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Dear readers,

November heralds the „true“ December rush. The end of the year is approaching, so the effort of completing unfinished work, meeting deadlines and drawing from budgets is slowly reaching its peak. Similarly, the same also applies on the ground at the European institutions which still brings something new which we can inform you about.

China has been waiting for this. The inclusion of the Chinese yuan (renminbi) in the basket of major world currencies is considered to be a milestone for the integration of the Chinese economy into the global financial system. This will therefore happen from October 2016 as the International Monetary Fund decided on 30 November. Christmas is coming and for many it culminates in a „shopping spree“. Nowadays purchases over the Internet are also inextricably linked with this. Vera Jourová is presenting a proposal for a new directive on the purchase of digital content such as movies, music and e-books so that the same rules will operate in the whole EU.

The report on the climate change conference in Paris is also very timely and significant not only because of its subject but also its participants. The conference is accompanied by extensive security measures since dozens of heads of state and nearly 50,000 participants will attend the meeting. On page 8 Max Wandler will bring you closer to what will be debated at the conference and the attitude of the individual major economies on these issues. The conference will last until 11 December and its results will certainly have a significant impact on the future development of energy, transport, industry and many other sectors of the world economy.

Zdeněk Čech from the European Commission Representation in the Czech Republic presents the European Deposit Insurance Scheme (EDIS) within the eurozone. What it will bring and which stages it will have can be read on page 6 in the Commission's Column section.

For Christmas, especially in the Czech regions with a fish farming tradition, harvesting of ponds and carp prepared in many ways belong inseparably together. We will also devote our EU Series section on page 15 to the topic of fishing. Czech fishery production is in fact at the start of a new seven year cycle in which approximately 1 billion crowns will be available under the Operational Programme Fisheries 2014 to 2020.

The Main Topic of our Monthly is the autumn economic forecast which was published on 5 November. In it, in addition to the newly updated figures, the European Commission also unveiled the outlook for the economic indicators to 2017. The prognosis itself can be seen in a positive spirit, since the crisis of the past years should now definitely be averted, and it predicts positive economic growth for practically the entire European Union (except for Greece until 2016). Nevertheless, this growth will not be high but it can be assumed that it might be sustainable, in spite of some external factors - mostly of a geopolitical nature. Somewhat immodestly we can rank the Czech Republic among the economic winners for 2015. How often has it happened in recent years that, due to GDP growth and the lowest unemployment rate, the Czech Republic has ranked at the top of the Union? More about the situation, not only at home but also in the European Union can be found on page 9.

Dear readers, enjoy the month of December without too much hustle and bustle (although especially in this case, the wish is father to the thought), well-deserved days off and Christmas holidays in a circle of loved ones. I wish you a Merry Christmas and all the best in the new year.

Tomáš Kozelský

# EU Events



David Cameron wants the UK to remain in the European Union. - The EU budget for 2016 will be at a historic high due to the security crisis. - The share of non-performing loans (NPL) in the EU is high - at the end of June 2015 it amounted to 5.6% of the total volume of loans. – The Chinese renminbi has become a world currency. - Vera Jourová has introduced new rules for online business.

## POLITICS

### David Cameron wants the UK to remain in the European Union

The European Union wants the UK to remain a part of it, and so does the British Prime Minister David Cameron. During the negotiations on the conditions for the United Kingdom to remain in the Union, however, Member States and the European Parliament may encounter some obstacles.

For the Czech Republic Cameron's request for restrictions on freedom of movement within the EU and restrictions on social benefits for EU citizens coming to Britain could be a major problem.

One of the four fundamental EU freedoms - the free movement of persons - would not apply to the new Member States until the level of their economies comes closer to that of the British economy. People working in Britain would also receive benefits and tax relief only after they had been working in the country four years and contributing to the local social system.

Cameron also sent a letter to European Council President Donald Tusk, which should initiate bilateral consultations with representatives of Member States and MEPs.

The British Prime Minister wants to negotiate a new form of relations with the EU before the referendum on Britain remaining in the EU which will be held by the end of 2017.



[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/475679/Donald\\_Tusk\\_letter.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/475679/Donald_Tusk_letter.pdf)

## ECONOMY AND EURO

### The EU budget for 2016 will be at a historic high due to the security crisis

The European budget for 2016, the form of which was unanimously approved by the Council on 24 November, will be the highest in history.

Its overall volume amounts to 155 billion euros (145.3 in 2015) in commitments and 143.89 billion euros (141.2 in 2015) in payments. While commitments constitute legal promises to release funds, payments mean the actual amount of funds that are paid in a given year.

Compared to the original plan the budget was increased mainly due to the migration and security crisis which Europe is currently facing. Thus a total of 4.05 billion euros (about 108 billion crowns) was allocated for security.

Of this, 2.9 billion euros will go towards solving the migration crisis. When planning the budget last year, 2.1 billion euros were actually earmarked for security, thus almost half as much as this year.

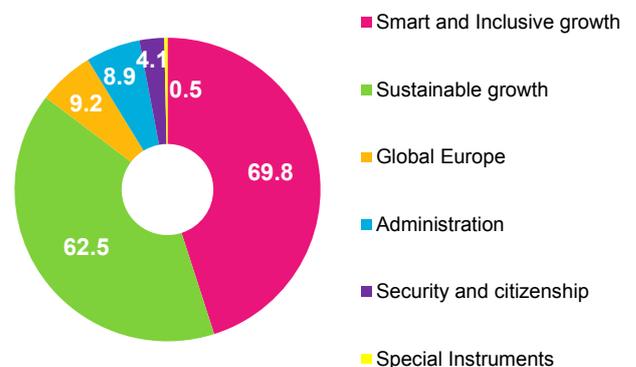
Thanks to this there will be financial strengthening of the European agencies which ensure the protection of borders and internal security. These include for example Frontex, which coordinates the protection of external borders. It will receive 20 million euros for the so-called hotspots, i.e. reception centers for refugees, and 50 million to address the problems of migrants.

In addition, staffing at the agencies will also be strengthened. For example, 60 jobs will be added at Frontex and Europol and the European Asylum Support Office (EASO) will benefit from 30 employees.

The amount of 94 million euros will go to emergency measures which are financed by the Asylum, Migration and Integration Fund. This money will be used for the potential establishment of crisis centers for refugees. The sum of 228 million euros is designated for sending migrants back to their countries.

The negotiated form of the budget was adopted on 25 November at a plenary session of the European Parliament in Strasbourg. The number of votes was 516 (for), 179 (against) and 8 (abstentions).

### EU Budget commitments in 2016 (bn EUR)



Source: Council of the EU

<http://www.europarl.europa.eu/news/cs/news-room/content/20151120IPR03610/>



## The share of non-performing loans (NPL) in the European Union is high

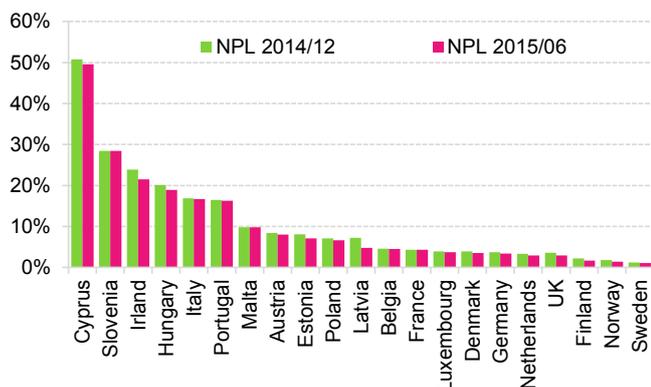
At the end of June 2015 the share of non-performing loans (i.e. NPL) in European Union banks amounted to 5.6% of the total volume of loans. Although this share has decreased since the end of 2014 when it amounted to 6.1%, it is still a high number (in the US the figure is half that amount).

This data was presented in late November by the European Banking Authority (EBA) and concerns a total of 105 banks from 20 EU countries and Norway. The EBA defines non-performing loans as loans that meet at least one of the following criteria: 1) they are in arrears for more than 90 days; 2) they are not yet 90 days overdue, but there is a high probability that they will fall into the category of loans 90 days past due.

Banks in Sweden, where the share was 1.1%, have achieved the best results, i.e. the lowest proportion of NPLs. Banks in Norway (1.4%), Finland (1.7%), the UK (2.9%) and the Netherlands (2.9%) also did very well.

On the opposite side of the rankings Cyprus, where the share of NPL amounts to 49.6%, is in first place. Other countries with very unsatisfactory results are Slovenia (28.4%), Ireland (21.5%) and Hungary (18.9%).

### Weighted average NPL ratio



Source: European Banking Authority (EBA)

<https://www.eba.europa.eu/-/eu-banks-better-capitalised-in-2015-but-npls-remain-of-concern>

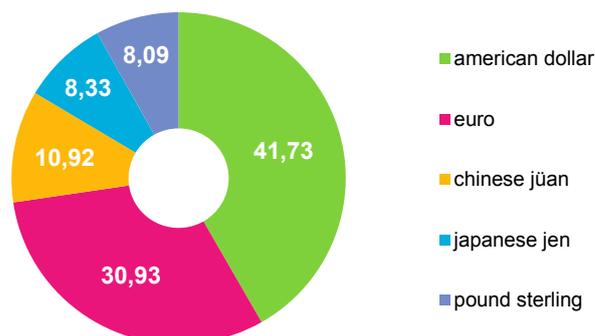
## The Chinese renminbi has become a world currency

On Monday, 30 November the International Monetary Fund (IMF) decided to include the Chinese renminbi (RMB) in the basket of major world currencies. The renminbi will become part of the basket from October 2016 and therefore will rank among the US dollar, euro, Japanese yen and British pound. Christine Lagarde considers this inclusion as a milestone in the integration of China's economy into the global financial system.

This is the first change in the composition of the currency basket since 2000 when the euro was included in it, replacing the French franc and the German mark. From the composition of the currency basket the IMF derives the value for the so-called SDRs (Special Drawing Rights) - an international reserve asset which was introduced by the IMF in 1969 to ensure the necessary level of international reserves corresponding to the current needs of international business.

From 1 October 2016 therefore a new weighting of the individual currencies in the basket will apply. The Chinese renminbi will have a share of 10.92%, which is more weight than the Japanese yen and the British pound (8.33% and 8.09%). The share of the euro, which until now has amounted to 37.4% will be reduced to 30.93% and the share of the US dollar will be reduced to 41.73% from 41.9%.

### The Currency Basket Composition (in %)



Source: IMF, note: the composition is valid from October 1st, 2016

<https://www.imf.org/external/np/exr/facts/sdrccb.htm>

## INTERNAL MARKET

### Vera Jourová has introduced new rules for online commerce

In May the Digital Single Market Strategy which was presented began to receive its first outlines. In early December the Commission plans to present the first legislative measures designed to remove barriers to online commerce.

Concretely these consist of a new draft directive on the purchase of digital content such as movies, music and e-books so that the same rules for downloading them will operate throughout the EU. For example, in fact European law does not currently address the procedure to be used when purchased digital content is faulty.

The second piece of legislation that has been prepared is a directive which will unify procedures for complaints and termination of contracts.

# EU Events



The New Green Savings Programme pays money for energy savings. - In Paris, the international climate conference has begun. - Juncker has called on EU countries to contribute more to the fund for Africa - the Union will contribute 1.8 billion euros. - The European Union will provide 3 billion euros to Turkey in order to improve the care for refugees on its territory.

A European consumer who buys goods or services online from abroad would have the same rights as in his or her own country when complaining or in case of withdrawal from the contract.

[http://ec.europa.eu/priorities/digital-single-market/index\\_en.htm](http://ec.europa.eu/priorities/digital-single-market/index_en.htm)

## ENERGY AND TRANSPORT

### The New Green Savings Programme pays money for energy savings

During the last week of November payments should have been made to the first successful applicants in the six-year continuous call for applications in the New Green Savings Programme, which focuses on energy savings and use of renewable energy sources in family houses. The ministry began to accept applications on 22 October and since then has received more than eight hundred. By 2021, within the framework of the programme, about 27 billion crowns from the sale of emission allowances should be redistributed. For this year 520 million crowns are available and next year it is expected to be 2.85 billion crowns.



The Czech Republic is doing worse, however, in drawing the money to finance energy savings which is available in the operational programmes of the EU funds. The Ministry of the Environment (in Czech the MŽP ) administers the Operational Programme Environment (in Czech the OPŽP), which provides money for improving energy efficiency in state buildings.

Businesspeople have the Operational Programme Enterprise and Innovation for Competitiveness (in Czech the OPPIK) at their disposition, which falls under the Ministry of Industry and Trade (the MPO in Czech). The Integrated Regional Operational Programme (in Czech the IROP) under the Ministry for Regional Development (in Czech the MMR) focuses on flats. In Prague, the Operational Programme entitled Prague, the Growth Pole of the Czech Republic can be utilized.

While the OPŽP is already accepting applications and the OPPIK has completed the first round of acceptance of preliminary applications, within the framework of the IROP the calls aimed at energy savings have still not been announced. The operational and national programmes are precisely the main instrument through which the Czech Republic wants to fulfill its obligations under the European Energy Efficiency Directive.

<http://www.novazelenausporam.cz/>

## ENVIRONMENT

### In Paris, the international climate conference has begun

From 30 November to 11 December 2015 in Paris the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC), also known by the acronym COP21 (21st Conference of the Parties) is taking place. At the same time the 11th meeting of the Parties to the Kyoto Protocol is also happening.

In a central location at a conference centre not far from the Paris airport Le Bourget, the beginning of the conference brought together senior politicians from about 150 countries to identify the main priorities of the two-week negotiations, in which a special delegation of negotiators for individual countries is participating. American President Barack Obama, Chinese President Xi Jinping, Russian President Vladimir Putin and Indian Prime Minister Narendra Modi will be present. The Czech Prime Minister Bohuslav Sobotka has also flown to Paris.



The conference is one of the most anticipated political events of the year 2015. It should in fact complete the previous several years of climate negotiations and establish a legal framework for global climate policy in the coming decades.

If the expected international agreement is not concluded, it will henceforth be much more difficult or completely impossible to ensure cooperation on resolving these issues at a global level.

Overall about 45 thousand participants will attend the conference, among whom are counted delegates from the participating countries as well as representatives of civil society and journalists. Despite the terrorist attacks in Paris on 13 November, the organizers confirmed holding the conference. Nevertheless, they are stepping up all security measures.

Question marks hover over accompanying outdoor events in particular. In fact public demonstrations have been prohibited. For example, the French authorities have banned the march in support of climate protection that non-governmental environmental organizations planned to hold, in which hundreds of thousands of people would have participated. This march is traditionally held in a number of places throughout the world, specifically in connection with the annual climate conference.



The COP21 in Paris should be a culmination of the efforts permeating all the previous conferences and the realization of what has so far failed - to negotiate a new, legally binding global climate agreement.

It should anchor countries' new commitments after the expiration of the Kyoto Protocol in 2020. Part of it should be a transparent evaluation system for reducing greenhouse gas emissions (mitigation) as well as measures for adapting to climate change (adaptation).

<http://www.cop21.gouv.fr/en/>

## ASYLUM AND MIGRATION

### Juncker has called on EU countries to contribute more to the fund for Africa

In the Maltese capital Valetta a two-day summit which brought European and African leaders to the negotiating table took place on 11 – 12 November. The joint meetings should lead to stronger mutual cooperation in addressing the migration crisis.

With their signatures on 12 November before starting the next round of negotiations, the heads of state officially confirmed the creation of the Emergency Trust Fund for Africa to which the EU will contribute the sum of 1.8 billion euros (nearly 49 billion crowns) .

So far 25 EU countries and Norway and Switzerland have announced contributions to the fund. It currently amounts to 81.3 million euros. The Czech Republic is providing 600 thousand euros (16.2 million crowns) to the fund. On 12 November the President of the Commission asked Member States for an increase in financial resources for the Trust Fund.

Money from the Trust Fund is intended to address the causes of the current migration crisis and complement the existing EU development assistance. Among the regions which the funds will reach are the Sahel region, Lake Chad, the countries of northern Africa and the Horn of Africa.

From the Trust Fund the EU mainly promises that it will be possible to effectively fulfill the action plan which was adopted at the EU-Africa summit.

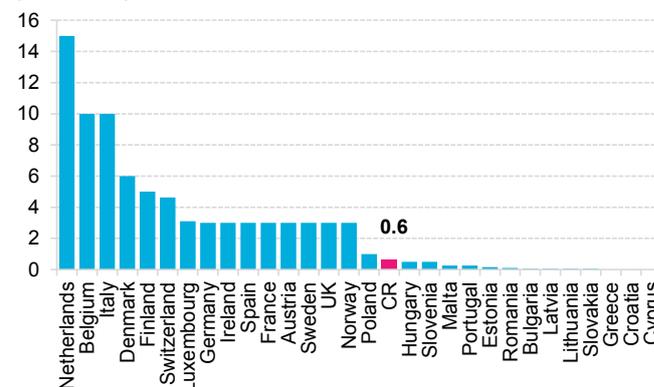
#### The main areas which the action plan deals with

Address the root causes of irregular migration and forced displacement	Enhance cooperation on legal migration and mobility
Work more closely to improve cooperation on return, readmission and reintegration	
Reinforce the protection of migrants and asylum seekers	Prevent and fight irregular migration, migrant smuggling and trafficking in human beings

In the action plan leaders specified 16 initiatives which they have committed to fulfill by the end of 2016. These include for example the improvement of employment opportunities in source and transit countries, launching projects for the development of the poorest regions and doubling the number of scholarships for students and teachers compared to 2014 as part of the Erasmus+ programme. The African countries will have to create or update legislation focused on human smuggling and trafficking.

The formation of a joint investigative team in Niger, which will serve as a pilot project and may subsequently be extended to other African countries, will also help in the fight against human trafficking. An important point is also to organize information campaigns in these countries. Campaigns through public broadcasting should convey the potential migration situation in Europe and also discourage people from the dangerous journey.

#### Contributions to the Emergency Trust Fund for Africa (mil. EUR)



Source: European Commission

<http://www.consilium.europa.eu/en/meetings/international-summit/2015/11/11-12/>

#### Billions of euros from the EU for Turkey

On 29 November EU leaders together with Turkish Prime Minister Ahmet Davutoglu confirmed the Joint Action Plan, which should reduce the flow of migrants to Europe. Turkey has committed itself to tightening up the protection of its borders, strengthening the fight against smugglers and fulfilling readmission agreements so that the EU can return illegal migrants to Turkey. In return the EU has pledged to speed up the liberalization of visa policy and open negotiations on Turkey's membership in the Union. Over two years, the European 28 will also provide Ankara with three billion euros (about 81 billion crowns), thanks to which care for the refugees on its territory should improve.

<http://www.consilium.europa.eu/en/press/press-releases/2015/11/29-eu-turkey-meeting-statement/>



The European Commission Representation in the Czech Republic provides contributions to the EU News Monthly Journal in the „Commission's Column.“ In the December issue of the Monthly this article is devoted to the European Deposit Insurance Scheme (EDIS), which the Commission proposed in November within the eurozone.

## THE EDIS: FURTHER STRENGTHENING THE STABILITY OF THE BANKING SECTOR IN THE EUROZONE

In November the European Commission proposed a European Deposit Insurance Scheme (EDIS) within the framework of the eurozone. This measure is in line with the proposals for reform of the EU Economic and Monetary Union contained in the so-called Five Presidents' Report of June 2015.

The system would be mandatory for eurozone Member States, in which banks are currently subject to a uniform monitoring mechanism (the Single Supervisory Mechanism - SSM), but will also remain open to other EU Member States which want to join the Banking Union.

The recent economic crisis has shown that major financial turmoil can undermine confidence in the banking system. The Banking Union was created in order to promote confidence in the banking sector. The proposed EDIS will become one of the fundamental components of the Banking Union – in addition to the already established SSM and Single Resolution Board for crisis management. The Commission proposal aims to guarantee the bank deposits of citizens in the eurozone. Higher deposit protection and a more stable banking system will also reduce the risks for the public finances of Member States arising from financial instability.

### The three phases of the introduction of the EDIS

The EDIS would be introduced gradually in three phases.

**Phase 1:** Re-insurance. For the first three years until 2020 the Commission's proposal envisages access to re-insurance. At this stage, a national Deposit Guarantee Scheme (DGS) could utilize EDIS funds only after having first exhausted all its own resources, and - as in all further phases - if it complies with the requirements of the Directive on Deposit Guarantee Schemes. The EDIS would provide additional funds to a national system, but only within certain limits. Therefore, to ensure that national systems are fully insured in case of need and that all retail deposits in the banking union have the same level of protection, it is necessary to implement the second step.

**Phase 2:** Co-insurance. After three years of operation in the form of re-insurance, in 2020 the EDIS would become a progressively mutualised system („co-insurance“). This phase differs from the previous one in that a national system would no longer be required to exhaust its own resources before accessing EDIS funds. The EDIS would take over part of the cost from the moment when bank depositors need to be reimbursed. In this way the EDIS would introduce a higher degree of risk sharing between national systems. The share which the EDIS contributes would start at a low level (20%) and increase during a four year period.

**Phase 3:** Full insurance. By gradually increasing the share of

risk that the EDIS assumes to 100%, as of 2024 the EDIS will fully insure national Deposit Guarantee Schemes (i.e. the same year when the requirements for the current Directive on Deposit Guarantee Schemes and the Single Resolution Fund for crisis management will be fully in effect ).



### The EDIS from the perspective of depositors and banks

The EDIS will be based on the existing system which consists of national Deposit Guarantee Schemes set up in accordance with European regulations. Besides strengthening the stability of the Deposit Guarantee Scheme at the level of the eurozone, depositors will also continue to enjoy the same level of protection within the limit for nominal amounts of insured deposits (100,000 euros).

For the banking sector the introduction of the new system is cost neutral. Contributions of banks to the system would be deducted from their national contributions to the Deposit Guarantee Scheme. Banks' contributions will be based on weighing risks - riskier banks would pay higher contributions than safer banks.

From the beginning of the functioning of the EDIS, bank contributions will be directed to the so-called European Deposit Insurance Fund whose management will be entrusted to the existing Single Resolution Board.

### Measures against „moral hazard“

The Commission's proposal to establish the European Deposit Insurance Scheme includes a number of safeguards against „moral hazard“ in order to ensure that national systems manage their potential risks cautiously. National systems will have access to the European system only if they fully comply with the applicable Union legislation and the rules are respected.

Alongside introducing the EDIS and in parallel to work on the legislative proposal, the Commission will pursue a set of measures to reduce risks and ensure a level playing field in the Banking Union.

More information on the EDIS can be found at:

[http://ec.europa.eu/finance/general-policy/banking-union/european-deposit-insurance-scheme/index\\_en.htm](http://ec.europa.eu/finance/general-policy/banking-union/european-deposit-insurance-scheme/index_en.htm)

*Zdeněk Čech, EC Representation in the Czech Republic*

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/en/index.html>



# InfoServis

## Meeting of the key EU institutions

<b>2 December 2015</b>	<b>Brussels, Belgium</b>	<b>14 – 17 December 2015</b>	<b>Brussels, Belgium</b>
- European Parliament – Plenary		- European Parliament plenary session	
<b>3 – 4 December 2015</b>	<b>Brussels, Belgium</b>	<b>14 - 15 December 2015</b>	<b>Brussels, Belgium</b>
- Justice and Home Affairs Council		- Foreign Affairs Council	
<b>7 December 2015</b>	<b>Brussels, Belgium</b>	<b>14 - 15 December 2015</b>	<b>Strasbourg, France</b>
- Eurogroup		- Agriculture and Fisheries Council	
<b>7 - 8 December 2015</b>	<b>Brussels, Belgium</b>	<b>15 December 2015</b>	<b>Brussels, Belgium</b>
- Employment, Social Policy, Health and Consumer Affairs Council		- General Affairs Council	
<b>8 December 2015</b>	<b>Brussels, Belgium</b>	<b>16 December 2015</b>	<b>Brussels, Belgium</b>
- Economic and Financial Affairs Council		- Environment Council	
<b>10 - 11 December 2015</b>	<b>Brussels, Belgium</b>	<b>17 - 18 December 2015</b>	<b>Brussels, Belgium</b>
- Transport, Telecommunications & Energy Council		- European Council	

Source: [www.europa.eu](http://www.europa.eu), [www.eu2015lu.eu](http://www.eu2015lu.eu), access as of 30 November 2015

## EUROquiz

### QUIZ QUESTION FOR THIS MONTH

The Czech economy has so far achieved very favorable growth of 4.3% of GDP in 2015.

Among the European Union countries this year only Ireland should achieve better economic performance, according to data from the European Commission.

How high do you think economic growth in the Czech Republic will be in 2016?

- to 1% of GDP
- 1-2% of GDP
- 2-3% of GDP
- above 3% of GDP

More information on this topic can be found on page 9.

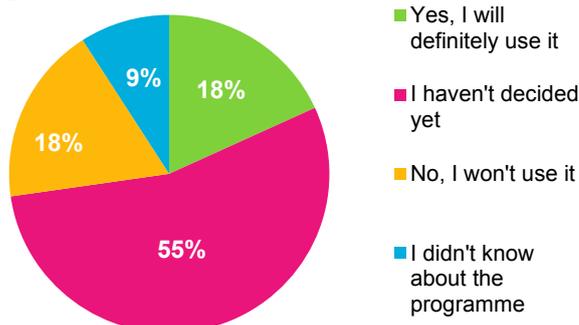
You can send us your answer to this question using the form which you will find at: [bit.do/euroquiz9](http://bit.do/euroquiz9)

### ANSWER TO LAST MONTH'S QUESTION

In the last issue of our EU News Monthly Journal the quiz question concerned calls in the New Green Savings Programme intended for family houses, which has up to 27 billion crowns until 2021.

The answers were not particularly surprising given that this call for grant applications was issued in October. The majority (55%) of respondents have not yet decided whether to use this support, and one fifth want to utilize this aid. For more information about the programme visit: <http://www.novazelenausporam.cz/>

Do you plan to use support for the New Green Savings Programme?



Source: EUROquiz EU Office Česká spořitelna



The 21st conference of the contracting parties to the United Nations Framework Convention on Climate Change (UNFCCC), is taking place in Paris from 30 November to 11 December 2015. The extraordinarily high turnout demonstrates the importance of this forum, the result of which should in the first instance be the binding adoption by all UN members of an agreement on climate change.

## PARIS CLIMATE CONFERENCE

The 21st conference of the contracting parties to the UN Framework Convention on Climate Change, also known as COP21, is now taking place in Le Bourget in Paris.

**The extremely high turnout** (around 50,000 participants, of whom 150 are heads of state and governments) indicates the importance of this forum, the result of which should in the first instance be the binding adoption – the first time since the signing of the Kyoto Protocol in 1997 – of a climate change agreement by all members of the United Nations.

The need for substantial steps is determined not only by the lack (for all countries since 2009) of a strategy for combating global anthropocentric climate change, but also the findings in recent years that changes are taking place faster than expected.

Nicholas Stern, the chairman of the Grantham Research Institute on Climate Change and the Environment at the London School of Economics, says there is a risk not only that it will not be possible to keep atmospheric warming to the planned 2 °C by 2100, but that actual growth in average temperatures may be as high as 5 °C.

The very different approach of individual countries to the issue of greenhouse gas emissions stems not only from the differences in the political opinions of their governments, but primarily from the various phases of economic development in which these states find themselves. In Paris, all eyes are fixed mainly on the USA and China as the biggest polluters – and what commitments each is willing to make.

There are essentially **three economic routes** to lowering emissions. These are a functioning emission allowances market, an increase in energy efficiency, and investment in low-carbon technologies. Europe has traditionally tended to lean toward non-economic mechanisms, i.e. administrative dictates and subsidies.

**The United States**, however, has clearly embarked along the technological path and it appears that it's paying off for it. In 2002, George W. Bush announced that economic growth is the best stimulator of "green" technology development.

He claimed that the inhabitants of the USA, China and Japan would not agree on halting growth in their well-being, but at the same time higher living standards would enable them to purchase the latest technology with greater energy efficiency.

The example of Tesla Motors clearly falls into this model. Its very expensive and luxurious electric cars, often in combination with their own solar power source, are definitely not purchased by more motivated people because of government regulations or subsidies. Another reason, apart from the **traditionally strong automobile and energy lobby**, why America avoids almost all binding targets in the area of lowering emissions,

is the weak (in comparison, for example, with European states) authority of its central government in environmental protection issues. Most of this agenda falls within the authority of individual states, which weakens Obama's mandate in Paris.

**The pro-market approach** toward promoting low carbon technologies should, according to the USA, also be used by Third World countries. Namely, set an example for them and be a source of know-how rather than subsidies. This makes all the more sense when we remember that the overwhelming majority of these countries are found in the tropical and sub-tropical areas of our planet, i.e. the places with the greatest solar potential.

**China**, like the majority of developed countries, avoids the adoption of tough commitments in the area of emission limits and demands the right to the extensive development of its economy, primarily heavy industry. Since 1990, the amount of CO<sub>2</sub> emitted by China has more than quadrupled or tripled per capita. Chinese president Xi Jinping has in the meantime only announced that the People's Republic of China will halt the growth in the emissions of carbon dioxide by 2030, but he hasn't said at what level.

**India**, the **fastest growing economy** and the most populated country in the world in the near future according to the IMF, made it clear on the first day of the conference through its prime minister Narendra Modi that it did not intend to succumb to the pressure of the USA and the EU and demanded "climate justice". In addition, according to Modi, India should soon become a solar super power, which should also serve the newly established International Solar Alliance with its headquarters in New Delhi and whose main task will be the "solar electrification" of mainly Latin American and African countries. It is startling how much it resonates with Bush's purely capitalist doctrine of disseminating technology.

A very important point to be resolved in Paris should also be a unified and reliable system of emissions' monitoring. It is not long ago, for example, when it was revealed that China declared 17% lower coal consumption over the last 15 years than was the reality. This was allegedly due to the underestimation of the impact of small producers. Similarly in the United States, it turned out this year that the country dumps twice as much waste than had hitherto been estimated. Landfills emit methane into the atmosphere which is a 21 times more powerful greenhouse gas than carbon dioxide.

The conference lasts until 11 December and its results will certainly have a considerable impact on the future development of energy, transport, industry and many other branches of the world economy.

*Max Wandler, EU Office / Knowledge Centre ĆS*

The condition of the Czech economy is at a very good level. Economic growth is 4.3% of GDP for 2015 and its position among the fastest growing member states is something we didn't even dream of. The positive economic news comes from practically right across the whole EU and from individual indicators. The EU is definitely out of the crisis – at least from the point of view of the Commission.



# Main Topic

## EU OUT OF THE CRISIS: THE EUROPEAN COMMISSION'S OUTLOOK FROM AUTUMN 2015

### INTRODUCTION

Statistical data indicate that the economic crisis which rocked the European economy is perhaps definitively behind us. Even despite the fact that economic growth falls short of dazzling figures, it's evident that the EU as a whole is out of the recession – it grew on average in 2015 by 1.9% and in the coming years it should even accelerate to more than 2%. The recession is receding across the entire European Union – according to the latest European Commission prediction in

2015 negative growth is being experienced only by Greece, which can to a considerable extent blame itself for its problems. Growth is thriving thanks to several positive factors – the low price of oil, and a relatively weak Euro in comparison to the rest of the world, but also friendly policies, especially monetary. The advantage of the current growth is not its amount, but its ability to resist shocks – whether it is the crisis in Greece, Russia or China.

### ECONOMIC GROWTH

The winner of the economic race in 2015 is Ireland with economic growth of a hard-to-believe 6% of GDP. Despite huge growth in public debt over the period of the economic crisis Ireland has stubbornly stuck with lower tax, which has supported foreign investment.

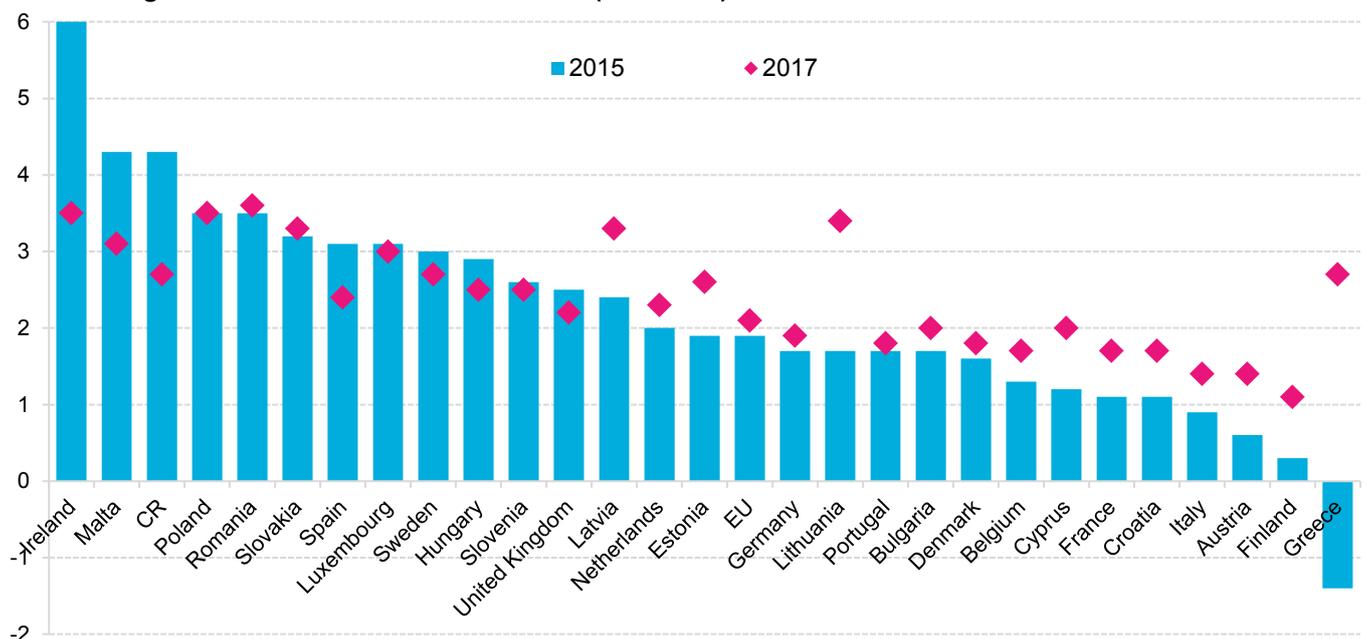
Currently, it is also growing thanks to large growth in domestic demand. It's necessary to add that Ireland has space to grow – its fall during the financial crisis was particularly great – accumulated losses against potential product since 2008 reached one-third of Irish GDP in 2014. The Commission, however, expects that this year Irish GDP should again achieve its potential. The Czech Republic is also surprisingly well placed with estimated growth of 4.3% of GDP, followed closely

by Poland, Romania and Slovakia. The record holders in the western world are Sweden, Luxembourg and Spain, which should exceed 3% growth in 2015.

More than half of member countries, however, did not record growth higher than 2% of GDP – one can therefore certainly not speak of any great miracle. On the one hand, the economy has been shown to be resistant to shocks, but that doesn't mean there is no risk threatening a slowdown in the European economy.

One of the most pressing is the expected slowdown in some of the global economies, especially in China and Russia. According to the Commission, world economic growth in 2015, thanks to this, will be the slowest since 2009.

**Economic growth forecast in the EU countries (% of GDP)**



Source: European Commission

# Main Topic



For an understanding of economic development in the EU it's necessary to bear in mind development in other world economies. According to expectations, the world as a whole should slightly accelerate to an anticipated economic growth of 3.7% of GDP in 2017. The Commission estimates the Chinese economy will slow down to 6.2% GDP in 2017, i.e. by nearly two percentage points. The Chinese economy is going through a significant structural transformation where from a mere export assembly plant it is beginning to more substantially promote the internal market and its needs. While industrial production in China is falling, retail on the contrary is increasing by 10% per year. This structural transformation, however, may cause unexpected changes that could also have unpleasant consequences for Europe.

Like in Europe, one can also expect relatively robust growth in America, and on average even higher than in the EU. The European Commission estimates approximately 2.5% growth there. The American economy is constricted by geopolitical uncertainty and an unusually strong dollar that increases the cost of American goods and services abroad. In contrast, the Japanese economy is encountering insufficient domestic demand that is undermining its prospects for economic growth, which should only barely exceed the 1% threshold in 2016.

The European economy has growth of around 2% of GDP annually. Signs of economic convergence can also be found in Europe – according to forecasts of growth, new member states should on average grow faster at an average rate of 2.5%, while in the “old” states it should be about 1.9%. The fastest economy in the EU in 2017 should be Romania, which is benefiting from increasing private consumption and expanding investment encouraged by low taxes. The Commission also forecasts growth of more than 3% for Ireland, Poland, Lithuania, Latvia, Slovakia and Malta.

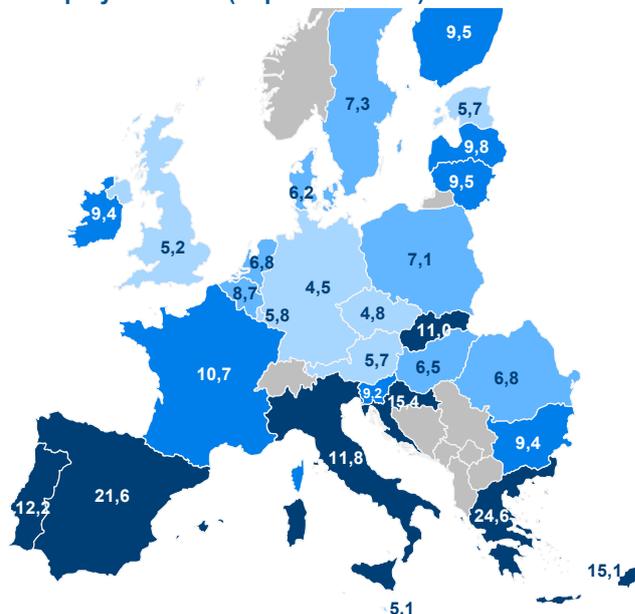
The only country next year with negative growth should be Greece, but in 2017 all member countries without exception will have higher growth than 1% of GDP. For some it is surprising that the lowest growth in 2017 is expected in Finland with growth of 1.1% of GDP.

## Unemployment

The improving economic situation is also reflected positively on the labour market: growth in the number of employed and falling unemployment. The declining rate of unemployment is very good news, although the big differences and persistent structural problems in unemployment remain a pressing problem. The unemployment rate in the European Union and in the Eurozone peaked in 2013 when it was 12% in Eurozone countries and 10.9% in the whole of the EU. The lowest unemployment rate in 2013 was in Germany (5.2%) and Austria (5.4%), while conversely the highest was in Greece (27.5%) and Spain (26.1%).

The unemployment rate has gradually declined since 2013, but differences between individual member states still remain high. The recovery and rising consumption are helping to improve the situation. The latest Eurostat data show that the rate of unemployment in September 2015 in the European Union and in the Eurozone fell by 0.1 of a percentage point to 9.3% in contrast to the preceding month, or respectively 10.8%. Apart from having one of the highest economic growths, the Czech Republic also recorded another small triumph in the form of the second lowest unemployment rate (4.8%) among member states immediately after Germany (4.5%). The situation at the opposite end of the scale, however, remained the same, the worst being Greece (24.6% - data for August) and Spain (21.6%). In the whole European Union there were approximately 23 million people without work, of whom 17.5 million were in Eurozone countries. A big problem, however, remains (mainly in southern wing states) the structure of the unemployment rate. Long-term unemployment (longer than one year) represents a problem not only for the unemployed themselves, but also burdens the economy as a whole in the form of higher state budget expenditure as well as untapped potential. In 2014, long-term unemployment reached 5.1% in the EU, which represented half of the total. It is not only the amount but also the proportion of the total rate of unemployment that represents a big problem in Greece and in Slovakia where this proportion comprises about 70% of the total. Another negative phenomenon is the unemployment rate of young people up to 25 years of age. In the EU it has reached 22%, but in Greece and Spain every second young person under 25 is without work.

Unemployment rate (September 2015)



Source: Eurostat

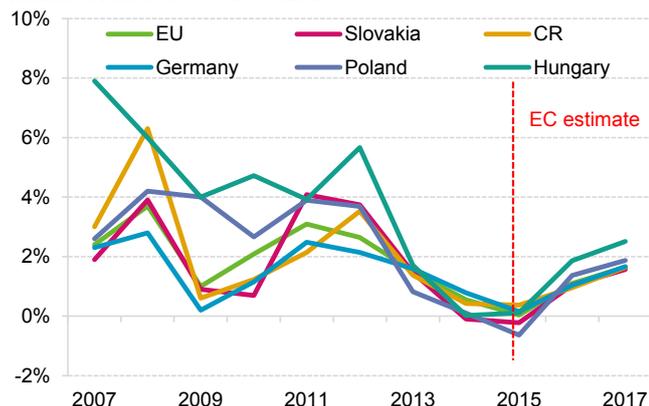


## Inflation

Currently, inflation in the EU is moving at historically the lowest levels since at least the mid-1990s. It's actually moving around that thin line between inflation and deflation – the average rate of inflation in the EU according to the estimate for 2015 will be 0.03%. Of this, the economy in 11 countries experienced mild deflation while in 17 countries the rate of inflation (as measured by the HICP) is just in the black. The close relationship in inflationary development is also well illustrated by the spread – while the lowest inflation in Europe is in Cyprus (-1.57%) and in Greece (-1%), the “record holder” on the other hand, is Malta with inflation of a mere 1% year-on-year. The simple reason for declining inflation is the falling price of energy and commodities – the lower price of oil reduces production costs. At the same time, however, it is applying pressure for wage increases and therefore growth in the population’s disposable income, leading to an increase in consumption, which is reflected in pressure on the level of prices.

The common inflation development in trading partners is clearly evident in the countries of the Visegrad Four. Inflationary development in these countries is comparable over the long term, yet in recent years they have achieved an almost identical trajectory. The Commission predicts the rate of inflation in the EU in 2016 will grow by 1.1% and in the Eurozone by 0.9 of a percentage point to 1.0%. For 2017 the inflation rate in the EU and in the Eurozone is estimated at 1.6%.

### Inflation in selected countries



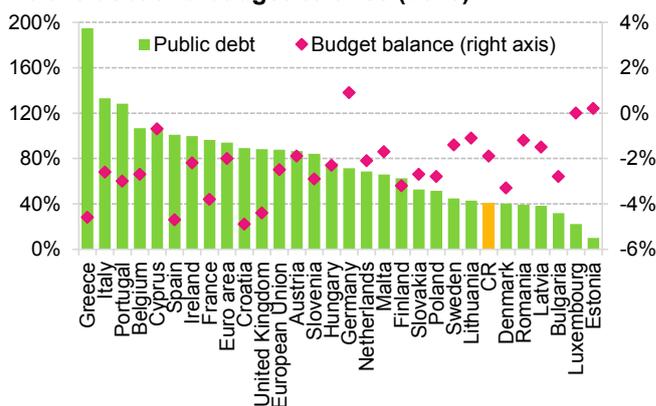
Source: Eurostat; HICP; 2015 - 2017 are EC estimates

## Public finances

The economic crisis of 2008 has moved very fast from the level of private to public debt – due mainly to the bailout of the banking sector and some companies, reduced budget revenues and increased social spending. We can at present say that the worst is behind us – public debt in the majority of countries should no longer increase. Public debt in the European Union in 2015 was approximately 88% and it should no longer grow – the European Union has therefore managed to maintain debt below the still manageable limit of 100%.

This does not mean, however, that there are no problematic states – Greece, with debt close to twice its GDP, is an example of this. During the attempts by the left-wing government of Syriza to rid the country of its debt burden, Greek debt grew between the years 2014 and 2015 by a further 17 percentage points. However, it should not grow too much in the coming years and if Greece does manage to get back on to a growth trajectory in practice it will no longer be able to pick itself up. Public debt has also exceeded the 100% limit in Italy, Portugal, Ireland, Belgium, Cyprus and Spain. Nevertheless, the level of public debt will fall in the coming years in all these countries thanks to the recovery of the economy. There are, however, also examples worth following – Estonian debt comprises a mere tenth of GDP there, and the managers of public coffers also deserve praise in Luxembourg, Bulgaria, Latvia and Romania.

### Public debt and budget balance (2015)



Source: Eurostat, AMECO

## The Czech Republic

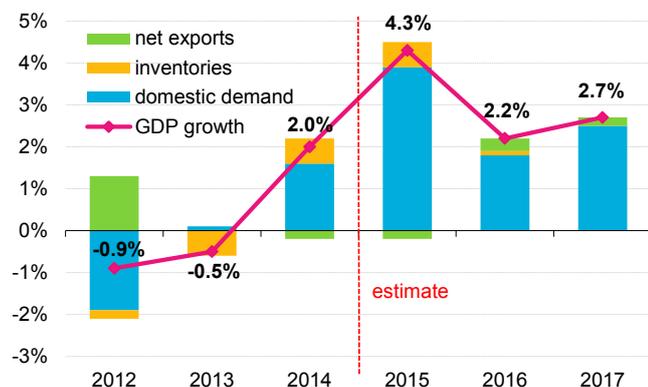
The macroeconomic situation in the Czech Republic has greatly surprised – year-on-year growth of more than 4% is on a par with some pre-crisis levels and ranks among the best in Europe. Only Ireland is growing faster than the Czech Republic. Moreover, the growth structure is also highly favourable for us – like the rest of the EU the driver of growth is domestic demand, and to a lesser extent the growth in reserves. What may be surprising is that nett exports don't show up too much in Czech GDP even despite the fact that the industrialised Czech Republic is one of the most exporting economies in Europe. The reason is growing domestic demand, closely connected to a growth in imports which outweigh high exports. What is behind domestic demand is the strongest growing household sector, which has taken off from the doldrums and in 2013 entered a strong growth trajectory. Related to this is falling unemployment and increasing average wages.

New private investment has also played a role and recently the swift drawdown on European Funds from the previous financial framework for 2007 – 2013 also underwrote development.

# Main Topic



## Czech Republic - GDP and contributions to growth



Source: Eurostat, 2015-2017 are EC estimates

Public finances in the Czech Republic are in a good state in comparison to the rest of the EU – public debt in 2015 will be 41% and in the coming years it should fall further thanks to high economic growth. The budget deficit at 1.9% is hence a bit exaggerated in a period of economic boom, but it won't economically burden the state coffers.

### Macroeconomic indicators for the Czech Republic

	2015	Δ 2015-2017
GDP growth	4.3%	-1.6%
Inflation	0.4%	1.3%
Unemployment	5.2%	-0.4%
Current account	-2.5%	0.4%
Budget deficit	-1.9%	0.8%

Source: European Commission

Inflation in the Czech Republic is also very low and one can call it a positive zero. But low growth is certain not a purely Czech affair – it's currently happening all over Europe.

The Czech economy is in excellent condition and from the perspective of member states this is also demonstrated in the improving situation on the labour market. According to the Labour Force Survey (LFS), the rate of employment increased for people aged 15 to 64 to 70.5%, which is the most since 1993, i.e. since this survey began. Compared to the third quarter of 2014, the employment rate has increased by 1.2 percentage points. The Czech Republic has achieved excellent figures even from a Union perspective. The second lowest unemployment rate (4.8% - seasonally adjusted, September 2015) speaks for everything. Only Germany has better results. The Czech Labour Department recorded 430,000 job seekers in October 2015 (the smallest number since February 2009), which is 11,500 job seekers fewer than the preceding month and nearly 90,000 fewer than in October 2014. In comparison to last year the number of unemployed fell, although the number of job vacancies also grew by 49,000, i.e. to 107,000.

In October 2015 there was therefore one job vacancy for every four candidates. Apart from the declining number of unemployed, the structure is also gradually improving. The long-term unemployment rate is low in comparison with other EU states and in 2014 reached 2.7%, i.e. 0.3 of a percentage point less than in 2013. In regard to the unemployment rate of young people aged up to 25 years of age for 2014, the position of the Czech Republic in comparison to the Union is a very decent 7th place, although the amount is still high (15.9%).

### The labour market situation in the Czech Republic as at 31. 10. 2015

Percentage of unemployed	5.9%
Number of job seekers	430,432
Unemployment rate (September 2015)	4.8%
Number of job vacancies	107,324

Source: Labour Department, Czech Republic; Ministry of Labour and Social Affairs; Eurostat

The Commission's forecast for the Czech Republic is relatively conservative – a continuation of the current growth dynamics is not anticipated – growth should decline to 2 - 3% of GDP in 2016 and 2017 and it will thus be demoted from its position among the fastest growing economies in the EU. Nevertheless, the CR will continue to benefit from falling unemployment and growing wages. However, exports and imports will slightly weaken in the coming years. The situation on the labour market should also continue to improve – the unemployment rate will continue to fall slightly to 4.8% in 2017.

### Conclusion

The latest economic forecast from the European Commission from November 2015 indicates that the economic crisis that occurred following the fall of Lehman Brothers in autumn 2008 is perhaps definitively behind us – the majority of European countries are growing at a solid pace and the growth will not be derailed by turbulences around the world. However, the economic crisis has clearly left a legacy – it is certainly responsible for the high unemployment in the Mediterranean and the high public debt in almost the whole of Western Europe. These are challenges that European politicians will have to continue to resolve.

The Czech Republic reached the pinnacle of the European economy in terms of economic growth. After years of very low growth, which in comparison with neighbouring states appeared to be inadequate, the Czech economy is finally rebounding. At present it is growing at a pace of 4.3%. Thanks to this, unemployment is declining and wages are growing. Nevertheless, Czechs should certainly not be resting on their laurels, and companies, the government and people should strive for a sustainable economy that will be competitive in future decades as well.

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 December issue, we will focus on the business environment in the Republic of Kazakhstan.



# Doing Business

## KAZAKHSTAN

<b>Official name</b>	Kazakhstan
<b>Population</b>	18,157,122 (estimate 2015)
<b>Area</b>	2,724,900 sq km
<b>Currency</b>	Tenge (KZT)
<b>Ethnic groups</b>	Kazakh 63%, Russian 24%, others 13%

Source: *The World Factbook*

Kazakhstan is a young fast-developing republic that was established in 1991 after the collapse of the Soviet Union. With a land area exceeding 2.7 mil km<sup>2</sup> Kazakhstan is the ninth largest country in the world and also the largest landlocked state.

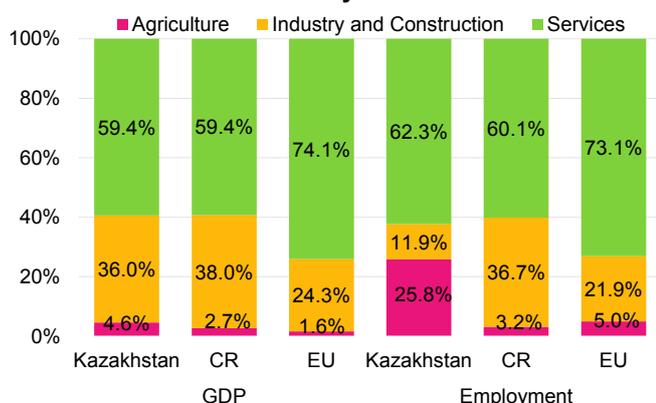
Kazakhstan is a republic with power invested in the president. Special presidential elections in April 2015 were won by Nursultan Nazarbayev, who has governed since 1990. Karim Massinov was re-elected prime minister in 2014 with more than 80% of the votes with his party Kazakhs for the Motherland.

### Structure of economy and foreign trade

The country imports mainly machinery and transport equipment. It exports mainly mineral fuels (primarily oil) and lubricants. The main exports markets are Italy (20.5%), China (12.5%) and the Netherlands (11.2%).

Conversely, the most imports into Kazakhstan come from Russia (33.3%), China (17.9%) and Germany (5.6%).

### Sectors of National Economy



Source: *World Bank; GDP for 2014, employment for 2012*

### Macroeconomic outlook

In the last two decades Kazakhstan's GDP has grown at a high rate – in the period prior to the world crisis GDP growth commonly reached 10%. It slowed down significantly with the impact of the economic crisis, although it was still in the vicinity

of 5 – 6% in 2012. Nevertheless, Kazakhstan can probably now expect a further cooling.



In its case, problems do not come from within but from outside – mainly the lower price of oil, and for the meantime it doesn't look like it will return to a growth trajectory. The second problem is the sluggishness of Russia. The problems in China – another giant neighbour and a key trading partner – also do not play into the hands of Kazakhstan. Growth slowed to 4.3% of GDP because of this in 2014 and the International Monetary Fund expects a slowdown to 2% in 2015. It's difficult to find a single cause to such a decline – falling domestic consumption, a weakening currency and trade balance, and a declining volume of foreign direct investment.

Long-term budget surpluses can expect an endurance test with the falling price of oil, and according to the IMF it could dip into a deficit of 3.3% in 2015. The country's total debt should remain around 20% of GDP in 2016.

Basic indicators (in %)	2013	2014	2015 <sup>e</sup>	2016 <sup>e</sup>
<b>GDP Growth</b>	6.0	4.3	2.0	3.2
<b>Unemployment rate</b>	5.3	5.2	-	-
<b>Inflation</b>	5.8	6.7	5.2	5.5
<b>Current account balance</b>	5.0	1.7	-3.3	-1.6
<b>Public debt (% GDP)</b>	12.9	14.5	18.1	20.5

Source: *MMF; e - estimate*

### Labor market

The unemployment rate in Kazakhstan has long been held under 6%, which from the point of view of Union states is a very low level as the unemployment rate in the EU is approximately 4 percentage points higher. The minimum wage at the national level regularly increases each year. In 2005, it was set at 21,364 tenge, which equates to around 100 €.

Average wages according to industries differ greatly in Kazakhstan.

Basic indicators of labor market		
Unemployment rate (July 2015)	4.9%	
Minimum monthly wage	100 EUR	
Ø monthly labor costs in sectors (2014)	Kazakhstan	CR
Manufacturing	535 €	930 €
Wholesale and retail trade	483 €	866 €
Transportation and storage	673 €	872 €
Mining and quarrying	1 049 €	1 141 €

Source: *Ministry of National Economy*



The highest wages, amounting to twice the average of the overall economy, are in the mining and extraction industries.

## Labor law basics

An employment contract in Kazakhstan can be concluded for a determined period (which is not less than a year – on the proviso that it was not concluded for the period necessary for completing a given task; for substituting for another employee; or for a period necessary for undertaking seasonal work) and for an undetermined period. It's possible to repeatedly extend an employment contract.

An employment contract must contain information about the contracting parties (employee, employer), the name of the position and a brief specification, the place of work, the duration of the employment contract, the employment start date, the work hours and the times reserved for breaks, the length of holidays, the amount of pay and a description of work conditions, the procedure for amendments to or termination of the employment contract, insurance terms, the liabilities of the parties, the date of execution and the number of the contract. There is a 5-day work week in the majority of industries (40 hours per week), and holidays are at least 24 calendar days a year.

## Commercial law basics

A limited liability company can be established by one or more partners. The founding company protocol, including company contracts, must be signed by all partners and must be verified by a notary public. The founding capital is set at KZT 198,200. A joint stock company, in view of the high demands for capital, is suitable in particular for larger enterprises. A joint stock company may be founded by one or more persons. The founding capital must be at least KZT 99,100,000, which represents 50,000 times the monthly index calculation. The process of establishing a limited liability company in Kazakhstan takes 10 days and consists of six procedures.

Form of Company	Minimum Capital
Limited Liability Company	100* MCI <sup>1)</sup> 198 000 KZT
Joint Stock Company	50 000* MCI <sup>1)</sup> 99,1 mil KZT

<sup>1)</sup> Monthly calculation index (MCI) is set at 1,982 tenge for 2015

## Main taxes and additional labor costs

The current tax rate on corporate income is 20%. Dividends paid by a Kazakh company to a foreign company (non-resident) are generally taxed at a withholding tax rate of 15%, and at a higher rate of 20% for a country listed as a tax haven.

Residents and non-residents have a uniform personal income tax rate of 10%. The basic VAT rate is set at 12%.

Apart from these basic rates, there is also a zero rate which

is used when exporting some goods, international transport, the sale of oils and lubricants for the refuelling of planes undertaking international flights, and the sale of goods to special economic zone territories. The annual turnover ceiling for the mandatory registration of a tax payer is 30,000 times the MCI, i.e. KZT 59.46 mil. as at January 2015.

Tax/payment	Rate
Corporate Tax	20%
Individual Income Tax	10%
Social insurance - employer	5%
Social tax - employer	16%
VAT	12% / 0%

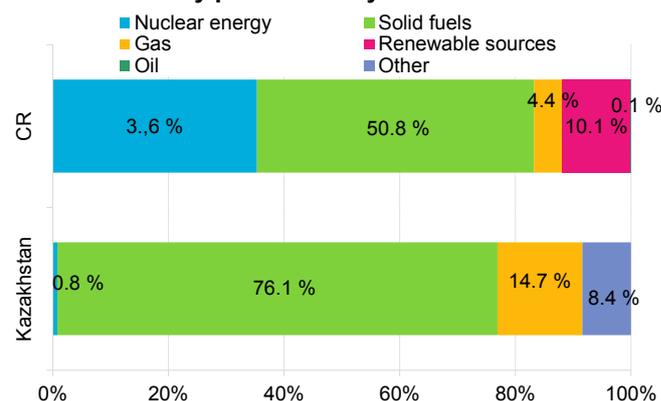
Source: Ministry of Finance

## Energy

Solid fuels dominate among sources of power generation in Kazakhstan. More than three-quarters of all generated energy is produced from solid fuels and mainly coal.

While natural gas tends to be a marginal source of energy in the Czech Republic and its share of the market doesn't exceed 5%, in Kazakhstan natural gas produces 14.7% of energy. Hydroelectric power stations represent the main share of other sources of Kazakh energy, contributing 8.4% to the overall mix.

### Gross electricity production by source



Source: European Commission, World Bank data for 2012

## Investment incentives

A new investment law that provides foreign investors with a new range of investment incentives started to apply in Kazakhstan from 1 January 2015.

State support may be utilised via exemption from customs taxes, the provision of state assets, tax incentives, and investment subsidies and assistance.

In addition, 10 economic zones have been established in Kazakhstan in which investors can obtain further benefits.

Because Christmas is approaching and the carp harvest associated with it, we're devoting the topic of our section to fisheries. Czech piscine production is at the start of a new seven year period in which approximately CZK 1 bil. will be available as part of the Operational Programme Fisheries 2014 – 2020. The programme was approved by the European Commission on 2 June 2015.



## EU Series

# OPERATIONAL PROGRAMME FISHERIES 2014 – 2020

The OP Fisheries 2014 – 2020 is an instrument through which it's possible to draw on funds from the European Maritime and Fisheries Fund (EMFF) and also contributes to the implementation of the Common Fisheries Policy.

**Global objective** is a sustainable and competitive aquaculture based on innovation, competitiveness, knowledge and the more efficient use of resources.

Mainly, investments will be channelled into traditional aquaculture and intensive husbandry systems to increase fish production. Among the other goals of the programme are: investment in increasing the proportion of processed fish, successful promotion of aquaculture combined with increased consumption of fish and support for the transfer of scientific findings to aquaculture enterprises.

The **managing authority** of the programme is the Ministry of Agriculture (MA). The function of mediating body is performed by the State Agricultural Intervention Fund (SAIF). The allocation for the entire 2014 – 2020 period is EUR 41.2 mil. and of this EUR 31.1 mil. will be financed from the EMFF and EUR 10.1 mil. from national sources.

The goals of the programme under Czech conditions are reflected in a total of 3 of the 6 **Union priorities** in the field of the sustainable development of fisheries and aquaculture which are also incorporated into specific aims and **measures**. Applicants submit their applications in notified calls as part of these measures or plans as the case may be.

### Overview of measures OP Fisheries 2014-2020

**Union Priority 2: Fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based aquaculture**

2.1 Innovation

2.2 Productive investment in aquaculture

2.3 Support for new farmers

2.4 Recirculation equipment and through-flow systems with after-treatment

2.5 Aquaculture providing environmental services

**Union Priority 3: Fostering the implementation of the Common Fisheries Policy**

3.1 Data collection

3.2 Traceability of products

**Union Priority 5: Fostering marketing and processing**

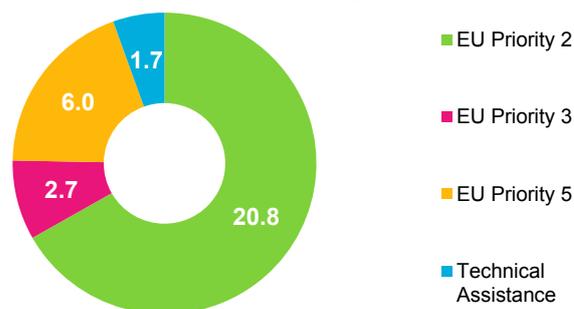
5.1 Production plans

5.2 Product launches on the market

5.3 Investment in product processing

Source: Operational Programme for Fisheries 2014 - 2020

### Allocation from EMFF by Union priorities (bn EUR)



Source: OP Fisheries 2014 - 2020

The **acceptance of applications** took place from 21 October as part of the 1st and 2nd calls where applicants are able to submit applications for projects for measures 2.1., 2.2. plan a) 2.4., 5.3. and for measure 2.5. Applications were accepted up to 18 November. In total, 133 applications were registered for support with a requested grant amount of CZK 188 mil.

In 2016, the MA plans to announce a further three calls. It will be possible as part of the **third call** to apply for support for projects for measure 5.2. plan b) Promotional campaign. It is planned to start accepting applications in April/May.

Measure 5.2. plan b) is focused on the preparation of strategies and the implementation of regional, national or transnational communication and promotional campaigns for aquaculture products and other communication campaigns, and improving public understanding about the fishing industry and aquaculture. Recipients of support as part of the 3rd call may be public-benefit corporations of the MA.

Acceptance of applications for the **4th call** will open in May. As part of the 4th call applications will be accepted for support for measure 2.2., plan b) Diversification of aquaculture, and for measure 2.3. Support for new farmers. The last calls that the MA plans to announce in 2016 are the 5th and 6th calls for the acceptance of Applications for Support. The acceptance of applications for the **5th and 6th calls** will probably start in October/November.

As part of these calls, applications will be accepted for support for measure 2.2., plan a) Investment in aquaculture, measure 2.4. Recirculation equipment and through-flow systems with after-treatment, measure 3.2. Traceability of products, and measure 5.2., plan a) Formation of a producers' organisation.

You can find **more information** at the pages of the Ministry of Agriculture, the State Agricultural Intervention Fund or the Ministry of Local Development.

[www.eagri.cz](http://www.eagri.cz) | [www.szif.cz](http://www.szif.cz) | [www.mmr.cz](http://www.mmr.cz)

# 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 Central Bank.

## Key economic indicators

in %	Inflation (YoY)				Unemployment rate				Labor costs to $\emptyset$ EU			
	VII-15	VIII-15	IX-15	X-15	Q4-14	Q1-15	Q2-15	Q3-15	2011	2012	2013	2014
Belgium	0.9	0.8	0.9	1.2	8.6	8.6	8.8	8.8	148.6	149.5	150.4	149.6
Germany	0.1	0.1	-0.2	0.2	4.9	4.8	4.7	4.5	121.8	122.9	123.1	123.3
Estonia	0.1	0.2	-0.3	0.0	6.6	6.1	6.3	n/a	35.3	36.8	39.2	41.0
Ireland	0.2	0.2	0.0	0.0	10.4	10.0	9.6	9.1	115.8	115.8	115.0	113.9
Greece	-1.3	-0.4	-0.8	-0.1	26.0	25.9	25.0	n/a	72.6	66.9	61.5	60.2
Spain	0.0	-0.5	-1.1	-0.9	23.7	23.1	22.5	21.8	89.4	88.3	87.5	86.3
France	0.2	0.1	0.1	0.2	10.5	10.4	10.4	10.7	134.1	134.0	132.7	132.0
Italy	0.3	0.4	0.2	0.3	12.8	12.3	12.4	n/a	112.3	112.0	113.0	112.1
Cyprus	-2.4	-1.9	-1.9	-1.8	16.5	16.2	15.4	15.1	71.7	70.3	67.4	64.4
Latvia	-0.2	0.2	-0.4	-0.1	10.4	9.8	9.8	n/a	26.6	27.1	28.0	29.2
Lithuania	-0.2	-1.0	-0.8	-0.4	10.1	9.3	9.5	9.6	23.7	24.1	25.6	26.4
Luxembourg	0.2	0.1	-0.2	-0.1	6.1	6.0	5.9	5.8	147.3	147.7	150.5	152.3
Malta	1.2	1.4	1.6	1.6	6.1	5.9	5.4	5.1	58.9	60.6	61.7	61.2
Netherlands	0.8	0.4	0.3	0.4	7.2	7.1	6.9	6.8	133.6	133.5	136.0	135.9
Austria	1.1	0.9	0.6	0.7	5.6	5.6	5.9	n/a	124.8	127.5	129.3	131.4
Portugal	0.7	0.7	0.9	0.7	13.5	13.5	12.4	12.3	53.0	48.8	47.9	46.7
Slovenia	-0.7	-0.6	-1.0	-1.1	9.4	9.3	9.5	9.3	60.9	59.9	58.5	59.1
Slovakia	-0.2	-0.2	-0.5	-0.5	12.5	12.1	11.5	11.1	35.2	35.2	35.8	37.1
Finland	-0.1	-0.2	-0.7	-0.3	9.0	9.2	9.4	9.5	122.6	125.0	125.6	125.6
Bulgaria	-1.0	-0.8	-0.9	-1.2	10.6	10.0	10.0	9.6	14.2	14.4	15.4	15.6
CR	0.4	0.2	0.2	0.2	5.8	5.8	5.1	4.9	44.6	44.7	44.9	45.2
Denmark	0.5	0.3	0.3	0.2	6.4	6.2	6.3	6.3	152.5	151.5	151.6	151.8
Croatia	-0.2	-0.1	-0.5	-0.5	17.7	17.1	16.1	15.4	38.2	38.4	38.5	n/a
Hungary	0.5	0.1	-0.1	0.2	7.3	7.4	7.0	n/a	37.3	38.6	38.9	39.7
Poland	-0.5	-0.4	-0.6	-0.6	8.3	7.9	7.5	7.2	35.7	36.0	36.7	37.7
Romania	-1.4	-1.7	-1.5	-1.4	6.6	6.9	6.8	6.8	23.5	24.4	25.0	26.4
Sweden	0.8	0.6	0.9	0.9	7.8	7.7	7.6	7.2	152.6	155.1	155.9	158.4
UK	0.1	0.0	-0.1	n/a	5.6	5.5	5.5	n/a	114.8	113.7	113.3	113.7
EU	0.2	0.0	-0.1	0.0	10.0	9.7	9.6	9.4	100.0	100.0	100.0	100.0

in %	Productivity to $\emptyset$ CR				Average interest rate on mortgages				Price electricity to $\emptyset$ EU			
	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

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