

POLITICS

By a voting ratio of eight to three the British Supreme Court ruled that the government must have the approval of the British Parliament to start negotiations on the withdrawal of a country from the European Union. In response to the court decision, a spokesperson for Prime Minister Theresa May said however that this does not alter the plans of the government to trigger Brexit by the end of March. Moreover, the court also decided unanimously that the Scottish, Northern Irish and Welsh Parliaments did not need a say in the process of leaving the EU.

In her speech on 17 January the British Prime Minister Theresa May indicated that her country will advocate a variant of the so-called hard Brexit, i.e. Britain without access to free trade in the European Union for it to control immigration from the member states and also the expectation of a new customs agreement.

Big changes have taken place in the European Parliament. The Italian Antonio Tajani became the new president. In the final fourth round he defeated his compatriot Gianni Pittella. Czech MEP Pavel Telička became one of his fourteen vice-presidents.

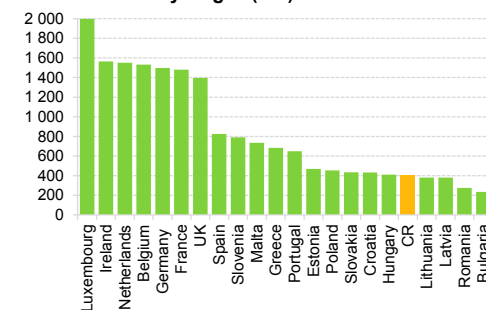
Bulgaria has a new president. The newly elected President Rumen Radev, known for pro-Russian policy, took office during a so-

lemn ceremony in front of Sofia's Alexander Nevsky Cathedral. In his speech Radev promised to strengthen „the unification of society in the name of democracy“ and to speed up the integration of Bulgaria into Europe.

ECONOMICS

European Commission President Jean-Claude Juncker called on individual member states to guarantee citizens in their jurisdictions a minimum wage. Regarding the boundary of such a guaranteed minimum wage, its designation should be in the hands of individual countries. Of the twenty-eight EU countries at the moment, only six do not currently have a statutory minimum wage - Cyprus, Austria, Denmark, Finland, Italy and Sweden.

Minimum monthly wages (eur)



Source: Eurostat

Regulators in the United States and Britain meted out fines worth about 630 million dollars to the leading German bank Deutsche

Bank for laundering dirty money from Russia. According to the regulators, in the years 2011 to 2015 clients of Deutsche Bank illegally transferred about ten billion dollars from Russia using shares which they bought and sold through the bank's branches in Moscow, New York and London.

Inflation in the EU has risen sharply. Year-on-year inflation in the European Union increased significantly in December and reached 1.2 percent. The rate of growth of prices also increased in eurozone countries, where inflation climbed to 1.1 percent.

FOREIGN TRADE

The European Union has imposed definitive anti-dumping duties on imports of stainless steel tube and pipe butt-welding fittings from China to protect domestic industry. The duties range from 5.1 to 64.9 percent the Commission said. The imposition of definitive duties was preceded by investigation of many companies from China and Taiwan.

SECTORS

From June high bills for calls abroad will finally stop ringing in the European Union. Representatives of the European Union agreed on the form of fees for the use of roaming services which operators in each country charge each other. The ceiling for prices from June will be less than 0.04 euro per minute of calling.

FORECAST AND PREDICTIONS

Meetings of EU institutions

- *European Parliament plenary session on 13 - 16 February 2017*
- *Eurogroup on 20 February 2017*
- *Economic and Financial Affairs Council on 21 February 2017*

Key European elections in 2017

The Netherlands - Parliamentary elections will be held on 15 March. According to current polls the Freedom Party headed by Geert Wilders (33%) is leading. The People's Party for Freedom and Democracy, led by Prime Minister Mark Rutte (24%) is in second place according to estimates.

France - The first round of presidential elections will take place on 23 April. According to the latest opinion poll (Ifop-Fiducial), Marine Le Pen (25%) should win the first round. Emmanuel Macron comes in second (21%). Fillon's (19%) chances decline after allegations family members were paid for fake jobs.

Germany - Elections will be held in Germany on 24 September. The challenger to the existing chancellor Angela Merkel (CDU) will be former European Parliament President Martin Schulz (SPD); his candidacy will be officially confirmed at the March meeting. According to the latest surveys the chances of the SPD party and the CDU/CSU are relatively even.

FOCUS ON THE CZECH REPUBLIC

In January conditions in the manufacturing sector in the Czech Republic improved to the highest level in the last 12 months. The PMI index rose from 53.8 points in December to 55.7 points in January, when growth of production, new orders, exports and employment accelerated. At the same time the activity of the manufacturing sector of the eurozone also grew in January

at the fastest pace in nearly six years.

The state agency CzechInvest is expanding its range of services for start-up firms. It has prepared more than 142 million crowns for them. Financial and advisory support will be offered to them in four activities that are focused on specific phases of start-up development: CzechStarter, CzechDemo, CzechAccelerator and CzechMatch.

In the Czech Republic in 2016 the European Investment Bank Group increased its annual volume of financing by one-third when it provided 619 million euros in the form of new loans, guarantees and its own capital. Of this 526 million euros was provided by the EIB and 93 million euros from its subsidiary the European Investment Fund. This year the bank expects the amount

of financing in the Czech Republic to be from 700 to 900 million euros.

In 2016 the Czech Republic received about 79.6 billion crowns more from the EU budget than it contributed. The so-called net position is thus the third highest since the entry of the Czech Republic into the EU in 2004. In 2015 the Czech Republic received about 150 billion crowns more from Brussels.