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Dear readers,

Digital technology has become practically an everyday part of our lives. The options are already very wide and offerings are growing rapidly. We encounter use of the Internet in online shopping, entertainment, education or simply in the form of an information channel. Internet connections, speed of data and security are thus increasingly subject to greater and greater demands. Therefore in September the European Commission responded to this trend by presenting a vision of European gigabit society. This vision sets significant goals, whether efforts to ensure that all households have the possibility of a connection speed of at least 100 mb/s or that main roads and railways have uninterrupted 5G coverage. (In the Czech Republic it would be enough for now at least to make the Internet available on main roads, because from my own experience I know that on the Prague-Ostrava route there is still a lot to improve not to mention other routes.) You can read about how the Commission wants to achieve this and what deadlines have been set on page 6 of our regular Commission's Column section.

Those of you who frequently travel abroad will surely be pleased by another proposal from the Commission. From June next year, this should result in the abolition of special roaming charges, i.e. for calls from abroad. The submitted proposal became a target for critics however, and because of this Commission President Juncker ordered that it be revised. Nevertheless the original deadline for the end of roaming calls should be followed, and therefore from July 2017 we may call from abroad at national rates - and that is definitely good news for us consumers .

An important event held on 16 September was the meeting the leaders of the 27 member states at the summit in Bratislava. One item on the agenda was the future direction of European integration, thus it was hardly surprising that the missing 28th member of the EU (still a member at present) was UK. Other topics discussed were, for example, illegal migration and the Digital Agenda - more on pages 2 and 3.

The concept of a start-up, although quite widely used in recent times, may not be completely obvious to everyone. What does that name actually call to mind? Generally it is understood as a newly emerging business idea, project or beginning company with a business plan that has the potential to be commercialised . The development of digitalisation, innovation and ICT technology is affecting companies and this is also reflected precisely in an increase both in the number of start-up firms and the volume of investments in them. Our Main Topic, which was prepared for you by colleagues Tereza Hrtúsová and Radek Novák, brings information about how the start-up situation in the Czech Republic looks.

The compilation of the state budget of the Czech Republic is without question a closely watched and important topic. It is not surprising then that the EU budget also enjoys a huge amount of attention and its individual parts, i.e. expenditure and revenue, are a source of long discussions on how to correctly tackle these two sides of the same coin. Our colleague and member of the European Economic and Social Committee Petr Zahradník will introduce you to the topic of the EU budget.

The new programming period for EU subsidies and individual calls in particular have been successfully put into motion and therefore we have prepared for you a series on areas, operational programmes and interesting projects. In this issue of the Monthly, we introduce the ICT and shared services programme . On page 15 you can thus read not only the necessary information and helpful advice, but also an example of a successful project application.

Dear readers, I wish you peaceful reading of our Monthly, either in printed form or thanks to (uninterrupted) internet.

Tomáš Kozelský



European negotiators for the Brexit - Guy Verhofstadt, Didier Seeuws, Michel Barnier. - Summit in Bratislava: the main orientation of the „roadmap“ is strengthening security. - TTIP: European leaders are running out of patience. – Twelve trade ministers urge the EU not to discard TTIP. - End of roaming in the EU: Juncker has ordered the withdrawal and revision of the draft.

BREXIT

European negotiators for the Brexit

European Parliament - Guy Verhofstadt

The three time former Belgian prime minister is known for his excellent knowledge and stormy speeches. The current chairman of the European Liberal ALDE group does not hide his uncompromising views regarding the British exit from the EU. According to him the United Kingdom should not benefit from the single market while restricting immigration on its territory. „What would then prevent other countries from demanding the same exceptions?“ was recently heard from him.

In the past Verhofstadt has repeatedly expressed himself about the reluctance of some countries to take on full membership in the Union and has proposed associate status to them. He has also mentioned this in the case of the United Kingdom.

The appointment of the Belgian politician has stirred up emotions especially among MEPs in the British anti-EU party UKIP. „Guy Verhofstadt is a strong supporter of federalism and hates everything that we stand for.“

„His appointment will undoubtedly accelerate the departure of the United Kingdom from the European Union“ said Nigel Farage, one of the leaders of the European Parliament group Europe of Freedom and Direct Democracy. Conversely, Scottish MEP Alyn Smith did not hide his satisfaction because Verhofstadt holds the opinion that Scotland is entitled to remain in the EU. In the referendum, 62% of Scottish voters expressed a preference for remaining in the Union.

Council of the EU – Didier Seeuws

Belgian diplomat Didier Seeuws was already appointed representative of the Council of the EU in the negotiations on the Brexit in June 2016. In Brussels circles Seeuws is known for his acumen, attention to detail and perseverance. This manifested itself during the debates on the creation of a rescue fund for failing Greece when he advocated stricter budgetary rules and during the breakthrough on the European patent system, which had been blocked for more than 30 years. Seeuws previously worked as spokesperson for the Belgian prime minister, who at that time was Guy Verhofstadt himself. He also led the team of personnel surrounding Herman van Rompuy, who was first to serve in the post of president of the European Council.

European Commission – Michel Barnier

Both Belgians will work with Michel Barnier, who will defend the interests of the European Commission from October 2016. The former French prime minister and commissioner for the single market from 2010-2014 wants to maintain good relations with Britain. „With regard to the stability of the continent, we are in this together with the British,“ he said during his first speech

after his appointment to the post of negotiator for the Brexit. According to some British media the choice of Michel Barnier is a provocation or even a „declaration of war“ on the part of Commission President Jean-Claude Juncker. Barnier in fact does not enjoy popularity in the City of London because of the regulations which he advocated during the time of the financial crisis in 2008.

Negotiations on the Brexit should start as soon as the British Prime Minister Theresa May activates Article 50 of the Treaty on European Union.

<http://www.europarl.europa.eu/news/en/news-room/20160908IPR41661/parliament-appoints-guy-verhofstadt-as-representative-on-brexit-matters>

POLITICS

Summit in Bratislava: the main orientation is strengthening security

How to strengthen the trust of European citizens in the EU and where should the integration project head after the departure of the UK? An informal summit in Bratislava, where leaders of 27 countries met without the participation of the British Prime Minister May, sought answers to these questions.

The result of the long-awaited meeting of the 27 EU heads of state and government is a „roadmap“ for the future direction of the European integration project. The document focuses primarily on the issue of migration, which has been the main subject of strife between European countries since 2015.

The leaders agreed for example on the need to reduce the number of illegal migrants coming to the EU, to continue with the agreement between the EU and Turkey and to ensure full control of external borders so that it is possible to return to the Schengen system and free movement of people in the EU without restrictions.

This will be ensured primarily by the launch of the operations of the European Border and Coast Guard Agency and by tightening controls on all who cross the external border of the EU.





The countries also committed themselves to providing more support to third countries. Immediate help was promised to Bulgaria through whose territory increasing numbers of migrants flow into Europe from Turkey. For its border control the EU will provide more than 100 million euros and 200 border guards. In addition to the issue of migration the roadmap for the future direction of the EU also addresses common defense, the fight against terrorism and radicalization, but also enhancing economic growth based on the functioning of the internal market.

According to the Bratislava Declaration, in spring 2017 the European Council will conduct a review of the various single market strategies, including the Energy Union, the Capital Markets Union and the strategy for the Digital Single Market. The countries also want to focus on youth unemployment - the first steps should be known in December 2016.

There is unanimous agreement in the area of the „digital agenda which is associated with the modernization of Europe“ and supports European growth and job creation, praised European Commission President Jean-Claude Juncker after the summit. Other European leaders also talked about the importance of unity.

The Bratislava informal summit kicked off a six-month period during which the leaders of the 27 countries will meet again in January 2017 in Malta, which at that time will take over the reins from the Slovak presidency. The „Bratislava process“ on the future direction of the EU will culminate in March, on the occasion of the 60th anniversary of the signing of the Treaty of Rome. European leaders will also discuss the implementation of the roadmap again during formal summits in the presence of Britain in October and December 2016.

<http://www.consilium.europa.eu/en/meetings/european-council/2016/09/16-informal-meeting/>

INTERNATIONAL TRADE

TTIP: European leaders are running out of patience

Negotiations on TTIP between the European Union and the United States are losing political support. Several members of the French and Austrian governments have already demanded a halt to the talks. German Vice Chancellor Sigmar Gabriel even described the negotiations as dead.

The goal of the TTIP agreement is to remove economic barriers in mutual trade between the EU and US and facilitate both parties' access to the market. In addition to abolishing longstanding tariffs on certain products, the agreement also addresses non-tariff barriers in the regulatory systems of the European Union and the United States. According to critics,

negotiations on the TTIP agreement, which have already lasted more than three years, are not transparent and European interests are not taken into account. Concerns also revolve around the lowering of standards in the areas of consumer protection and the environment.

The negotiating position of the American side first reached the public after some documents were leaked, the so-called TTIP leaks. Since that time not only politicians but also various non-governmental organizations have been alerted to the unrelentingness on the the American side.

Critics point especially to the leaked content of chapters in which the differing positions of the European Union and the United States are evident. These include in particular the areas of the environment, consumer protection and health. According to the European Commissioner for Trade Cecilia Malmström, however, these documents do not represent the official text of the agreement. She instead confirms the position of the EU which the European Commission published in November 2014.

The European Commission, which negotiates on behalf of the EU member states, insists on its continuation. The Transatlantic Trade and Investment Partnership is also supported by German Chancellor Angela Merkel. According to her its rejection would put the European Union in a disadvantaged position vis-à-vis Asia, with which the United States concluded free trade negotiations at the beginning of this year.

<http://ec.europa.eu/trade/policy/in-focus/ttip/>

Twelve trade ministers have expressed support for TTIP

Ministers from 12 EU countries have expressed support for the transatlantic trade agreement TTIP in a letter to European Commissioner Cecilia Malmström. According to them the agreement between the EU and US is an opportunity to create modern rules for international trade. The document was signed by the ministers of Sweden, Finland, Spain, Italy, Great Britain, Portugal, Ireland, Latvia, Estonia, Lithuania, Denmark and also the Czech Minister of Industry and Trade Jan Mládek.

<http://euractiv.cz/clanky/aktualne-v-eu/5-zprav-minuleho-tydne-ktere-byste-nemeli-prehlednout-7/>

DIGITAL AGENDA

End of roaming in the EU: Juncker has ordered the withdrawal and revision of the draft

The Commission has published a draft of rules for implementation which should result in the termination of roaming charges in the EU in mid-June 2017. The plan counts on „fair use“, which should limit the negative effects associated with the end of charges for calls abroad.



The Commission has published the long-awaited reform of regulations in the telecommunications sector. What can be expected from the reform of copyright law? Initiative 202020: Will it move Czech e-Government forward?. - In the „first“ year of drawing grants from the EU the Czech Republic managed to secure contracts for 8.3% of the amount earmarked for it in the ESIF.

Such a case could be for example the situation when a consumer purchases a SIM card in another member state where tariffs are lower than the domestic market, but wants to use it at home.

In order to prevent similar „abuses“, the Commission has proposed an approach according to which customers would have the possibility to use domestic prices for calling and writing messages from abroad for a period of 90 days a year. If a consumer exceeds this limit, he or she would have to pay extra for roaming at a rate of 4 cents per minute for calls, one cent per SMS and 0.85 cents per 1 MB of data.

The proposal has however come under fire from consumer organization critics, according to whom roaming in the EU should be abolished without any conditions and reservations. For them the thorn in the side is therefore precisely the 90-day limit, which according to critics plays to telecommunications companies for whom roaming charges are an important source of additional revenue.

Vice-President Andrus Ansip and Commissioner for the Digital Economy and Society Günther Oettinger defended the plan. In a joint statement they stated that Europeans spend an average of 12 days a year abroad, while the Commission has proposed to abolish roaming charges for a minimum period of 90 days. Despite the fact that Commissioner Oettinger and Ansip have advocated the Commission proposal, given the negative feedback its president Jean-Claude Juncker ordered that it be withdrawn and revised. **Nevertheless the date of termination of roaming charges planned for June 2017 is still valid.**

http://europa.eu/rapid/press-release_MEX-16-2998_en.htm

Reform in the telecommunications sector, copyright law and the promotion of e-Government in the Czech Republic

The European Commission can boast about a reform of the rules in the telecommunications sector and copyright law in the EU. Czech Prime Minister Bohuslav Sobotka in turn officially presented a project which will set in motion the development of e-Government. What will the presented initiatives bring?

Change of rules in the telecommunications sector

The Commission has published its long-awaited reform of regulations in the telecommunications sector, within which it sets **three strategic objectives by 2025**:

- *Important public places such as schools, research centers, transport hubs, hospitals and public offices should have access to new Internet infrastructure allowing download or upload 1 gigabit of data per second;*
- *European households in urban and rural areas should have access to connections with downloading speeds of at least 100 Mb/s;*

- *5G technology should be available in all urban areas, main roads and railways.*

Building new Internet networks will not be possible without investment however. The Commission has therefore proposed a European Electronic Communications Code, which should induce companies to increase investment, whether by reducing regulation of the market or facilitating participation in investment projects for smaller entities. The code also envisages a reduction of disparities in the allocation of radio spectrums across all EU countries and also strengthens consumer protection. In case of dissatisfaction people would thus be able to switch more easily to other companies providing for example packages combining Internet, mobile phone and television. New more affordable access would be through contracts for providing the Internet to vulnerable groups such as the elderly, disabled and underprivileged. Besides the Electronic Communications Code, the Commission also presented an action plan for the introduction of 5G in the EU by 2018 with the potential to create up to two million jobs. The action plan builds on the Commission's February proposal on the coordinated release of the 700 MHz spectrum for mobile services.

Another part of the reform is the **WiFi4EU** initiative, thanks to which Europeans will have easier access to free wireless connections for example in and near public buildings, health centers, parks and squares.

The contribution in the Commission's Column on page 6 also deals with this topic.

Reform of copyright law

Strengthening cultural diversity in Europe, expanding the range of online content, specifying rules for all Internet operators and ensuring fair remuneration for creators are the key measures introduced by the reform of European copyright law. The current legal framework for intellectual property protection in the EU is obsolete for meeting today's needs.

Digital technology has in fact changed the methods of production and distribution of films, music, television programmes and books, and therefore there is a need to respond to this significant shift. According to the proposal, modern EU copyright law should focus on a total of **three priorities**:

- *Provide better access to a wider range of content distributed over the Internet and from other countries;*
- *Improve copyright law for the needs of research, education and social inclusion of people with disabilities;*
- *A fairer and sustainable market for creators and printed media.*

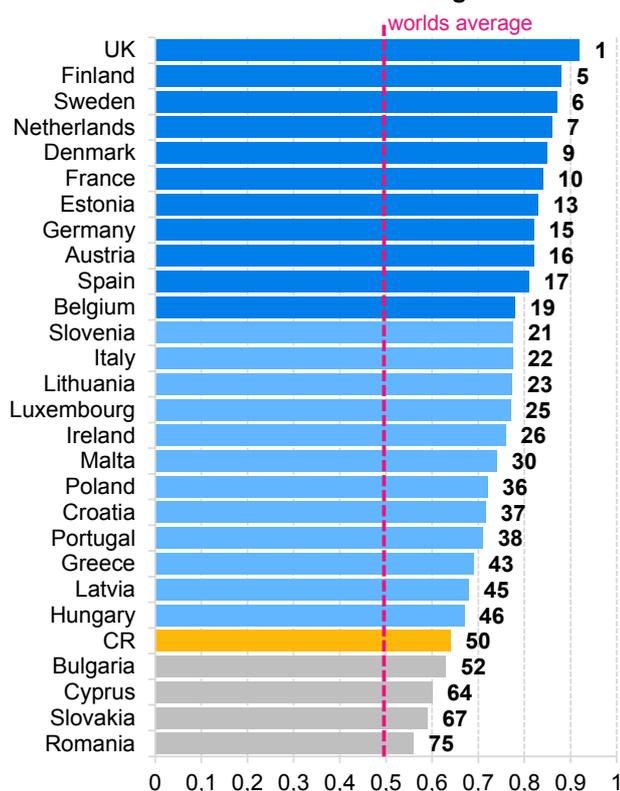
Initiative 202020: Will it move Czech eGovernment forward?

The area of the digital agenda is not bearing fruit only in Brussels however. The Czech prime minister has in fact



presented Initiative 202020, through which by the end of 2020 in the area of eGovernment **the Czech Republic should belong among the first 20 countries according to the EGDI/ UN criteria** (eGovernment Development Index) - currently it is ranked 50th (out of 193 countries).

EGDI 2016 - EU states and their ranking in the world



Source: E-Government Development Index 2016

According to the Commission's comparison – the DESI Index - the Czech Republic's current level of e-Government is at the very end of the rankings. This according to the Czech government, is not only due to the lack of services offered online through which people can communicate with government offices, but also the inadequate promotion of applications already in operation.

http://europa.eu/rapid/press-release_IP-16-3008_en.htm

COHESION POLICY

EU funds in the Czech Republic: the first year of drawing

The new programming period officially began in 2014, but due to delays in the approval of basic strategic documents and concrete operational programmes at both the national and European levels, in reality the Czech Republic finds itself in the first year of drawing.

In this „first“ year the Czech Republic has managed to secure contracts for 8.3% of the amount which is earmarked for it in the European Structural and Investment Funds. These projects can already be realized and reimbursed. The total number of approved projects reached 1,519 according to information from the Ministry for Regional Development.

The package which the Czech Republic can attain during the seven-year 2014-2020 period is in the amount of 650 billion crowns (24 billion euros). However less than a tenth of the already approved projects are calculated from the total amount of the allocation, from which the so-called performance reserve (38.8 billion crowns) is deducted.

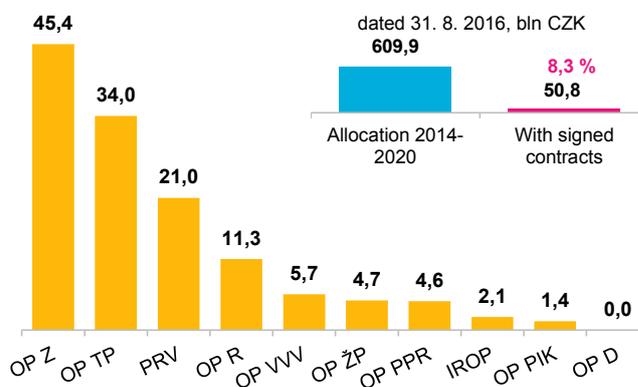
The performance reserve is new in the current period. Its principle is that countries which, with the help of EU funds, successfully and quickly meet the targets set in advance will receive a certain amount of extra subsidies. In the case of the Czech Republic this is about 38 billion crowns.

According to information from the Ministry of Regional Development, which coordinates utilisation of EU funds in the Czech Republic, nearly 35 thousand users are currently registered in the MS2014+ system. In this system 313 calls with a total volume of 365 billion crowns have been announced and applicants have so far submitted 20,675 applications for support totaling 257.4 billion crowns.

By the end of year the Czech Republic should speed up its utilisation of EU funds even more. The drawdown curve can now actually be even steeper, because in the first few months the managing authorities of the operational programmes still had their hands full with work on processing reimbursements to beneficiaries from the previous period.

Now this capacity has been released and they will be able to fully concentrate on the new programme period.

Funds backed by a provision agreement by OP (in % of total allocation of the programme)



Source: Ministry of Regional Development

<http://www.dotaceeu.cz/cs/Informace-o-cerpani/Mesicni-pokrok-v-cerpani>

Commission's Column



The European Commission Representation in the Czech Republic provides articles for the EU News Monthly Journal in the section „Commission's Column“. Connections, data speed and Internet security are subject to increasing demands. That is why the Commission has responded to this trend by presenting a vision of a European gigabit society.

TELECOMMUNICATIONS: FROM FREE ROAMING TO A GIGABIT SOCIETY

Use of the Internet and data connections is growing quickly. Digital technology offers newer and newer possibilities every day – from the already ordinary current use of electronic commerce, to the Internet of Things, eHealth and virtual education. All of this requires secure and ubiquitous connectivity of the best speed and quality. In September the European Commission responded to this need with the introduction of a European vision for a gigabit society which it accompanied with a whirlwind of concrete proposals in the telecommunications sector. Simultaneously the new regulation on roaming is being discussed.

In mid-September the Commission presented a vision of creating a gigabit society by 2025, where:

- *All schools, research centers, transport hubs, hospitals and public offices will have access to very fast – gigabit – connections (1 Gb/s).*
- *All European households, whether urban or rural, will have the possibility of connections with a download speed of at least 100 Mb/s.*
- *All urban areas and major roads and railways will have uninterrupted 5G coverage (by 2020 at least one major city in each EU member state should have 5G coverage).*

Additional investment will be required to achieve these goals which will have to come to a large extent from private sources. To address this the Commission has made a proposal for a new European Electronic Communications Code, which through simplifying rules will make investment in new infrastructure attractive. The code primarily increases the predictability of investments and facilitates joint investments by competing operators in networks with very high capacity as well as participation of smaller operators in investment projects thanks to cost sharing. Furthermore the code aims to make better use of radio frequencies, which are a crucial „raw material“ for wireless communications. The code proposes aligning regulatory approaches across the EU, which are currently highly fragmented. Basic parameters, such as deadlines for spectrum allocation would be coordinated in the future in order to ensure the timely release of spectrums in the EU market. For this purpose the role of the European telecommunications regulator BEREC should be strengthened. The code would also bring greater protection to consumers - under the proposed rules it would be easier to move to another supplier in cases where a consumer has signed a contract for a package combining Internet, phone, TV, mobile phone etc.

Another part of the proposals in the telecommunications sector is also the WiFi4EU initiative that will provide financial support to local authorities in order to offer citizens free wireless

internet inside and near public buildings, health centers, parks and squares.

The Commission also presented a 5G Action Plan which foresees a common EU calendar for a coordinated 5G commercial launch in 2020. The main points of the action plan are the identification and



allocation of spectrum bands for 5G technology, organisation of pan-European 5G trials as of 2018, promotion of common global standards for 5G technology and adoption of national 5G deployment roadmaps across all EU member states.

The Commission and investors in the telecoms sector are also considering providing venture capital to start-ups which are developing 5G solutions for innovative applications and services, such as automated driving of automobiles, delivery of goods using drones or virtual reality.

In September the Commission also discussed the new regulation on roaming. According to the 2015 agreement of the European Parliament and the EU Council, roaming charges for people who regularly travel on EU territory should be canceled as of June 2017. Under this agreement, regardless of which EU country they are travelling in at the moment, customers will be charged the same rates as they pay their mobile operator in their country. The „roam like at home“ regime would be limited to 90 days a year however and after this limit operators would again have the possibility of charging extra for roaming services. According to the new Commission proposal, there would not be any time or volume restrictions so that the benefits of free roaming could also be used by people residing in another country for longer, for example border workers or Erasmus students. At the same time this new approach offers mobile operators tools that they can use against possible abuses.



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.eu2016.sk/sk>



InfoServis

Meeting of the key EU institutions

13 - 14 October 2016	Brussels, Belgium	7 November 2016	Brussels, Belgium
- Justice and Home Affairs Council		- Eurogroup	
17 October 2016	Brussels, Belgium	8 November 2016	Brussels, Belgium
- Foreign Affairs Council		- Economic and Financial Affairs Council	
18 October 2016	Brussels, Belgium	11 November 2016	Brussels, Belgium
- General Affairs Council		- Foreign Affairs Council	
20 - 21 October 2016	Brussels, Belgium	14 - 15 November 2016	Brussels, Belgium
- European Council		- Foreign Affairs Council	
24 - 27 October 2016	Strasbourg, France	14 - 15 November 2016	Brussels, Belgium
- European Parliament Plenary Session		- Agriculture and Fisheries Council	
27 October 2016	Brussels, Belgium	15 - 16 November 2016	Brussels, Belgium
- Environment Council		- General Affairs Council	

Source: www.europa.eu, www.eu2016.sk/sk/podujatia/politicke-a-expertne-podujatia, access as of 30 September 2016



Overview of selected calls

For regular information on grant opportunities visit **GRANT klub** - www.edotace.cz/grant-klub

Call	Call number	Receipt of applications	
		From	To
Operational Programme Enterprise and Innovation for Competitiveness			
Innovation- innovative projects	III	11/16	03/17
Potential	III	11/16	02/17
Technologies	IV	11/16	03/17
Integrated Regional Operational Programme			
Infrastructure for leisure, informal and lifelong learning	60	11/16	04/17
Infrastructure for leisure, informal and lifelong learning (SVL)	61	11/16	04/17
OP Transport			
Call for project proposals within SC 2.2 OPD (Specific Objective 2.2 - creating conditions for broader use of alternative fuel vehicles)	30	11/16	02/17

Source: www.edotace.cz/kalendar



As part of the „Microscope“ column we regularly bring you contributions from experts in various fields. The October issue of the Monthly has been enhanced by our colleague from the Economic and Strategic Analyses team, who also acts as a member of the European Economic and Social Committee, Mr Petr Zahradnik. The topic of his contribution is the EU budget.

THE AUTUMN BUDGET OFFENSIVE

If any of the topics at the onset of this year's autumn European integration season have sparked interest and have simultaneously ascended very high up the imaginary ladder of priorities, it was and is the EU budget and its role today and in the medium-term future.

Those who are behind this strong emphasis on the existing and future financing of the EU have very correctly concluded that a budget (including the European budget) is about priorities, and these priorities will be more easily grasped through this. It tends to be about fundamental priorities rather than those that would give a clear priority to supporting one industry over another.

A good opportunity to adequately set the budget theme alight is not only the recently activated process of mid-term evaluation and possible revision of the current Multiyear Financial Framework 2014 - 2020, but also the activities of European Commission Vice President for Budget Kristalina Georgieva, the efforts to discuss the topic of the future financing of the EU on the basis of inter-institutional platforms, or the activity of groups at a high level to simplify processes and actual budgetary resources.

What then do the main points of discussion over the future of the EU budget include? We can literally speak in this context about the fact that the EU budget is at a crossroads. These crossroads still mostly concern expenditure, or as the case may be, directing the allocation of resources, but the debate over revenue is not insignificant and refers to the adequacy of resources which the EU budget has available to it or determination over whether there is a satisfactory balance between contributions from Member States and the budget's own resources.

It also includes the debate over whether the current method of creating a revenue base on the basis of the gross national income (GNI) of each Member State is adequate and fair, and whether a particular methodology provides a balanced contribution from each Member State and does not lead to the existence of a free-rider on one side and overly generous sponsors on the other.

On the expenditure side, what hasn't stopped resonating is the systematic and targeted focus on performance and results, which are the individual forms of support achieved and which balance the traditional and in today's conditions inadequate view regarding compliance with budget rules only. The increased focus on performance and results assumes much better work with data, and their availability and coverage in the required format so that a set of relevant indicators and real benefits can be easily and transparently evaluated.

This should lead to greater respect for the interconnectedness between the EU budget and the new paradigm of EU economic policy and current economic performance in a medium-

term context. A performance-oriented EU budget provides for the establishment of clearly defined priority objectives (to best support the real priority areas of pan-European importance - European value-added - and not „just“ a tool for resolving internal domestic tasks within Member States without a corresponding contribution from domestic sources), corresponding indicators and a transparent reporting system.

An important condition is also enhanced flexibility that gives the budget the ability to respond to initiatives that a medium-term financial framework isn't able to anticipate, as well as further simplification of both process and content.

A mid-term review of the multi-year financial framework is a good opportunity to promote elements of a performance and result-oriented approach. Applying these principles should lead to a drastic change in the weighting of the individual chapters of the EU budget and a completely different approach to spending as part of them, although the emphasis on the process adopted as part of the European Fund for Strategic Investments and expansion of the spectrum for innovative financial instruments will further strengthen and continue.

It will also be important to evaluate the EU budget revenue side, consisting in a precise definition of the appropriate amount of income (with regard to newly identified needs) and the method of its creation (with regard to strengthening its revenue base).

Discussions are developing well in connection with the theme of a „European tax“ for which a tax on financial transactions appears to be the most appropriate according to a recently conducted survey, followed by various types of environmental, energy or sector taxes.

A condition should be to preserve fiscal neutrality in proportion to distribution of the subsidiarity rules between the EU and national level. A relatively fundamental rule for the adequacy of these experiments, which are gradually moving from a purely academic level of discussion to a political level, is that Germany has a very strong interest in preserving the status quo.

It is thus highly likely that radical changes to the expenditure side of the EU budget will be accompanied by considerably more moderate changes to the revenue side than those referred to in the discussions now taking place.

Petr Zahradnik



What do you think of when you hear “start-up”? Many of you may recall Saul Singer’s book Start-Up Nation, which is the story of Israel on the way to acquiring the name “technology leader”. But back to the Czech Republic, where the concept has also become very popular. Let’s therefore take a closer look and say what the current trends are, or what and who is behind the financing of start-ups.



Main Topic

START-UP: THE CURRENT TREND

INTRODUCTION

The term start-up is nothing new, but in the Czech Republic it’s becoming more and more popular and the number of start-ups is growing - presently in the Czech Republic we can talk about approximately two thousand start-up companies. The most numerous work in the technology field, but gastronomic start-ups, for example, are also gaining in popularity. In the field of financing start-ups in the Czech Republic significant changes

have occurred in recent years - on the one hand, there has been an increase in the volume of venture capital, and on the other hand new tools for financing start-up projects have been established.

The low interest rate environment and the lack of sufficiently profitable projects has thus attracted many private investors, funds and investment groups to this area.

THE CHARACTERISTICS AND FINANCING OF START-UPS

The start-up concept

The term start-up began to be widely used during the “internet fever” in the second half of the 1990s when many companies were established in the United States as part of the internet boom. Despite this, there is still no uniform definition in the world today of what a start-up is considered to be.

In its simplest version, the term start-up means an emerging business idea, project or newly founded company with a business plan that has the potential to be monetized. A detailed definition adds a condition of innovativeness, i.e. a start-up tries to resolve a situation on the market in an innovative way in terms of place and time. Last but not least, what is also important is the potential for rapid growth (in terms of sales and customers), the role of the founders (initial investment, idea), and mostly the future need for external investments for further growth and introduction of a product on to the market.

The aim of start-ups is to grow as quickly as possible into a profitable, viable and stable company that is no longer a start-up.

The lifecycle of start-ups can be divided into four phases:

- 1) Pre-seed, Early Stage:** The initial phase of an idea when the organizational structure of the company does not yet exist. The founders of an early stage start-up believe they have found an innovative solution to a problem or a niche market that could be monetized.
- 2) Seed:** The idea has been brought to life and there is already a legally constituted company. The company endeavours to introduce the first prototypes of their products or services to the market.
- 3) Growth:** The company has a ready end product and tries to grow and expand quickly.
- 4) Start-up:** A fully developed business idea. The company already has a clear structure, is stable and can work on further growth, which if it continues further should result in the establishment of a classic business.

The most successful start-ups are called „unicorns“. This is the name for start-up companies that have a minimum valuation of US\$1 billion (e.g. Uber or Airbnb).

“Venture capital” is also a term widely used in connection with start-ups. Within the Czech environment this is understood as medium to long term capital invested in the form of capital entry into a company. An investment fund acquires a share of the founding capital in the company and together with its funds transfers expert assistance to the company (the principle of “smart money”).

This is mostly financial and strategic assistance in developing the company. The form of support will vary for individual investments, and may relate to the active strengthening of the team in top management positions or a passive role as an advisor in the financial field. An investor will mostly enrich a company with the contacts that may be useful in various fields of business and in attracting new customers.

Financing of start-ups

Significant changes have occurred in the field of the financing of start-up projects in recent years. On the one hand, the volume of venture capital earmarked for investment in start-up projects has significantly increased, and on the other hand new financial instruments to fund start-ups are being created. Basic options for start-ups raising capital in various stages of development are:

Initial phase: This is the first phase of financing a start-up when the founder has an idea or a working prototype, and is looking for resources that will help him or her devote him or herself fully to their project. The principal sources of funding are:

- **Own sources, family, friends;**
- **Business angels** – individuals providing capital to start-ups during the riskiest phase of the project life, usually in exchange for shares in the company or participation in profits. It often concerns investors who have already completed an exit from their own projects and will invest their money back into the start-up environment;
- **Incubators / Accelerators** – organizations that provide counselling (mentoring) and facilities in exchange for shares in the company (e.g. 5-10%).

Main Topic



Seed capital: These are the funds needed to start a company to market the product. The main providers of capital at this level are angel investors, “super angels” (a group of investors) or venture capital companies. In Europe it usually concerns an investment of EUR 250,000 to 750,000 (max. to EUR 1 mil.).

- Venture Capital firms / funds - capital used to finance innovation projects and the incipient development of companies (venture capital), in the form of capital investment in a company. A venture capital fund thus acquires a share of a company’s founding equity. The concept of venture capital is often confused with ‘private equity’, which, however, is a broader concept that includes not only venture capital, but also investments in existing companies (buyouts through internal management, through external management), and angel investors, etc.
- Crowdfunding – a financing method in which a larger number of individuals contribute a small sum to a target amount. It happens on crowdfunding servers (aggregators) that allow one to locate and invest in supported projects. There are two types of crowdfunding: Reward funding when people choose

a project, financially support it, and in return receive the product or service that the project provides; Share funding where investors acquire a stake in the funded company and the right to share in future profits. There are large crowd funding platforms in the world like Kickstarter or Indiegogo, and several platforms have been created in the Czech Republic in the last few years (Fundlift, Peněždroj, Startovač, HitHit, Nakopni.me).

- Syndicated investment - the purpose is to bring investors together. A leading investor (an angel) chooses a start-up project in the pre-seed phase and other investors add with their co-investments at different stages of development of the start-up.

Growth phase: Companies at this stage need to finance increasing production and expansion of the provision of services, improve distribution systems or set up a business model. When an original start-up company is successful venture capital funds will want to withdraw from it, sell their stake and thus realise a profit. The options (especially abroad) are the issue of an IPO or acquisition by a much larger company.

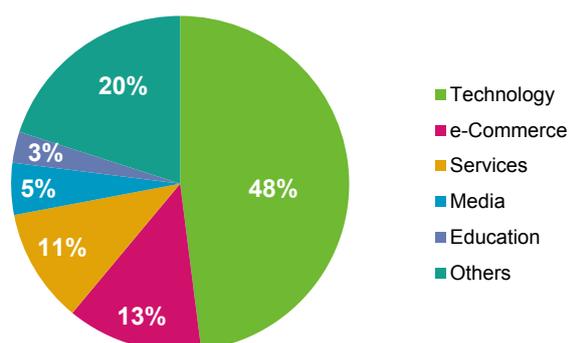
THE START-UP SCENE IN THE CZECH REPUBLIC

Official statistics mapping the number of start-ups in the Czech Republic have not yet been created because the definition of what is and what is not a start-up is not clear. Furthermore, successful start-ups grow over time and become stable and viable companies, and are therefore no longer identified as start-ups.

Nevertheless, it’s possible to estimate the number of start-ups operating in the Czech Republic by using the database portal StartupJobs.cz, which helps Czech start-ups in finding personnel.

Roughly 70% of start-up companies in the Czech Republic (1,250 – 1,450 companies that meet the definition of start-up) use the portal StartupJobs.cz when searching for employees.

Field of activity of start-ups on StartupJobs.cz



Source: StartupJobs.cz

We can estimate from this the actual number of start-ups in the Czech Republic at around 1,800 to 2,060 (but bio/nanotechnology start-ups, for example, are not counted). Nearly half of the companies that advertise jobs through StartupJobs.cz operate in the technology field. Others operate in e-commerce and services.

State support

The Ministry of Industry and Trade

The idea of financing a seed fund by the state in the Czech Republic appeared in 2011, but due to delays in the preparation of the fund it ultimately failed to be put into practice. The Ministry of Industry and Trade (MIT), however, didn’t conclude the preparations and in October 2015 the Government approved the National Innovation Fund (NIF). About 75 million euros, i.e. over CZK 2 billion from European and Czech public sources will be put into it. More money will come within the scope of co-financing from private investors. The actual investments in venture capital funds will be managed by the European Investment Fund (EIF), with whom the MIT should conclude an agreement on financing this autumn. The start of operations is expected in the second half of 2017. At the very start of business in the “seed” phase the state may finance up to 90% of the capital entry of investors into a company; the percentage of the state’s equity participation should then decrease depending on the degree of the development of the applicant’s business. At a later phase of the start-up, the fund will get involved with a project to a maximum amount of 60% of the investment value.



If the investments serve to expand an already relatively well-established business from among many smaller companies, the fund will finance a maximum of 40% of investment with a majority share by private qualified co-investors. The investment strategy of the National Innovation Fund will generally be directed toward the seed phase of a business, specifically in high-tech fields, especially with a longer expected payback period. The aim of the programme is to increase the innovation potential of the business sector, as well as more efficient use of alternative forms of financing the development of SMEs and the development of new repayable forms of supporting business with the participation of the private sector.

The first step within the framework of the National Innovation Fund was the approval of a MIT programme called Venture Capital by the Government on 12 September 2016, and whose aim is to promote the access of SMEs to venture capital financing in the early stages of their development (seed and start-up capital). The programme has been allocated EUR 53 mil. (CZK 1.4 bn.) from European structural and investment funds, although private capital should always be involved in the investments. The total amount of investments will not exceed CZK 370 mil. per recipient. The first start-up projects will be able to apply for support during the course of 2017. The market potential of the business projects is what will primarily be evaluated. According to the MIT, it is not a new initiative, but rather the next step in the operations of the NIF.

CzechInvest

The state agency CzechInvest also promotes its own Czech start-up programmes. One of the projects has been and in the future will be the CzechAccelerator project that provides office space and mentoring to selected companies, e.g. in Silicon Valley, New York, London or Singapore. Selected start-ups will spend 3-6 months in local incubators or accelerators, gain access to the networking activities of technology companies, professional conferences, training, mentoring, legal assistance and protection of intellectual property rights and attempts to break through into a market. CzechInvest will also assist companies with translations and marketing.

The CzechStarter consultancy programme for aspiring entrepreneurs should then be released in autumn 2016. CzechInvest will provide entrepreneurs with services that will support them in various stages of their company development as part of this framework. CzechInvest will also provide start-ups with participation in international conferences through the CzechDemo programme and it wants to organise them itself as part of the CzechMatch project.

The projects are financed from EU funds. The Association of Small and Medium Enterprises also wants to identify ten Czech technology companies and send them to accelerator centres in New York for at least half a year. The aim is to prepare companies for further work in the US.

INVESTORS IN THE CZECH START-UP MARKET

Venture capital in the Czech Republic

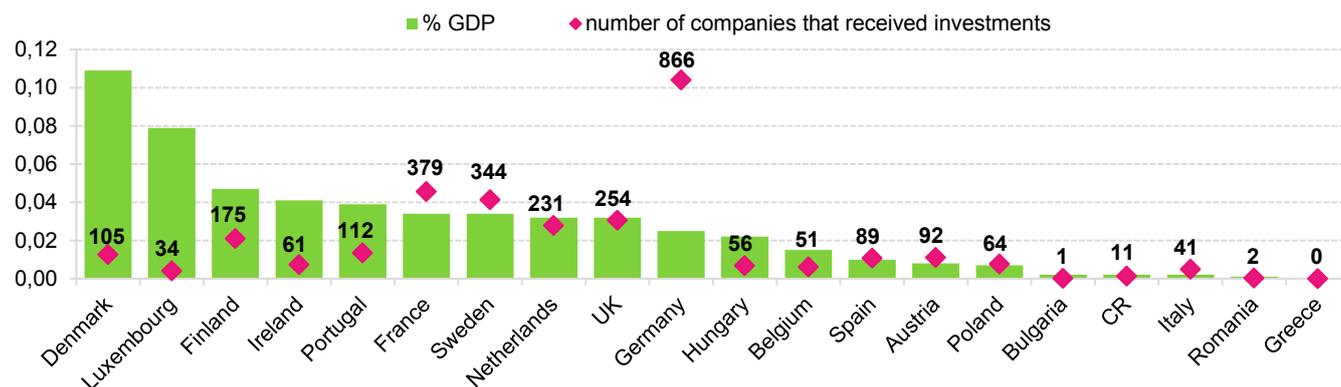
The CVCA association, which is a member of the European private equity and venture capital (EVCA), represents the interests of companies involved in private equity and venture capital in the Czech Republic.

According to statistics from EVCA, whose data is published by Eurostat, the Czech Republic tends to be at the other end of the ladder in terms of volume of investments in venture capital

(0.002% of GDP in 2015 invested by Czech private entities). In terms of the sectors toward which venture capital investments are directed (venture capital investments in the Czech Republic), the most represented are areas such as communication, computers and consumer electronics or consumer goods. Overall, about 30% of venture capital investments are directed toward high-tech areas.

**data may not include all venture capital investments made in the country.*

Venture capital investments during seed and start-up phase (2015)



Source: Eurostat, EVCA

Main Topic



Private start-up investors in the Czech Republic

A number of funds and investment groups that focus on investing in small companies that come up with technological innovations usually associated with the internet have appeared in the Czech Republic in recent years. In sum, the investment represents at least several billion crowns. This relates to, for example, groups like J&T or KKCG and former leading figures in the energy section like Martin Roman and Vladimír Johanes. Start-up investments, however, are also begun by people who themselves started out with small internet and technology

companies. An example is Jakub Havrlant's Rockaway or Vaclav Muchna's Y Soft. Classic examples of investors are business owners who are looking to invest part of the profits from their existing company. Similarly, these investments are also participated in by people who received more money from the sale of their company than they can spend and are looking for investment opportunities which, although requiring their involvement, do not require them to be full time.

It's therefore not difficult at all for the founders of start-ups to get into contact with the largest Czech investors.

The entry of Czech investors into start-ups

Investor	Start-up	Investment (mln CZK)
J&T Bank (J&T Ventures)	FetView, Ice Gateway, Dateio, Pygmalios, 720°	108
KKCG (Springtide Ventures)	Cleerio, NejŘemeslníci, Geewa, Cloude4com	hundreds
Metatron (Vladimír, Petr and Marek Johanes)	Savvy, Yonderbound, Audacy, Palladium, Ageo, Edueto, Eco Leather, Deep Space Industries	-
Rockaway (Rockaway Ventures)	Bileto, Brand Embassy, SQLdep, Socifi, Silicon Jelly, Dreadlocks	dozens
RSJ (Credo Ventures)	18 projects	486
Y Soft (Y Soft Ventures)	Lumitrix, GreyCortex, Sewio, Comprimatio, Videoflot, OrganizeTube	dozens
Miton	dozens of internet start-ups	hundreds

Source: E15 (15/7/2016), Miton

The Israeli Yozma programme or a shining example for all

The basis for the Israeli expansion of venture capital funds was the Yozma state programme (Hebrew for "Initiative") launched in 1993. The programme included an attractive tax on capital venture investment from abroad and a state fund, which offered a 50% entry into Israeli technology companies. The result was a massive development of start-ups and other private venture capital funds, while between 1991 and 2000 the amount of money in Israel invested by venture capital grew 60x (from USD 58 mil. to USD 3.3 bn.) and the number of companies financed from 100 to 800. The Yozma state fund was privatized in 1997.

Another group focusing of supporting and investing in start-up projects are large (multinational, technology) companies.

These use start-ups as a means of obtaining ideas or partial solutions which wouldn't be established within their corporate structure or would be difficult to implement. In the Czech Republic those supporting start-ups are for example:

- IBM, through its IBM Global Entrepreneur Program from which start-ups receive support with the development of solutions and mentoring penetration into foreign markets, and IBM cloud services are available to them. The program involves 23 Czech start-up projects.
- In SAP's Startup Focus programme successful applicants

may obtain a development license or consultations with SAP specialists for the duration of the development of their project. HANA technology is also available, which speeds up working with big data. In addition to technological support, start-up projects can also obtain funding from SAP from the SAP HANA venture fund.

- Czech Seznam has invested in the accelerator StartupYard, O2 is developing its own accelerator BOLT, and Vodafone has the Idea of the Year contest for business plans.

The start-up scene in the CR also includes many websites summarising the latest news from the field, mapping the actors in the market (start-ups, incubators, investors) or providing some advice and recommendations to emerging start-ups.

Česká spořitelna's Start Up company credit

We are looking for anybody who has the courage to do things differently, but still carries his ideas in his head. It's time to inject new blood into the veins of Czech business!



In cooperation with the European Investment Fund (EIF), we're providing finance of up to CZK 550 mil. to start-up entrepreneurs to start a business.

For more information see: www.nova-krev.cz

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 October issue, we will focus on the business environment in the UK.



Doing Business

UNITED KINGDOM

Official name	United Kingdom of Great Britain and Northern Ireland
Population	64,875,165 (2015)
Area	243,610 sq km
Currency	british pound (GBP)

Source: *The World Factbook*

The United Kingdom is a constitutional monarchy with a bicameral parliament with a monarch at its head. The monarch, as head of state maintains more of a symbolic and representative function, while executive power is in the hands of the lower house of parliament, headed by the Prime Minister. Since July 2016, the Prime Minister has been Theresa May, who is also chairperson of the ruling Conservative Party. The next parliamentary elections will be held in 2020.

Structure of economy and foreign trade

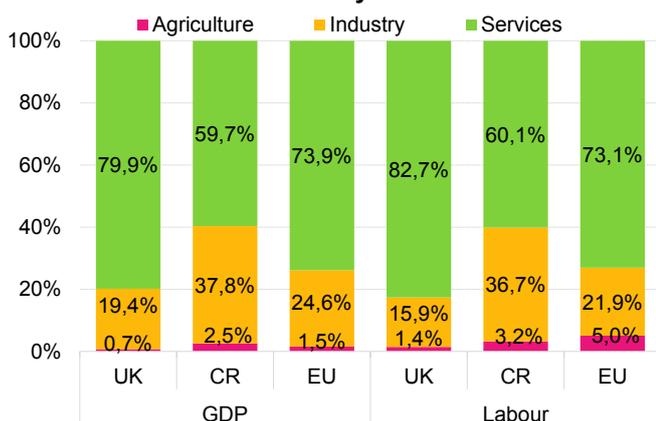
The proportion of industry in a country that introduced the offshoring trend is traditionally below the EU average and almost twice as low as the proportion in the Czech Republic, while employing only 16% of the workforce.

What clearly dominates in the UK are services (especially those in the financial City of London), which generates almost 80% of GDP and employs 82.7% of people.

Britain imports mainly machinery and transport equipment, industrial goods and chemicals. The largest import partners are Germany (15%), China (10%), USA (9.2%) and the Netherlands (7.5%).

It mostly exports machinery and transport equipment, chemicals and industrial goods. Exports are mainly directed to the USA (14.9%), Germany (10%), Switzerland (7.3%) and China (5.9%).

Sectors of National Economy



Source: Eurostat, data as of 2015

Macroeconomic outlook



The British economy grew by 2.3% in 2015 only thanks to domestic demand; net exports contributed negatively to growth.

This year there will be a slowdown in the dynamics of exports (due to problems in external markets) and imports (a slowdown in domestic demand). The contribution of net exports in 2017 should be close to zero.

The economy this year will slow to 1.8% of GDP and will stay at around this level in 2017 as well. The greatest risk to this outlook are clearly the consequences of Brexit and in more of a southward direction.

The public budget deficit in 2015 fell below 5% of GDP and will further decline in the future. In 2017, it could fall below 3% of GDP. Public debt has oscillated for several years already below 90% of GDP.

Basic indicators (in %)	2014	2015	2016 ^e	2017 ^e
GDP Growth	2.9	2.3	1.8	1.9
Unemployment rate	6.1	5.3	5.0	4.9
Inflation	1.5	0.0	0.8	1.6
Current account balance	-5.7	-4.4	-3.4	-2.4
Public debt (% GDP)	88.2	89.2	89.7	89.1

Source: *European Commission, e-estimate*

Labor market

The improving labour market situation in the United Kingdom is reflected in the declining unemployment rate.

According to the latest European Commission forecasts, it should also decline in coming years and in 2017 it should fall to 4.9%.

The minimum wage is determined on an hourly basis and the amount in 2016 is GBP 7.20 (i.e. about GBP 0.5 higher than in 2015) per hour for workers aged 25 and over.

Basic indicators of labor market		
Unemployment rate (July 2016)	4.8%	
Labour productivity to EU Ø (2015)	134.1%	
Minimum monthly wage (2H/2016)	1.343 EUR	
Ø monthly labour costs (2015)	UK	CR
Manufacturing	4,138 €	1,528 €
Wholesale and retail trade	3,380 €	1,500 €
Transportation and storage	4,288 €	1,444 €
Accommodation and food service	2,342 €	955 €
Information and communication	5,717 €	3,017 €

Source: Eurostat, AMECO



Labor law basics

An employment contract may be in a written or oral form. The maximum length of the trial period is not fixed, but is usually set at several months.

The minimum notice period is dependent on years of service and ranges from 1 week for 2 years of service up to 12 weeks for 12 years of service.

The work period is 48 hours per week, but can be extended by mutual agreement in writing.

Commercial law basics

In Britain, investors can establish a "Public Company," which is similar to a Czech joint-stock company and is divided into several types - a company with limited or unlimited liability, wherein the liability may be limited either by the shares of the partners or a partners' guarantee.

There are also private/public and open/closed companies depending on whether the company shares are publicly traded or not.

A minimum capital of GBP 50,000 (approximately CZK 1.5 million) is required for public companies.

The establishment of private limited liability companies takes 5 days and 30 GBP (about CZK 1,000) is required for it.

Form of Company	Minimum Capital
Public Company	50 000 GBP
European Company (SE)	120 000 EUR

Source: Department for Business, Innovation & Skills

Main taxes and additional labor costs

Individual income tax is progressive and consists of three tax brackets (tax does not apply up to 11,000 pounds), wherein the highest incomes (over 150,000 pounds) are taxed at a 45% rate.

The basic rate of VAT is 20%. A reduced rate of 5% is applied, for example, to child car seats or household energy.

A zero rate is applied to most food or children's clothing.

Tax/payment	Rate
Corporate Tax	20%
Individual Income Tax (progressive)	20% / 40% / 45%
VAT (basic/reduce)	20% / 5%
Social insurance (employee)	12% + 2%
Social insurance (employer)	13.8%

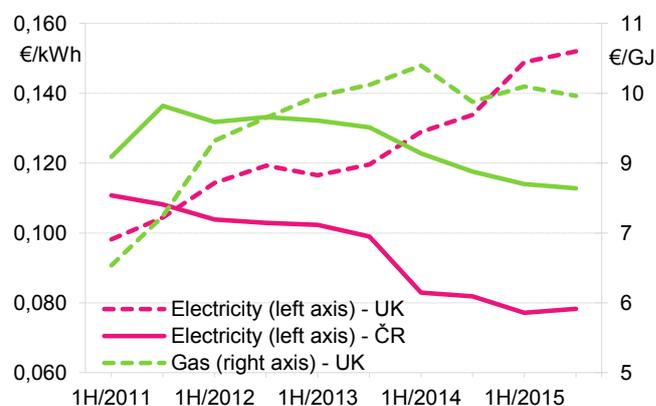
Source: Ministry of Finance

Employees pay 12% of their weekly wages of between GBP 155 to 827 into social security and health insurance and 14% above this amount, while employers pay 13.8% over GBP 155.

Energy

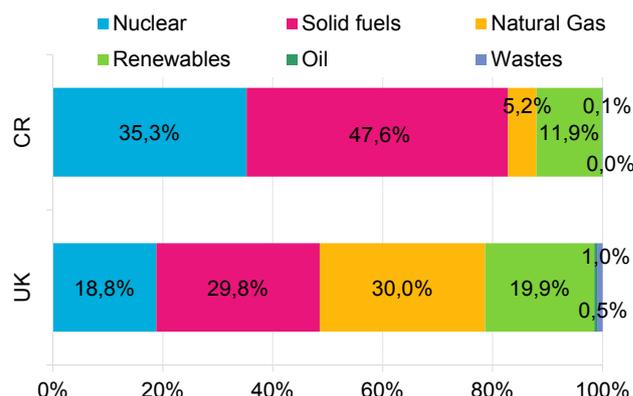
Electricity in the UK is produced mainly from solid fuels (36%), natural gas (27%), nuclear power (20%) and renewable energy (16%). The price of electricity and gas in the UK is higher than in the Czech Republic and the difference is constantly increasing.

Development of energy prices



Source: Eurostat; tariffs for wholesales excluding VAT

Gross Electricity Generation



Source: European Commission 2014

Investment incentives

Britain offers foreign investors a range of investment incentives (in the form of tax breaks or grants). Special industrial zones (there are currently 35) offer various financial concessions (tariff/customs rebates) and non-financial benefits.

Start-ups are supported by a preferential tax system (a tax exemption on capital gains for 10 years or 20% non-refundable tax compensation for an investment of over USD 200,000 per year).

From the October issue of the EU News Monthly we have prepared a number of fields within the EU Series column focused on EU grants and how to obtain funds from them. You will find out what items are applicable for grants and the latest information about calls, and there will be a range of examples of successful applicants. The first contribution concerns what is currently a crucial area – the digital world.



EU Series

ICT PROJECTS AND HIGH-SPEED INTERNET

Tablet, GPS, cloud ... and we could go - concepts that were until recently foreign to many of us are now a part of everyday life. Paper maps on your lap have been replaced by navigation and without the internet on your mobile you often can't even figure out what time the bus goes.

The development of information and communication technologies (ICT) is important both for households and for public administration and business entities for whom technologies facilitate their everyday activities. The digital market is also one of the Commission's priorities - for 2014-2020 EUR 21.4 billion has been earmarked for ICT from EU structural and investment funds. The Czech Republic has earmarked over EUR 1 billion to improve access to ICT and to enhance their quality (thematic objective 2)

In the previous programme period, grants in the ICT area were directed toward both the public and the business sectors. Grants for the public sector were especially to support the Integrated Operational Programme. It was possible as part of that to take preparatory steps to implement eGovernment – the digitization of data, expansion of the CzechPoint network, the building of data networks, ensuring a communication interface, and introducing records management, etc.

ICT development in the business sector is traditionally supported by OP Enterprise and Innovation (OP PIK). The sub-programme ICT in Enterprises was designed for SMEs for the implementation of IS/ICT solutions to streamline internal company processes. Under the ICT and Strategic Services programme entrepreneurs with experience in the development of IS/ICT solutions could obtain grants for the creation and development of new solutions and applications, the establishment and development of shared service centres or data centres with a strong international focus, and the establishment and development of high-tech repair centres.

Priorities for the 2014-2020 programme period differ somewhat from the previous programme. While the public sector can continue to receive subsidies for the development of eGovernment, i.e. the computerisation of public administration and the creation of uniform registers and databases, entrepreneurs have lost the opportunity to introduce IS/ICT within internal processes.

The ICT and Shared Services programme to a significant degree resembles its predecessor. Only the establishment and development of repair centres has gone. Data centres and shared service centres also do not need to be distinguished by international outreach.

There is great interest in the ICT and Shared Services programme - in the first call projects totalling more than twice the allocation have already been submitted. It is therefore not surprising that in the context of the forthcoming second and

third calls the MIT is prepared to release all the remaining allocation - it is hence more than likely that it will be the last call. ICT and Shared Services calls should be opened in October and last until January 2017 - the second call will be earmarked for existing entrepreneurs, and the third call will be open to incipient microenterprises developing new ICT solutions. Please don't forget therefore to make use of what will probably be the last chance!

A newly supported area within the OP PIK is High-Speed Internet. The aim of the programme is the expansion of a modern, high quality and safe infrastructure allowing high-speed internet access (NGA networks) to locations that do not have such access, and which is unlikely to be provided by market mechanisms on a commercial basis. The first call in this programme is scheduled for December 2016 with acceptance of applications from January 2017 and more than 50% of funds for the entire programme period have been allocated.

We managed it, or one example for all

A company operating in the banking market as part of a project from the ICT and Strategic Services programme established a shared services centre with a significant international focus. This centre currently processes data efficiently and administers client information for carrying out smooth foreign payments. The project was chosen as a "non-investment" option - the personnel costs of new employees and specialists in back office activities were supported for 24 months totalling over CZK 21 mil. The subsidy amounted to 40% of these expenses. To meet the binding indicators of the project, 41 jobs needed to be created, at least CZK 3.5 mil. invested in tangible and intangible assets, and it had to be demonstrated that at least 40% of sales will come from abroad. The company has managed to successfully complete the project, implement and deploy a shared services centre and meet the binding indicators fulfilled during the project sustainability period.

A few practical tips for applicants

If you want to be a successful applicant and recipient, make use of experience and references in the fields of the subsidised activities. Come to the market with a solution that's unique. Have a clear idea about the competition and the market situation and know how to highlight the added value of your solution, or service centre. Use the latest software tools, techniques and methods for the development of IS/ICT solutions. Provide services at the top level and focus data centres mainly on external customers. Create new jobs which are relevant in number and expertise to the developed solution or service provision and reward employees with appropriate pay.

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Statistical Window



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

Key economic indicators

in %	GDP growth				GDP per capita (PPS, % of \emptyset EU)				Price level to \emptyset EU			
	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Belgium	0.2	0.0	1.3	1.3	120.2	119.7	118.4	117.3	109.5	109.9	108.7	107.1
Germany	0.4	0.3	1.6	1.7	124.2	124.2	125.7	124.8	100.9	102.7	101.5	99.8
Estonia	5.2	1.6	2.9	0.9	73.7	74.9	76.1	75.8	73.9	75.7	75.6	75.2
Ireland	0.2	1.4	5.2	6.9	131.1	131.3	133.8	139.9	118.7	121.2	122.3	122.5
Greece	-7.3	-3.2	0.7	0.0	74.0	73.9	72.4	71.2	92.1	88.5	85.4	83.4
Spain	-2.6	-1.7	1.4	3.2	91.8	90.7	91.1	92.6	95.6	94.2	92.3	90.2
France	0.2	0.7	0.2	1.1	106.8	108.3	106.6	105.5	109.0	108.0	107.7	105.4
Italy	-2.8	-1.7	-0.4	0.8	101.0	98.1	96.0	95.1	102.7	103.3	102.9	100.9
Cyprus	-2.4	-5.9	-2.5	1.4	91.2	84.2	81.5	81.0	93.5	92.9	90.1	87.4
Latvia	4.0	3.0	2.4	2.7	60.2	62.3	63.8	64.9	71.7	70.5	70.1	69.2
Lithuania	3.8	3.5	3.0	1.6	69.7	73.2	75.1	75.8	63.9	63.3	62.8	62.7
Luxembourg	-0.8	4.3	4.1	4.7	258.4	263.9	265.7	267.1	118.4	120.4	120.4	119.2
Malta	2.9	4.0	4.1	4.9	84.5	85.9	86.0	87.9	79.0	81.6	80.9	80.5
Netherlands	-1.1	-0.5	1.0	2.0	132.3	132.4	130.7	130.5	108.2	110.0	109.8	109.1
Austria	0.8	0.3	0.4	0.7	130.7	131.0	129.2	126.8	105.2	106.1	105.8	105.2
Portugal	-4.0	-1.1	0.9	1.5	77.3	77.1	77.9	78.2	82.5	82.0	81.8	80.9
Slovenia	-2.7	-1.1	3.0	2.5	81.2	80.4	82.4	82.9	83.8	83.8	81.7	79.9
Slovakia	1.5	1.4	2.5	3.5	74.3	75.7	76.7	78.1	70.1	68.9	67.8	66.6
Finland	-1.4	-0.8	-0.7	0.0	115.2	112.7	110.2	108.0	121.3	123.0	122.3	119.7
Bulgaria	0.2	1.3	1.5	2.2	45.9	45.7	46.6	47.1	50.2	49.2	47.9	46.7
CR	-0.9	-0.5	2.0	4.5	81.8	83.0	84.5	86.7	71.7	68.6	63.7	63.3
Denmark	-0.1	-0.2	1.3	1.2	126.1	126.2	124.6	123.4	138.6	139.0	139.1	136.8
Croatia	-2.2	-1.1	-0.4	1.8	59.9	59.2	58.7	58.9	69.0	68.5	66.1	65.4
Hungary	-1.7	1.9	3.7	2.7	64.7	66.4	67.9	68.7	61.1	59.8	57.5	57.2
Poland	1.6	1.3	3.3	3.5	66.4	66.8	67.6	68.9	56.3	56.1	55.8	54.8
Romania	2.4	3.0	2.9	3.6	53.9	54.0	55.2	56.4	51.9	53.7	53.1	51.9
Sweden	-0.3	1.2	2.3	3.6	126.6	124.4	122.7	123.6	126.8	132.3	125.6	121.3
UK	1.2	2.2	2.9	2.3	107.0	108.0	108.9	108.8	116.8	115.0	121.5	131.3
EU	-0.5	0.2	1.4	1.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

in %	Public budget deficit to GDP				Public debt to GDP ratio				Current account balance to GDP			
	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Belgium	-4.1	-2.9	-3.1	-2.9	104.1	105.1	106.7	106.1	1.4	1.0	0.8	1.6
Germany	-0.1	-0.1	0.3	0.5	79.7	77.4	74.9	71.6	7.2	6.7	7.8	8.8
Estonia	-0.3	-0.1	0.7	0.3	9.5	9.9	10.4	10.1	-2.3	0.4	1.3	1.9
Ireland	-8.0	-5.7	-3.9	-1.8	120.2	120.0	107.5	98.4	-1.5	3.1	3.6	3.6
Greece	-8.8	-12.4	-3.6	-7.6	159.4	177.0	178.6	179.0	-4.3	-2.1	-2.9	-1.8
Spain	-10.4	-6.9	-5.9	-4.8	85.4	93.7	99.3	100.7	-0.4	1.5	1.0	1.5
France	-4.8	-4.1	-3.9	-3.7	89.6	92.3	95.6	96.2	-2.9	-2.6	-2.3	-1.4
Italy	-3.0	-2.9	-3.0	-2.6	123.2	128.8	132.3	132.8	-0.4	1.5	1.0	2.2
Cyprus	-5.8	-4.9	-8.9	-1.0	79.3	102.5	108.2	108.4	-5.1	-3.8	-3.8	-4.8
Latvia	-0.8	-0.9	-1.6	-1.3	41.4	39.1	40.8	36.7	-3.5	-2.1	-2.0	-1.9
Lithuania	-3.1	-2.6	-0.7	-0.9	39.8	38.8	40.7	42.7	-0.9	1.4	3.9	-1.1
Luxembourg	0.2	0.7	1.4	0.2	22.1	23.4	23.0	21.3	6.1	5.7	5.5	4.8
Malta	-3.6	-2.6	-2.1	-1.6	67.4	68.5	66.9	64.0	1.4	3.2	3.3	4.3
Netherlands	-3.9	-2.4	-2.4	-2.2	66.4	67.9	68.2	66.8	10.2	11.0	10.6	10.4
Austria	-2.2	-1.3	-2.7	-1.6	81.6	80.8	84.2	85.9	1.7	2.1	2.1	3.3
Portugal	-5.7	-4.8	-7.2	-4.2	126.2	129.0	130.2	129.1	-2.0	0.7	0.3	0.7
Slovenia	-4.1	-15.0	-5.0	-2.9	53.7	70.8	80.8	83.5	2.1	3.9	6.5	6.9
Slovakia	-4.2	-2.6	-2.8	-2.7	51.9	54.6	53.5	52.3	0.2	0.7	-0.8	0.3
Finland	-2.1	-2.5	-3.3	-3.2	52.9	55.6	59.3	62.7	-1.9	-1.8	-2.2	0.0
Bulgaria	-0.6	-0.8	-5.8	-2.5	17.6	18.0	27.0	28.2	-3.0	-0.5	0.7	1.9
CR	-4.0	-1.3	-1.9	-1.6	44.7	45.2	42.7	40.9	-2.2	-1.1	-2.0	-2.4
Denmark	-3.5	-1.1	1.5	-2.0	45.2	44.6	44.6	39.9	5.6	7.2	6.3	7.1
Croatia	-5.3	-5.4	-5.6	-4.2	69.2	80.8	85.1	86.0	0.0	0.1	0.6	4.2
Hungary	-2.3	-2.5	-2.5	-2.1	78.3	76.8	76.2	75.8	1.6	3.9	2.2	5.0
Poland	-3.7	-4.0	-3.3	-3.0	54.0	55.9	50.4	51.4	-3.2	-0.9	-1.1	-0.2
Romania	-3.2	-2.2	-1.4	-1.1	37.4	38.0	39.8	39.0	-4.3	-0.8	-0.4	-1.0
Sweden	-0.9	-1.4	-1.7	-1.0	37.2	39.8	44.9	44.0	6.5	5.8	5.4	5.4
UK	-8.3	-5.7	-5.7	-4.2	85.3	86.2	88.2	88.6	-3.3	-4.5	-5.1	-5.0
EU	-4.3	-3.3	-3.0	-2.5	85.2	87.2	88.6	87.2	1.0	1.5	1.6	2.1

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