

POLITICS

Slovakia has elected a new president.

The decisive second round of the election was won by the current speaker of the Slovak Parliament, Peter Pellegrini, who is an ally of the former and new Prime Minister Robert Fico. Peter Pellegrini won 53.12 % of the vote.

Bulgaria is mired in political instability.

At the end of March, a third attempt by the parliamentary parties to form a governing coalition was also unsuccessful. Nikolai Denkov was replaced as prime minister by Dimitar Glavchev. Bulgaria is set to hold early parliamentary elections in June, the sixth in three years.

EU and Member State representatives marked the 20th anniversary of ten countries' accession to the EU.

On 1 May 2004, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia joined the European Union. This was the largest enlargement in the history of the EU.

The 2024 European elections are approaching.

A debate between the leading candidates of the European parties for the President of the European Commission will take place on 23 May. On the last day of the elections, 9 June, the European Parliament will hold an election night during which it will publish the interim results of the elections.

EU countries and the European Parliament have approved the Corporate Sustainability Due Diligence Directive,

requiring companies to source goods only from suppliers who do not harm the environment and do not violate human rights. The rules will apply to companies with more than 1,000 employees and an annual turnover exceeding EUR 450 million.

The European Parliament has approved a revision of the EU's Common Agricultural Policy.

MEPs adopted a revision of the Common Agricultural Policy aimed at alleviating the administrative burden on farmers. The regulation now needs to be approved by the Council. Once approved by the Council, the regulation will be published in the EU's Official Journal and will enter into force immediately.

ECONOMY

The EU unemployment rate was 6.0% in March 2024, down from 6.1% in February 2024 and stable compared with March 2023.

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Sources: European Commission, Eurostat, Reuters, EurActiv, Euronews, ACEA and others.

Euro area annual inflation is expected to be 2.4% in April 2024, stable compared to March. Looking at the main components of euro area inflation, services is expected to have the highest annual rate in April (3.7%, compared with 4.0% in March), followed by food, alcohol & tobacco (2.8%, compared with 2.6% in March), non-energy industrial goods (0.9%, compared with 1.1% in March) and energy (-0.6%, compared with -1.8% in March).

In the first quarter of 2024, seasonally adjusted GDP increased by 0.3% in the EU,

compared with the previous quarter. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 0.5% in the EU in the first quarter of 2024. Ireland (+1.1%) recorded the highest increase compared to the previous quarter, followed by Latvia, Lithuania and Hungary (all +0.8%). Sweden (-0.1%) was the only Member State that recorded a decrease compared to the previous quarter. The year on year growth rates were positive for nine countries and negative for four.

In the EU the government deficit to GDP ratio increased from 3.4% in 2022 to 3.5% in 2023.

In the EU the government debt to GDP ratio decreased from 83.4% at the end of 2022 to 81.7% at the end of 2023. In 2023, all Member States, except Cyprus and Denmark (both +3.1%), Ireland (+1.7%) and Portugal (+1.2%), reported a deficit. The highest deficits were recorded in Italy (-7.4%), Hungary (-6.7%) and Romania (-6.6%). Eleven Member States had deficits higher than 3% of GDP.

SECTORS

Global steel demand fell by 1.1% in 2023.

According to the World Steel Association, 1.8 billion tonnes of steel should be sold globally this year, up 1.7% year-on-year. The association forecasts that global steel demand will continue to grow in 2025 at a rate of 1.2% to 1.82 billion tonnes. The organisation also estimates that steel demand in the EU and Britain will increase by 2.9% to 140.7 million tonnes this year after a 10% drop last year. It expects growth to accelerate to 5.3% next year.

In Europe, 10 GW of storage capacity was installed in 2023, more than double the 2022 figure. By 2030, Europe's electricity storage capacity should increase to more than 120 GW.

Global military spending rose 6.8 percent last year to \$2.4 trillion, according to the Stockholm International Peace Research Institute, with the United States leading the way, followed by China and Russia. However, under the influence of the war in Ukraine, Europe is also investing massively in armaments. Apart from Ukraine, Poland moved forward significantly in the top twenty of the ranking. It became the 14th highest defense spending country, when according to the institute, it increased spending by 75% year-on-year to 3.8 percent of GDP. All of Europe spent sixteen percent more last year than in 2022, and over the past decade, its military budgets have swelled by 62%.

FOCUS ON AUTOMOTIVE IN EU

The production of passenger cars in the Czechia in Q1 increased by 11.5% year-on-year to 394.4 thousand vehicles.

This is the strongest first quarter to date. However, the production of electric vehicles fell by a third to 27,000 cars. Their share in domestic car production thus decreased year-on-year from 11.7% to 6.8%.

The number of charging stations in the Czechia increased by almost half in 2023.

At the end of 2023, the state registered 2,287 charging stations for electric cars, with 4,187 charging points. This is based on data from the Ministry of Transport of the Czech Republic.

Chinese automaker Chery will open its first production plant in Europe in Spain.

The company will use the plant that Japanese automaker Nissan closed in 2021. Founded in 1997, state-owned Chery Automobile is now the third-largest car manufacturer in China and the country's largest exporter of cars. Last year, it sold 1.88 million vehicles.

EU CALENDAR

Meetings of EU institutions

- *Europe Day on 9 May*
- *Eurogroup on 13 May*
- *Economic and Financial Affairs Council on 14 May*
- *General Affairs Council on 21 May*
- *Foreign Affairs Council on 27 May*
- *Defence Council on 28 May*
- *Trade Council on 30 May*
- *Energy Council on 30 May*
- *European elections on 6 - 9 June*