	0.0	-0.1	0.0	0.1	17.0	16.9	18.0	18.4	38.2	38.4	38.5	n/a
Hungary	-0.5	0.0	0.6	0.7	8.1	7.5	7.3	n/a	37.3	38.6	38.9	39.7
Poland	-1.2	-0.9	-0.6	-0.6	9.2	8.7	8.3	7.8	35.7	36.0	36.7	37.7
Romania	0.8	0.6	1.3	-0.9	6.8	6.7	6.6	6.5	23.5	24.4	25.0	26.4
Sweden	0.7	0.5	0.9	0.4	8.0	7.8	7.8	7.8	152.6	155.1	155.9	158.4
UK	0.0	-0.1	0.1	0.0	6.3	5.9	5.6	n/a	114.8	113.7	113.3	113.7
EU	-0.1	0.0	0.3	0.1	10.3	10.1	10.0	9.8	100.0	100.0	100.0	100.0

	Productivity to Ø CR				Average interest rate on mortgages				Price electricity to Ø EU			
in %	2010	2011	2012	2013	2011	2012	2013	2014	2011	2012	2013	2014
Belgium	259.6	257.1	266.6	282.3	n/a	n/a	n/a	n/a	122.0	116.1	110.6	99.4
Germany	204.8	204.5	211.0	224.3	4.1	3.2	2.9	2.6	143.0	140.7	147.9	145.9
Estonia	83.5	85.4	91.1	98.8	3.7	3.1	3.0	2.9	53.0	55.2	64.9	61.0
Ireland	279.5	283.2	293.2	n/a	3.5	3.3	3.5	3.4	125.1	131.8	134.8	140.2
Greece	156.9	151.0	156.0	159.4	4.7	3.6	3.1	3.4	56.4	61.2	71.6	77.9
Spain	184.1	181.7	190.4	n/a	3.5	3.4	3.2	3.2	116.3	120.5	116.4	120.8
France	237.2	235.3	244.0	258.5	4.4	4.5	3.9	3.6	81.6	78.4	81.4	84.1
Italy	211.2	207.5	210.5	222.6	3.6	4.3	3.9	3.5	86.7	94.3	92.4	95.1
Cyprus	147.2	145.7	153.9	157.6	5.3	5.5	5.4	5.0	114.7	138.5	121.5	104.7
Latvia	70.4	75.4	83.3	89.2	4.7	3.9	4.1	n/a	61.0	61.6	58.8	55.3
Lithuania	73.9	79.5	84.9	91.6	4.3	3.3	2.7	2.7	65.1	62.9	65.4	60.8
Luxembourg	599.0	599.5	614.3	n/a	2.5	2.4	2.2	2.2	95.6	92.2	85.1	85.5
Malta	130.8	128.2	131.3	138.4	3.6	3.6	3.4	3.6	99.0	94.4	89.8	69.9
Netherlands	229.6	225.4	230.6	n/a	4.6	4.3	3.9	3.4	54.9	56.1	53.1	36.5
Austria	n/a	n/a	n/a	n/a	3.4	3.3	2.8	2.7	113.7	109.1	109.3	105.1
Portugal	115.6	112.9	116.0	124.6	4.8	4.8	4.3	4.0	102.4	110.2	108.4	108.3
Slovenia	122.4	122.4	122.7	n/a	4.1	3.6	3.5	3.5	87.0	85.8	90.0	87.7
Slovakia	94.6	95.9	100.4	106.0	5.2	5.3	4.4	3.7	98.0	95.1	89.2	77.2
Finland	239.6	241.7	251.3	266.6	2.6	2.2	2.2	2.0	100.6	95.7	93.4	90.8
Bulgaria	33.3	35.2	38.2	40.0	8.8	8.3	7.8	7.4	43.5	43.9	42.1	39.3
CR	100.0	100.0	100.0	100.0	4.6	4.2	3.6	3.3	118.8	113.2	108.5	89.5
Denmark	286.5	283.0	295.4	313.5	4.0	3.5	3.7	3.2	167.4	160.6	152.0	150.0
Croatia	97.1	95.7	100.5	104.8	n/a	n/a	n/a	n/a	60.7	68.8	69.0	64.6
Hungary	84.7	83.6	82.2	85.2	10.6	12.0	9.6	7.3	87.3	80.8	66.5	55.1
Poland	76.3	76.8	80.4	85.5	7.1	7.4	5.9	5.5	78.1	75.1	70.9	67.0
Romania	43.6	45.2	45.6	51.8	9.5	8.1	7.6	5.5	56.7	53.4	61.8	59.1
Sweden	259.0	270.3	289.8	307.7	4.0	3.6	2.8	2.3	116.1	109.2	106.0	98.2
UK	198.6	195.6	215.2	n/a	n/a	n/a	n/a	n/a	84.0	92.4	89.8	98.4
EU	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.0	100.0	100.0	100.0