EU NEWS MONTHLY JOURNAL

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The digitial revolution is a challange for european industry

The European Union: A player on the world stage

ERSTE
Corporate Banking

ČESKÁ SPOŘITELNA
Jsme Vám blíž.

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Dear readers,

August is the traditional holiday month not only for mere mortals but also for the representatives of European institutions. You won't notice this in the contents of the Monthly, however, and this time we've selected 16 pages of the latest information, events and topics relating to the European integration process.

All the news does not fit into this introduction, however, so my list of the TOP news from Europe is as follows. There is certainly a refugee wave rolling on the old continent. The interior ministers offered one possible solution at the EU Council when they decided to introduce quotas for relocating 120,000 refugees among the individual Member States. From my perspective, it's not about how many of these people the Czech Republic and other countries have to take. In my opinion the essential thing is that this system cannot actually function. So far no one has convincingly responded to the following questions: How will we force migrants intended for the Czech Republic not to leave for their families in Germany? Will we close the internal borders and cancel Schengen? Will we forcibly return migrants? What if there aren't 120 thousand people as given in the quota? In any case, I certainly don't envy the leaders of the European Union at all in their decision-making role of determining how to deal with this, the greatest challenge of the current decade.

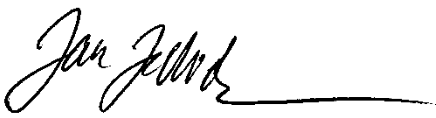
Early parliamentary elections in crisis-torn Greece were also certainly an important event. The Syriza former Prime Minister Alexis Tsipras has once again convincingly taken hold of the Greek political scene. His win of 35.5% of the votes translates into 145 parliamentary seats out of 300. As in January Syriza narrowly missed a majority, so it will have to enter into a coalition agreement with its old-new coalition partner the Independent Greeks party. Therefore we already know the staffing of the new government, but what will its programme be and in particular what "face" will the future Prime Minister Tsipras put forward? Will it be the adamant Tsipras Version I in the first half of this year, or the constructive Tsipras à la this summer? During the autumn we will find out.

A European or more precisely global trend also deserves a deeper look. Although it does not concern only the month of September, it has been promoted with increasing intensity since the end of last year. Have you already heard about expanding the digitalization of industry, which has been labelled Industry 4.0 or even the fourth (some say the third) industrial revolution? In the commentary of our colleague Radek Novak from our Knowledge Centre you can read about the industrial visions of the future associated with concepts such as 3D or additive printing, robotics, the Internet of Things, Big Data, sharing instead of owning and the like.

We have devoted the Main Topic this time to developments and trends which most of you have certainly thought about from time to time. What is the current position of the European Union in the global economy and society and how is this position developing? How we are doing in terms of population size, GDP, taxation, competitiveness can be found on pages 9 to 12.

I wish you the longest possible Indian summer and the least European and other crises.

Jan Jedlička



EU Events

The results of the early parliamentary elections in Greece: a Syriza victory with a total of 35.5% of the votes. – TTIP: European Commissioner for Trade has proposed a new system of investment courts. – The European Ombudsman deals with censored tobacco documents because of the TTIP. - The electricity market in the European Union will change.

POLITICS

The results of the early parliamentary elections in Greece

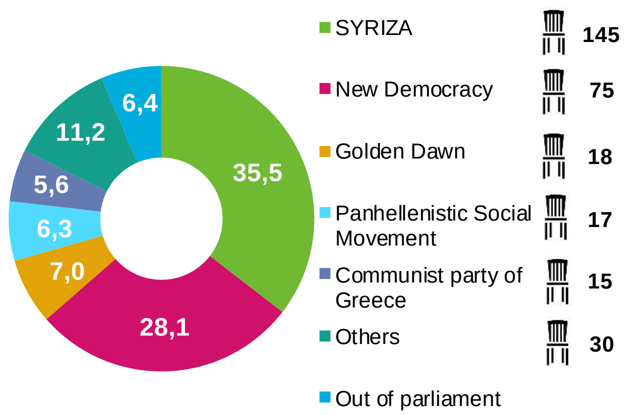
Who will carry out the Greek reforms which the government of former Prime Minister Alexis Tsipras, who resigned after part of his party stood against the austerity measures, committed to in exchange for provision of a third rescue package? Greeks made the decision in early parliamentary elections, which **were held on 20 September**.

Pre-election forecasts gave similar chances to the leftist Syriza and the center-right New Democracy parties. It was therefore clear that ultimately the most important thing wouldn't be who won the election formally, but who could put together a viable coalition capable of implementing the necessary reforms.

Third place was attributed in advance to the neo-Nazi Golden Dawn party. Other parties expected to gain seats in the Parliament were the socialist Pasok party, the centrist party Potami, and also the extreme left-wing Popular Unity party, which split off from Syriza, and the Independent Greeks, who were part of the coalition in Tsipras' government.

And the results? The following morning confirmed the **victory of Syriza**. Alexis Tsipras won with a fairly large margin of almost seven per cent - the count showed that he **won 35.46%** of votes, while the conservative **New Democracy** party only obtained **28.10%.**

Parliamentary elections in Greece (v %)



Source: Greek Ministry of Interior; note: Others - Potami (11 seats), Independent Greeks (10 seats), Centristic Union (9 křesel)

The neo-Nazi party Golden Dawn finished in third place winning 6.99% of the votes cast. The socialist party Pasok received 6.28% and the Greek Communist Party got 5.55%.

The right-wing party **Independent Greeks**, with which Syriza is likely to again form a coalition, **received 3.69%** of the votes for Parliament. Together they will have a majority of three hundred parliamentary seats (145 + 75).

The centrist party Potami also advanced and the centrist union, Popular Unity, which split off from Syriza before the elections, remained below the three percent threshold to enter parliament. There was not much interest in the election itself. **Only 56.57% of eligible voters participated** in it, which is less than in January, when voter turnout reached 63.6%.

http://ekloges.ypes.gr/current/v/public/index.html?lang=en#

FOREIGN TRADE

TTIP: New system of investment courts

On **16 September** the European Commissioner for Trade **Cecilia Malmström proposed a system of investment courts** which would replace the existing mechanism for settling disputes between investors and states (ISDS).

First the new system should **be used while negotiating the Transatlantic Trade and Investment Partnership** (TTIP) between the EU and the United States.

According to the Commission's idea, instead of private arbitrators **judges nominated jointly by the European Union and the United States** would rule on any disputes.

It would be a **two-stage** system. In the first instance there would be 15 judges, five from Europe, five from the United States and five from third countries. The Court of Appeals would have six judges, two each from the EU, the US and third countries.

The Commission will first negotiate the proposal with the EU Member States and MEPs. Then it will also submit the proposal to the American side. In the meantime, however, the clause about ISDS will remain in the trade agreement.

The Greens in the European Parliament and non-profit organizations do not like the plan; according to them the Commission is still under the influence of multinational corporations which they protest against. **Arbitration has long been one of the most controversial topics** associated with the TTIP agreement.

http://europa.eu/rapid/press-release_IP-15-5651_en.htm

EU Events

Did the Commission censor tobacco documents because of the TTIP? The European Ombudsman deals with this matter

The Brussels NGO **Corporate Europe Observatory has accused the European Commission** of censoring documents about meetings with officials of tobacco companies. It allegedly did this because of negotiations on the Transatlantic Trade and Investment Partnership (TTIP). **The Commission has denied these allegations**.

The organization requested records of meetings with tobacco lobbyists, under the basic rules on free access to information. At the same time it also relied on the rules of the World Health Organization, according to which **the authorities must ensure full transparency** in relations with the tobacco industry. **Commission Secretary-General Catherine Day allowed only partial access**, however, thus enabling most of the texts to be censured.

For example, in a 14 page document from the company **British American Tobacco** from last May **nearly every page is blackened**. In the minutes of a meeting of Commission representatives with the firm Philip Morris even the date has been removed.

According to the **European Ombudsman Emily O'Reilly**, this kind of censorship **raises questions** about the nature of the Commission's negotiations with the tobacco industry. Restricting access to the information was not sufficiently justified according to her.

http://www.asktheeu.org/en/request/contacts_with_the_tobacco_indust

ENERGY AND TRANSPORT

The electricity market in the EU will change

The Czech Republic wants the EU to start moving **towards a single electricity market**, which will not provide special conditions for renewable sources and will not utilize so-called capacity mechanisms . The Minister of Trade and Industry Jan Mládek said this at the international conference of the International Energy Club, which was held 16-17 September in Ostrava. Besides actual electricity trading the so-called energy-only market includes only regulatory and support services.

The integration of renewable energy sources (RES) is a position which **the Czech Republic wants to promote** during the beginning debate on the future shape of the electricity market in the EU. In mid-July the European Union presented consultation material, on the basis of which it will create a legislative proposal next year.

According to the Minister, better integration of RES in the market is **possible, particularly with small and decentralized sources,** whose development the government wants to promote.

The Czech Republic itself took a major step towards a functioning electricity market when last year it adjusted the system of support for renewable energy sources with the objective of minimizing negative impacts on the market.

The EU also responded to the development by inviting Elon Musk, CEO of the company Tesla to the informal meeting of energy ministers, which took place on 23 September. His company caused a stir in May this year when it unveiled batteries for energy storage in homes..

http://www.mpo.cz/dokument162342.html

ASYLUM AND MIGRATION

Asylum systems in Europe still differ

Why do some countries attract refugees, while they would rather avoid others? The reason is **considerable differences in asylum systems** between individual Member States. EU countries still **retain control** over their national asylum systems. Even though the EU has been trying since 2000 to connect these systems, access for applicants in individual countries varies considerably.

Despite the common commitment to the protection of refugees, there are **large differences**, for example in the **amount of financial assistance granted**, **housing support, recognition of the right to family reunification**, and also in how easy it is in the given country to **achieve refugee status**.

While the chances of obtaining this status is very low in some countries, others provide asylum in up to 100% of cases. **The numbers vary** according to the recipient country or the country from which refugees originate.

For example, in 2014 in **Sweden all Eritrean applicants were granted asylum,** while in **France only 26% were successful**. Similarly, different success rates are reported for example for applicants from Iraq, who have a greater chance in France, whereas Greece granted asylum to only 14% of them. This is illustrated in the **annual report of the European Council on Refugees and Exiles** from 2014/2015.

During the whole of 2014, **626,710 applications for asylum** were submitted in Europe. In the first half of 2015, the number of applications climbed to almost 370,000 - of which 210,000 people filed an application in the second quarter of this year, representing up to an **85% annual increase**. Most

EU Events

Why do some countries attract refugees, while they would rather avoid others? - The EU Council has decided to relocate 120 thousand refugees. - Train tickets with names? Because of terrorists the EU may introduce controls on the railways. - The Czech Republic may not be able to draw subsidies for the development of broadband Internet.

of the applicants came from **Syria, Afghanistan and Eritrea**.

According to data from the **French** Office for the Protection of Refugees and Stateless Persons, in 2014 France was not overly generous in granting asylum - **only 16% of applicants succeeded**. Most applicants in 2014 came from the Democratic Republic of Congo, Russia, Bangladesh and Syria.

In the first year of processing their applications, **applicants are not allowed to work**. They receive temporary **financial support**, which amounts to **11.35 euros per day** and have guaranteed free medical care and accommodation in asylum shelters.

Germany has traditionally been a popular final destination for refugees and its attractiveness is growing. So far this year the Federal Office for Migration and Refugees has already granted asylum to **250 thousand** applicants, which is twice as much as for the whole year of 2014.

In the first months, asylum seekers in Germany receive **free food and a monthly allowance in the amount of 143 euros**, which can subsequently be increased up to 216 euros. At the same time, however, for **the first three months they are not allowed to work** and even after that their chances of getting a job do not improve too much - during the first 15 months of refugees‘ residence**, German citizens and EU citizens** have priority over refugees when applying for jobs.

Although **Poland** did not used to be a popular destination for refugees, since the beginning of the migration crisis it has experienced a **significant increase in applications**. In 2014, **8,000 applications** were submitted there, of which **262 were accepted**. During only the first six months of **2015** Poland received **4,199 applications**, which means an 11% year on year increase. However refugee status was granted in only 273 cases, with most applicants from Syria, Egypt, and Iraq.

During the time of processing the application (on average 5 months and 8 days), the applicant is entitled to **free food and lodging** in an asylum center or can receive a **housing allowance and meals** outside the asylum center. He or she is also entitled to **free health care** and the **children are placed in schools**. For them the parents receive an extra allowance for school lunches.

Like Germany, **Sweden** has also long been one of the **most desirable destinations**. The reasons are clear – **a high rate of granted applications** and provision of generous **social benefits**. According to the Swedish Migration Agency (Migrationsverket), in 2014 Sweden granted asylum to 33,671 applicants. Processing of the applications took an average of 131 days.

If the asylum seeker is able to prove his or her identity during the application process, **he or she is allowed to work** even without a work permit. However, if the refugee is not able to work or does not have enough of his or her own funds, he or she can **receive financial support**, which should be enough for basic food, clothing and covering his or her own expenses.

The **Italian** asylum system is collapsing. The country has **14 facilities for refugees and 5 refugee camps**. Most of the 116,000 refugees who have reached the shores of Italy during the past few months are housed in temporary premises, however. According to the law, the processing of an asylum application should not take more than 35 days, but the reality is different. On average, processing of an asylum application takes up to one year.

When refugees arrive in Italy, first they **are identified in the detention centers**. Those who can obtain international protection are then transferred to special centers for asylum seekers while illegal immigrants are intercepted and subsequently deported.

http://www.asylumineurope.org/sites/default/files/shadow--reports/aida_annualreport_2014-2015_0.pdf

The EU Council has decided to relocate 120 thousand refugees

The **interior ministers** of the Member States have given the **green light to the so-called quotas**. EU countries will thus have to relocate an **additional 120,000 refugees** (the relocation of 40,000 refugees was already approved in June) from Italy and Greece. The Commission's original proposal also counted on relocation of 54,000 refugees from Hungary, which nevertheless disagreed with this plan. Therefore, of the 120,000 for now only 66,000 will be redistributed from Italy and Greece to other counties, and 54,000 places will be set aside as a reserve for Member States which will need assistance in the future with the influx of refugees. For the **Czech Republic**, the adoption of quotas means that it will have to take **1,591 people in two years** (376 from Italy and 1,215 from Greece).

The Czech Republic, Hungary, Slovakia and Romania **voted against the quotas**. **Finland abstained** from the vote. Poland, which like other countries of the Visegrad Group has long been against quotas, eventually reconsidered its position and voted for them.

The Slovak Prime Minister stated that he will not respect this decision of the Council, and announced that his country will **take legal action at the European Court of Justice in Luxembourg**.

The day after the meeting of the EU Council an **informal extraordinary summit of the European Council** was also held. The EU heads of state did not act on quotas at that meeting however. The leaders **dedicated themselves to concrete measures** that the EU should take as soon as possible to address the refugee crisis.

The measures approved include financial **assistance worth 1 billion euros** for refugees directly to **the Middle East** through the World Food Programme and the Office of the United Nations High Commissioner for Refugees, **establishing hotspots in Greece and Italy** by the end of November, **strengthening assistance** to Lebanon, Jordan, Turkey and other countries in the Middle East region and **better protection of external borders.**

http://eu-un.europa.eu/articles/en/article_16886_en.htm

JUSTICE AND INTERNAL AFFAIRS

Train tickets with names? Because of terrorists the EU may introduce controls on the railways

Train tickets in the EU could carry **mandatory data on the passengers** who travel on them. Crews could have **access to the Schengen Information System** in order to more easily determine whether the trains are moving suspected terrorists. Security research could also be incorporated. These are just some of the ideas that EU transport ministers will discuss at their **meeting in Luxembourg on 8 October**, said the EU Counter-Terrorism Coordinator Gilles de Kerchove. In this way the EU is responding to the August attack on the high-speed Thalys Amsterdam-Paris route, which claimed three wounded.

For the time being we cannot say what specific measures the EU will introduce to strengthen security in trains. Whether the Union will adopt **new legislative regulations** will only emerge from the debates of the ministers.

Input from the **European Commission's Expert Group on Land Transport Security** should also help policymakers. The Commissioner for Transport Violeta Bulc has asked the Expert Group to present the best measures working in individual countries.

In late August, railway safety was also discussed by the ministers of the interior and transport from eight Member States, together with representatives from Switzerland, the European Commissioner for Migration, Home Affairs and Citizenship Dimitris Avramopulosem, Commissioner Bulc and de Kerchove himself.

According to the Counter-Terrorism Coordinator, it would be **very difficult to implement** safety rules similar to those that apply to aircraft in trains. Still there remains much scope for improving safety in the area of railway transport.

The EU has been dealing with better control of air traffic for a long time. Trilateral talks between the European Commission, the Member States and MEPs are directed at the **Passenger Name Records Directive (PNR).**

This legislation is still in the European Parliament which has concerns about the security of personal data. On the basis of the directive **airlines could collect data** on passengers on planes to or from the EU. The security authorities would have access to this. The directive would concern, for example, the names of passengers, data on seats booked, luggage and payment methods.

http://www.consilium.europa.eu/en/policies/fight-against-terrorism/counter-terrorism-coordinator/

COHESION POLICY

The Czech Republic may not be able to draw subsidies for the development of broadband Internet.

The Czech Republic is at risk of not being able to draw subsidies from EU funds for the development of broadband Internet due to failure to meet the conditions for drawing. This concerns an amount of **14 billion crowns**. The Czech Republic already defined its intention to provide the population with Internet connection speeds of at least 30 Mbps by 2018. **The subsidies**, which should be granted through the OP Enterprise and Innovation for Competitiveness, nevertheless require the investment participation of telecommunication companies. However, as their representatives along with the Chamber of Commerce stated at a press conference, the National Plan for Development of Next Generation Networks **does not comply with European rules**.

According to a member of the Board of Directors of the Chamber of Commerce, the government's plan **lacks** some essential elements that the EU requires for drawing subsidies. This concerns in particular **an analysis of the current state of Internet coverage**. The firms therefore called on the government to carry out the analysis designed by the Czech Telecommunications Office.

http://www.komora.cz/aktualni-zpravodajstvi/tiskove-avy/tiskove-zpravy-2015/cr-hrozi-ze-prijde-o-dotace-na-okorychlostni-internet.aspx

Commission's Column

The European Commission Representation in the Czech Republic contributes to the EU News Monthly Journal in the "Commission's Column". The article discusses the Investment Plan for Europe, which is now fully operational, and even in the Czech Republic SMEs can obtain financial instruments guaranteed by the EFSI Fund.

CZECH COMPANIES ARE ALREADY BENEFITING FROM THE EUROPEAN INVESTMENT PLAN

European Commission President Jean-Claude Juncker introduced the long-awaited "Investment Plan for Europe" last year in the final week of November. Up to 315 billion euros of new investments will help boost growth in the EU and create more employment for people.

The proposal was in response to the deep drop in investment in the EU, which has been taking place since the beginning of the economic crisis in 2009. According to Commission estimates, the annual volume of gross investment in the EU is about 300 billion euros below the "long-term" normal level. At the same time a low level of investment negatively impacts economic growth in several "channels".

First, investments are an important component of aggregate demand. In the longer term, an investment deficit has a negative effect on labor productivity, which reduces the rate of growth in living standards. The intention of the Commission's investment plan is thus to "activate" investment using available public and private financial resources - through direct capital investment and additional guarantees for loans.

The European Union institutions in cooperation with the Member States managed to bring the "investment package" to life in record time. As early as 4 July 2015 the mandate for the European Fund for Strategic Investments (EFSI) entered into force. It was created in partnership with the European Investment Bank (EIB) and its base consists of a guarantee of 16 billion euros from the EU budget in combination with 5 billion euros which the EIB has earmarked. According to estimates based on historical data, the expected multiplier effect of the Fund is 1:15. Every euro of public funds that will be mobilized by the Fund together with private resources should therefore create 15 euros of total investments that otherwise would not happen.

The other necessary legislative steps required for the launch of the EFSI fund - especially the legislation establishing the operations of the Fund and the European Union guarantees - were completed during the summer. At that time, the European Investment Bank launched drawdown of the Fund with nine transactions.

France can be mentioned as an example. There the Fund supports projects aimed at improving household energy efficiency. In Spain, the EFSI finances a long-term loan for a gas distribution network project. In Ireland, the Fund is providing resources for the construction of fourteen new health centers. The Fund has also enabled the European Investment Fund (EIF) to continue financing small and medium-sized enterprises within the framework of the COSME programme.

Czech companies are also already benefiting from the Investment Plan for Europe. In August, the European Investment Fund and the Czech-Moravian Guarantee and Development Bank (ČMZRB) signed the first COSME transaction in the Czech Republic which utilises the support of the European Fund for Strategic Investment (EFSI).

On the basis of the concluded agreement the ČMZRB obtained a counter-guarantee capable of supporting loans for small and medium-sized businesses in the Czech Republic amounting to 4.4 billion crowns, until the end of 2017.

Nevertheless, the Investment Plan for Europe is not only about new sources of finance. An integral part of the initiative is the elimination or modification of sectoral regulations that hinder investment. The Commission is currently focusing in particular on the removal of regulatory and other barriers in the areas of energy, telecommunications, digital technology and transport, as well as barriers in the markets for services and goods.

Since September 2015, the so-called European Advisory Investment Hub has been available, which mainly helps investors and financial intermediaries. A request for technical assistance can be submitted in particular in the area of preparation of investments and their financial structuring.

According to European Commission estimates, within the next three years the proposed measures as a whole could increase EU GDP by 330-410 billion euros and give rise to up to 1.3 million new jobs. In mid-2016 the European Commission and the heads of state and government will assess the progress made and if necessary will consider other options.

On 17 September 2015 the European Commission Representation in the Czech Republic in cooperation with the European Investment Bank held a seminar entitled "Financing Investments in the Czech Republic: the Investment Plan for Europe." The main objective was to introduce Czech businesses to the financing options from the newly established European Fund for Strategic Investments (EFSI) within the European Investment Bank (EIB).

The outputs of the seminar can be found at: http://www.cebre.cz/cz/docs/investicni-plan-pro-evropu/

Further information on the EFSI Fund can be found on the webpages of the Investment Plan or the so-called European Advisory Investment Hub:

http://ec.europa.eu/invest-eu I http://www.eib.org/eiah

Our Information Service section outlines upcoming sessions of EU decision-making bodies accompanied by other significant events. Often agendas for negotiations by these important bodies are not ready until a few days before the actual meetings can be found at: http://europa.eu/newsroom/calendar/ http://www.eu2015lu.eu

InfoServis

Meeting of the key EU institutions

8 October 2015	**Brussels, Belgium**	**22 October 2015**	**Luxembourg**
- Transport, Telecommunications and Energy Council		- Agriculture and Fisheries Council	
8 October 2015	**Luxembourg**	**26 - 29 October 2015**	**Strassbourg, France**
- Justice and Home Affairs Council		- European Parliament Committee Session	
12 October 2015	**Luxembourg**	**26 October 2015**	**Luxembourg**
- Foreign Affairs Council		- Foreign Affairs Council	
13 October 2015	**Luxembourg**	**26 October 2015**	**Brussels, Belgium**
- General Affairs Council		- Environment Council	
14 October 2015	**Brussels, Belgium**	**26 - 29 October 2015**	**Strassbourg, France**
- European Parliament Plenary Session		- European Parliament Plenary Session	
19 October 2015	**Brussels, Belgium**	**9 November 2015**	**Brussels, Belgium**
- European Parliament Committee Session		- Eurogroup	

Source: www.europa.eu, http://www.es2015.lv/en/, access as of 30th Septmeber 2015

EUROquiz

QUIZ QUESTION FOR THIS MONTH

The economic performance of China is growing. In 2000, China's gross domestic product per capita in purchasing power standards (PPS) was at a level of 13% of the EU average.

In 2014 this share (of GDP per capita in PPS) already amounted to nearly 37% of the European Union value. The European economy has recovered from the recession and is growing. Will China retain its rate of convergence? Our question is:

What will the performance of the Chinese economy be compared with the EU (if it now amounts to almost 37%) in 2030?

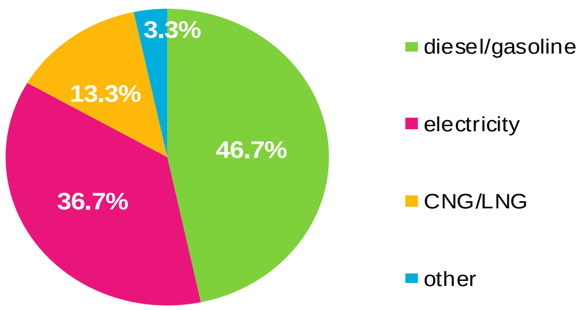
- lower
- the same
- up to 50%
- more than 50%

You can send us your answer to this question using the form which you will find at: bit.do/eurokviz6

ANSWER TO LAST MONTH'S QUESTION

In the last issue of the Monthly we asked a question on the subject of what the dominant power source for cars will be in 2030. The vox populi of our readers says that nearly half of cars will be equipped with gasoline or diesel power units. A third of cars - and that would mean a significant increase over the current negligible numbers - will be electric. Compressed (CNG) or liquid (LNG) natural gas will power 13% of cars. How would the survey have turned out though if it were published now, after the shocking news on the systematic falsification of emissions data in VW diesel engines?

What will be the dominant fuel in 2035?



Source: EUROkvíz EU Office Česká spořitelna

Microscope

Digitisation and the advent of an Internet affecting all human activities are also quickly entering industry. This has recently become a hotly debated topic in individual member states and at the European Commission, In Germany, this trend under the name Industry 4.0 has even been called the 4th Industrial Revolution.

THE DIGITAL REVOLUTION IS A CHALLENGE FOR EUROPEAN INDUSTRY

The fact that the digital revolution is not just a “marketing bubble” is demonstrated by the fact that the German government and huge enterprises like Bosch, Siemens and Volkswagen attach great weight to it. The EU will also have to respond to this trend, either in areas like cybernetic security or new technology standards and harmonisation. Not even the Czech Republic has been left behind. In mid-September Industry and Trade Minister Jan Mládek introduced the Industry 4.0 National Initiative.

This document focuses not only on the actual term Industry 4.0, but also addresses areas that the government will want to devote itself to, whether they be technological expectations and visions, demands for standardisation, security, impacts on the labour markets, workforce qualifications, the education system or other matters. Industrial production is very important for the Czech Republic and therefore capturing the latest trends and implementing Industry 4.0 will be an important basis for the future development of the Czech economy and an opportunity for increasing the competitiveness and innovativeness of domestic companies.

The Fourth Industrial Revolution in practice means the interconnection of all smart devices, production lines and products, production systems, warehousing, logistics and service into one intelligent information network in which the smart devices of customers, producers and suppliers communicate with each other without human assistance. Thanks to this the production process is fundamentally changing: Everything starts with data that will be collected from customers, suppliers and the production plant itself and evaluated even prior to actual production. This will be automatically ensured by technology, robots, 3D printers, microchips, sensors or bar code readers. The whole system will also be digitally connected and everything will communicate; as soon as one machine completes production it will immediately inform a transporter which will come and take the product to another programmed machine. The suppliers‘ production systems will also communicate with each other.

After completion the product will be warehoused without human assistance or sent directly to the customer. These mainly technological changes have a great potential to influence existing supplier-customer processes and business model. How?

Leasing instead of purchasing

One of the greatest changes arising from digitisation and from the fast changing environment will be the growing companies will want to own products and machines, but will prefer to lease them. And either for 20 years, or 3 months or for only a single order. The digitisation of industry, cybernetic-physical systems, robots and 3D printers will also bring more freedom and latitude to the production process, thanks to which it will be possible to produce customised orders for relatively low costs as well as in small amounts. The production model will also change: It will be mainly data that will migrate while physical production will be able to be carried out locally. And by small and medium-sized companies. Large manufacturers can then respond by establishing small autonomous production units that will be sent to places where they will be needed without having to construct large factories.

Thanks to sensors, IT, software, 3D prints or robots, new players will also enter industry. An example is Facebook, which is already investing in pilotless planes or Google entering the biotechnology and automotive industries.

Robots attack

The dominant technology industries will be IT, electronics and robotics, which will place large demands on employees. In a few years a worker will no longer work with a lathe, but with a Tablet and a smart robot connected to it. This will change the structure of employees in industry where demand will grow for a highly qualified work force able to operate robots. Some positions will disappear, but others will be created.

The digital revolution will also bring with it risks. Apart from the fact that some companies will not grasp the changes, the main threats lie in issues like company data security, a lack of qualified employees and the harmonisation of standards, thanks to which the individual components of the internet of things and services should be able to communicate. On the other hand, the digital revolution is a great opportunity for Czech companies also in regard to their connections to innovative German industry.

And what advantages can an industrial company obtain? Apart from the fact that they will be prepared for the incoming Generation Z (the internet generation) and that thanks to digitisation productivity will be substantially increased (by a quarter), as will quality, and it will reduce costs for materials and energy, mainly it will set them on the path to future success in the rapidly changing world market.

Radek Novák, Erste Corporate Banking

How is the EU itself doing in comparison to other world economies? What are the differences between these economies, and what has changed in recent years in terms of macroeconomic, demographic and socioeconomic indicators? We provide you with a look at the “hard” data and international institutions in the next section.

Main Theme

THE EUROPEAN UNION: A PLAYER ON THE WORLD STAGE

INTRODUCTION

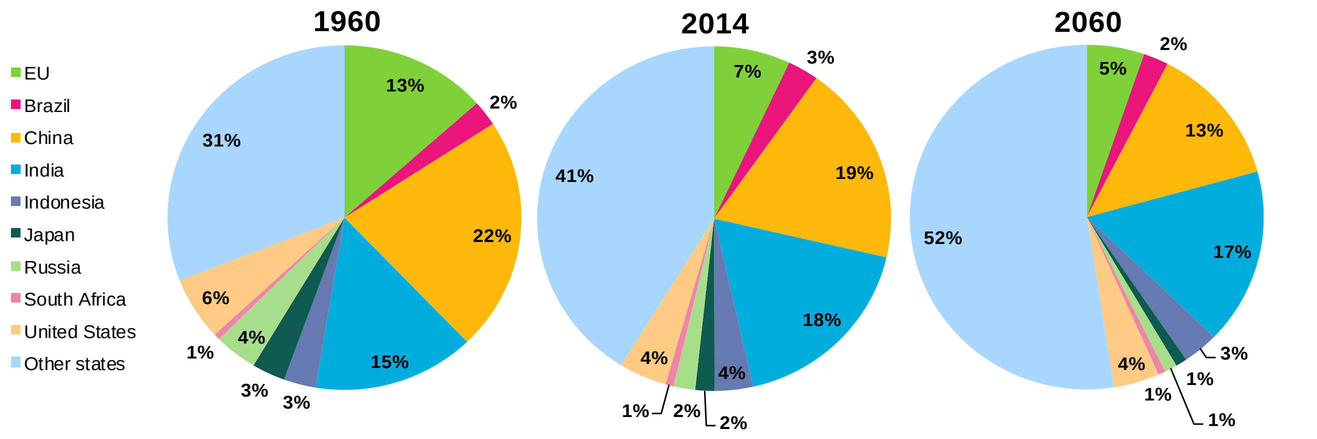
We’ve updated you on developments and trends in individual European Union states according to various topics and indicators several times already in previous issues of the EU Monthly. But the overall context can easily get lost in details and a narrow focus. How is the European Union getting on among the other big economies?

We’ve focused on the world economies that are important in terms of their size and prestige or are important competitors and partners to the EU: Brazil, China, India, Indonesia, Japan, Russia, the Republic of South Africa (RSA), and the United States of America (USA), and for comparison we’ve also included Germany and the Czech Republic.

We’ve studied these economies according to indicators relating to population and macroeconomic fundamentals, as well as from the point of view of world institutions that have created indices that track competitiveness and entrepreneurship.

POPULATION EXPLOSION

Population development and forecast in the world economies



Source: The World Bank, Eurostat

Population Age Structure (2014)

	0-14	15-64	65+
China	17%	74%	9%
Russia	16%	71%	13%
Brazil	24%	68%	8%
Czech Republic	15%	67%	18%
Indonesia	28%	67%	5%
United States	19%	67%	14%
Germany	13%	66%	21%
World	**26%**	**66%**	**8%**
EU	15%	66%	19%
India	29%	66%	5%
South Africa	30%	65%	5%
Japan	13%	61%	26%

Source: World Bank

The world population has grown significantly over the last few decades. Just in the 1960s there were around 3 billion inhabitants on the planet. According to UN data, this number had doubled by 1999 and in 2011 it reached 7 billion. By 2060 it is expected that the world’s population will hit 10 billion.

The number of inhabitants in the world economies in question was approximately 2/3 of the world population in 1960. Over the years, however, this proportion has substantially decreased in relation to other states, mainly from Africa, Asia and Latin America. According to demographic projections, this trend should continue in the future. In 2014, the world’s population stood at more than 7.2 billion. The most populated country was China, but in which the growth trend is expected to fall. India, which was

Main Theme

in second place, will very quickly catch up with China. The economies tracked by us in the given year represented nearly 60% of the world's population. The development of these populations is closely connected to its structure.

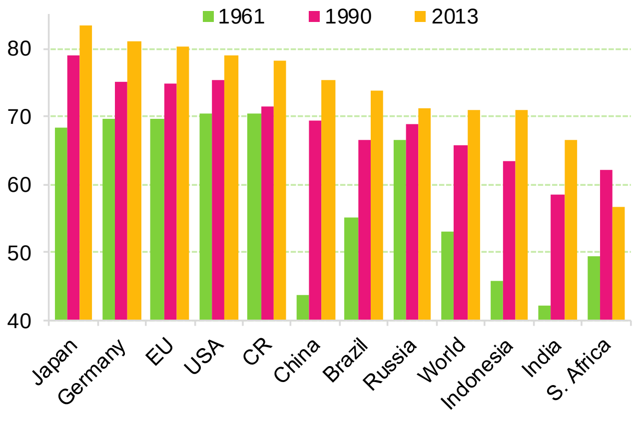
What is characteristic of developing countries is that youth make up a substantial portion of the population whereas in developed states the youth component is lower and is falling, which is leading to an ageing population.

In our monitored economies this is highly evident in Japan, where the number of people older than 65 represents more than one quarter of the population, which will place great pressure on the working age population. The greatest proportion of people of working age in the economies in question is in China and Russia. Less developed states have a higher proportion of children in the population, as is the case in RSA, India and Indonesia. An important shift can also be observed in increasing life expectancy (the life expectancy of a new-born), which was substantially higher in developed countries than in developing countries.

This difference is slowly disappearing, mainly thanks to improving health care and declining infant mortality. This is highly evident in comparable economies where substantial improvements have occurred in the given indicator over the last 50 years.

For example, in China life expectancy has increased since 1961 by more than 30 years and in India and Indonesia by approximately 25 years.

Life expectancy (years)



Zdroj: The World Bank

DEVELOPED STATES STILL CORE OF THE WORLD ECONOMY

Assessment of economic performance usually begins (and unfortunately also often ends) with the economic performance indicator measured by GDP – primarily thanks to the wide availability of data and ease of interpretation.

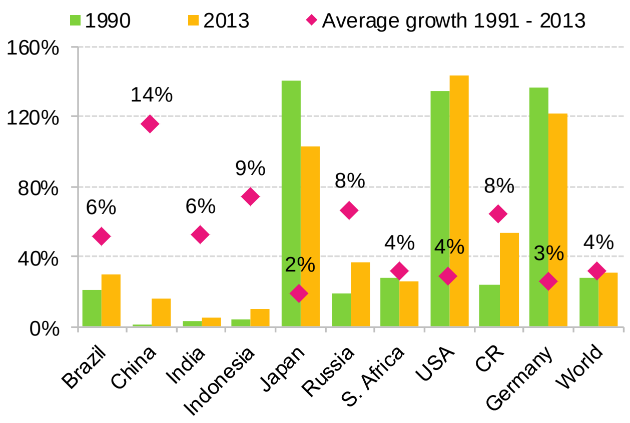
Of the economies in question, the greatest "wealth" is created in the EU – nearly 24%. Following close behind is the United States (22%) which also leads in GDP per capita. A total of 13% of world production was created in China in 2014.

However, the dynamics of development again don't look

favourable – while shortly after the collapse of the Soviet bloc the countries of the current EU produced a third of world production, today it's less than one quarter. The United States was able to make excellent use of the emergence of new market economies and their share increased, but it later lost it again.

One can't look at this development, however, as a "failure" because this decline is only relative, as the economies of these states have continued to grow – the European Union, the United States and Japan (which is in a similar position) increased GDP over the whole period, and after 2000 at an even faster pace. The decreasing share of world GDP is

Labour productivity



Source: World Bank; comparison with EU (EU = 100 %); labour productivity grew by 4% p. a. on average

GDP – Development and growth

	World GDP share			Growth since 1990		GDP per capita
	1990	2000	2014	2000	2014	2014
EU	33.6%	26.5%	23.7%	16%	143%	36,244
CR	0.18%	0.18%	0.26%	52%	410%	30,445
Germany	7.8%	5.9%	4.9%	10%	118%	45,616
USA	26.5%	30.9%	22.4%	72%	191%	54,629
China	1.6%	3.6%	13.3%	236%	2,786%	13,217
Japan	13.8%	14.2%	5.9%	52%	48%	36,426
Brazil	2.0%	2.0%	3.0%	42%	408%	15,838
India	1.4%	1.4%	2.7%	46%	533%	5,708
Russia	2.3%	0.8%	2.4%	-50%	260%	25,636
Indonesia	0.51%	0.50%	1.14%	44%	677%	10,517
South Africa	0.50%	0.41%	0.45%	22%	212%	13,046
World	-	-	-	48%	245%	14,939

Source: World Bank, GDP per capita is expressed in PPS, otherwise nominally

a result of the development of completely new markets that had earlier had a negligible impact on the world economy.

Total world GDP has more than doubled over the last 25 years. Of the newly created GDP from the last 25 years 75% is accounted for by states included in this report – the most by the USA and the EU (both 20%) and China (18%). They are followed at some distance by India, Brazil, Japan and Russia, of which each state contributed around 3% of newly created GDP.

The absolute record holder of economic growth is clearly China, which over the last 30 years has jumped from almost nothing to being one of the most important world economies.

While it accounted for 1.6% of GDP in 1990, in 2014 it accounted for more than 13% of world production because its volume of GDP grew 28x! Nobody else has been able to

even imitate similar phenomenal success – the second most successful country of those economies in question, Indonesia, has managed to increase its production by nearly 8x "only". Among the other successful economies are India (growth of 533%) and Brazil (408%). It's important to add that the Czech Republic over the last 25 years has recorded absolute economic growth comparable to India or Brazil.

Developed countries have logically fallen behind in economic growth dynamics – growth is considerably faster in poorer countries. This is caused by growth from a lower foundation, but also by the fact that developed countries are creating new technologies, which is a far more demanding activity than importing existing technology. An important finding is also that the world grew much faster after 2000.

Labour productivity (measured as GDP per labour force) is comparable to the EU only in Japan. In the United States it is approximately 40% higher. In none of the developing nations is labour productivity even close to that in developed countries – in "most successful" Russia it is nearing 40% the level of the European Union, and in China it is only 16%.

Nevertheless it's good to see the effect of convergence in productivity as well – while productivity in the wealthy states is growing relatively slowly, in the developing nations it is in some cases skyrocketing – for example in China by 14% per year. It is worth mentioning the Czech Republic, which was able to increase productivity in recent years at a comparable pace to India or Indonesia despite a substantially higher base.

Similarly, the inflationary environment can be divided into the periods pre- and post-2000 – the 1990s were generally marked by higher inflation. During those years Brazil and Russia suffered a heavy blow in the form of hyperinflation which repeatedly reached hundreds of percent per year (even thousands of percent in the case of Brazil).

Of course, inflation was higher in the 1990s than today in practically all states. Inflation is generally lower in developed states than in emerging nations.

Main Theme

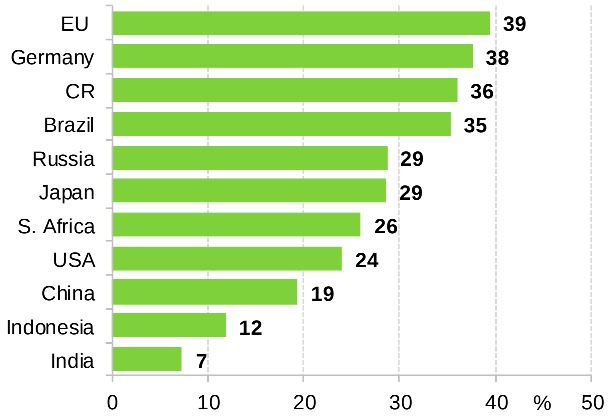
TAX RATES – DEVELOPING COUNTRIES ARE ATTRACTING BY LOWER RATES

In the context of developed states taxes are one of the most important cost items. Lower taxes are therefore a very effective way of attracting foreign companies.

Of the surveyed countries, the lowest taxes are in India and Indonesia. In India the tax burden makes up only 7% of GDP. The reason is the large number of people living under the poverty line, the large amount of production created in sma ll enterprises and because the country suffers from shortcomings in state infrastructure. In Indonesia the tax take is 12% of GDP.

In China, the tax take is also considerably lower than is usual in the West (19% of GDP) – it compensates for its shortcomings in income, however, with direct state involvement in many strategic companies. In the rest of the world production is taxed 24% or more. The most tax has long been levied in the European Union where the rate of tax redistribution is close to 40% of GDP.

Tax rates - Tax burden on GDP (2014)



Source: Heritage Foundation; European Commission

COMPETITIVENESS – THE DEVELOPED WORLD STILL ON TOP

Rank in Competitiveness Indices

	Doing Business	Economic Complexity Index	World Economic Forum
USA	7.	12.	3.
Germany	14.	3.	5.
Japan	29.	1.	6.
EU	26.	14.	22.
CR	44.	6.	37.
China	90.	22.	28.
S. Africa	43.	59.	56.
Russia	62.	45.	53.
Indonesia	114.	69.	34.
Brazil	120.	56.	57.
India	142.	54.	71.
Countries included	**189**	**144**	**144**

Source: World Bank, MIT, World Economic Forum; the EU average is computed as weighted average of member states; GDP is used as weight

Apart from statistical data, it's good to also look at other "softer" aspects of the economy. We therefore include in the report 3 rankings of competitiveness from prestigious organisations.

The first of them is the Doing Business Index from the World Bank, which looks at competitiveness from the perspective of state bureaucracy. It's based on the assumption that in order for a country to be successful in international trade companies must not be subject to pointless bureaucratic obstacles.

Various indicators of the quality of the bureaucratic environment are therefore included in the index – from the difficulty of establishing a company to exporting and through to building permits.

The Economic Complexity Index, created at MIT, on the other hand focuses on products – what specifically is exported in a given country? It is based on the thesis that countries which export relatively few specific products will be less competitive than those countries that diversify their export portfolio.

The last indicator is the Competitiveness Index published by the World Economic Forum – it tries to capture the competitiveness of an economy from many different angles – from infrastructural facilities to the innovation environment to monetary stability, education and institutional quality.

All three indices clearly demonstrate the advantage of the developed world – developed countries are traditionally in the top third of the rankings. Approximately half of the states from the EU are in the first 30 places in all the rankings, and in the case of economic complexity there are even 21.

Of the countries studied, Germany and the United States are at the very top, closely followed by Japan. Conversely, the worst results were achieved by India and Brazil – they are the countries, which although they have been on the rise in recent years, started out from a very low base. They will expect a very long journey still before achieving an economic environment comparable to the developed world.

China suffers from the complication of its bureaucratic environment, although it is ranked very well in other indices. This can be partially explained by China's meteoric rise in recent years.

Some may be surprised by the Czech Republic's placing. Thanks in particular to its very strong industrial base and strong ties to the German economy it was ranked at an excellent 6th place in the world in terms of economic complexity.

In comparison to the rest of the EU we definitely have something to catch up with in the Doing Business rankings – 18 countries from the EU are ranked better than the Czech Republic.

In the World Economic Forum's Competitiveness Index we should also aim high – we achieved weak results especially in terms of institutions, infrastructure and innovative environment in which there is room for improvement not only of European but mainly domestic policies. On the path to competitiveness we have to work on othe innovation system – the enterprises in the Czech Republic must be able to produce high quality goods succeeding on the international market.

CONCLUSIONS

The data convincingly show that the meteoric rise of China in the last two decades has radically changed the structure of world trade and shifted the centre of gravity eastward. The developing economies, however, are not growing only economically – they are also growing in terms of population.

While the developed economies are facing a problem in the form of an ageing population, in the less developed parts of the world there won't be an emergency regarding workers (with the exception of China where the situation is greatly complicated by the one child policy).

On the other hand, the economic data do not confirm the arrival of the new dynamic tigers from the BRICS countries – Brazil and India have in recent times grown quite rapidly, but they can't be compared to the intensive growth in China. Russia is at the present time in considerable difficulties and South Africa's economy has not shown any impressive results for a long time.

On the other hand, the competitiveness rankings show that the transition to a market economy has enabled many states to become wealthy relatively quickly and helped many people out of poverty, although in comparison to the developed world they are still clearly losing out – labour productivity is very low, the administrative environment is still very complicated and not enough added value is created in those states.

The European Union's share of generated GDP has fallen over the last 20 years, but it is still a key player (and will be for a long time to come). Twenty-four percent of world production is created there and work productivity is more than 6x higher, for example, than in China.

The EU invests a fundamental part of its economic production in building state infrastructure – the rate of taxation in the EU is close to 40% of GDP. In the competitiveness indices it is placed at the top of all the rankings.

But we need to recognise our competitive advantage – in the economy of the 21st century it's very difficult for us to compete with cheap labour. This era has long passed in the world.

On the other hand, we are competing in the world with excellent technology that is turning the world on its head, as we managed to do several times already last century together with the United States and Japan.

Doing Business

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

POLAND	
Official name	Republic of Poland
Population	38,200,037 (2011)
Area	312,574 km^2
Currency	Złoty (PLN)
Ethnic groups	Poles (96.9 %), Silesians (1.1 %)

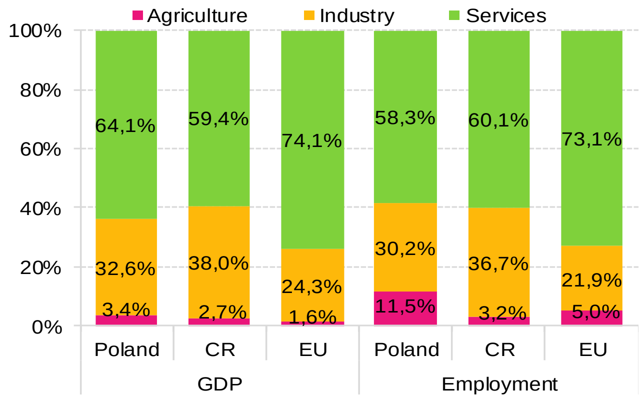
Source: The World Factbook

It was part of the Eastern Bloc, from which it broke away in September 1989 after “round table” discussions when the first post-communist government in Central and Eastern Europe was formed. Since 1999 the country has been a member of NATO and since 2004 it’s been a member of the EU. The head of state is the president directly elected by the people for 5 years. Legislative power is entrusted in the hands of a two-chamber parliament – the Sejm and the Senate. The Sejm is composed of 460 members elected by a proportional representation system for 4 years. The Senate is composed of 100 senators elected by a majority system for the same period. President is Adzrej Duda and prime minister is Ewa Kopacz.

Structure of economy and foreign trade

More than one-third of Polish exports is made up of machinery and transport equipment, approximately one quarter is accounted for by the processing industry and less than one-fifth by market products. Goods are exported mainly to Germany (26%), the United Kingdom (6.8%) and the Czech Republic (6.4%). Most exports are made up of machinery and transport equipment (38%), processing industry intermediate products (21%) and chemicals (15%). The greatest importers into Poland are Germany (27.5%), Russia (10.6%) and the Netherlands (6%).

Sectors of National Economy



Source: Eurostat, data for 2014

Macroeconomic outlook

In 2014 the Polish economy grew by 3.4% GDP. The driving force was investment, which grew by 9.2% thanks mainly to the corporate sector. A positive role was also played by private consumption encouraged by higher disposable incomes under the influence of increasing employment and real wages. According to the European Commission, the pace of growth will remain at similar rates over the next two years as well, and domestic demand will be borne on its shoulders. The situation regarding real disposable incomes will improve together with the development of the labour market and the containment of inflation, resulting in a strengthening of private consumption. Cheap financing and various government measures for the support of investment in housing will lead to greater overall investment in the economy. The last data from June 2015 show a fall in prices by 0.6%.

The country’s public debt is at 50% the level of GDP. The annual public finance deficit has fallen from 8% at the end of the last decade to under the Masstricht target of 3% GDP.

Basic indicators (in %)	2013	2014^e	2015^e	2016^e
GDP Growth (%)	1.7	3.4	3.3	3.4
Unemployment rate (%)	10.3	9.0	8.4	7.9
Inflation (%)	0.8	0.1	-0.4	1.1
Gov. Budget balance (%)	-4.0	-3.2	-2.8	-2.6
Public debt (%)	55.7	50.1	50.9	50.8

Source: European Commission; ^{e} - estimate

Labor market

Basic indicators of labor market		
Unemployment rate (July 2015)	7.6%	
Labor productivity to Ø EU (2013)	59.7%	
Minimum wage (2H/2015)	418 EUR	
Ø monthly labor costs in sectors (2014)	**Poland**	**CR**
Manufacturing	1,092 €	1,475 €
Wholesale and retail trade	975 €	1,434 €
Transport and storage	1,117 €	1,389 €
Hotels and restaurants	766 €	916 €
Information and communications	1,966 €	2,895 €

Source: Central Statistical Office Poland, Eurostat

Doing Business

The unemployment rate, which once reached 20% in Poland is in the distant past and is now less than 9% (at midyear it was even as low as 7%).

Labour productivity exceeds half the EU average by only a few percentage points and occupies 22nd place within the entire EU. The minimum wage expressed in euros is EUR 80 higher than in the Czech Republic. In contrast, monthly labour costs are about 22% lower there than in the Czech Republic.

Labor law basics

It's possible to conclude a labour contract in Poland for a definite and indefinite period, and for a period for performing certain activities or for a substitute. All of these types of labour contracts can be preceded by a labour contract for a trial period which, however, can be concluded only once for a maximum of 3 months. The notice period is from 2 weeks to 3 months according to the duration of employment. The work period is a standard 8 hours a day and an average of 40 hours per week. Overtime may not exceed 150 hours in a calendar year and the weekly work period may not exceed an average of 48 hours a week. For less than 10 years worked an employee is entitled to 20 days holiday, and for over 10 years they have a claim to 26 days holiday a year.

Commercial law basics

A limited liability company is the most attractive legal form of doing business for foreign investors. One or more partners may establish one and the minimum registered capital there per partner is PLN 50 (approx. CZK 325), and for a whole company it is one hundred times this amount. For joint stock companies the minimum registered capital is PLN 100,000 (CZK 650,000) and one can be formed also by one or more people.

Form of Company	Minimum Capital
General Partnership	not limited
Limited Partnership	not limited
Limited Liability Company	5,000 PLN (32,500 CZK)
Joint-stock company	100,000 PLN (650,000 CZK)
European Company	120,000 EUR (780,000 CZK)

Source: Polska agencja Informacji i Inwestycji Zagranicznych

Main taxes and additional labor costs

The tax rate on corporate income is a flat 19%. The rate of withholding tax on dividends is also 19%. For personal income tax Poland maintains a progressive regime: for annual income up to PLN 3,091 a zero rate is applied, up to PLN 85,528 the rate is 18% and over this amount it is 32%. The basic rate of VAT is 23% and from January 2016 it is to be reduced to 22%. In addition, there are another two reduced rates: 8% (e.g. pharmaceuticals, public transport, newspapers, hotels, restaurants) and 5% (foodstuffs).

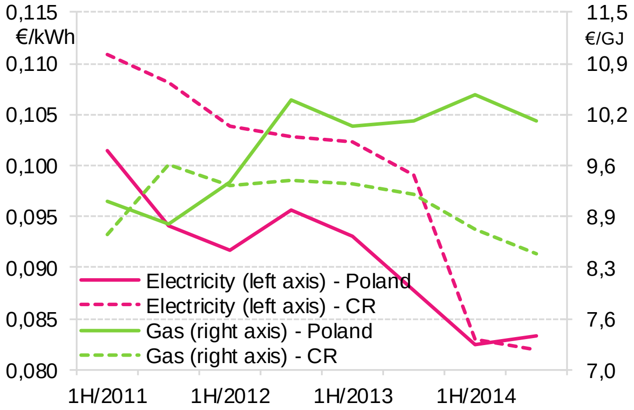
Tax	Rate
Corporate Tax	19%
Dividend tax (non-residents)	19%
Income tax for households	18% / 32%
VAT (basic/lower)	23% / 8% / 5%
Social security - employee	13.71 %
Social security - employer	19.21% - 26.93%

Source: Ministerstwo Finansów

Energy

The Polish orientation toward coal mining is also demonstrated in the composition of its energy mix – more than 80% of electricity is produced from fossil fuels (in the Czech Republic it is more than half); renewables are in second place with nearly 11%. Poland is 70% energy self-sufficient and the remaining energy is imported from abroad. Electricity prices for large Polish consumers have been steadily declining since mid-2012 and in mid-2015 they were 8.3 eurocents per kilowatt. The price of gas is 20% higher than in the Czech Republic.

Energy prices



Source: Eurostat; tariffs for large enterprises without VAT

Investment incentives

The proffered investment incentives can be divided into three areas: support in the **fundamental sectors of the economy** (e.g. automotive, aviation, biotechnology, R&D) where grants for the generation of jobs and investment grants are offered; **special economic zones with special conditions** (e.g. tax credits) and **support from local communities.**

Regional aid is in the vicinity of 10% to 50%.

EU Series

The October issue of the EU Serial is devoted to the Rural Development Programme approved as the sixth operational programme of the Czech Republic. The programme is focused on rural development and improving the state of the environment through the renewal, preservation and improvement of ecosystems associated with agriculture and forestry.

THE RURAL DEVELOPMENT PROGRAMME

European rural development policies are implemented in individual EU member states through the seven-year national and regional rural development programmes (RDPs).

The aim of the programme is "*restoring, preserving and improving ecosystems dependent on the agricultural environment, particularly agro-environmental measures, as well as investment in the competitiveness and innovation of agricultural enterprises, and support for the entry of young people into agriculture or landscape infrastructure*".

The government body of the RDP is the Ministry of Agriculture. The State Agricultural Intervention Fund fulfills the role of the funding and certification body.

Upon the creation of its own Rural Development Programme the Czech Republic has to meet at least four of the EU's total of six priorities just like other member states.

Each of the priorities then determines a more detailed field of interest. The Czech Republic set itself individual goals as part of its RDP stemming from the fields of interest and specific measures for achieving the set goals. A total of 14 measures were stipulated as part of the Czech RDP.

M01: Transfer of knowledge and information actions

M02: Consultancy, management and assistance services for agriculture

M04: Investment in fixed assets

M06: Development of agricultural businesses and entrepreneurial activities

M08: Investment in the development of forestry areas and the improvement of forest viability

M10: Agro-environmental-climate measures

M11: Ecological agriculture

M12: Payments as part of the Natura 2000 network and pursuant to the framework directive on water

M13: Payments for areas with natural or other particular constraints

M14: Good living conditions for animals

M15: Forestry-environmental and climate services and forest protection

M16: Cooperation

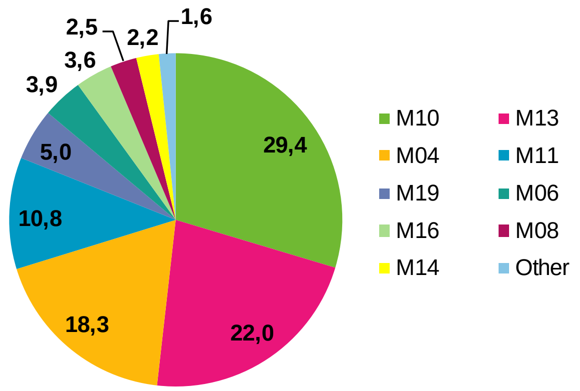
M19: Support for local development from the LEADER initiative

M20: Technical assistance from member state initiatives

The total allocation for the RDP from Union sources is EUR 2,305.7 mil., which will be allocated through the European Agricultural Fund for Rural Development (EAFRD).

One of the changes to the programme period 2014-2020 is the inclusion of the EAFRD among the European Structural and Investment Funds (and thus governed by one set of regulations).

Allocation by individual measures (in % of total RPD allocation)



Source: Program rozvoje venkova;

The greatest amount of money will be allocated as part of measure M10 (29.4%), i.e. for strengthening the prevention of soil degradation and strengthening the ability of agriculture and forestry to adapt to climate change. Second is measure M13 (22 %), which will deal, for example, with the preservation and restoration of habitats on both agricultural and forestry land valued in particular for their species diversity or increased ecological stability and the aesthetic values of the landscape.

At the end of July, the Ministry of Agriculture announced the first round for accepting applications for project measures as part of the RDP. Applications for operations as part of measures M04, M08 and M16 were the first to be announced. Applications will be accepted only through the Farmers' Portal until 12 October 2015. More than 3 billions (61 %) have been allocated to Investment in agricultural enterprises.

You can find more information about the Rural Development Programme and individual calls on the web pages of the Ministry of Agriculture, the State Agricultural Intervention Fund and the Ministry for Local Development.

www.eagri.cz | www.szif.cz | www.mmr.cz

Statistical Window

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

Key microeconomic indicators

in %	Inflation (YoY)				Unemployment rate				Labor costs to Ø EU			
	V-15	VI-15	VII-15	VIII-15	Q3-14	Q4-14	Q1-15	Q2-15	2011	2012	2013	2014
Belgium	0.8	0.9	0.9	0.8	8.6	8.6	8.6	8.6	148.6	149.5	150.4	149.6
Germany	0.7	0.1	0.1	0.1	5.0	4.9	4.8	4.7	121.8	122.9	123.1	123.3
Estonia	0.5	0.3	0.1	0.2	7.7	6.6	6.1	n/a	35.3	36.8	39.2	41.0
Ireland	0.2	0.4	0.2	0.2	11.1	10.4	10.0	9.6	115.8	115.8	115.0	113.9
Greece	-1.4	-1.1	-1.3	-0.4	26.2	26.0	25.9	25.2	72.6	66.9	61.5	60.2
Spain	-0.3	0.0	0.0	-0.5	24.2	23.7	23.1	22.6	89.4	88.3	87.5	86.3
France	0.3	0.3	0.2	0.1	10.4	10.5	10.3	10.3	134.1	134.0	132.7	132.0
Italy	0.2	0.2	0.3	0.4	12.8	12.8	12.3	n/a	112.3	112.0	113.0	112.1
Cyprus	-1.7	-2.1	-2.4	-1.9	16.3	16.5	16.3	16.1	71.7	70.3	67.4	64.4
Latvia	1.2	0.7	-0.2	0.2	10.8	10.4	9.8	9.8	26.6	27.1	28.0	29.2
Lithuania	-0.1	-0.2	-0.2	-1.0	10.5	10.1	9.3	9.5	23.7	24.1	25.6	26.4
Luxembourg	0.4	0.5	0.2	0.1	6.0	5.9	5.8	5.7	147.3	147.7	150.5	152.3
Malta	1.3	1.1	1.2	1.4	5.8	5.9	5.7	5.4	58.9	60.6	61.7	61.2
Netherlands	0.7	0.5	0.8	0.4	7.2	7.2	7.1	6.9	133.6	133.5	136.0	135.9
Austria	1.0	1.0	1.1	0.9	5.6	5.6	5.6	5.9	124.8	127.5	129.3	131.4
Portugal	1.0	0.8	0.7	0.7	13.6	13.5	13.5	12.4	53.0	48.8	47.9	46.7
Slovenia	-0.8	-0.9	-0.7	-0.6	9.6	9.4	9.2	9.2	60.9	59.9	58.5	59.1
Slovakia	-0.1	-0.1	-0.2	-0.2	13.1	12.6	12.1	11.9	35.2	35.2	35.8	37.1
Finland	0.1	0.1	-0.1	-0.2	8.8	9.0	9.2	9.4	122.6	125.0	125.6	125.6
Bulgaria	-0.3	-0.6	-1.0	-0.8	11.4	10.5	9.9	9.7	14.2	14.4	15.4	15.6
CR	0.7	0.9	0.4	0.2	5.9	5.8	5.8	5.1	44.6	44.7	44.9	45.2
Denmark	0.4	0.4	0.5	0.3	6.5	6.4	6.2	6.2	152.5	151.5	151.6	151.8
Croatia	0	0.1	-0.2	-0.1	16.9	17.7	17.0	15.8	38.2	38.4	38.5	n/a
Hungary	0.6	0.7	0.5	0.1	7.5	7.3	7.4	7.0	37.3	38.6	38.9	39.7
Poland	-0.6	-0.6	-0.5	-0.4	8.6	8.3	8.0	7.8	35.7	36.0	36.7	37.7
Romania	1.3	-0.9	-1.4	-1.7	6.7	6.6	6.9	6.8	23.5	24.4	25.0	26.4
Sweden	0.9	0.4	0.8	0.6	7.9	7.8	7.7	7.6	152.6	155.1	155.9	158.4
UK	0.1	0.0	0.1	0.0	5.9	5.6	5.5	n/a	114.8	113.7	113.3	113.7
EU	0.3	0.1	0.2	0.0	10.1	10.0	9.7	9.6	100.0	100.0	100.0	100.0

in %	Productivity to Ø CR				Average interest rate on mortgages				Price electricity to Ø EU			
	2010	2011	2012	2013	2011	2012	2013	1H-14	2010	2011	2012	2013
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
Bulgaria	204.8	204.5	211.0	224.3	4.1	3.2	2.9	2.6	143.0	140.7	147.9	145.9
CR	83.5	85.4	91.1	98.8	3.7	3.1	3.0	2.9	53.0	55.2	64.9	61.0
Denmark	279.5	283.2	293.2	n/a	3.5	3.3	3.5	3.4	125.1	131.8	134.8	140.2
Germany	156.9	151.0	156.0	159.4	4.7	3.6	3.1	3.4	56.4	61.2	71.6	77.9
Estonia	184.1	181.7	190.4	n/a	3.5	3.4	3.2	3.2	116.3	120.5	116.4	120.8
Ireland	237.2	235.3	244.0	258.5	4.4	4.5	3.9	3.6	81.6	78.4	81.4	84.1
Greece	211.2	207.5	210.5	222.6	3.6	4.3	3.9	3.5	86.7	94.3	92.4	95.1
Spain	147.2	145.7	153.9	157.6	5.3	5.5	5.4	5.0	114.7	138.5	121.5	104.7
France	70.4	75.4	83.3	89.2	4.7	3.9	4.1	n/a	61.0	61.6	58.8	55.3
Romania	73.9	79.5	84.9	91.6	4.3	3.3	2.7	2.7	65.1	62.9	65.4	60.8
Croatia	599.0	599.5	614.3	n/a	2.5	2.4	2.2	2.2	95.6	92.2	85.1	85.5
Italy	130.8	128.2	131.3	138.4	3.6	3.6	3.4	3.6	99.0	94.4	89.8	69.9
Cyprus	229.6	225.4	230.6	n/a	4.6	4.3	3.9	3.4	54.9	56.1	53.1	36.5
Latvia	n/a	n/a	n/a	n/a	3.4	3.3	2.8	2.7	113.7	109.1	109.3	105.1
Lithuania	115.6	112.9	116.0	124.6	4.8	4.8	4.3	4.0	102.4	110.2	108.4	108.3
Luxembourg	122.4	122.4	122.7	n/a	4.1	3.6	3.5	3.5	87.0	85.8	90.0	87.7
Hungary	94.6	95.9	100.4	106.0	5.2	5.3	4.4	3.7	98.0	95.1	89.2	77.2
Malta	239.6	241.7	251.3	266.6	2.6	2.2	2.2	2.0	100.6	95.7	93.4	90.8
Netherlands	33.3	35.2	38.2	40.0	8.8	8.3	7.8	7.4	43.5	43.9	42.1	39.3
Austria	100.0	100.0	100.0	100.0	4.6	4.2	3.6	3.3	118.8	113.2	108.5	89.5
Poland	286.5	283.0	295.4	313.5	4.0	3.5	3.7	3.2	167.4	160.6	152.0	150.0
Portugal	97.1	95.7	100.5	104.8	n/a	n/a	n/a	n/a	60.7	68.8	69.0	64.6
Slovenia	84.7	83.6	82.2	85.2	10.6	12.0	9.6	7.3	87.3	80.8	66.5	55.1
Slovakia	76.3	76.8	80.4	85.5	7.1	7.4	5.9	5.5	78.1	75.1	70.9	67.0
Finland	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

Source: Eurostat