

POLITICS

UK general election polls 2017: Labour are continuing to narrow the gap on the Conservatives. The latest poll from YouGov has the Tory lead at just four points over Labour.

Bulgarians have a new government. The Bulgarian parliament expressed confidence in the pro-Western centre-right government of the party Citizens for European Development of Bulgaria. The head of the party Boyko Borisov will thus become Bulgaria's prime minister for the third time in the past eight years.

ECONOMICS

Brexit does not threaten the financial stability of the euro area. The departure of Britain from the EU should not pose a significant risk to the financial stability of the eurozone. The European Central Bank stated this in its half-yearly report on financial stability.

Although the Greek parliament has undergone the required reforms, Athens is still waiting for the next part of financial assistance. The finance ministers of the eurozone Member States have failed to agree on releasing money for heavily indebted Greece. Similarly discussions on debt relief have ended. Greece badly needs money from the loan by July when it is due to make a debt repayment of 7.3 billion euros. Without this the country could become insolvent.

FOCUS ON THE CZECH REPUBLIC

Trade between Russia and the Czech Republic is again beginning to prosper after a number of years. This is despite the sanctions. Czech firms are investing billions in the East and opening branches there. Mutual trade was supported by the ministers of industry of both countries at meeting in Moscow.

The Czech-Moravian Guarantee and Development Bank wants to provide more than 100 preferential investment credits

The European Bank for Reconstruction and Development expects to continue to increase its activities in Greece and to invest 2 billion euros by 2018. So far, EBRD has spent more than one billion euros in Greece to help the country with economic recovery. Through its engagement in Greece, EBRD wants to attract private sector investment and help small and medium-sized businesses obtain access to finance. Access to credit in Greece is very difficult, which can become a major obstacle to growth.

Real gross domestic product in the Central and Eastern European region (CEE) will grow in 2017. According to an International Monetary Fund report, it should amount to 3.2%. In 2016 it was 2.7%. The reasons the IMF gives are global economic activity which is supporting demand for exports, and increasing investment flowing to EU Member States in this region from European subsidy funds.

Warsaw Stock Exchange will seek to attract companies from nearby countries. The Warsaw Stock Exchange will focus in the future on acquiring foreign firms, especially from neighboring countries including the Czech Republic. This year the largest stock exchange in CEE will significantly revive its activity and should record a record amount of primary stock offerings, acting head of the stock exchange Jarosław Grzywinski said.

this year to small and medium-sized companies which have difficulty accessing funds for their further development. In total, it has prepared 0.33 billion euros within the framework of the Expanze programme. The bank expects that between 2017 and 2023 the programme will include 900 projects.

In Beijing the governor of the Czech National Bank handed over a license to es-

SECTORS

The European Commission has presented a package of road transport measures in the EU containing a total of eight measures. It proposes, for example, a solution to the dispute over minimum wages for international transport drivers. Drivers should also spend a mandatory 45 hour break outside their vehicles. The package also deals with cabotage, which is the transport of goods and persons within the territory of a country other than that in which the carrier is registered. While the existing legislation allows a maximum of three cabotage operations per week, the proposal allows the carrier to carry out an unlimited number of shipments within five days.

Voters in Switzerland clearly opposed the construction of new nuclear power plants in referendum on 21 May. According to the final results, the relevant government proposal for a law on a new energy strategy to 2050 was supported by 58.2 percent of voters.

Poland is betting on liquefied gas. Imports of LNG to Poland from the US could weaken Gazprom's position on the EU market Polish State Secretary for Energy Infrastructure Piotr Naimski stated. The Polish Law and Justice party wants to replace Russian gas with other sources after 2022 when the validity of the Gazprom contract expires.

establish a branch in the Czech Republic to representatives of the Chinese bank ICBC (Industrial and Commercial Bank of China). One of the largest banking institutions in the world, it is already the second Chinese bank to enter the Czech market since the Bank of China also operates in the Czech Republic. CzechInvest is also discussing projects worth 2.26 billion euros in China. However it is not expected that it will be po-

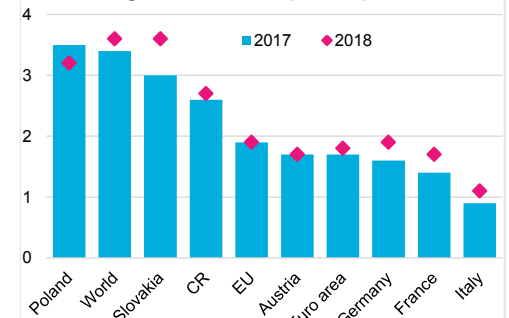
FORECAST AND PREDICTIONS

Meetings of EU institutions

- *European Parliament Plenary Session on 12 - 15 June 2017*
- *Eurogroup on 15 June 2017*
- *Economic and Financial Affairs Council on 16 June 2017*

Spring 2017 Economic Forecast: steady growth ahead. The European economy has entered its fifth year of recovery, which is now reaching all EU Member States. This is expected to continue at a largely steady pace this year and next. In its Spring Forecast released on 11 May, the European Commission expects euro area GDP growth of 1.7% in 2017 and 1.8% in 2018 (1.6% and 1.8% in the Winter Forecast).

Economic growth forecast (% GDP)



Source: European Commission

ssible to conclude contracts on all of them. **There is nothing technical to prevent the Czech Republic from adopting the euro.** The Czech Republic fulfills all the preconditions. Czechs could pay with the euro at the earliest from 1 January 2021. Oldřich Dědek, a member of the Bank Board of the Czech National Bank, stated this and also that first there must be a political decision which has not yet happened.