

## CZECH REPUBLIC

The Czech Republic is considered as one of the most stable and prosperous of the post-Communist states of Central and Eastern Europe. The country became a member state of the European Union on 1 May 2004. Maintaining an open investment climate has been a key element of the Czech Republic's transition from a communist, centrally planned economy to a functioning market economy.

Prior to its EU accession in 2004, the Czech government harmonized its laws and regulations with those of the European Union. The small, open, export-driven Czech economy grew by over 6% annually from 2005-2007 and by 2.5% in 2008. The conservative Czech financial system has remained relatively healthy throughout 2009. Nevertheless, the real economy contracted by 4.1% in 2009, mainly due to a significant drop in external demand as the Czech Republic's main export markets fell into recession.

The railway system in the Czech Republic is EU compliant. The national railway companies are: the infrastructure manager SŽDC, the passenger operator ČD and the freight operator ČD Cargo. Four Railway Transit Corridors were defined for the Czech Republic, which are as a priority to be modernised. First Czech Corridor and part of the Third Czech Corridor are integrated into the Pan-European Corridor IV and the Second Czech Corridor into the Pan-European Corridor VI.

Up until 2002 the pre-accession funds Phare and Phare CBC were utilised for modernisation of the railway network. Czech Railways, state organisation was the end recipient of this support. In the period from 2003-2004, SŽDC continued in carrying out large railway projects of international significance co-financed from the ISPA pre-accession financial instrument previously commenced by Czech Railways, state organisation, and also commenced new projects.

Accession to the EU enabled SŽDC between 2004-2006 to also make use of grant funding from ERDF (European Regional Development Fund) for modernisation of the track network of national and European importance and also from Programme TEN – T. SŽDC is utilising the TEN-T programme largely for co-financing studies (project documentation, construction projects).

In the new programme period 2007 - 2013

SŽDC plans on utilising the newly established Operation Programme Transport for financing projects and will continue to use the TEN - T programme. SŽDC also plans during the period 2007 – 2013 to use funds from ERDF. In 2009 SŽDC, in cooperation with DSDiK, was successful in obtaining funding for carrying out the project "Revitalisation of the Szklarska Poręba – Harrachov railway track" from the Operation programme for cross-border cooperation Czech Republic - Poland 2007—2013.

### Background figures in railways (2009):

9,539 km length of lines

3,153 km electrified lines

162,906 x 1 000 passengers carried

6,462 x 1 000 000 passenger-km

68,162 1 000 tonnes carried

12,616 x 1 000 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	216.08	190.27
GDP growth (annual %)	2	-4
Exports of goods and services (% of GDP)	77	70
Imports of goods and services (% of GDP)	73	64
Industry, value added (% of GDP)	38	37

### Ease of Doing Business Rank 2010

World	rank 74
OECD	rank 25

