

## Politics & Elections

### Czech Republic may face proceedings before European Commission due to high budget deficit

Prime Minister Jan Fischer thinks the European Commission will initiate proceedings with the Czech Republic next year regarding the country's high budget deficit. Such proceedings are standard but any further increase in the deficit may result in cancelling the transfer of European funds. EU finance ministers agreed in early December that the Czech Republic must reduce its deficit to under 3% of gross domestic product (GDP) by 2013. *Source: most Czech press*

### Three generals to retire in wake of scandal

Three high-ranking generals will leave the armed forces by the end of the year following scandals in foreign deployments. Jiří Halaška, the commander of forces deployed on missions abroad, was removed from active service because of an affair in which some Czech soldiers deployed in Afghanistan wore Nazi SS symbols on their helmets. The Deputy Chief of the General Staff Josef Prokš will also retire. Prokš served as the head of military intelligence and later as an adviser to the minister of defense. The third general to go is Josef Sedlák, formerly the representative of Czech forces at Supreme Headquarters Allied Powers Europe (SHAPE) in Belgium. All three stepped down voluntarily. *Source: most Czech press*

### Anti-corruption package

Yesterday, Prime Minister Jan Fischer announced that the government's anti-corruption package will be completed in January. He did not provide specifics what the package will contain. The package will contain executive and legislative measures under the working name Pecina's Package after the Minister of the Interior Martin Pecina. The Czech Republic fell down Transparency International's corruption scale of 180 countries to 52nd position. Last year the country placed 45th. *Source: HN 6*

## Prague

### Bank heist in Prague 4

An armed man robbed a branch office of Komerční banka in Prague 4 yesterday. He demanded 3 million crowns and took 2 bank employees as hostages. Police diffused the situation after 4 hours by help of a ruse, arresting the man and freeing the 2 female hostages. No one was hurt. The robbery affected hundreds of people. Traffic in the immediate area was blocked off for hours and schools were closed. The last hostage-taking incident occurred in May this year during a bank robbery in Ostrava. *Source: most Czech press*

### IKEM ready for first transplant of small intestine

The Institute of Clinical and Experimental Medicine in Prague (IKEM) is preparing to conduct the first transplant of the small intestine to be undertaken in the Czech Republic and former eastern European communist states. The program manager, Martin Oliverius, says the clinic tested its method on experiments on animals and attended operations on patients in leading medical clinics in the world. The study is nominated for an honourable award from the Minister of Health for 2009. The small intestine will be the sixth organ IKEM doctors will be able to transplant. *Source: iHNed.cz*

## General News

### Driver breathalyser tests will change

Beginning in January, all drivers stopped by the traffic police will be required to undergo a breathalyser test for alcohol. The test is being implemented by the chief of the traffic police, Leoš Tržil, and will result in more convictions of driving while impaired. Police are buying new instruments for the tests. The number of deaths caused by drunk driving this year from January to November was 83, 7 more than last year. *Source: iDnes.cz, novinky.cz*

### Czech buying Christmas presents at auctions

According to statistics from the Executor Office in Přerov, one of the biggest executor offices in the country, interest in repossession auctions is huge. Goods can be bought at a third of their normal price in auctions. People buy items such as home electronics, sporting goods and cars. *Source: novinky.cz*



## Business & Investment

### Central bank unexpectedly lowers interest rates

The Czech National Bank unexpectedly lowered its interest rate to its lowest level, 1%. The central bank rate affects the interest rates used by commercial banks. Analysts did not expect the bank to make the change. The bank apparently lowered the interest rate in order to increase the circulation of money in the Czech economy suffering under the effects of the crisis. The effectiveness of the drop on banks' willingness to lend to companies and consumers will only be known over time. *Source: most Czech press*

### Avia wins another contract in USA

The Czech maker of light commercial vehicles won its second contract in the USA. The Americans ordered 100 Smith electric vehicles with cabs and chassis made by Avia. The sale makes Avia one of the leading manufacturers on the growing market for commercial vehicles with low environmental impact. *Source: iDnes.cz, Pražský deník 12*

### Alstom will pay record severance pay

The Brno manufacturer of electric furnaces will lay off 400 people. The unions of the affected workers negotiated the highest severance pay in the history of the Czech Republic. A third of those laid off will receive severance of 24 months pay. The generous pay-off applies mostly to those who have five years until retirement. *Source: iDnes.cz*

### Coca-Cola Blák falls flat

Attempts to capture the favour of Czech coffee lovers with Coca-Cola Blák failed. Remaining stocks of the coffee flavoured brew are currently

being sold out in the stores. Company representatives say poor sales are not the reason for discontinuing the product in the Czech Republic. Store managers on the other hand claim otherwise. *Source: iDnes.cz*

### GM of Czech Post Office steps down

The General Manager of Czech Post Office Petr Sedláček will announce his resignation on Friday. Sedláček was a main actor in the transformation of the post office from a state company into a joint stock company. Sedláček's replacement will allegedly be Marcela Hrdá, the director of Non-aviation Operations, Services and Transformation at Prague Airport. *Source: most Czech press*

### Czech Railways pays hundreds of thousand in insurance for its managers

According to public radio broadcasting station Český rozhlas 1 – Radiožurnál, indebted and loss making Czech Railways provides ten of its top managers with contributions of CZK 100 000 a month on private insurance. According to findings by the radio station, the insurance contracts are held with life insurer AXA životní pojišťovna, where the current general manager of Czech Railways, Petr Žaluda, used to work until recently. *Source: novinky.cz, lidovky.cz*

### Atlantik financial group is up for sale

The sale of the largest brokerage house on the Prague Stock Exchange should take place by the end of the year. Favourite candidates as buyers are J&T Banka and brokers BH Securities. The value of the transaction is estimated to be between CZK 100 million to CZK 200 million. *Source: iHNed.cz, HN 17, 27*

## More News

- » Yet a third audit of Prague Opencard will take place to ascertain if the law on signing contracts or law on public tenders were not violated.
- » Czech cardinal Tomáš Špidlík, who has been living in Rome for 50 years, reached the age of 90 today. He became well known as a thinker and theologian mostly on the topic of eastern Christianity. He was named a cardinal by Pope John Paul II six years ago.
- » The Foundation of Czech Creative Arts (NČVU) plans to completely renew the Mánes building in Prague.

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