

# Current Information OS KOVO



Eastern Region Meeting  
28. November 2023

Four fundamental topics of the past period:

1. **Consolidation package** (Act amending certain laws in connection with the consolidation of public finances, parliamentary press 488)
2. **Pensions** - part of the pension amendment has already been approved, the Government is preparing other proposals, including earlier retirements for demanding professions
3. **Minimum wage** (see below for details) – should be decided by mid-November
4. **Energy prices** (POZE - Supported energy sources)

### Consolidation Package – selected changes

- The introduction of an annual limit for the tax exemption of benefits at ½ of the average salary
- Reintroduction of the levy on sickness insurance for employees (0.6% of the assessment base ≈ gross wages)
- Limitation of tax credit for spouse without income
- Cancellation of tax exemptions (tuition fees, student discount, deduction of union contributions)
- Changes in VAT rates, item transfers (increase in the price of some basic goods)
- Increase in corporate income tax rate by 2% (from 19 to 21%)
- Increase in real estate tax by an average of 1.8 times
- Increase in excise duty on alcohol
- Increase in the price of highway tolls
- Increase in levies for the self-employed



**The Government has succeeded in a miracle. It pissed off everyone throughout the pack.**

*Newspaper headline, Hospodářské noviny, 16.10.2023*

### Pensions

The Government is preparing a reform that includes the extension of the pension age and other changes with a negative impact on future pensioners.



**On the contrary, the Government, despite its promises (even contrary to the content of their Program Statement), still did not submit a proposal for earlier retirements for employees working in demanding professions.**



The government's 2024 minimum wage proposal

	Minimum wage	increase	Estimated share on average wage	Estimated share on average wage for 5 years
Option I	18 900 CZK	9,2%	41,1 %	45 %
Option II	19 400 CZK	12,1 %	42,1 %	50 %

The Government proposal is still considering maintaining 8 groups of guaranteed wages, it contains several variants of increases (percentage, fixed amounts, fixed amounts only to the 5th group, etc.)

ČMKOS Proposal 19 500 CZK  
Employers’ Proposal 0 - 18 300 CZK

CZK	eur
18 900	771
19 400	792
19 500	796
18 300	747

### Energy prices

The State will no longer reimburse all costs associated with renewable energy sources next year. According to the Minister of Finance Zbyňek Stanjura (ODS), people and companies will once again start contributing to solar, water and wind power in their electricity bills. Until last autumn, it was CZK 600 (approx. 25 euros) for each megawatt hour for households. Then the Government paid the fee itself because of the sharp increase in price. Now energy prices are falling, which is why the cabinet is retreating from concessions.



Some parts of the Government's Consolidation Package reduce the competitiveness of Czech industrial companies, according to the president of the Union of Industry and Transport Jan Rafaj, the problem is in particular the significant increase in fees for renewable resources for energy-intensive companies. While Germany waives fees to companies for next year to encourage the slowing industry, and Slovakia lowers fees for energy-intensive operations for next year, Czech companies will pay more, Rafaj told ČTK today (10/10/2023) at the International Engineering Fair in Brno.



# Political Situation

Numerous negotiations took place on these topics with coalition and opposition politicians, with employers and trade unions:

**Roman Ďurčo** @DurcoRoman\_Kovo  
Dnes s kolegy z @OS\_KOVO, Jardu Pavšíkem z KOVO MB a přáteli z vedení @IGMetall z VW v čele s Flavio Denitesem jednání v Praze. Tématem zlepšování podmínek zaměstnanců, výměna zkušeností v kolektivním vyjednávání a debata o další směřování průmyslu v našich zemích, které jsou na sebe úzce navázané. Mnoho zajímavých námětů, díky za to. Společně jsme silnější! 🇪🇺



4:17 PM · Sep 12, 2023 · 63 Views

**Roman Ďurčo** @DurcoRoman\_Kovo · Sep 6  
Dnes jednání předsedů @OS\_KOVO, OS STAVBA a OS ECHO v @snemovna s vedením největší opoziční strany, hnutí ANO. Od @AndrejBabis, @alenaschillerov i @KarelHavlicek. Jsme slyšeli jasnou podporu požadavků odborů například na zachování benefitů a dalších témat, které současná vláda... Show more



**Roman Ďurčo** 16 hod ·  
Na Ministerstvo Průmyslu a Obchodu jednáme v rámci pracovní skupiny pro ocelářství. Tématem jsou změny v konsolidačním balíčku, emisní povolenky i omezení energetické soběstačnosti naší země. To by významně ohrozilo desítky tisíc pracovních míst. Vláda v tom musí začít být okamžitě aktivnější! Díky za debatu Jozef Sikela.



**Roman Ďurčo** ·  
V druhé polovině týdne jsme s kolegy z OS KOVO na kužel měli hodně náročný program. Nejprve dvoudenní jednání s odbory a zaměstnavateli v ocelářství z Polska, Slovenska a České republiky v Zakopaném. Tématem byla situace v oboru s ohledem na aktuální ceny energií a emisních povolenek. V pátek jsme jednali s kolegy z OS KOVO a Odbory KOVO MB o problémech v automobilovém průmyslu. Díky za tuto debatu především Jarduvi Pavšíkovi! V neocí mě ještě čeká ve 13hod debata v pořadí... Zobrazit víc



**Roman Ďurčo** 25. červenec v 17:53 ·  
S vicepremiérem Mariánem Jurečkou jsme dnes s kolegy z OS KOVO řešili důchodovou reformu včetně předčasných důchodů pro náročné profese. Informovali jsme ho, že ministerstvem připravená varianta je pro nás nepřijatelná a věříme, že naše připomínky budou zapracovány do finálního materiálu MPSV. Zároveň jsme probrali změny vládního úsporného balíčku. Ty připravujeme společně se zaměstnavateli.



### Meetings of Industrial Trade Unions of the Czech Republic

On October 3, 2023, representatives of industrial trade unions (miners, KOVO, Construction, food workers) met in Prague at the Olšanka Congress centre and established a platform defending the interests of workers in industry within the framework of ČMKOS – **Industrial Alliance of Trade Unions (PAOS)**. Members demand a more vigorous approach in enforcing the rights of honest working people. The next meeting of PAOS took place on October 13 and 25.



On Wednesday 18.10. the **OS KOVO Council met**. It discussed the preparation of protest actions, the main topic of which will be:

- Opposition to the Government's tax package
- The return of payments for renewable resources to customer prices
- Failure to address early retirement for demanding professions



Protest actions took place:

Protest walk in Strakonice 20.6.2023

Demonstration 27.6.2023 in Ostrava

Day of protests 27th November 2023

Political Situation



## GDP

Gross domestic product fell 0.3% quarter-on-quarter and 0.6% year-on-year in Q3, according to preliminary estimates, Q2 fell 0.4% year-on-year.

## Industry

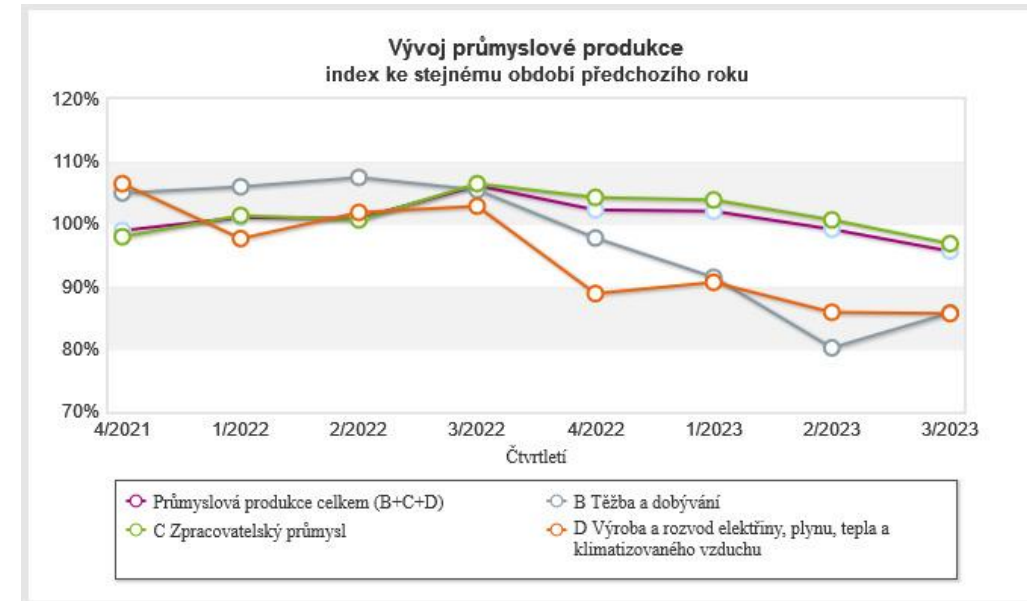
Industrial production was 0.3% lower year-on-year in Q1-Q3 2023. While the results of the first two quarters were balanced and the industry ended in moderate growth, in the third quarter the performance of the industry began to slow down.

**Industrial production** was 0.3% lower year-on-year in Q1-Q3 2023. While the results of the first two quarters were balanced and the industry ended in moderate growth, in the third quarter the performance of the industry began to slow down.

Neither the traditional driving force of Czech industry, the production of motor vehicles, nor the production of other means of transport and equipment, where important long-term orders from past periods were completed and new ones were concluded at the same time, could not keep the production of the industry as a whole in growth.

The value of **new orders** at current prices in the 1st to 3rd quarter of 2023 in the monitored industries decreased by 1.9% year-on-year. New orders from abroad decreased by 3.8%. Domestic new orders increased by 1.9%.

The average registered **number of employees** in industry was 1.6% lower in Q1-Q3 2023 than in the same period of the previous year, and their average gross monthly **nominal wage** increased by 9.4% (inflation approx. 11.8%).



## Forecasts of macroeconomic indicators

Indicator	Czech National Bank		Ministry of Finances	
	2023	2024	2023	2024
GDP	0,1	2,3	-0,2	2,3
Inflation	11,0	2,1	10,9	2,8
Unemployment	2,7	2,8	2,8	2,7
Average real wage	-2,0	5,6	-2,5	2,9
Labour productivity	-0,4	0,2	-1,2	1,6

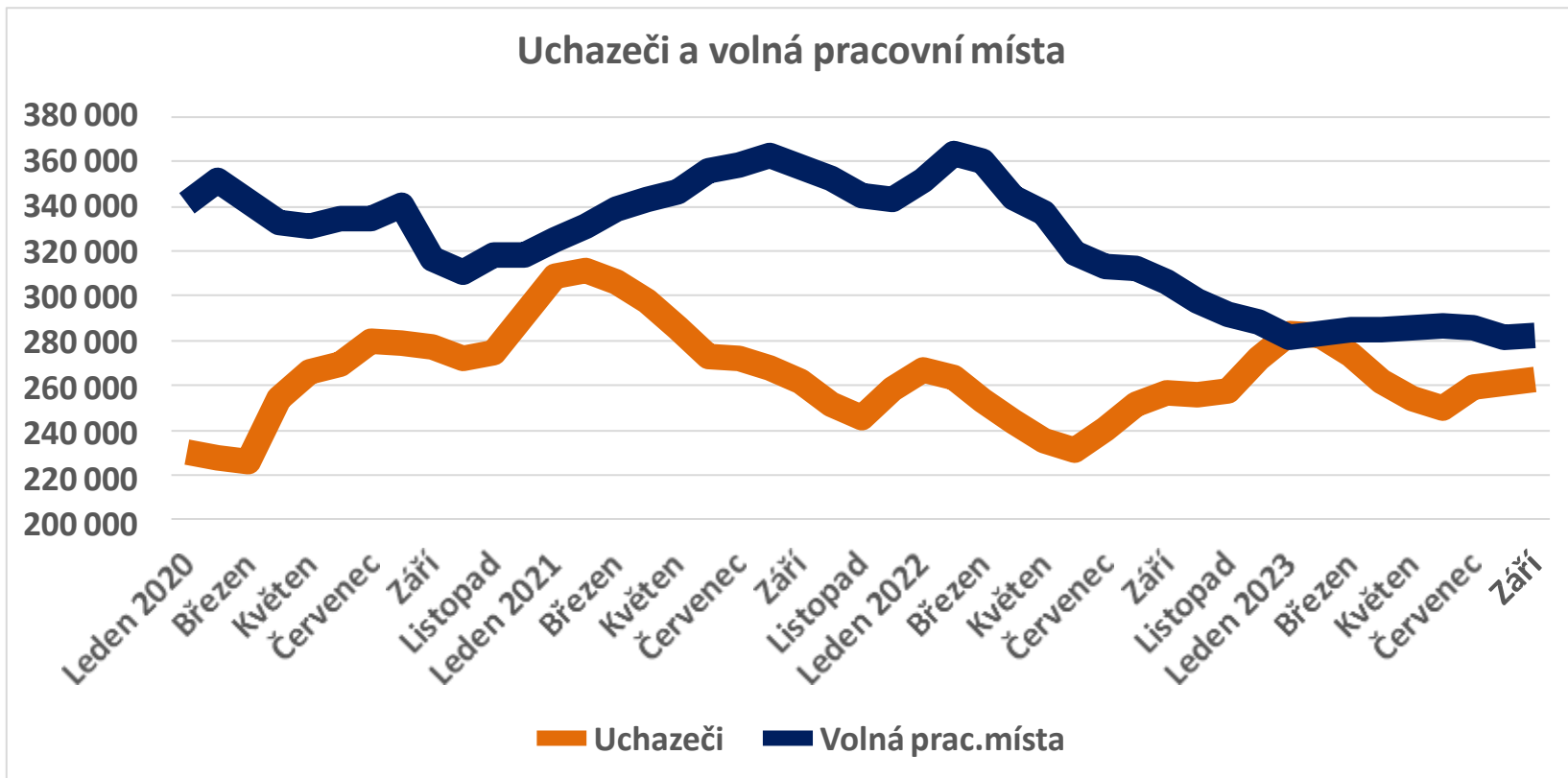
.As it follows from both forecasts, inflation will be high this year, and both institutions are optimistic about its taming next year.

According to both forecasts, the real wage should return to growth next year.

The European Bank for Reconstruction and Development has improved the Czech economy's outlook for this year. It now predicts that GDP will increase by 0.1 percent in the Czech Republic this year, while in May it predicted that it would decrease by 0.1 percent. However, the estimate of the growth of the Czech economy for next year worsened to 2.5 percent from the previously predicted 2.9 percent.

## Unemployment in September 2023

The share of unemployed persons reached **3.6%** in September, the same as in August (3.5% in July). As of September 30, 2023, there were a total of 263,020 unemployed people, and 281,995 job vacancies. 73,355 people received unemployment benefits, the average amount of which was CZK 10,672, i.e. EUR 434.





## Inflation in October 2023

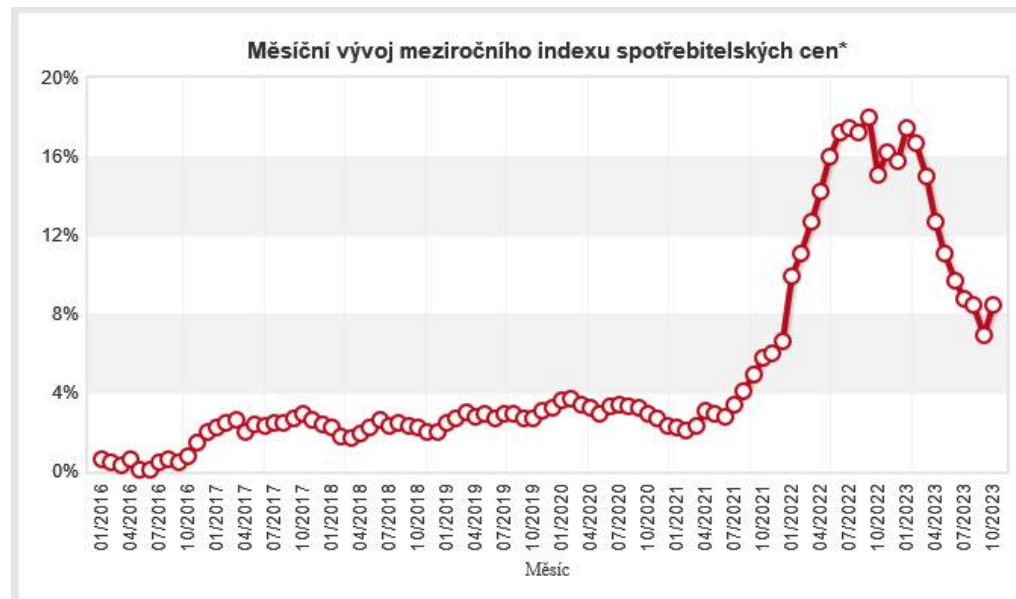
October 2023/October 2022

8,5

Annual rate

12,1

Year-on-year, consumer prices rose 8.5% in October, up 1.6 percentage points from September. This was mainly driven by prices in the housing sector. Electricity prices accelerated their year-on-year growth to 148.6% (16.5% in September), mainly due to their significant decrease in October 2022 (state support). In October, prices in the housing section had the greatest influence on the year-on-year **growth in price levels**, where, in addition to the above, apartment rents rose by 7.9%, water by 16.3% and sewage by 26.9%. The second most affected was prices in the food and non-alcoholic beverages section (up 3.7%).



## Inflation forecasts for 2023 and 2024

Forecast author	Inflation	
	2023	2024
Czech National Bank	11,0	2,1
Ministry of Finances	10,9	2,8
Czech Bank Association	11,0	2,7
European Commission	11,9	3,4
OECD	12,2	3,4
<b>ČMKOS</b>	<b>11,0 až 12,0%</b>	<b>4,5 až 5,5%</b>

**Wage growth recommended by ČMKOS as a demand for CB 2024 – 8 to 10%**

## Average wage in Czech Republic

**In the first half of 2023**, the average wage reached 1,717 euros, an increase of 130 euros (8.2%) year-on-year. Consumer prices increased by 13.7% during the mentioned period, so wages fell by 4.8% in real terms.

### Development of nominal and real average wages

Average monthly wage		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Nominal	eur	1 205	1 303	1 406	1 471	1 556	1 639	1 771	1 874	1 954	2 038
	increase in %	6,7	8,1	7,9	4,6	5,8	5,3	8,1	5,8	4,3	4,3
Real	eur 2015	1 169	1 237	1 298	1 315	1 340	1 227	1 196	1 231	1 253	1 281
	increase in %	4,3	5,9	4,9	1,3	1,9	-8,5	-2,5	2,9	1,9	2,2

Source: Update information ČMKOS,  
18.9.2023

## Wages in metal industry for 1st half of 2023

Source: ČSÚ, unofficial results for OS KOVO needs only

Average wage KOVO (CZ-NACE 24 - 30)

**1 823 eur**      **+ 9,5 % nominal wage**  
**- 3,7 % real wage**

CZ-NACE	Average wage eur	Number of workers
<b>24</b>	1 679	37 266
<b>25</b>	1 616	92 168
<b>26</b>	1 789	34 155
<b>27</b>	1 732	87 309
<b>28</b>	1 752	98 000
<b>29</b>	2 060	163 769
<b>30</b>	1 930	21 252

24	Production of basic metals, metallurgical processing of metals; foundry
25	Manufacture of metal structures and metal products, except machinery and equipment
26	Manufacture of computers, electronic and optical instruments and equipment
27	Manufacture of electrical equipment
28	Manufacture of machinery and equipment n.e.c.
29	Manufacture of motor vehicles (except motorcycles), bodies, trailers and semi-trailers and parts and accessories
30	Production of other means of transport and equipment

Regions	Average wage eur
Hlavní město Praha	1 973
Středočeský kraj	2 013
Jihočeský kraj	1 673
Plzeňský kraj	1 714
Karlovarský kraj	1 427
Ústecký kraj	1 692
Liberecký kraj	1 707
Královéhradecký kraj	1 664
Pardubický kraj	1 532
Vysočina	1 659
Jihomoravský kraj	1 817
Olomoucký kraj	1 652
Zlínský kraj	1 564
Moravskoslezský kraj	1 626



## Collective bargaining

The Ministry of Finance estimates inflation for next year at 2.8%, the Czech National Bank even only 2.1%. In its forecast, ČMKOS is probably much closer to the future reality, the estimate is 4.5 to 5.5%.

The situation in sectoral bargaining is even worse than last year (completely contrary to the European directive on reasonable minimum wages) - the partner in the aircraft industry refuses to negotiate, saying that it is not an employer association within the meaning of the Collective Bargaining Act

The only result of the sectoral negotiations will be an amendment to the sectoral contract in the electrotechnical industry (the current contract is valid for the period 2023-2024) with an increase of 3% in the nominal wage, and this contract does not apply to all members of the Electrotechnical Association of the Czech Republic, but only to a fraction of its members , who agrees the contract.

Collective bargaining is underway in metal industry companies. The most important topic is, of course, wage growth.

**The recommended requirement for wage growth is 8 to 10%.**

## Company problems








In some companies of the metal industry, there are layoffs or production shutdowns - there is no demand.

There was also a partial reduction in production in car factories, BUT due to missing components - Škoda Auto, Toyota.

On the other hand, other companies are facing a labour shortage, they hire agency employees to an increased extent, in some companies the share of agency employees reaches over 40%.

The Liberty Ostrava steelworks is getting into more and more problems - the last blast furnace was temporarily (?) closed. The company suffers from a lack of funds, the management promises a quick solution, but the trade unionists are worried about jobs.



I.+II.Q 2022/ I.+II.Q2023			
	sales	Employees	wage
Glass	14% 	10% 	10% 
ceramics	0%	10% 	6% 
Porcelain	0%	10% 	3% 

### III.Q 2023

- Difficult situation in most of the enterprises covered by the OS SKP
- Problems with orders– orders for next 2 weeks or 1 month only
- Obstacles to work on the employer's side – wage compensation mostly only 1 day per week and only covered by 60% of average wages
- high uncertainty for employers linked to the construction industry
  - Saint Gobain – glass fibres – approximately 80 employees will have their employment terminated at the end of the year
  - Ideal Standard - sanitary ceramics – from 15.10.2023 to 10.11.2023 and from 11.12.2023 temporary downtime
  - Laufen CZ - sanitary ceramics - fixed-term contracts are not renewed - a "fight" within the Laufen Group about which of the European factory will not be closed

#### Household porcelain

- Thun 1794 – 3 plants (550 employees) – employment of about 80 employees will be terminated by the end of 2023



Since 01.07.2023, the trade union ECHO has been leading a new leadership,  
was elected at the **4th ECHO Trade Union Congress**,  
took place on 24 - 25 May 2023  
at the Olšanka Hotel in Prague - for the period 2023 – 2028

**The new President is**

its current Vice-Chairman of the Energy Section  
**Mr. Karel Klusák**

**The new Vice-Presidents are:**

**Mr. Vladislav Jandásek**, for the Chemical Section  
**Mr. Radek Sklenář**, for the Energy Section





The chemical industry is very much **affected** by the war in Ukraine, which means not only an **embargo** on the export of a significant amount of the production of the Czech chemical industry, but also a noticeable **shortage** of basic raw materials and therefore a significant increase in their prices.

Europe's decarbonisation efforts - a significant **increase in energy prices**, which are a significant cost item for most of the chemical industry.

In addition, energy prices will rise significantly in 2024 - estimated at 112-206% for industry, due to the end of state support in the form of renewable energy payments (REP) and its repayment to the consumer.

The chemical industry is demanding that the energy regulator and the government return to the pre-Covid crisis.

The industry paid less than half of the amount of REP and the payment was not passed on to final consumers in full.



At present, it is crucial to **increase the capacity of the TAL pipeline**, which brings crude oil to the Czech Republic from Trieste, Italy, as the exemption for oil supplies through the southern branch of the DRUZBA pipeline ends in mid-2024.

In this context, in October 2023, a three-week test at the Litvínov refinery verified that **it would be possible to process non-Russian crude oil**. The Litvínov refinery, part of the Orlen Group, accounts for approximately 60% of the production capacity in the Czech Republic.

For obvious reasons, the profits of the chemical companies Explosia, which produce explosive substances and products, and of Synthesia, in the field of pulp production, as the basic raw material for the production of explosives, are very successful.



Collective bargaining on Amendment No. 2 of the KSVS (collective bargaining of higher level) is currently underway between OS ECHO and the Association of Chemical Industry of the Czech Republic (SCHP CR).

**Main changes:**

- due to the generational change of trade union officials, a guarantee of the possibility of releasing young trade unionists for ECHO events
- they are not elected officials and therefore are not entitled to release and compensation of wages on the basis of the Labor Code

A well-functioning social dialogue in the chemical industry is also evidenced by the fact that this year the SCHP ČR awarded the title of **Personality of Czech Chemistry** to the long-time chairman of the TU ECHO, **JUDr. Zdeněk Černý, MBA**



OS ECHO is a partner of SCHP CR in organizing the competition **We are looking for the best Young Chemist of the Czech Republic**, intended for pupils of the eighth and ninth grades of primary schools.

Almost 22,000 pupils took part in this competition last school year.

On the issue of Czech science, a **new law on science and research** is being prepared, which should completely replace the current law, which has already been amended 22 times. This new law aims to reduce administration and enable strong links between research and industry.

Implementation of a new project to strengthen social dialogue called:

**The pyramid of social dialogue in the chemical sector**

from 01/07/2023 to 30/06/2026

Within this project, a total of 59 events within 7 key activities over 3 years are expected to be implemented.



**Electricity prices have a negative impact** on the lives of residents and companies. This fact is reflected in all sectors of our economy in the rise in the price of basic raw materials such as fuel (petrol, diesel, gas) and all foodstuffs.

### **Government adopts climate and energy plan**

The share of renewable energy sources in total consumption should rise from the current 18 percent to 30 percent by 2030. Growth should be driven mainly by solar and wind energy. In the longer term, nuclear energy should also be strengthened, especially by the construction of up to four new nuclear units.

An important part of the plan is also energy savings, which will enable the reduction of the energy intensity of the Czech economy.

ČEZ is closer to the construction of **new nuclear units at Dukovany**. Dukovany II Power Plant, a wholly-owned subsidiary of CEZ, has received final bids from three bidders for the construction of a new nuclear power plant in Dukovany. Suppliers submitted a binding bid for Dukovany Unit 5 and non-binding bids for a further three units.

The government approved the purchase of **gas storage tanks**. In winter, they cover up to 45 percent of gas consumption. The government has approved the purchase of RWE Gas Storage CZ, which owns six gas storage facilities in the Czech Republic.

The company will be bought by ČEPS, a.s. on behalf of the state. The storage tanks thus provide 36 percent of annual consumption and about 45 percent of consumption during the heating season.

A group of 12 European Union countries, including France, the Czech Republic and Slovakia, have called on the European Commission to support **the development of small modular nuclear reactors (SMRs)**.



Social dialogue and collective bargaining are taking place at company level.

In some CEZ companies, it was possible to negotiate an increase in tariff levels by 6.5 % to 8 %

Negotiations on the **7th Amendment to the KSVS** (higher level collective bargaining) between OS ECHO, ČOSE and CSZE are still ongoing

Proposals:

- Contribution to supplementary pension insurance
- Increase in wage tariffs
- Adjustment of remuneration for on-call duty

Implementation of a new project to strengthen social dialogue called:

**The implementation of the energy transition in the Czech Republic cannot disrupt social peace**  
from 01/06/2023 to 31/05/2026.

Within this project, a total of 57 events are expected to be implemented within 6 key activities over 3 years.

**THANK YOU FOR YOUR ATTENTION.**

