

## KEY FACTS

**Official name:** Česká Republika (Czech Republic)

**Head of State:** President Miloš Zeman (Strana Práv Občanů-Zemanovci (SPOZ) (Party of Civic Rights-Zeman's people) (elected 26 January 2013, inaugurated 8 March 2013)

**Head of government:** Prime Minister Jiří Rusnok (from 25 Jun 2013).

**Ruling party:** Coalition led by Občanská Demokratická Strana (ODS) (Civic Democratic Party), with Tradice Odpovědnost Prosperita 09 (TOP 09) (Tradition Responsibility Prosperity 09) and Veci veřejné (VV) (Public Affairs) (from 30 Jun 2010)

**Area:** 78,864 square km

**Population:** 10.55 million (2012)\*

**Capital:** Prague

**Official language:** Czech

**Currency:** Czech koruna (Kc) = 100 hellers

**Exchange rate:** Kc19.47 per US\$ (Jul 2013)

**GDP per capita:** US\$18,579 (2012)\*

**GDP real growth:** -1.25% (2012)\*

**GDP:** US\$196.07 billion (2012)\*

**Labour force:** 5.43 million (2011)

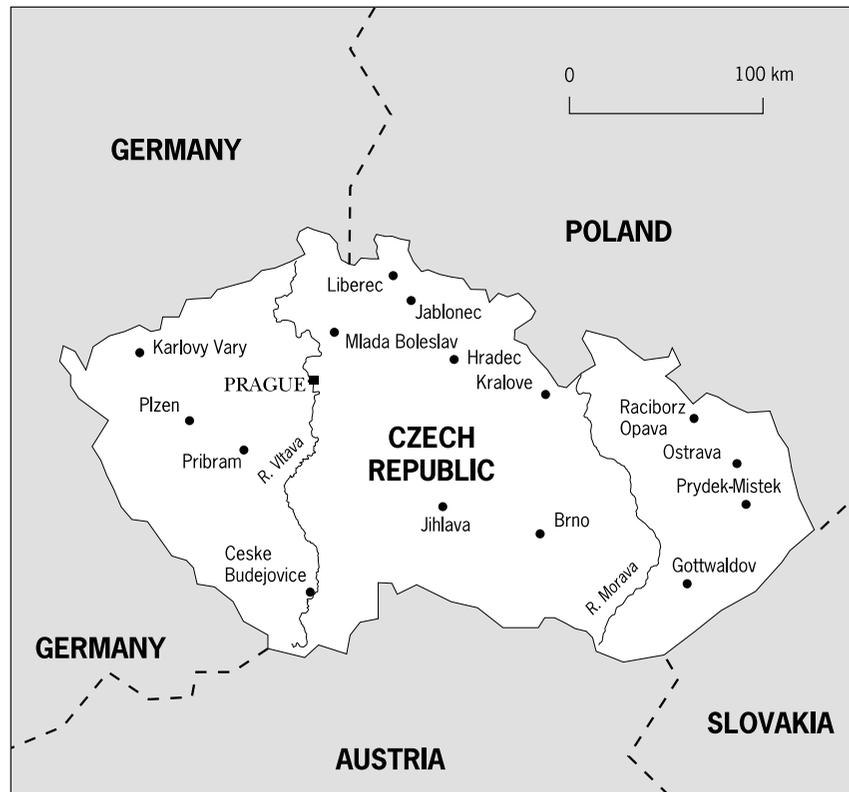
**Unemployment:** 7.03% (2012)\*

**Inflation:** 3.29% (2012)\*

**Balance of trade:** US\$6.13 billion (2012)\*

\* estimated figure

# Czech Republic



Even by the standards of a country where corruption is so culturally endemic that cuckolding is more the stuff of national sport and less the grounds for moral outrage, events in the Czech Republic in 2013 were remarkable. The year opened with a presidential election victory of a one-time Communist and closed with representatives of that president's left-leaning former party turning on one another in the quest to determine who is best-suited to form a government following an inconclusive October vote.

In the interim, the demise of increasingly unpopular Prime Minister Petr Nečas' tri-partite coalition was as spectacular as it was predictable. A swarm of police raided government and private offices in mid-June, spiriting away cash and gold bullion as the PM confirmed rumours of an extra-marital tryst with his chief of staff and as allegations of bribery and espionage racked the halls of the Czech parliament.

The resulting political uncertainty did little for an export-driven economy that has been slow to recover from the ravages of the global financial crisis and the ensuing sovereign debt crisis in the euro-zone that it precipitated. Worse, still, with local regulators fining the government procurement office for wrongdoing in the execution of contracts associated with the Czech Republic's 2009 term as European Union (EU) president, the prospect of reduced levels of aid from Brussels loomed as the Group of 28 worked to finalise its structural funding programme for the coming six years.

Such was the disgust among the electorate that parliamentary elections held in late-October 2013 proved so divided as to cast a resurgent Komunistická Strana Čech a Moravy (KSCM) (Communist Party of Bohemia and Moravia) in the role of potential kingmaker. This as rivals in the Česká Strana Sociálně Demokratická

(CSSD) (Czech Social Democratic Party) that emerged as the leading vote-getter engaged in still more closed-door back-stabbing for control in the days following the vote.

### Presidential pardons...

In retrospect, the turmoil of the months that followed made the tenure of outgoing President Vaclav Klaus, which ended in March 2013, appear mild by comparison. The former economist and long-time leader of the Občanská Demokratická Strana (ODS) (Civic Democratic Party) may have sparred routinely with EU representatives over directives and direction in his two terms in the Prague Castle, the presidential residence. However – and apart from the occasional writing implement he was noted for purloining – he proved a steadfast moral compass in an otherwise often rudderless ship of state, even if, among his last acts in office, he exercised his presidential prerogative and issued a formal amnesty for around a quarter of the country's prison population. Chiding courts for being too slow to mete out justice, the president marked the 20th anniversary of Czech independence by availing himself of the constitutionally granted prerogative, pardoning all convicts with prison terms under 12 months.

Pardons were also granted to non-violent offenders with terms of up to two years in gaol, as well as senior citizens sentenced to a maximum of 10 years in confinement. In all, more than 6,300 inmates were released even as public outcry escalated to charges of constitutional criminality over the president's decision that embraced ongoing criminal proceedings lasting longer than eight years and the defendants in which faced up to a decade behind bars.

Among those let off were high-profile embezzlers and fraudsters, including several who gained control of significant stakes in formerly state-held companies during voucher privatisations undertaken in the early years of the country's economic transformation. That then-Prime Minister Necas countersigned the amnesty prompted calls for a no-confidence vote in the ruling coalition comprising the ODS, Tradice Odpovednost Prosperita 09 (TOP 09) (Tradition Responsibility Prosperity 09) and Veci Verejné (VV) (Public Affairs).

### ... and elections

In preparation for Klaus' impending departure and with accusations of treason piquing the political atmosphere, a wide

field of candidates to replace the president was narrowed to a two-horse race that saw former CSSD Prime Minister Miloš Zeman facing then-Foreign Minister Karel Schwarzenburg, the aristocratic TOP 09 leader in a second round of voting at end-January 2013. Zeman won the election with 55 per cent of the ballots in a turnout of 60 per cent of eligible voters in the country's first-ever direct presidential election. Prior to 2013, Czech presidents were voted into office by parliamentarians.

A member of the Communist Party during its four decades in power and who drew support in 2013 from the Komunistická Strana Cech a Morava (KSCM) (Communist Party of Bohemia and Moravia), Zeman's CSSD had shared power with the Klaus-led ODS in a grand coalition that served from 1998–2002. He campaigned on promises to deepen ties with the EU, in contrast to his predecessor and former coalition partner. Nevertheless, the pair succeeded in beating back Schwarzenburg's challenge by casting aspersions on the TOP 09 leader's Czech loyalties – the Prague-born Schwarzenburg spent the Communist era in Austria – and his ties to an increasingly unpopular Necas government.

Known for his off-the-cuff remarks and astute manoeuvring, Zeman embellished his populist image soon after his inauguration by appearing intoxicated at several public events, including at Prague Castle. And, in an October 2013 visit to a cigarette-manufacturing plant he advised young adults to take up smoking, as he

had done at the age of 27, to help keep their countrymen employed. While a largely ceremonial role, the Czech head of state does possess certain rights and duties and events just three months following his taking up the office thrust Zeman still more into the political spotlight.

### Coalition collapse

Elected in May 2010 amid an anti-corruption groundswell, the Necas ODS-led coalition achieved a majority sufficient to permit its endurance even as allied MPs had fallen prey to the very malfeasance they had vowed on the hustings to eliminate. Leader Vit Barta was convicted in April 2012 of attempting to bribe members of his VV party, an event that saw the junior party splinter when anti-corruption activist Karolina Peake, who would later serve a curtailed term as defence minister – Necas removed her after eight days in December 2012 that saw her sack a raft of ministry deputies – and six other MPs moved to form the LIDEM (People's) party.

Following an economic programme of near-draconian austerity initiated in order to bring the government budget deficit below 3 per cent of gross domestic product (GDP) mandated by the Treaty of Maastricht that governs European economic and monetary union, only added to the government's unpopularity. Key in the pursuit were changes that saw rises enacted in 2013 in the twin rates of value added tax undertaken to fund a shift to mandatory private pension savings, and a lowering of the corporate rate of income tax in an effort to boost investment.

KEY INDICATORS		Czech Republic				
	Unit	2008	2009	2010	2011	2012
Population	m	10.38	10.47	10.51	*10.53	*10.55
Gross domestic product (GDP)	US\$bn	217.10	194.80	197.70	215.30	*196.07
GDP per capita	US\$	20,061	18,557	18,814	20,444	*18,579
GDP real growth	%	3.1	-4.3	2.7	1.7	*-1.2
Inflation	%	6.3	1.0	1.5	1.9	*3.3
Unemployment	%	5.4	8.1	9.0	9.5	*7.0
Coal output	mtoe	22.8	22.8	19.4	21.6	20.7
Exports (fob) (goods)	US\$m	145,697.0	112,606.0	126,414.0	131,415.6	125,179.0
Imports (fob) (goods)	US\$m	139,328.0	103,088.0	123,600.0	126,987.3	119,049.0
Balance of trade	US\$m	6,368.0	9,518.0	2,814.0	44,280.3	6,129.0
Current account	US\$m	-6,669.0	-2,147.0	-7,188.0	-6,348.8	*-5,302.0
Total reserves minus gold	US\$m	36,642.0	41,157.0	41,909.0	42,564.0	44,625.0
Foreign exchange	US\$m	36,459.0	39,670.0	40,335.0	40,730.0	42,412.0
Exchange rate	per US\$	17.07	19.06	19.10	17.32	19.41
* estimated figure						

While, and coupled with cuts in services and a reduction in government staffing levels, the changes succeeded in reducing the deficit below the Maastricht threshold, they failed to ignite a Czech economy strongly dependent on demand from core Europe. Despite a 0.6 per cent rise in GDP that was the first in six consecutive quarters, the Czech economy contracted by 2.4 per cent year-on-year, according to the Český Statistický Úrad (CSU) (Czech Statistical Office).

The results saw the coalition make little progress on unemployment, which stood above 7.5 per cent at the end of the third quarter, according to the CSU. As well, both consumer spending and borrowing rates lagged even as prices began to rise, by 1.8 per cent in the third quarter of 2013 thanks in part to a 7.1 per cent quarterly increase in industrial output, according to CSU figures.

For the Necas government, the recovery that began evincing itself in the third quarter of 2013 proved too little, too late. A raid on organised crime in the industrial city of Olomouc ensnared ODS party operatives, with the fallout leading directly to the office of the prime minister.

Allegations that Necas' chief of staff, Jana Nagyova, had offered bribes in the form of executive positions with state-owned companies to party deputies in exchange for their votes were leveled. And evidence was uncovered that Nagyova had instructed the government intelligence service to spy on politicians and private citizens, including the prime minister's wife of more than two decades; an impending divorce from whom Necas had announced in the days before the June raids.

The scandal forced Necas not only to resign as prime minister, but also to relinquish his post as ODS party leader. The remainder of his cabinet also withdrew, with Zeman using his power as president to tab long-time political ally Jiri Rusnok to lead an interim government over the parliament's choice of ODS deputy Miroslava Nemečova, who chairs the lower house.

As prime minister, Rusnok largely followed the course of its predecessor. His cabinet at end-September 2013 approved a technical budget for 2014 that raised deficit spending to Kc112 billion (US\$5.75 billion) from the Kc105 billion (US\$5.4 billion) proposed by the Necas government. Thanks to expected increases in GDP growth, the Rusnok government's budget maintains the deficit at the ceiling permitted by the Maastricht treaty.

Meanwhile, the Úrad pro Ochranu Hospodárské Souteže (UOHS) (Czech Anti-Trust Office) in October imposed a Kc1.2 million (US\$61,600) fine on the government Procurement Office in a long-running investigation into irregularities concerning the Czech presidency of the EU in 2009. The Prague-based firm Promopro was awarded an unbid Kc551 million (US\$28.3 million) contract for audiovisual services, which the UOHS determined was overpriced by Kc388 million (US\$20 million).

ODS deputy Alexandr Vondra, the deputy prime minister for European affairs in 2009, resigned in November 2012 over the Promopro scandal. The procurement office, which faced a fine of up to 5 per cent of the order's price, or some Kc27 million (US\$1.4 million), did not contest the penalty.

Nevertheless, and with the Czech Republic ranking 54th out of 174 countries surveyed on the Transparency International *Corruption Perceptions Index* in 2012, the high-level involvement and paltry penalty added to concerns in Prague that the country stands to suffer reduced levels of assistance in the EU's upcoming round of structural funding for 2014–20. An EU study released at year-end 2012 cited politicisation of public administration as a chief cause of inefficiency in the deployment of EU aid and across a range to sectors. It also cited corruption and mismanagement as issues that needed to be addressed by legislators.

### Uncertain outcome

The onset of autumn brought with it the campaign season as parties competed to succeed the coalition in elections that took place at end-October, some seven months ahead of schedule thanks to the Rusnok government's failure to win a confidence vote following its August installation. The outcome saw coalition parties severely weakened, with the ODS losing 37 seats and finishing fifth among the seven parties that cleared the 5 per cent hurdle necessary for parliamentary participation. TOP 09, which finished fourth, lost 15 seats, and the VV failed to gain entry.

Despite the declines, opposition parties failed to achieve a plurality in the balloting. The CSSD emerged as the top vote-getter but garnered only 50 seats, while newcomer Akce Nespokojených Občanů (ANO) (Action of Dissatisfied Citizens) earned 47 seats in the 200-seat lower chamber. Bankrolled by billionaire Andrej Babis, the country's second-richest man, ANO is a centre-right party that

campaigns on a staunch anti-corruption platform, among the main planks of which is the removal of immunity from prosecution enjoyed by parliamentary deputies.

Perhaps the most surprising result was the strong showing of the KSCM, which captured 15 per cent of the vote and boosted its parliamentary contingent to 33 seats. Given that no party is even remotely close to a majority, the KSCM and its leader, Vojtech Filip, appeared poised at year-end to exert considerable influence via tacit support for a would-be coalition among CSSD and ANO.

However, even that prospect was thrown into some disarray in the wake of the election, with Zeman exhibiting reluctance to empower the CSSD to form a government and the party's deputies launching a coup against leader Bohuslav Sobotka, whom they blamed for the CSSD's poor showing in the October vote. Michal Hasek, the leader of the CSSD in Moravia, first denied and then later admitted he had conspired with fellow high-ranking CSSD officials, Zdenek Skromach and Jeronym Tejc, in a bid to remove Sobotka from the party's top job.

Meanwhile, ANO's Babis ruled out his interest in a leadership position in a would-be coalition with the CSSD. His party's avowed willingness to work with the ODS and other right-wing parties also does not preclude their return to power even in the wake of their sound defeat at the polls.

Still, one thing appears sure: the tenuous political situation in Prague looks likely to continue in 2014. And this even as the economy returns to growth. Whether politicians are able to build on that foundation will dictate longer term success in changing the country's decidedly unscrupulous political culture.

### Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Good

### COUNTRY PROFILE

#### Historical profile

1918 Czechoslovakia's independence was established. Before this, Moravia and Bohemia had been ruled by Austria, while Slovakia had been governed by Hungary. 1938 Czechoslovakia ceded its German-speaking areas of Sudetenland to Germany.

1939–45 The country fell under German control until the end of the Second World War.

1946 The Czechoslovak Communist Party (CPCz) formed a power-sharing government following national elections.

1948 After mass protests and strikes orchestrated by the Communists, a government crisis left the CPCz with a majority in government. Czechoslovakia became a People's Republic, adopting a Soviet-style system.

1949–67 Stalinist-style rule, complete with party purges.

1968 Alexander Dubcek, the CPCz leader, introduced the policy of *socialism with a human face* – a period known as the 'Prague Spring' – which ended with the crushing of the reformist movement by the Soviet army.

1969–88 There were on-going protests at occupation by the Soviet troops. Václav Havel and a group of dissidents called for the restoration of civil and political rights. Mass demonstrations in 1988 marked the anniversary of the 1968 invasion.

1989 The new spirit of *glasnost* was met with scepticism as the government initially resisted political and economic change.

However, large public demonstrations in the major cities, the 'Velvet Revolution', led to the resignation of the Communist Party leadership. Václav Havel was elected president and a pluralistic political system and market economy were introduced.

1990 The country was renamed the Czech and Slovak Federative Republic. The first free elections since 1946 resulted in a coalition government involving all major parties, with the exception of the CPCz, and Havel was re-elected president.

1991 The Soviet forces completed their withdrawal.

1992 In elections, the Czech voters backed the centre-right, while the Slovaks supported Slovak separatists and left-wing parties. Vladimír Mečiar (a supporter of Slovak separatism) became Slovak prime minister. He opposed the rapid privatisation of the public sector proposed by the Czech prime minister, Václav Klaus. Neither was prepared to compromise and agreed to the separation of Slovakia, despite President Havel's objections.

1993 Czechoslovakia divided into two independent countries, the Czech Republic (comprising the regions of Bohemia, Moravia and Silesia) and the Slovak Republic (Slovakia). Václav Havel was elected president of the Czech Republic and Václav Klaus continued as prime minister.

1996 Klaus was reappointed prime minister in a minority coalition government, following the Czech Republic's first parliamentary election.

1997 The Klaus government resigned following the collapse of its coalition over disagreements on the economic reform programme and allegations of financial corruption.

1998 Milos Zeman, leader of the *Ceská Strana Sociálně Demokratická* (CSSD) (Czech Social Democratic Party), became prime minister and Václav Havel was re-elected president.

1999 The Czech Republic joined NATO.

2000 In elections, a coalition of four small liberal parties, the '4Koalice', became the strongest force in the upper house.

2002 Areas of Prague were flooded when the river Vltava rose to its highest level since 1890. The CSSD won parliamentary elections. President Václav Havel appointed Vladimír Špidla as prime minister.

2003 Parliament elected Václav Klaus as president. In a referendum to join the European Union (EU) 77.3 per cent voted in favour; turnout was 55 per cent.

2004 The Czech Republic became a member of the EU. The government resigned and Stanislav Gross formed a government.

2005 Gross resigned and Jirí Paroubek became prime minister; the new cabinet, unchanged in the key posts, was endorsed on the same day.

2006 Parliamentary (Chamber of Deputies) elections resulted in a stalemate, with both CSSD and *Občanská Demokratická Strana* (ODS) (Civic Democratic Party) coalitions winning 100 seats in the lower house. After an initial rejection by parliament, the president appointed Mirek Topolánek as prime minister, who went on to form a government.

2007 The Czech Republic became a member of the European Union Schengen area whereby all travellers may cross borders within the area without a passport or visa.

2008 Incumbent Václav Klaus was re-elected president after two sets of three-rounds of voting. Visa-free visits by Czech nationals to the US was signed.

2009 The minority government lost a vote of no confidence, following an accusation that government advisors had attempted to stifle a critical television programme. Prime Minister Topolánek resigned. An interim government, with Jan Fischer as caretaker prime minister, was formed.

2010 Constitutional and legal wrangling set back the date of parliamentary elections several times (postponed from 2009); they were eventually held on 28 and 29 May. Three new political parties contested the Chamber of Deputies elections, but only two of them won enough votes to gain seats (Tradice Odpovednost Prosperita 09 (TOP 09) (Tradition Responsibility Prosperity 09) and Veci Verejné

(VV) (Public Affairs)). The CSSD won 22.08 per cent of the vote (56 seats out of 200) and had the right to form a coalition government. However when the CSSD proved unable to form a government, Petr Necas (ODS) became prime minister as the head of a three party coalition (ODS, TOP 09 and VV). In senate elections, one-third of total seats (27) were in contention. The CSSD won 12 seats to take its senate number up to a total of 41, while the ODS lost 11 seats but retained eight for a total of 25 seats. The opposition CSSD began disrupting the government's austerity programme.

2011 Vaclav Havel, the first post-Communist president of Czechoslovakia (1989–1993; 1993–2003 Czech Republic only) died on 18 December. He oversaw the transition to democracy of Czechoslovakia and its division when the Czech Republic and Slovakia were created.

2012 On 21 April an estimated 120,000 anti-government protestors rallied in Prague to complain about the government's austerity measures and corruption. On 30 May, the European Central Bank (ECB) announced that none of the eight countries (including the Czech Republic), which are scheduled to join the European single currency (euro) are ready. In September 16 people were killed and 22 injured by 'bootleg' alcohol that had been distilled from industrial methanol. Two rounds of senate elections were held, on 12–13 and 19–20 October, in which one-third of seats were in contention. However by 20 November the results had still to be published.

2013 The first round of the presidential election was held on 11–12 January. There were nine candidates: Miloš Zeman (*Strana Práv Občanů-Zemanovci* (SPOZ) (Party of Civic Rights-Zeman's people)) won 24.21 per cent, Karel Schwarzenberg (TOP 9) 23.4 per cent, Jan Fischer (Independent) 16.36 per cent, Jirí Dienstbier Jr 16.12 per cent; the remaining five candidates all polled under 10 per cent. Since no candidate won a majority, a second round was held on 25–26 January which was won by Miloš Zeman with 54.8 per cent, followed by Karel Schwarzenberg with 45.19 per cent. Miloš Zeman was inaugurated on 8 March, the day after Václav Klaus stepped down at the end of his second (and maximum allowed) term. Prime Minister Petr Necas resigned on 17 June. Although nicknamed 'Mr Clean' when he became prime minister, he resigned in an effort to end political turmoil over a corruption inquiry involving his chief of staff, Jana Nagyova, a close aide of Mr Necas for ten years. President Zeman asked Mr Necas to stay on as caretaker prime minister until a new

administration is named. Mr Necas denied all accusations. On 25 June President Zeman appointed Jiri Rusnok prime minister. He was to form a caretaker cabinet and seek a parliamentary vote of confidence within 30 days. In the event, a technocratic 'government of experts' was sworn in on 10 July, but the vote of confidence held on 7 August was lost by 93 votes to 100. It is likely that an election will have to be called before the end of the year. Mr Rusnok will continue in a caretaker capacity until either a new prime minister is appointed (by the President) or elections are held. Elections were held on 26 October.

### Political structure

#### Constitution

The constitution came into force on 1 January 1993. A majority of three-fifths of the members of parliament is required to change the constitution.

All citizens over the age of 18 are eligible to vote.

#### Independence date

1 January 1993

#### Form of state

Parliamentary democratic republic

#### The executive

The highest organ of executive power is the Council of Ministers, composed of the prime minister, the deputy prime ministers and ministers. It is answerable to the Chamber of Representatives.

The two legislative bodies together elect the president of the republic for not more than two five-year terms. The president's post is largely ceremonial but the president is the commander-in-chief of the armed forces. The president appoints the prime minister, and on the prime minister's recommendation, appoints the remaining members of the Council of Ministers.

#### National legislature

The bicameral Parliament (Parliament) comprises the Poslanecká Snimovna (Chamber of Deputies) (lower house), with 200 members elected by proportional representation from party lists to serve for four-year terms and the Senát (Senate) (upper house), with 81 (possibly non-partisan) members. Every two years one third of the membership (27) is elected under a two-round majority system in single-member constituencies. Senators serve a six-year term.

#### Legal system

The civil law system is based on Austro-Hungarian codes. Judicial power is exercised by independent courts.

#### Last elections

11–12 and 25–26 January 2013 (presidential, first and second rounds) 25 and 26 October 2013 (Chamber of Deputies and Senat, brought forward from

2014 after government lost a vote of no-confidence in June 2013)

**Results:** Presidential 11–12 January 2013 (first round): Miloš Zeman (Strana Práv Občanů-Zemanovci (SPOZ) (Party of Civic Rights-Zeman's people)) 24.21 per cent, Karel Schwarzenberg (TOP 09) 23.4 per cent, Jan Fischer (Independent) 16.35 per cent, Jirí Dienstbier Jr (CSSD) 16.12 per cent, Vladimír Franz (Independent) 6.84 per cent, Zuzana Roithová (KDU-ČSL) 4.95 per cent, Táňa Fischerová (Key Movement) 3.23 per cent, Premysl Sobotka (ODS) 2.46 per cent, Jana Bobošíková 2.39 per cent (turn out was 61.31 per cent). 25–26 January (second round): Miloš Zeman 54.8 per cent (turn out was 59.11 per cent). Senate: Česká Strana Sociálně Demokratická (CSSD) (Czech Social Democratic Party) won 20.45 per cent of the vote (50 seats out of 200), Akce nespokojených občanů (ANO) (Action of Dissatisfied Citizens) 18.65 per cent (47), Komunistická Strana Čech a Morava (KSCM) (Communist Party of Bohemia and Moravia) 14.91 per cent (33), Tradice Odpovednost Prosperita 09 (TOP 09) (Tradition Responsibility Prosperity 09) 11.99 per cent (26), Občanská Demokratická Strana (ODS) (Civic Democratic Party) 7.72 per cent (16), Úsvit přímé demokracie (UPD) (Dawn of Direct Democracy) 6.88 per cent (14) and Křesťanská a demokratická unie – Československá strana lidová (KDU-ČSL) (Christian and Democratic Union – Czechoslovak People's Party) 6.78 per cent (14). Turnout was 59.48 per cent.

#### Next elections

2017 (parliamentary); 2018 (presidential)

#### Political parties

##### Ruling party

Coalition led by Občanská Demokratická Strana (ODS) (Civic Democratic Party), with Tradice Odpovednost Prosperita 09 (TOP 09) (Tradition Responsibility Prosperity 09) and Veci veřejné (VV) (Public Affairs) (from 30 Jun 2010)

##### Main opposition party

Česká Strana Sociálně Demokratická (CSSD) (Czech Social Democratic Party)

#### Population

10.55 million (2012)\*

**Last census:** March 2001: 10,230,060

**Population density:** Urban population 74 per cent (2010 Unicef).

**Annual growth rate:** -0.1 per cent 1994–2004 (WHO 2006)

#### Ethnic make-up

The chief minorities are Slovaks (3 per cent of the population), Poles (0.6 per cent), Germans (0.5 per cent) and Silesians, Roma, Hungarians and Ukrainians.

#### Religions

Christianity is the principal religion, although 40 per cent of the population define themselves as atheist. Roman Catholicism is the main denomination (39 per cent of the population), followed by Protestant (5 per cent), Orthodox (3 per cent). There is a very small Jewish community, mainly in Prague.

The state and the church are linked, but there is growing pressure for their separation and the state no longer exercises control over church affairs.

#### Education

Compulsory education is free. Basic schooling is divided into two cycles with primary lasting for five years from aged six to 11; the second cycle lasts for four years until aged 15. Secondary schooling is offered in one of three designated institutions, a secondary general, technical or vocational school. Technical school programmes last up to six years, vocational courses last between three and four years and general secondary education last for four years and leads to higher education.

There are three universities, Prague's Charles' University (the oldest in Central Europe, founded in 1348), Masarykova University in Brno and Palacky University in Olomouc.

Public expenditure on education typically amounts to 5.1 per cent of annual gross national income.

**Literacy rate:** Virtually universal.

**Compulsory years:** Six to 15

**Enrolment rate:** 104 per cent gross primary school enrolment; 95 per cent gross secondary enrolment, of the relevant age group (including repetition rates) (World Bank).

**Pupils per teacher:** 18 in primary schools.

#### Health

Since a market economy replaced the previously planned centralised economy healthcare has become more relative to local requirements, there are more clinics, many operated by foreign medical companies. Recently instituted health insurance companies took in US\$5.3 billion in 2004. The Czech constitution guarantees free health care for all citizens and sponsors health insurance through the General Health Insurance Company. Pure supplementary health care insurance is scarce and simply covers those items outside the mandatory state insurance. Some private companies cover four supplementary areas such as surgery, hospitalisation in the event of illness or accident, permanent disability and accidental death.

#### HIV/Aids

**HIV prevalence:** 0.1 per cent aged 15–49 in 2003 (World Bank)

**Life expectancy:** 76 years, 2004 (WHO 2006)

**Fertility rate/Maternal mortality rate:** 1.5 births per woman, 2010 (Unicef); maternal mortality 9 per 100,000 live births (World Bank).

**Child (under 5 years) mortality rate (per 1,000):** 4 per 1,000 live births (WHO 2012)

**Head of population per physician:** 3.51 physicians per 1,000 people, 2003 (WHO 2006)

### Welfare

The social security scheme provides old age pension insurance, sickness insurance, state social support benefits, and social care. Those registered in contracted employment, as self-employed (including farming personnel), and informal employment (employed for household duties), pay insurance premiums.

### Pensions

In 1999, the Czech government encouraged domestic savings through gradual reforms and development of a supplementary pension insurance programme. The amended law assured both employers and employees of significant tax relief. An employer who assists his employees to pay for supplementary pension insurance saves money both on tax payments for social and health insurance (to which supplementary pension insurance is not subject) and income taxes.

A contribution not exceeding 3 per cent of the gross pay is regarded as a tax-deductible expense. The pension scheme significantly altered the conditions for retirement savings. The minimum retirement age for both men and women gradually increases to 63 years by 2012 and the government is proposing stricter criteria for early retirement.

The Czech Republic has a challenge ahead. The current pay-as-you-go system, where employees pay the pensions of those already retired, is poorly suited to cope with a negative population growth. It has been estimated that the system, by 2020, will have debts amounting to Kc1.5 trillion (US\$50 billion), with insufficient assets or income to fund pensions.

Proposals for private pension funds that rely on market equities to pay pensions also have their critics; market growth and volatility could fluctuate and disadvantage many. However, economic growth would be strengthened, and the government would only need to fund retirement for the poorest citizens.

### Main cities

Prague (capital, estimated population 1.3 million in 2012); Brno (main city of Moravia) (316,614), Ostrava (Moravia) (133,568), Plzen (Pilsen) (133,164),

Liberec (104,585), Olomouc (102,356), Hradec Králové (94,661).

### Languages spoken

The Czech and Slovak languages are mutually comprehensible. A large proportion of the population, particularly those engaged in industry and foreign trade, speak German. Hungarian, Romani and Polish are also spoken.

**Official language/s**  
Czech

### Media

#### Press

**Dailies:** In Czech, by popularity *Mladá fronta Dnes* ([www.mfdnes.cz](http://www.mfdnes.cz)), (known as MF Dnes), *Právo* (<http://pravo.novinky.cz>) and *Lidové Noviny* ([www.lidovky.cz](http://www.lidovky.cz)).

Other national newspapers include the tabloid, *Blesk* ([www.blesk.cz](http://www.blesk.cz)), *ZN Zemské Noviny*, *Hospodářské Noviny* and *Haló Noviny* ([www.halonoviny.cz](http://www.halonoviny.cz)) which publishes political news.

**Weeklies:** Regional publications include weekly newsmagazine and special interest publications. One of the largest regional media groups, Vltava-Labe-Press (VLP) ([www.vlp.cz](http://www.vlp.cz)) publishes daily newspapers in all major cities and regions under the *Deník* (daily) ([www.denik.cz](http://www.denik.cz)) suffix, such as *Brunenský Deník* (<http://brnensky.denik.cz>) from Brno.

In Czech, *Respekt* ([www.respekt.cz](http://www.respekt.cz)), reports on political and economic issues, *Týden* ([www.tyden.cz](http://www.tyden.cz)) is a newsmagazine *Mladý Svět*, takes a humorous view of the news. Some of the dailies publish week-end or supplementary weekly magazines.

*Spy* ([www.ispy.cz](http://www.ispy.cz)) is a tabloid

**Business:** In Czech, the daily *Hospodářské Noviny* ([www.ihned.cz](http://www.ihned.cz)) is an authoritative newspaper. Magazines include *Ekonom* (<http://ekonom.ihned.cz>) and *Profit* ([www.profit.cz](http://www.profit.cz)). In English, *Czech Business Weekly* ([www.cbw.cz](http://www.cbw.cz)) and the *The Prague Tribune* ([www.prague-tribune.cz](http://www.prague-tribune.cz)) have comprehensive coverage of news and the markets. The magazine *Finance New Europe* ([www.financeneweuropa.com](http://www.financeneweuropa.com)) that began publication in 2006, was the first to focus on business matter within the new EU members; it is published every two months.

**Periodicals:** In Czech, *Sedmá Generace* ([www.sedmagenerace.cz](http://www.sedmagenerace.cz)), is an environmentalist publication. The monthly *Awrot (The Return)* ([www.zwrot.cz](http://www.zwrot.cz)) is the largest Polish circulation.

### Broadcasting

**Radio:** The national public radio station is Český Rozhlas ([www.rozhlas.cz](http://www.rozhlas.cz)) operated several national services including Radio 1, Radiožurnál for news and information, Radio 2, Praha ([www.radio.cz](http://www.radio.cz)), for family audiences, Radio 3 Vltava, for culture, Radio 6 is a magazine style programme

and Radio 7 (through Praha) is an international, multilingual service. There are also 12 regional stations.

There are numerous private stations broadcasting on FM and AM frequencies, including Evropa 2 ([www.evropa2.cz](http://www.evropa2.cz)) and Radio City ([www.radiocity.cz](http://www.radiocity.cz)), both from Prague, Kiss Hády ([www.kissshady.cz](http://www.kissshady.cz)) and Radio Petrov ([www.radiopetrov.com](http://www.radiopetrov.com)) from Brno, and Radio Cas ([www.casradio.cz](http://www.casradio.cz)) from Ostrava. Radio Blaník ([www.radioblanik.cz](http://www.radioblanik.cz)) broadcasts in the western regions.

**Television:** All analogue TV is scheduled to be replaced by digital signals in 2012 as the TV services market share provided via satellite and cable grows.

Česká Televize (CT) ([www.ceskatelevize.cz](http://www.ceskatelevize.cz)), is the national, public broadcaster, operating channels CT1 and CT2, CT24 ([www.ct24.cz](http://www.ct24.cz)), the 24-hour news channel and CTsport. Other private TV stations include TV Nova ([www.nova.cz](http://www.nova.cz)) and Prima ([www.iprima.cz](http://www.iprima.cz)).

**National news agency:** CTK (Czech News Agency)

### Economy

With an open market economy, based on manufacturing and engineering, the Czech Republic relies on its export trade (70 per cent of GDP) to provide its economic growth. Main industries include vehicle assembly, typically in partnership with foreign vehicle manufacturers, with output destined for overseas markets (Škoda is the country's single largest employer and exporter), iron and steel production, metalworking, electronics, pharmaceuticals, textiles, brewing and traditional expertise in glass and crystal ware and ceramics. Cars and electrical appliances are manufactured by foreign-owned companies and specifically target export markets. Main agricultural produce includes sugar beet, potatoes, wheat and hops.

GDP growth in 2008 was 3.1 per cent, down from 5.7 per cent in 2007. The economy had avoided damage during the first wave of the global economic crisis (2007/08) due to its sound banking system, but as global trade weakened and exports were cut GDP growth by 2009 had fallen into recession at -4.3 per cent. Since 2005 the trade balance has remained in credit, despite exports falling from US\$145.7 billion in 2008 to US\$108.9 billion in 2009. Domestic demand matched the trend with imports falling from US\$139.3 billion in 2008 to US\$103.1 billion in 2009. The economy was out of recession in the first quarter of 2010 with GDP growth of 2.7 per cent, although it fell again in 2011 to an estimated 1.7 per cent.

The Czech Republic decided in 2006 to postpone entry to the European Monetary Union (EMU) and adopting the euro as its currency. In 2009 it became increasingly leery of joining the EMU, when the euro came under pressure and was stressed by the state of some weaker economies among its membership. In 2010 Prime Minister Necas said that he would not commit his country to a target date for joining the EMU, as adopting the euro risked fuelling inflation while the economy generally would benefit from a flexible exchange rate.

Germany is the Czech Republic's single largest trading partner and, in the medium to long term, economic growth is as much dependent on the economic strength and growth of Germany as it is on the global recovery in trade.

### External trade

As a member of the European Union (EU), the Czech Republic operates within a community-wide free trade area, with tariffs set as a whole. Internationally, the EU has free trade agreements with a number of nations and trading blocs worldwide. The Czech Republic has several renowned exported products including beer (Pilsner beer is named after the Bohemian town in Czech Republic) and Bohemian crystal and porcelain. Vehicle manufacturing, led by Škoda, is typically in partnership with foreign car manufacturers, with output destined for overseas markets.

### Imports

The main classes of imports are machinery and transport equipment, typically around 45 per cent, raw materials and fuels, chemicals.

**Main sources:** Germany (28.3 per cent of total in 2012), Poland (7.6 per cent), Slovakia (7.3 per cent).

### Exports

Main exports are vehicles and machinery (over 50 per cent), chemicals, raw materials and fuel.

**Main destinations:** Germany (31.2 per cent of total in 2012), Slovakia (8.9 per cent), Poland (6.1 per cent).

### Agriculture

The agricultural sector accounts for around three per cent of GDP and 4.2 per cent of employment. Approximately 41 per cent of the country is arable land, 11 per cent permanent pasture and 2 per cent permanent crops. The most important crops are sugar beet, wheat, potatoes, maize, barley, rye and hops. The livestock industry is well developed with cattle, pigs, chickens and dairy products supplying the food processing industry. Agriculture was collectivised during the communist period. Although production increased with the creation of large farms, soil erosion and the heavy use of

machinery and chemicals have had a long-term detrimental effect on the landscape and environment. In 1991, parliament passed a law on land restitution, under which all land taken by the state after February 1948 was returned to its original owner or, if such a return was not possible, provided for the owner to be compensated. Large-scale operations still dominate the sector, with many of the same problems experienced during the communist era. Agriculture remains labour intensive, relying on inefficient techniques, outdated technology and a poor distribution system. EU membership should eventually help the sector to modernise and redevelop.

The Czech Republic has a long tradition in freshwater fishing and aquaculture, owing to the thousands of man-made fish ponds dating from the middle ages. The principal catch is the common carp. The Czech Republic produces around 25,000 tonnes of freshwater fish per annum, of which around 13,000 tonnes are exported. Being landlocked, the country also imports over 200,000 tonnes of seafood per year. There are 12 processing plants.

Forests cover around 2.6 million hectares (ha), about one-third of the total land area, with the growing stock volume per hectare considered among the highest in Europe. Coniferous species make up more than four-fifths of the stock volume. There is no other wooded land.

Three-quarters of forest land is publicly-controlled, mainly at national level; the remainder is privately-owned. Forest output is moderate and the industry depends largely on processing of domestic raw materials. Austria and Germany are important export markets for roundwood and sawn wood respectively.

The domestic wood industry satisfies the majority of industrial needs for newsprint, plywood, furniture and traditional woodworking.

### Industry and manufacturing

The industrial sector was among the most advanced in the world before the Second World War, with national GDP per capita the seventh highest in the world in 1938. The Communist takeover in 1948 led to the nationalisation of all enterprises and a concentration on heavy industry. Under communism there was insufficient capital investment, while a lack of management, marketing and financial skills handicapped the development of the sector. In common with its counterparts in other communist countries, Czech industry became characterised by outdated and inefficient technology, over-staffing and poor quality.

Since 1989, the Czech economy has diversified away from its heavy industrial base. Between 1986–98, industry's share of GDP fell from 60 per cent to 39 per cent as a flourishing services sector began to establish itself. In 2004, industry's share of GDP was 39.4 per cent, a drop from a high of around 40 per cent in 2001. The slowdown matched the global trend with manufacturing jobs increasingly being sourced in Asia.

Engineering is beginning to dominate the industrial sector. Automotive engineering accounted for 15.8 per cent of manufacturing exports in 2004.

### Tourism

The Czech Republic has become one of Europe's top destinations for short city breaks and extended health and wellness holidays. Domestic tourists have given the industry a boost following its downturn when the global economic crisis cut visitor numbers in 2009. There are 12 sites included on Unesco's World Heritage sites: 11 are historic, of which one is described as a cultural landscape, and one of modernist architecture.

Travel and tourism experienced four years of decline over 2007–10 (except in 2008), including its share of GDP, employment, visitor numbers and capital investment. The share of GDP fell from 10.1 per cent in 2007 (US\$17.7 billion) to 7.8 per cent (US\$15.3 billion) in 2010. Likewise employment in the industry fell from 12.2 per cent of total employment (605,300 jobs) to 9.3 per cent (457,800 jobs) over the same period. Visitor spending was 5.1 per cent of total export revenue in 2007 (US\$7.2 billion) falling to 4.7 per cent (US\$7.1 billion). Capital investment in the industry remained steady at 4.2–4.4 per cent of total investment, except when it spiked at 4.7 per cent in 2008 (which may have been related to the visa free agreements with the EU and US introduced in 2007–08). The sector began to pick up in 2011.

### Environment

One of the most lasting legacies of the communist era is pollution, with the Czech Republic one of the most despoiled corners of Europe. Not only is air pollution a major problem, water supplies have become infected and raw sewage has reportedly been dumped in waterways by individuals as well as factories. Although environmental awareness has grown since 1989, the government and the majority of the population have focussed on economic transformation and improving living standards rather than on the environment.

### Hydrocarbons

Proven oil reserves were 95 million cubic metres (cum) in 2008, with production at

around 7,500 barrels per day (bpd). Consumption was 207.4 million bpd meaning the Czech Republic currently imports oil from both Russia and via Italy. International oil companies are still interested in the region and currently the Western Carpathians are being explored, although two wells have been found to be non-commercial. There are three oil refineries with a total capacity of 198,000bpd, with the Česká Rafinérská being the largest.

Proven natural gas reserves were 3.96 billion cubic metres (cum) in 2008, while production was 141 million cum. However, consumption is typically around 9.3 billion cum per annum the balance of which is imported, mainly from Russia, Germany and Norway.

Reserves of coal were 4.5 billion tonnes at the end of 2007, with production at 23.6 million tonnes oil equivalent (mtoe), which has remained steady since 2003.

### Energy

Electrical capacity is predominantly from thermal sources, with the remainder from hydroelectric and nuclear stations. The Czech Republic is a net exporter of electricity to Germany, Austria, Poland and Slovakia.

České Energetické Závody (CEZ) is the dominant power company in the Czech Republic, supplying over 70 per cent of the Republic's power which was 82.9 billion kilowatt hours (kWh) in 2007. There was an 8 per cent increase in electricity from renewable sources. Consumption was over 60 billion kWh. CEZ operates two nuclear power stations, at Dukovany and Temelin, as well as thermal and hydroelectric power plants. Electricity exports, particularly from the Temelin nuclear power station, are an important source of foreign earnings.

Construction of the controversial Temelin nuclear power station began in the 1980s. The first reactor became operational in 2000, but was shut down several times due to technical problems. A second reactor became operational in 2003, allowing Temelin to generate an extra 2,000MW of power. The power station must conform to EU safety standards by 2009.

In May 2011, the Federated State of Micronesia (FSM) challenged Czech Republic government plans to expand its coal-fired Prunerov Two power plant, Europe's second-largest. Low-lying FSM is threatened by submersion as global warming adds to rising sea levels. It feels this expansion, and its resulting increase in carbon dioxide output could exacerbate its problems. FSM will use a legal instrument of the UN Convention on Environmental Impact Assessment in a

Transboundary Context (known as the EIA convention) in Czech Republic courts and if successful will challenge similar projects in other signatory countries where the EIA convention applies.

### Financial markets

#### Stock exchange

Burza Cenných Papírů Praha (Prague Stock Exchange) (PSE)

#### Banking and insurance

The country is suffering from high levels of public debt, approximately 18.8 per cent of GDP. Most of this debt can be attributed to government bail-outs in the banking sector. The IMF has estimated that continued bank restructuring will take up a large percentage of the Czech Republic's GDP.

Much of the bank restructuring has been as a result of the government attempting to ensure that there is compatibility between Czech and EU laws, following EU membership in 2004. This also includes continued privatisation, not least in the banking sector, where state-owned stakes in banks will gradually be eliminated. The Foreign Exchange Act introduced partial liberalisation for capital account and full convertibility for current account transactions in Czech koruna. It also cleared the way for Czech membership of the Organisation for Economic Co-operation and Development (OECD), enabled companies to accept credit from non-resident banks and eased restrictions on direct investment.

The accumulation of bad domestic and international debt and non-performing loans, particularly to Russia, has reduced the attraction of Czech banking corporations to foreign investors. However, with the introduction of more stringent financial regulations and an improvement in accounting standards, bank privatisation will likely gain momentum.

#### Central bank

Česka Národní Banka (CNB) (Czech National Bank).

#### Time

GMT plus one hour (daylight saving, late March to late October, GMT plus two hours)

#### Geography

The Czech Republic is a landlocked country in central Europe, bordering Germany to the west, Poland to the north, Slovakia to the east, and Austria to the south. The landscape varies greatly from lowlands to Alpine-type mountains. It has numerous rivers (the Elbe (Labe), and its largest tributary, the Vltava, provide important links to sea ports).

With a total area of 78,864km square the Czech Republic is slightly smaller than Austria and one-third the size of the UK.

The country is split into two principal regions, Bohemia in the west and Moravia to the east. Surrounded by low mountains Bohemia is a plateau forming a basin drained by the Elbe and the Vltava – on which Prague is situated. The lowlands of Moravia are drained by the Morava River which flows into the Danube and by the Oder (Odra) eventually flows into the Baltic Sea.

#### Hemisphere

Northern

#### Climate

The climate is continental with warm, showery summers and cold, snowy winters. June is the hottest month and January the coldest. February and March are the driest months and June, July and August the wettest. The average temperature in winter is minus 5 degrees Celsius (C) and in the summer around 20 degrees C.

#### Dress codes

Most people wear standard casual clothes. They do, however, dress up when eating out or going to the theatre or a concert. Some more exclusive restaurants do not admit people in casual wear and it is useful to enquire beforehand. For business, a suit and tie is advisable for men and a suit or dress for women.

#### Entry requirements

##### Passports

Passport required by all, except nationals of EU/EEA and Switzerland, with valid national ID cards.

##### Visa

Required by all, except nationals of EU and Schengen area signatory countries, North America, Australasia and Japan. For further exceptions contact the nearest embassy. A Schengen visa application (offered in several languages) can be downloaded from <http://europa.eu/abc/travel/> see 'documents you will need'.

See <http://czech.embassyhomepage.com> for a full list of exceptions to visa controls. Business visas for nationals requiring visas require evidence of invitation from a local company and business letter of intention from employer.

##### Currency advice/regulations

The import and export of local currency is limited to Kc200,000, while there are no restrictions on the import of export of foreign currency.

Travellers cheques are readily accepted but euros, US dollars, or UK pounds avoid extra exchange fees. ATMs are found in most banks.

##### Customs

Personal items are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption.

### Health (for visitors)

Nationals of the European Economic Area (EEA) countries and Switzerland can access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries which joined the EU in 2004 whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.

### Mandatory precautions

None

### Advisable precautions

Immunisation for hepatitis A and B may be useful.

### Hotels

Prague has a wide range of hotels. Business travellers are advised to book rooms well in advance.

### Credit cards

All major credit and charge cards are accepted.

### Public holidays (national)

#### Fixed dates

1 Jan (New Year's Day), 1 May (Labour Day), 8 May (Liberation Day), 5 Jul (St Cyril and St Methodius Day), 6 Jul (Jan Hus Day), 28 Sep (Czech Statehood Day), 28 Oct (National Day), 17 Nov (Freedom and Democracy Day), 24–26 Dec (Christmas).

#### Variable dates

Easter Monday

### Working hours

#### Banking

Mon–Fri: 0800–1800; some banks close early on Fri.

*Bureau de Change* in main city centres operate seven days a week until 1900.

#### Business

Mon–Fri: 0800–1700.

#### Government

Mon–Fri: usually 0800–1600, but may vary.

#### Shops

Mon–Fri: 0800–1800; Sat: 0900–1200; some shops remain open late on Thursday evening.

### Telecommunications

#### Mobile/cell phones

GSM 900/1800 services are available throughout the country.

### Electricity supply

Domestic: 220V, 50 cycles AC is almost universal, with two-pin continental plugs.

### Weights and measures

The metric system is in use. In addition, the following measures are used: quintal or metric hundredweight = 100kg. Food is usually purchased by the decagram and kilogram.

### Social customs/useful tips

A handshake is a traditional accompaniment to a greeting. Using a person's title is customary. Managing directors should be addressed as *reditel* and the chairman as *predseda*.

When visiting private homes it is customary to take flowers for the hosts. Visitors also generally leave their shoes in the hallway, partly as a mark of respect and partly because of pollution in the streets. The difference between a Slovak and a Czech may be difficult to spot; however mistaking one for the other can cause offence.

Tipping is appreciated in any restaurant, usually 5 to 10 per cent.

Drinking and driving is strictly forbidden. Illegally parked cars tend to be towed away by the police and it is advisable to park at attended car parks where the cost is relatively low.

### Security

Street crime, especially in the centre of Prague, has increased since the 1989 revolution, as the police tend to keep a low profile. It is advisable to carry as little as possible in the way of valuables and cash. Car vandalism and theft have also increased.

Report any robberies in central Prague to the Central Police Office, Jungmannova 9, Prague 1 (tel: 6145-1760), where interpreters are available.

### Getting there

#### Air

**National airline:** CSA Czech Airlines  
**International airport/s:** Vaclav Havel Airport Prague (PRG), 20km north-west of the city. Facilities include duty free shopping, post office, money exchange, restaurants and car hire. An airport bus service runs every 30 minutes between 0600–2100, with a journey time of 30 minutes to the city centre. Taxis are available 24 hours.

**Airport tax:** Departure tax, from Prague only: Kc700

#### Surface

**Road:** Entry is possible from Germany, Poland, Slovak Republic and Austria.

**Rail:** As part of the European intercity network there are convenient routes to the Czech Republic from Western Europe including the cities of Berlin, Frankfurt, Munich, Zurich and Vienna. The most famous and fastest trains include the Kafka, Goethe and the Einstein, which are operated by the formerly state-owned České Dráhy (CD) (Czech Railways). The Vindobona Express operates daily from Vienna to Prague and on to Berlin. For more rail information call (tel: 2422-4200).

**Water:** There are ferries along the Vltava River from Germany.

### Getting about

#### National transport

**Air:** CSA Czech Airlines operates extensive low-cost domestic network. There are regular daily flights from Prague to Brno, Ostrava, Presov, Holesov, Kosice, Piestany, Bystrica, Karlovy Vary and Poprad.

The approximate travel time from Prague to Brno is 45 minutes, one hour to Karlovy and 30 minutes to Karlovy Vary.

**Road:** There are several major highways linking Prague with the main towns (usually marked with an E). Motorways run from Prague to Plzen and Pobebrady to Bratislava (Slovak Republic) via Brno. Users of the Czech motorways are required to purchase a *vignette* (season ticket) for each year.

**Buses:** The services of the national bus company, CAD, are faster and more comfortable than the train for many routes. Tickets can be bought in advance from larger stations.

**Rail:** The rail service is efficient and coverage is comprehensive, composed of approximately 9,365km of track. It is advisable to book seats in advance on the main routes. Fares are low, although supplements may be charged for travel on express trains.

**Water:** There are many navigable waterways in the Czech Republic. The main river ports are located at Prague, Usti nad Labem and Decin.

#### City transport

**Taxis:** Taxis travelling to and from the airport are allowed to charge higher rates. Within the city, it is advisable to either negotiate a price before travelling or agree the use of the meter. Higher charges are usually levied for night services.

**Buses, trams & metro:** The bus network is extensive, covering many areas not visited by rail. In addition to a flat-fare service, the buses are reliable and comfortable.

In Prague, tickets can be bought in advance from *tabak* shops and other shops displaying the sign *Predprodej Jizdenek*. On boarding the buses, insert your ticket into the top of the machines attached to the poles, then pull the handle towards you. Passes do not need to be punched. City buses operate predominantly on the outskirts of towns. City bus 119 leaves daily every five to seven minutes (peak times) or every 15 minutes (off-peak) for round trips from Dejvicka metro station to the airport. From the metro, follow the exit signs for Ruzyně Airport. An ordinary city transport ticket or pass is required before boarding. The CSA Czech Airline bus service operates every 30 minutes from its terminal, off Revoluční near the river, to the airport. It also stops at Dejvicka metro station. Look for the sign that says Ruzyně.

For more city transport information see: [www.dp-praha.cz/en/index.htm](http://www.dp-praha.cz/en/index.htm)  
Trams cover all the major streets and intersect with metro lines. There are tram services in Prague, Brno, Ostrava, Plzen and several other towns. Services usually operate between 0430–2400. After midnight, night trams run approximately every 40 minutes. Blue badges on tram and bus stops denote an all night service. Tram 91, the 'historic tram', stops at most of the city's top sights, except for the castle. These trams run Saturdays, Sundays and during holidays, making hourly stops during the summer. Tickets should be punched in the appropriate machine on entering the tram. Note that a separate ticket is required when changing tram routes.

#### Car hire

Many of the international car hire companies, including Avis, Eurodollar and Hertz, operate in the Czech Republic. Speed limits are 60kph in towns and villages, 90kph on the main roads and 110kph on motorways. The speed limit is reduced to 80kph on motorways in built-up areas. It is advisable to avoid driving in the city centre as illegal parking will result in the use of car clamps.

Traffic drives on the right. Seat belts are compulsory and drink driving is strictly prohibited. An emergency road rescue service is available by calling 154. A valid national driving licence is required.

#### BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

#### Telephone area codes

The international dialling code (IDD) for the Czech Republic is + 420, followed by area code and subscriber's number:

Breclav	51	Ostrava	59
Brno	54	Plzen	37
Havírov	6994	Prague	2

#### Useful telephone numbers

Emergency calls: 158  
Ambulance service: 112/155  
Police: 158, 2121-1111  
Traffic accidents: 154, 2121-3747  
Emergency Medical Aid: 298-341  
(24-hours: doctors speak English and German): 290-651  
Fire: 150  
Directory enquiries: (Prague only): 120  
International enquiries: 0135  
Breakdown assistance: 154, 123, 777-521  
Car repair service (24-hours): 733-351/3  
Lost property office: 235-8887

Car repair service (24-hours):  
733-351/3  
Lost property office: 235-8887

#### Chambers of Commerce

American Chamber of Commerce, 10  
Dusni, 11000 Prague 1 (tel: 2232-9430;  
fax: 2232-9433; email:  
[amcham@amcham.cz](mailto:amcham@amcham.cz)).

Breclav Chamber of Commerce, 10  
namisti TG Masaryka, 69002 Breclav (tel:  
932-6116; fax: 937-4126; email:  
[ohk@breclav.net](mailto:ohk@breclav.net)).

British Chamber of Commerce, 3  
Pobrezni, 18600 Prague 8 (tel:  
2483-5161; fax: 2483-5162; email:  
[britcham@britcham.cz](mailto:britcham@britcham.cz)).

Czech Chamber of Commerce, Freyova  
27, 19000 Prague 9, (tel: 9664-6111;  
email: [office@komora.cz](mailto:office@komora.cz); internet:  
[www.komora.cz](http://www.komora.cz)).

Ostrava Regional Economic Chamber,  
2224/8 Vystavni, 70900  
Ostrava-Marianske Hory (tel: 747-9328;  
fax: 747-9324; email: [info@rhko.cz](mailto:info@rhko.cz)).

#### Banking

ABN AMRO Bank NV, Amsterdam,  
Revolucni 1, 110 15 Prague 1 (tel:  
2481-5141; fax: 2481-5100,  
22481-5139).

Agrobanka Praha A S (largest private  
bank), Hybernska 18, 110 00 Prague 1  
(tel: 2444-1111; fax: 2444-6199,  
22444-1500).

Bankovni Asociace (Banking Association),  
Vodickova ulice 30, 110 00 Prague 1  
(tel: 2422-5926; fax: 2422-5957).

BNP - Dresdner Bank, Vitezna 1, 150 000  
Prague 5 (tel: 5700-6111).

Ceska Sporitelna A S (Czech Savings  
Bank), Na Prikope 29, 113 98 Prague 1  
(tel: 2422-9268; fax: 2421-3455).

Ceskomoravska Stavebni, Ruzova 15,  
110 00 Prague 1 (tel: 2407-2024; fax:  
2407-2225).

Ceskomoravska Zarucni a Rozvojova  
Banks A S, Jeruzalemska 4, 115 20  
Prague 1 (tel: 2423-0734).

Ceskoslovenska Obchodni Banka A S  
(CSOB), Na Prikope 14, 115 20 Prague  
1 (tel: 2411-1111; internet:  
[www.csob.cz](http://www.csob.cz)).

Chase Manhattan, Karlova 27, 110 01  
Prague 1 (tel: 2423-4313).

Citibank A S, Evropska 178, 166 40  
Prague 6 (tel: 2430-4243).

Commerzbank AG Frankfurt/Main,  
Pobocka Praha, Masarykovo Nabrezi 30,  
110 00 Prague 1 (tel: 2491-5077,  
22491-5329; fax: 2491-5850).

Credit Lyonnais Bank Praha, Ovocny trh  
8-Myslbeek Building, Prague 1 (tel:  
2433-3543).

Creditanstalt A S Praha, Siroka 5, 110 01  
Prague 1 (tel: 2110-2111; fax:  
2481-2185).

Deutsche Bank AG, Pobočka Praha,  
Jungmannova 34, 110 00 Prague 1 (tel:  
2421-2857; fax: 2422-5727).

Evropabanka A S, Stros Mayerovo nam 1,  
170 01 Prague 7 (tel: 6671-2134).

GiroCredit Banka Praha A S, Vaclavske  
nam 56, PO Box 749, 111 21 Prague 1  
(tel: 2403-3333).

HVB Czech Republic, Prague (tel:  
2111-2111; internet: [www.hvb.cz](http://www.hvb.cz)).

Interbanka A S Praha, Vaclavske nam. 40,  
110 00 Prague 1 (tel: 2440-6111).

Komercni Banka A S, Na Prikop 33, 114  
07 Prague 1 (tel: 2402-1111; fax:  
2424-3020).

Podnikatelska banka A S, Rohacova 79,  
130 79 Prague 3 (tel: 6121-6089; fax:  
6121-6085).

Raiffeisenbank A S Praha, Vodickova 38,  
110 00 Prague 1 (tel: 2423-1270; fax:  
2423-1278).

Realitbanka A S, Antala Staska 32, 146  
20 Prague 4 (tel: 6104-5439).

Royal banka CS A S, Krocinova 1, 110  
00 Prague 1 (tel: 2422-8582; fax:  
2422-4833).

Wustenrot - Stavebni Sporitelna A S,  
Jugoslavska 29, 120 00 Prague 2 (tel:  
2400-7200; fax: 2400-7204).

Zivnostenska Banka A S, Na Prikope 20,  
113 80 Prague 1 (tel: 2412-1111; fax:  
2412-5555).

#### Central bank

Czech National Bank, Na Prikope 28,  
110 03 Prague 1 (tel: 2441-1111; fax:  
2441-2404; e-mail: [info@cnb.cz](mailto:info@cnb.cz)).

#### Stock exchange

Burza Cennych Papiru Praha (Prague  
Stock Exchange) (PSE), [www.pse.cz](http://www.pse.cz)

#### Travel information

Cedok (travel and hotel corporation), Na  
Prikope 18, 111 35 Prague 1-Nove  
Mesto (tel: 2419-7642; internet  
[www.cedok.com](http://www.cedok.com)).

Ceske Drahy (CD), Nábřeží Ludvíka  
Svobody 1222/12 110 15 Praha 1 (tel:  
97-224-1881 reservations for inter-city  
trains only; internet:  
[www.cd.cz/static/eng/](http://www.cd.cz/static/eng/)).

Cestovni Kancelar, (national rail travel  
agency), V Celnici 6 110 00 Praha 1 (tel:  
2423-9464; email: [CKPHApob692@dop.pha.cd.cz](mailto:CKPHApob692@dop.pha.cd.cz); internet: [www.czech-travel-guide.com](http://www.czech-travel-guide.com)).

CSA Czech Airlines, Airport Praha, Ruzyně 16008 (tel: 2480-6111; fax: 2481-5183; internet: [www.czechairlines.com/en/](http://www.czechairlines.com/en/); City Service Centre, V Ceinici 5, 110 00 Prague 1 (underground line B, station Namesti Republiky) (tel: 2010-4111); sales and ticket reservations (tel: 2010-4310).

### National tourist organisation offices

Czech Tourism, PO Box 46, Vinohradska 12041 Praha 2 (tel: 2158-0111; fax: 2424-7516; internet: [www.czechtourism.com/](http://www.czechtourism.com/)); tourist information (tel: 2011-3229, between 0800 and 2000 hours; 2011-4512, 24 hours a day).

### Ministries

Ministry of Agriculture, Tisnov 17, 117 05 Prague 1 (tel: 2181-2111; fax: 2481-0478).

Ministry of Culture, Milady Horakove 220, 160 41 Prague 6 (tel: 5708-5111; fax: 2431-8156; email: [minkult@mkr.cz](mailto:minkult@mkr.cz)).

Ministry of Defence, Tychonova 1, 160 01 Prague 6 (tel: 2021-0255; fax: 2021-0257; email: [otevrenalinka@army.cz](mailto:otevrenalinka@army.cz)).

Ministry of Education, Youth and Sport, Karmelitska 8, 118 12 Prague 1 (tel: 5719-3111; fax: 5719-3790).

Ministry of the Environment, Vrsoviccka 65, 100 10 Prague 10 (tel: 6712-1111; fax: 6731-0308; internet: [www.env.cz](http://www.env.cz)).

Ministry of Foreign Affairs, Loretanske Namisti 5, 125 10 Prague 1 (tel: 2418-1111; fax: 2431-0017; email: [info@mzv.cz](mailto:info@mzv.cz); internet: [www.czech.cz/](http://www.czech.cz/)).

Ministry of Health, Palackeho nam 4, 128 01 Prague 2 (tel: 2497-1111; fax: 2497 2111; email: [mzcr@mzcr.cz](mailto:mzcr@mzcr.cz)).

Ministry of the Interior, Nad Stolou 3, 170 34 Prague 7 (tel: 6142-1115; email: [dotazy@mvcz.cz](mailto:dotazy@mvcz.cz); internet: [www.mvcz.cz](http://www.mvcz.cz)).

Ministry of Justice, Vysehradská 16, 128 10 Prague 2 (tel: 2199-7111; fax: 2491-9927; email: [mzp@mzp.justice.cz](mailto:mzp@mzp.justice.cz); internet: [www.justice.cz](http://www.justice.cz)).

Ministry of Labour and Social Affairs, Na Poøienim Pravu 1, 128 01 Prague 2 (tel: 2491-8391; fax: 2192-2664).

Ministry of Regional Development, Staromestske Namisti 6, 110 15 Prague 1 (tel: 2486-1111; fax: 2486-1333).

Ministry of Transport and Communications, Nabøei Ludvika Svobody 12, 110 15 Prague 1 (tel: 5143-1111; fax: 2481-0596; email: [utv0001@mzcr.cz](mailto:utv0001@mzcr.cz)).

Office of the Prime Minister, Nabøei Eduarda Benese 4, 118 01 Prague 1 (tel: 2400-2111; fax: 2481-0231).

Office of the President, Prague Castle, 119 08 Prague 1 (tel: 2437-1111; fax: 2437-3300).

### Other useful addresses

Asociace Investicnich Fondu (Association of Investment Companies and Funds), Tynska 21, 110 00 Prague 1 (tel: 2481-0063; fax: 2481-0063).

Asociace Obchodnich Spolecnosti a Podnikatelu CR (Association of Trading Companies and Businessmen), Skretova 6, 120 59 Prague 2 (tel: 2421-5371/81; fax: 2423-0570).

Association of Czech Entrepreneurs, Skretova 6, 12059 Prague 2 (tel and fax: 2423-0580).

BBC (Radio), Na Porici 12, Prague 1 CZ-110 00 (tel: 2487-2545; fax: 2487-2546).

Board of Legislation and Public Administration, Vladislavova 4, PO Box 596, 117 15 Prague 1 (tel: 2419-1111; fax: 2421-5060).

British Embassy, Commercial Section, Palac Myslbek Na Prikope 21, 11719 Prague 1 (tel: 2224-0021/22/33; fax: 2224-3625).

Centrum Vnejsich Ekonomickych Vztahu (Centre For Foreign Economic Relation), Politickych Veznu 20, PO Box 791, 111 21 Prague 1 (tel: 2422-1586, 22406-2421; fax: 2422-1575).

Cesky Statisticky Urad (Czech Statistical Office), Sokolovska 142, 180 00 Prague 8 (tel: 6604-2414).

Confederation of Industry of the Czech Republic, Mikulandska 7, 11361 Prague 7 (tel: 2499-5679).

CzechInvest (Czech Agency for Foreign Investment), Stepanska 15, 120 00 Prague 2 (tel: 9634-2500; fax: 9634-2502; e-mail: [marketing@czechinvest.org](mailto:marketing@czechinvest.org); internet site: <http://www.czechinvest.org>).

Czech Republic Embassy (USA), 3900 Spring of Freedom Street, NW, Washington DC 20008 (tel: (+1-202) 274-9100; fax: (+1-202) 966-8540; e-mail: [amb\\_pol\\_washington@embassy.mzv.cz](mailto:amb_pol_washington@embassy.mzv.cz)).

Czech Television (CTV) - Public Corporation, Kavci Hory, Prague 4 CZ-140 70 (tel: 6113-1111).

Euro Information Centre, Network/Correspondence Centre, NIS Havelkova 22, 130 00 Prague 3 (fax: 2423-1114).

Fond Narodniho Majetku (National Property Fund), Rasinovo Nabrezi 42, 120 00 Prague 2 (tel: 2491-1111; fax: 206-618).

Nejvyšší Soud CR (Czech Supreme Court), Buresova 20, 657 37 Brno (tel: 4132-1237; fax: 4121-3493).

NIS (National Information Centre of the Czech Republic), Havelkova 22, 130 00 Prague 3 (tel: 2421-5808-15,

2422-2026-9; fax: 322-1484, 2422-3177).

Pražská Informační Služba (Prague Information Service), Senovazne Namesti 23, 110 00 Prague 1 (tel: 544-444; fax: 421-1989).

Sdruzeni Soukromych Zemedelcu Cech, Moravy a Slezska (Association of Private Farmers of Bohemia, Moravia and Silesia), Tesnov 17, 117 05 Prague 1 (tel: 491-3606; fax: 491-0162).

Svaz Prumyslu a Dopravy CR (Confederation of Industry of the Czech Republic), Mikulandska 7, 113 61 Prague 1 (tel: 2491-5253).

UNIDO (Federation of Czech Industries), Mikulandska 7, 113 61 Prague 1 (tel: 2491-5679; fax: 2491-5253).

Ustavni Soud CR (Czech Constitutional Court), Jostova 8, 660 83 Brno 2 (tel: 4216-1111).

**National news agency:** CTK (Czech News Agency)

5/7 Opletalova, 111 14 Prague 1 (tel: 2209-8111; internet: [www.ctk.cz](http://www.ctk.cz)).

### Internet sites

Atlas (the national coach company) <http://jizdnirady.atlas.cz/>

Brno Trade Fairs and Exhibitions Co Ltd (press information): [www.bvv.cz/bvv](http://www.bvv.cz/bvv)  
Ceské Dráhy, (national rail information) [www.cd.cz/static/eng/](http://www.cd.cz/static/eng/)

Czech business directory: [www.muselik.com/czech/cbd.html](http://www.muselik.com/czech/cbd.html)  
Czech directory: [www.inform.cz/def.asp](http://www.inform.cz/def.asp)

Czech Embassy in Washington DC: [www.mzv.cz/washington](http://www.mzv.cz/washington)

Czech Ministry of Finance: [www.mfcr.cz](http://www.mfcr.cz)  
Czech Ministry of Industry and Trade: [www.mpo.cz](http://www.mpo.cz)

Czech Office for Protection of Competition: <http://compet.cz>

Czech Republic (provides links to information about the country): [www.muselik.com/czech/toc.html](http://www.muselik.com/czech/toc.html)

Czech Telecommunications Office: [www.ctu.cz](http://www.ctu.cz)

Czech Trade Promotion Agency: [www.czechtrade.cz/](http://www.czechtrade.cz/)

Czech Trade Promotion Agency (in English): [www.czechtradeoffices.com/Global](http://www.czechtradeoffices.com/Global)

Hotels and history: [www.abaka.com/Czech/](http://www.abaka.com/Czech/)

Office of Czech Republic: <http://vlada.cz>  
Prague city transport [www.dp-praha.cz/en/index.htm](http://www.dp-praha.cz/en/index.htm)