

## **Introduction**

In the international arena, the Czech Republic strives to act as a democratic and politically, economically and socially stable Central European country, pursuing not only its own particular interests but also assuming its share of responsibility for the development of Europe and the entire international community. The international environment in which the Czech Republic pursues its foreign policy is a product of the interaction of a number of factors – sovereign countries, associations of countries at different levels of integration in international organisations and institutions, and non-governmental entities, ranging from non-governmental organisations to various non-transparent lobbying groups not respecting the rules of international relations, including organised crime groups and terrorist organisations. The role, import and influence of these factors fluctuate, often within a very short time span. Following the end of the cold war and the disintegration of the bi-polar world, and as a result of changes in the security environment, the intensification of globalisation processes, the liberalisation of the global economy, the increasing mutual dependence of countries, and the accelerating development of science and technology, there has been significant growth in the importance of multilateral co-operation within the framework of international organisations and integration groupings. At the same time, in the face of new threats posed by certain non-transparent entities, and terrorist organisations in particular, all international mechanisms designed to protect against such dangerous phenomena are rapidly gaining in importance.

The Czech Republic, as a country which, by size and population, ranks among medium-sized countries in the European area, and as a country with an open economy, a high proportion of exports and services in the generation of its gross domestic product, and with limited natural resources, is markedly dependent on international co-operation. Of principal significance for the consolidation and stabilisation of the Czech Republic's international position and security are its membership of the North Atlantic Treaty Organisation (NATO) and accession to the European Union (EU), both of which are accomplishments achieved by the country's foreign policy priorities since the establishment of the Czech Republic as an independent state. These organisations provide new opportunities for the Czech Republic to pursue its interests.

The Government formed after the parliamentary elections in June 2002 has issued a policy statement acknowledging the continuity of the Czech Republic's foreign policy and

defining the country's accession to the EU as one of its priorities, subject to the negotiation of optimal conditions.

In 2002, substantial progress was made in fulfilling the top foreign policy objective of the Czech Republic – to complete negotiations on the terms and conditions for the country's accession to the European Union. The negotiations were concluded on 13 December 2002 at the Copenhagen Summit of the European Council. At the same time, nine other candidate countries completed their respective accession negotiations (Poland, Hungary, Slovakia, Slovenia, Estonia, Lithuania, Latvia, Cyprus and Malta). The completion of the political and technical stages of the Czech Republic's accession preparations in 2002 was eased considerably by the Spanish and Danish Presidencies of the EU Council, whose chief priority was to complete the negotiation process and set a timetable for enlargement.

The successful completion of negotiations was preceded by the consent of the European Council in Seville to admit the ten candidate countries in 2004 and a positive evaluation in the European Commission's Regular Report of October 2002, which noted that the Czech Republic was prepared for membership of the EU.

In 2002, the European Parliament and the European Commission ordered legal analyses of post-WWII Czechoslovak legislation, the findings of which consistently confirmed that these regulations were not in conflict with EC/EU laws and would not constitute part of the accession negotiations. Nevertheless, the European Parliament has indicated that a political gesture from the Czech Republic relating to the events following the end of the Second World War would be appreciated.

During discussions at the Copenhagen Summit in December 2002, the Czech Republic closed those chapters which had still been open until then (Agriculture, Finance and Budgetary Provisions, Transport Policy, Institutions, and Other). The final stages of these discussions focused primarily on the Finance and Budgetary Provisions and Agriculture chapters.

During the Copenhagen negotiations, the Czech Republic managed to obtain an additional EUR 83 million for the Finance and Budgetary Provisions chapter. Therefore the total budgetary compensation payable to the Czech Republic in 2004-2006 will be EUR 747 million (approximately CZK 23.3 billion). In addition to this, the Czech Republic has been

given permission to draw on EUR 100 million from the Structural Funds as an item eligible for use in the central government budget. Under the sensitive chapter 7, Agriculture, the Czech Republic negotiated quotas equal to or above the level of realistic indicators of production and consumption. The Czech team succeeded in obtaining an extra CZK 3 billion from EU funds for the years 2004-2006, and therefore the agriculture sector will now receive a total of CZK 14.4 billion.

During the talks, the Czech Republic negotiated favourable conditions enabling it to assert itself as a competitive and non-discriminatory member of the EU. Therefore a sound basis was formed for the successful realisation of the referendum on the Czech Republic's membership of the EU, held in June 2003, and for the enlargement ratification process in EU Member States during 2003.

The Czech Republic intends to continue its active involvement in the debate on the future of the EU at the European Convention, the subsequent Inter-governmental Conference, and other related forums. The Convention began its work on 28 February 2002, with three Czech representatives in attendance (one representative of the Government and two representatives of the Parliament of the Czech Republic). Based on a proposal by the representative of the Czech Government, the presidium of the Convention has been extended to include one representative of the candidate countries (a Slovenian representative was elected). In a debate at the Convention, the Czech Government promoted further deepening and broadening of the economic and political integration of Europe and the reinforcement of its democratic nature while respecting the national and cultural uniqueness of the individual countries and regions on the basis of the subsidiarity principle. In defending its interests and promoting its positions, the Czech Republic intends to develop co-operation with countries pursuing similar interests.

The Czech Republic's accession to the EU is a matter that concerns all governmental authorities. The Ministry of Foreign Affairs (MFA) has acted as the coordinator in this respect, co-operating closely with other ministries through the Working Committee on the Integration of the Czech Republic into the EU, which held seven meetings in 2002.

Since spring 2002, a number of Czech non-governmental organisations and interest groups have joined in with the discussion on the future of Europe within the framework of the National Forum, under the auspices of the Senate of the Parliament of the Czech Republic. During the year, three plenary sessions took place, dedicated to the reform of European

institutions, decision-making processes within the Union, and the distribution of responsibilities between the EU and its Member States.

In December 2002, the Czech Republic filed its application for admission to the European Economic Area (EC and EFTA countries).

In terms of the involvement of the Czech Republic in international trade, EU countries were the Czech Republic's most important economic partners in 2002. Czech exports to the EU amounted to CZK 856.4 billion FCO (i.e. 68.4%), and imports stood at CZK 798.3 billion (60.2%). The trade balance was highly active, amounting to CZK 58.1 billion in the period in question. The country's most important trading partner was Germany, which accounted for 34.4% of all Czech foreign trade activities with EU countries, followed by Austria (4.9%), France and Italy (4.7% each) and the United Kingdom (4.4%). GDP per capita based on purchasing power parity (USD 15,870) amounted to 62% of the average value in EU countries. More than 90% of all foreign direct investments originated from EU countries, while the amount of investments per capita in international prices came to 84% of the level in EU countries.

As part of its communication strategy to promote the EU, the Government decided to launch a national information campaign in 2002. In September, the Ministry of Foreign Affairs drafted a document entitled "Main Directions of the Czech Republic's Communication Strategy prior to Accession to the EU". The aim of the strategy was to provide the citizens of the Czech Republic with sufficient information in the run-up to the referendum on the country's accession to the EU and, as part of the external communication strategy, to present the Czech Republic in the EU Member States as a candidate country quite capable of assuming obligations ensuing from membership of the Union and fulfilling its share of responsibility for the development of Europe.

2002 was marked by further harmonisation of Czech foreign policy within the framework of the European Union Common Foreign and Security Policy (CFSP). The Czech Republic has actively participated in political dialogue with the EU both at the level of political directors and at the level of European correspondents. An independent CFSP department was established at the Ministry of Foreign Affairs in May, which has been set the

task of coordinating MFA approaches and activities in the field of CFSP, as well as arranging the implementation of the relevant legislation within the national legal framework.

A logical component of Czech foreign policy includes the building-up of a Common European Security and Defence Policy (CESDP) based on the declaration adopted by the European Council in Laeken in December 2001. By joining the Western European Armaments Group in May 2002, the Czech Republic has further approximated the European Security and Defence Policy, which is reflected by the existence of the joint Czech and Slovak KFOR unit operating in Kosovo as of March 2002.

The activities hitherto undertaken by the Czech Republic within NATO culminated with the organisation of a summit of member and partner countries of the Alliance in Prague on 21 – 22 November 2002. The Prague Summit of NATO and EAPC (Euro-Atlantic Partnership Council) became a milestone in the history of the Alliance in terms of its transformation and adaptation to changes in the strategic security environment. The ability and willingness to organise the event despite the difficulties resulting from the August 2002 floods have generally reinforced the positive image of the Czech Republic in the international community and have significantly improved the negotiating position of Czech diplomatic representatives.

The Czech Republic contributed to the success of the summit in terms of both preparation and organisation, the quality of which was acknowledged by a number of the highest representatives of the Alliance and EAPC Member States, and by its active participation in the making of important decisions adopted by the Alliance at the summit:

- adaptation to new security threats, including international terrorism, that the world has had to face in the wake of 11 September 2001;
- an initiative relating to military capabilities called the “Prague Capabilities Commitments”, including the adoption of the PCC report;
- an invitation of membership extended to seven new countries (Bulgaria, Estonia, Lithuania, Latvia, Romania, Slovakia and Slovenia) and reinforcement of partnership relations within the EAPC with Russia, Ukraine and the Mediterranean Dialogue countries;
- adoption of a decision to establish the NRF - NATO Response Force;

- the Prague initiative for protection against chemical, biological, radiological and nuclear weapons.

In 2002, the Czech Republic was a solid pillar of the international anti-terrorist coalition. The country subscribed to the key resolutions and anti-terrorist measures adopted by the UN, EU, NATO, OECD, OSCE, the Council of Europe and other international forums. At domestic policy level, in April 2002 the Czech Government adopted the National Action Plan to Combat Terrorism, the fundamental document in this area. The plan comprises a set of specific anti-terrorist measures and sets out timetables for their implementation. Priorities include strengthening international co-operation, suppressing the financing of terrorism, improving the efficiency of arms trade control, harmonising visa, migration and asylum policies, and improving communication in the field of crisis management.

The 6<sup>th</sup> and 11<sup>th</sup> field hospitals operated successfully in Afghanistan for 8 months as part of the ISAF mission. Besides providing medical care, the Czech Republic supplied food and pharmaceuticals to Afghanistan and participated in projects designed to restore the school system. The total amount of financial assistance was CZK 6.9 million. A reinforced company of the Czech Army for radiation, chemical and biological protection, consisting of 251 personnel, has been operating in Kuwait since March 2002 as part of the Enduring Freedom operation.

The Czech Republic considers activities carried out within the framework of the Organisation for Security and Co-operation in Europe (OSCE) an important part of its efforts in the field of international security. The Czech Republic has consistently emphasised the human dimension of the OSCE. It has actively participated in the observation of elections in some OSCE Member States, in particular on the Balkan Peninsula (Montenegro, Bosnia and Herzegovina, Serbia, and Kosovo). The Czech Republic also hosted an international mission set up to monitor the Czech parliamentary elections in June 2002.

In the scope of the OSCE's economic and environmental dimension, the Czech Republic organised an Economic Forum, which took place in Prague in May 2002 under the motto "Co-operation for the Sustainable Use and Protection of the Quality of Water in the Context of the OSCE".

At the plenary meeting of the Nuclear Suppliers Group, the Czech Republic became the chair of the Group for the years 2002 – 2003. An important result of the Prague meeting was the establishment of a forum for the exchange of information at the expert level of national and customs administrations with the objective of preventing misuse of nuclear exports for terrorist purposes.

On 8 July 2002, for the first time ever in the history of the Czech Republic, a Czech representative, the former Deputy Prime Minister and Minister of Foreign Affairs, Mr Jan Kavan, was elected to the position of the President of the 57<sup>th</sup> session of the United Nations General Assembly. At the plenary session of the General Assembly, Mr Kavan confirmed the continuity of foreign policy with an emphasis on building-up Euro-Atlantic structures, and in particular on the Czech Republic's involvement in the EU, strengthening co-operation within NATO, and the struggle against international terrorism and for disarmament. The Czech Republic actively contributed to the UN International Conference on Financing for Development in Monterrey, where an effective cure for poverty was sought, and to the World Summit on Sustainable Development in Johannesburg, which assessed the progress made in implementing the conclusions of the UN Conference on the Environment held in Rio de Janeiro in 1992.

One of the priorities of the Czech Republic's foreign policy was to deepen bilateral relations with neighbouring countries.

The Czech Republic's special relationship with the Slovak Republic, including not only numerous visits at the highest level but also the conclusion of many bilateral agreements and treaties, intensified considerably. The invitation made to Slovakia to join NATO, together with the joint efforts of the two countries in negotiating accession to the EU, made their mutual co-operation all the more profound. The Agreement on the Elimination of Mutual Trade Barriers was adopted at the December 2002 meeting in Bratislava, under which import limits, with the exception of sugar and glucose, ceased to apply on both sides as of 1 January 2003.

At foreign policy level, the main accents of the Czech Republic's co-operation with the Republic of Poland were on the EU accession process and on co-operation within NATO. In mutual relations with Poland, the number of top-level visits also increased. Regional cross-

border co-operation developed and intensified satisfactorily. The extent of the two countries' good neighbourly relations became particularly apparent when Polish humanitarian aid was promptly made available to the Czech regions afflicted by the floods in August 2002.

For historical, geographical and political reasons, bilateral relations with the Federal Republic of Germany are of principal significance to the Czech Republic. In the first half of 2002, the relationship with Germany was marred somewhat by the pre-election statements of politicians in both countries concerning their common post-war history. Bilateral contact was not resumed until the end of 2002. Besides the calmer post-election political climate, this progress was mostly attributable to the dynamic co-operation of the federal states directly bordering with the Czech Republic (Saxony and Bavaria). Direct co-operation between Czech and German cities has proved to be a significant activating element. Considerable potential for the further development of specific activities exists in this respect, which is not only limited to the community level. Despite suffering damage to its own infrastructure, Germany was one of the first countries to provide assistance to the Czech areas hit by the floods.

In 2002, issues rooted in the past also complicated the development of good neighbourly relations with Austria, where a part of the country's political representation requested the abolition of certain post-war regulations, referring to their alleged incompatibility with EC/EU law. The completion of the Melk Process should be considered a clearly successful step, the positive effect of which has been reflected in an increase of mutual confidence. The mutual assistance provided in connection with the destructive floods of August proved to be a positive aspect of relations between the two countries. The development in economic, cultural and trans-border co-operation was pleasing.

The level of co-operation with the Republic of Hungary is very high; the positions of the two countries, both in bilateral terms and at international forums (V4, CEFTA, CEI), are very close. The common goal of both countries is accession to the EU and an active involvement in NATO. One of the traditional and long-term characteristics of the countries' mutual relations has been successful co-operation in culture, education and science, supported by the International Visegrád Fund.

In the first half of 2002, the presidency of the Visegrád Group (V4) was held by Hungary; in the second half of the year the presidency was assumed by Slovakia. The Prime



Ministers of the Visegrád states met in Esztergom, Hungary, in June to discuss a number of issues related to the intensification of mutual co-operation. On this occasion, they decided to increase the International Visegrád Fund by an additional EUR 400,000 and to enable the Fund to grant scholarships. One of the main topics of the December summit at Červený kameň and Smolenice was the future of the V4 after EU accession.

In 2002 the United States of America continued to be a key partner and ally of the Czech Republic in political, economic and military areas. The Czech Republic has always considered a firm alliance with the United States to be one of the chief priorities of its foreign policy and a solid guarantee of national security. Mr George Bush, the President of the United States of America, visited the Czech Republic during the NATO and EAPC Summit held in Prague in November 2002; President Václav Havel visited the USA before the end of his term of office. Bilateral relations were intensified by the Czech Republic's further involvement in the international anti-terrorist alliance. The existing Czech compatriot community in the USA also contributed considerably to the deepening of mutual relations.

Canada is also an important and reliable ally and partner in the field of multilateral and bilateral contacts on the North American continent. The Czech Republic has successfully developed co-operation with Canada at political, economic, cultural and educational levels.

The Czech Republic has developed mutually beneficial relations with the Russian Federation and the Ukraine in all areas of common interest. In this respect, the Czech Republic has accentuated the broadening of commercial and economic co-operation and increased confidence in mutual relations.

In its relations with the countries of Asia, Africa and Latin America, the Czech Republic has placed the emphasis on mutually beneficial economic co-operation. Czech foreign policy has concentrated on the use of commercial and investment opportunities in countries with traditional economic or commercial relations. The contractual bases with those countries continued to broaden; new diplomatic relations have been established with Vanuatu and East Timor.

The issue of human rights played a significant role in Czech foreign policy in 2002. Various topics were in the forefront of the Czech Republic's interest, in particular the issue of the rights of ethnic minorities (including the Roma issue), the rights of women and children,

and the issue of refugees. The Czech Republic signed Protocol No 13 to the Convention for the Protection of Human Rights and Fundamental Freedoms, on the abolition of the death penalty in all circumstances (Vilnius, May 2002), as well as the Additional Protocol to the European Social Charter (February 2002) and several other documents and protocols.

As a member of the Organisation for Economic Co-operation and Development (OECD), the Czech Republic participated in horizontal projects focused on sustainable development, system reforms, increasing the efficiency of health care systems, consumer protection, suppressing unfair competition, and eliminating non-transparent financial transactions and the financing of terrorism.

In 2002, the Czech Republic became a full-fledged member of the Stability Pact (SP) for South Eastern Europe (Bucharest, 5 June 2002), which opened up new dimensions for its participation in the process of reconstruction and reinforcement of stability in South Eastern Europe (SEE). The Czech Republic played an active role, in particular, in the second SP working table for economic co-operation, reconstruction and development, by presenting its Energy Programme for SEE, in connection with which an International Seminar was organised in Prague on 13 March 2002. The Czech Republic financed a number of projects within the framework of the first SP working table on democratisation and human rights.

At the meeting of the Prime Ministers of the states parties to the Central European Free Trade Agreement (CEFTA) in September 2002, the Czech Republic advocated further elimination of the barriers preventing the development of mutual trade and the applicability of the Agreement following the accession of some of the CEFTA states parties to the EU. Another platform where the states parties exchanged their opinions on regional co-operation was the Central European Initiative (CEI).

Consular activities were also an integral part of the Czech Republic's foreign policy in 2002. During 2002, attention was paid to the provision of consular services by the Ministry of Foreign Affairs and at the relevant consular offices of the Czech Republic's embassies abroad. Attention was also paid to the tasks of the Czech Republic in consular affairs arising from the anticipated integration into the European Union. One of the most important tasks of the consular service was to secure the due course of the elections to the Chamber of Deputies of the Czech Parliament at embassies, as the 2002 elections were the first elections in the history of the Czech Republic where votes could be cast abroad.

An important aspect of Czech foreign policy is the provision of humanitarian aid and development assistance. In 2002, financial or material humanitarian aid totalling CZK 20.3 million was provided in 31 cases to 16 afflicted countries of Latin America, Africa, Asia and Europe. Material aid consisted primarily of food, medical equipment, pharmaceuticals and teaching aids.

By providing development assistance, the Czech Republic endeavours to contribute to the eradication of poverty and to support democracy, human rights, social justice and the involvement of less developed parts of the world in the global economy. In 2002, the Czech Republic provided a total of CZK 213 million in official development assistance.

One of the significant ways of presenting the Czech Republic abroad was foreign radio broadcasting (Czech Radio 7 – Radio Prague), carried out by the Ministry of Foreign Affairs in accordance with a state order. Radio Prague worked closely with Czech Centres and the Czech Tourist Authority. The broadcasts were primarily intended for the Czech compatriot community abroad. Qualified estimates suggest that nearly two million Czechs or their descendants claiming Czech origin live outside the territory of the Czech Republic. The Czech Republic sincerely appreciates their assistance and is keen to maintain a meaningful and constructive dialogue with them. In 2002, Czech citizens living abroad were able to participate for the first time in elections to Czech representative bodies.

In 2002, the Czech Republic also supported compatriot communities financially by distributing approximately CZK 5 million among 118 eligible applicants. Much of this money was intended for compatriot magazines, newsletters, and other publications by Czech compatriot associations.

In 2002, the presentation of Czech culture was another important part of the country's foreign policy. In the light of the upcoming accession of the Czech Republic to the EU, an emphasis was placed on key partners in EU Member States and in candidate countries. Around 30 exhibitions were organised in 2002, many of which were travelling exhibitions. Czech film shows were organised in co-operation with the Czech Centres and the National Film Archives, screening films from the 1960s to the present day; concerts by Czech performing artists, soloists and orchestras were also organised.

Internet presentations on the web sites [www.mzv.cz](http://www.mzv.cz) (more than 500 visitors every day) and [www.euroskop.cz](http://www.euroskop.cz), which were regularly updated, proved an effective way of

keeping the general public informed. Under the Freedom of Information Act (Act No 106/1999), the Ministry of Foreign Affairs provided over 128,000 pieces of information.

High standards were successfully maintained in 2002 in the admission of new foreign service staff, and considerable attention was devoted to the training of employees at all levels so that all tasks of the MFA could be performed properly and in a qualified manner, with a special emphasis on membership of NATO and future membership in the EU. As such, the Ministry of Foreign Affairs anticipated the standards of personnel work laid down in the Civil Service Act.

The Diplomatic Academy played an irreplaceable role in the preparation of young adepts from the diplomatic service and in the enhancement of the qualifications of existing staff at the MFA and other institutions. In 2002, the Academy organised several training modules: Basic Diplomatic Training (DA1); Higher Diplomatic Training (DA2); Individual Course for Junior Diplomats (DA IN); training related to EU issues in accordance with Government Resolution No 841/1999, and IT training. The Diplomatic Academy also organised a preparatory course for participants in peace-making and peacekeeping missions prior to their departure for peace and humanitarian missions abroad, and for employees preparing to work on EU committees.

## **I. MULTILATERAL CO-OPERATION**

### **1. Summary information on multilateral co-operation**

There was a fundamental shift in the foreign policy priority of the Czech Republic in its efforts at integration into the European Union in 2002. By closing all of the 31 chapters at the Copenhagen meeting of the European Council in December 2002, the Czech Republic completed its accession negotiations together with Poland, Hungary, Slovakia, Slovenia, Estonia, Lithuania, Latvia, Cyprus and Malta. This achievement marked the accomplishment of the symbolic process “from Copenhagen to Copenhagen”, i.e. from the appointment of EU membership criteria at the summit in Copenhagen in June 1993 to the accession invitation extended to ten countries at the summit in Copenhagen in December 2002. In the key phases of the negotiations, the Czech Republic pursued, in particular, priorities regarding the overall financial balance after accession (receipts from the Structural Funds, direct payments, budgetary compensations compared with expenditure, especially in the form of a direct contribution to the EU budget) and direct payments and quotas in agriculture. The result achieved forms a healthy basis for the ratification of accession in the Czech Republic and in existing EU Member States and for the successful and active membership of the Czech Republic in the EU.

In 2002, NATO continued the process of adapting and re-defining its role to cope with new security challenges and risks. The most significant event was the NATO Summit in Prague in November 2002, which brought about positive results in the transformation of the organisation, its enlargement, the fostering of relations with partners, and an invitation to seven countries to become members. Another milestone was the December agreement between NATO and the EU regarding EU access to the Alliance’s planning capacities and military resources. Completely new content was defined for NATO’s co-operation with the Russian Federation when the NATO-Russia Council was set up, allowing for more profound political dialogue on security issues, common approaches and, in the event of consensus, joint action. In 2002, the Czech Republic was also intensively involved in activities designed to establish and keep the peace around the globe. It participated in the operations “Enduring Freedom” in Kuwait and ISAF in Afghanistan, and had an even higher profile in the KFOR operation in Kosovo. It also decided to take part in the first security mission in Bosnia and

Herzegovina. The reform of the Army of the Czech Republic (ACR) continued in 2002, and a timetable to amend the Czech Security Strategy was adopted in response to the intensification of the fight against terrorism and the proliferation of weapons of mass destruction, as well as the new perception of certain non-military security threats.

The OSCE also responded to the new conditions, and adopted the OSCE Charter on Preventing and Combating Terrorism in December 2002. Here, the Czech Republic assumed the presidency of the Forum for Security Co-operation, intended to tighten control of the manufacture, movement and stockpile-management of small arms and light weapons, and helped to draft the Open Skies Treaty, allowing surveillance flights aimed at detecting any adverse military activities. The Czech Republic supported the human dimension of the OSCE by, inter alia, appointing and dispatching election observers (to Montenegro, Kosovo, Bosnia and Herzegovina, etc.). In the economic and environmental dimension, a task of key importance for the Czech Republic was the hosting of the OSCE Economic Forum.

One of the priority areas of interest for the Czech Republic within the UN is an emphasis on the quality and effective functioning of the entire UN system, and in this respect the Czech Republic paid considerable attention to the reform of the UN, including the reform of the UN Security Council. Other fundamental topics of discussion in 2002 were international security, including the fight against international terrorism, UN peacekeeping operations and their financing, international disarmament and non-proliferation of weapons of mass destruction, a ban on certain types of conventional weapons and demining, international economic co-operation and sustainable development, social issues, human rights and international law.

The 27<sup>th</sup> Special Session of the UN General Assembly on Children took place in May 2002, evaluating progress achieved in implementing the objectives of the World Summit for Children (New York, 1990) and confirming commitments in this area for the upcoming period.

Of extraordinary significance from the aspect of accomplishing the developmental goals of the Millennium Declaration were two UN summit conferences in which the Czech Republic played an active role, both in the conference preparations and in the conferences per se. The International Conference on Financing for Development took place in March in Monterrey, Mexico, with the aim of finding an effective cure for global poverty. The conference adopted a policy communiqué, referred to as the Monterrey Consensus, which contained the key presumption that in order to achieve the objectives of the Millennium Declaration, it would be necessary to make efforts not only at national and regional levels, but

also at an international level. The Consensus calls on donor countries to explore possibilities of increasing development assistance in accordance with the UN's long-term objectives.

Another very important conference was the World Summit on Sustainable Development, held in late August and early September in Johannesburg. The summit adopted an Implementation Plan and the Johannesburg Declaration, as well as important partnership initiatives and voluntary commitments of governments, international organisations and non-governmental entities to carry on activities in support of sustainable development. The summit balanced the three pivots of sustainable development, and directly interconnected measures designed to protect the environment and natural resources with the fight against poverty.

In order to promote its economic and commercial interests, the Czech Republic also made active use of multilateral economic diplomacy, especially within international organisations. The Czech Republic was involved in finding solutions to problems, issues and projects which are beyond the resources of a single nation and inevitably require international coordination. Multilateral co-operation is of key importance for Czech diplomacy because it sets in motion a knock-on effect, based on presentations of positions and ideas, forming the image of a creditworthy partner in the fields of politics and economics. This knock-on effect will then be felt in the positive perception of the Czech Republic by international rating agencies and foreign investors when they assess the country's economic environment, and has a favourable impact on bilateral relations.

This is particularly true in respect of the Czech Republic's membership in the Organisation for Economic Co-operation and Development (OECD), where in 2002 representatives of the Czech Government continued their dialogue with the governments of other member countries, providing feedback invaluable for the drafting of the Czech Government's economic policy. The Czech Republic also participated in horizontal projects for sustainable development, regulatory reform, efficient healthcare systems, safe foodstuffs, and combating harmful taxation competition, corruption in international business transactions, and the financing of terrorism. Czech representatives played an active role in the meetings of the OECD Ministerial Council, the Competition Committee and the IEA Governing Board.

Within the framework of the Central European Free Trade Agreement (CEFTA), the Czech Republic, along with the other states parties to this international agreement, endeavoured to eliminate trade barriers. At their Bratislava meeting in September 2002, the Prime Ministers of CEFTA states noted the additional benefits of their co-operation for the development of mutual trade in 2002 (especially with regard to the upcoming accession of the

Republic of Croatia). The meeting also considered the future of the agreement after the entry of some CEFTA states to the EU.

The Czech Republic was actively involved in the activities of the Central European Initiative (CEI), which is a significant platform for regional co-operation in matters of economic policy, trade and agriculture, and for the mutual exchange of experience in building up an institutional framework, promoting democratic institutions and the rule of law, etc. Numerous meetings at high or expert levels took place in 2002 with the active involvement of the Czech Republic.

Within the framework of the Stability Pact (SP), where the Czech Republic was granted the status of a member country in 2002, the Czech Republic's activities have focused on specific projects. The Czech Republic initiated the Energy Programme for South Eastern Europe, the objective of which is to gather, evaluate and coordinate projects for the reconstruction of energy resources and networks in SEE.

The Czech Republic also actively contributed to the activities of the World Trade Organisation (WTO). Consistently with its own economic interests, the Czech Republic participated in a new round of negotiations on the further liberalisation of trade between member countries, launched by the Doha Conference in 2001.

The Czech Republic provided humanitarian aid to foreign countries depending on the urgency of the situation and requirements, both on a bilateral basis directly to the affected country and specific population groups, and through international governmental and non-governmental mechanisms in accordance with the principles and resolutions of the international community and with its own priorities and interests.

## **2. The Czech Republic and the European Union**

The ten candidate countries, including the Czech Republic, entered 2002 with a conditional promise from the EU that the accession negotiations could be completed by the end of the year. In the first half of the year, under the presidency of Spain, the European Union prepared and discussed with the candidate countries their positions regarding the Agriculture chapter. The European Council meeting in Seville in June 2002 confirmed that negotiations with the ten candidate countries had entered the final stage and that, provided that the tempo of negotiations and preparations for membership did not let up, it would be possible to conclude the negotiations in December 2002.



Denmark's presidency in the second half of 2002 was initially dedicated to closing the non-finance chapters. In the October meeting of the European Council in Brussels, the Member States reached an agreement on financial issues related to enlargement, in particular in respect of the overall financial framework and the limits for agricultural subsidies, Structural Funds and budgetary compensations for those candidate countries that would otherwise face the risk of being a net payer immediately in the first year after accession (the Czech Republic being one of those countries). This Council meeting also outlined the timetable for the drafting of the text of the Accession Agreement, its ratification, and the accession itself, scheduled for 1 May 2004.

The European Council Copenhagen meeting in December 2002 closed all 31 chapters, thus completing accession negotiations with the Czech Republic, Poland, Hungary, Slovakia, Slovenia, Estonia, Lithuania, Latvia, Cyprus and Malta.

#### *Results of negotiations on the accession of the Czech Republic to the EU*

In 2002, the Czech Republic entered the final stage of its negotiations on accession to the EU. In order to complete those negotiations, it was necessary to reach an agreement on the seven remaining open chapters: Regional Policy and Coordination, Competition Policy, Transport Policy, Agriculture, Finance and Budgetary Provisions, Institutions and Other. Two rounds of negotiations of the Intergovernmental Conference on the Accession (IGC) at ministerial level and four meetings at the level of representatives took place in the course of 2002. The negotiations were then successfully completed at the European Council Copenhagen Summit in December 2002.

On 21 March 2002, the 16<sup>th</sup> IGC session at the level of representatives took place in Brussels, the first IGC session during Spain's presidency, the agenda which concentrated solely on the Transport Policy chapter. The IGC found that it was necessary to continue the search for solutions acceptable to both parties.

The next round of the IGC on the accession of the Czech Republic to the EU at the level of representatives took place on 22 April 2002, in the course of which the Regional Policy chapter was closed on a preliminary basis, on condition that the Czech party reserved the right to reopen the chapter after the EU officially made available the methodology applied for the calculation of percentage allocations and presented the specific amount of financial resources for the Czech Republic from the Structural Funds, the Cohesion Fund and

Community initiatives. Further debate dealt with the Institutions and Budget chapters, in respect of which it was agreed that the parties would reopen them later.

The IGC at ministerial level held on 11 June 2002 confirmed the conclusions of the previous meetings at the level of representatives. The veterinary and phytosanitary part of the Agriculture chapter was preliminarily closed here.

The 18<sup>th</sup> session of the Accession Conference at the level of representatives took place on 28 June 2002, where the core body of the Agriculture chapter was discussed in detail; however, both parties agreed that it would be necessary to resume discussions regarding this chapter at later stages of the negotiations.

The first IGC session at ministerial level under Denmark's presidency was held on 1 October 2002 and confirmed the need for further negotiations on the core body of the Agriculture chapter.

The Competition Policy chapter was discussed at the 19<sup>th</sup> session of the IGC at the level of representatives, held on 24 October 2002. The IGC decided to close the chapter preliminarily.

Subsequently, de facto permanent negotiations commenced between the Czech Republic and the EU (mostly represented by the presiding Denmark). These negotiations culminated at the European Council Copenhagen Summit. On 13 December 2002, at the European Council Copenhagen Summit, the Czech Republic successfully concluded negotiations regarding the terms and conditions of the Czech Republic's accession to the EU. At the same time, accession negotiations were completed by nine other candidate countries: Poland, Hungary, Slovakia, Slovenia, Estonia, Lithuania, Latvia, Cyprus and Malta.

The Czech Republic's key priority at the negotiations in Copenhagen was the issue of budgetary compensations in the Finance and Budgetary Provisions chapter. At a certain stage of the accession negotiations it became apparent that although the Czech Republic would become a net beneficiary from the EU budget in the short term, this would not happen until 2006 due to certain delays in payments. The Czech Republic therefore exerted intensive pressure which resulted in the EU's commitment to pay the Czech Republic an extra financial amount, referred to as a compensation payment, allowing the Czech Republic to retain a position at least identical to that which existed one year prior to the accession, i.e. in 2003 (when the Czech Republic will receive pre-accession assistance of more than CZK 5 billion). At the Copenhagen meeting, the Czech Republic sought an additional increase in financial resources and succeeded in negotiating an additional amount of EUR 83 million. Therefore, the aggregate budgetary compensation payable to the Czech Republic will amount to EUR

747 million (i.e. approximately CZK 23.3 billion) for the period 2004-2006. In addition, the Czech Republic obtained the option of directly transferring EUR 100 million from the Structural Funds to the Czech central government budget.

In the Agriculture chapter, the Czech Republic's fundamental aim was to maintain and improve the competitiveness of Czech farmers, which the Czech Republic views comprehensively, i.e. not only from the point of view of direct payments but also from the perspective of production quotas, rural development, and measures required to protect the Czech market, including veterinary and phytosanitary standards. The Czech Republic obtained quotas at the level of realistic indicators of production and consumption or higher. The Czech Republic succeeded in obtaining an additional CZK 3 billion for the years 2004-2006 above the limit of resources allocated for rural development, taking the total to CZK 14.4 billion.

In the Transport Policy chapter, the Czech Republic accepted the EU's proposal of a transition period of up to five years (with the possibility of revision after two and four years following accession) for domestic road transport (cabotage) in another member state, but with the option of entering into bilateral agreements with individual EU Member States. The Czech Republic will therefore continue bilateral negotiations already in progress with the aim of achieving an agreement on the nature of the future bilateral regime of liberalisation of cabotage after the Czech Republic's accession to the EU. In the Institutions chapter, the Czech Republic obtained equal representation and adequate weight in all EU institutions. In negotiations on the Other chapter, the Czech Republic obtained a five-year transition period for the gradual commencement of contributions to be paid to the European Investment Bank. The Czech Republic also agreed on a universal clause permitting the enforcement of protective measures in the event of a serious disruption of economic standing in any areas in the three years following the accession.

### *The Czech Republic in the debate on the future of Europe*

In 2002 the debate on the future of Europe took place primarily at the European Convention, which was convened on the basis of a European Council decision made in Laeken in December 2001. The Convention commenced its deliberations on 28 February 2002, and its activities should be concluded in June 2003.

The first two phases of Convention discussions were completed in 2002; these were the phase of listening, during which a wide spectrum of opinions on the principal issues related to the future of European integration were presented to the plenum, and the analytical phase, where the plenum dealt with the results of individual working groups. The activities of the Convention intensified in autumn 2002 with a discussion on the specific proposals of working groups (e.g. concerning the political control of subsidiarity, the legal personality of the EU, and the integration of the Charter of Fundamental Rights into the contractual base of the EU), and also as a follow-up with the submission (on 28 October 2002) of a proposal concerning the structure of the future EU Constitutional Treaty. The Convention therefore began progressing towards the formulation of the text of the Constitutional Treaty, which should become the document resulting from its entire activities.

The Czech Republic, like all Member States and candidate countries, is represented in the Convention by one governmental and two parliamentary representatives and their alternates. Apart from participating in and speaking at plenary sessions, Czech representatives took part in the activities of working groups concerning the issues of subsidiarity, the legal personality of the EU, the EU Charter of Fundamental Rights, the role of national parliaments, economic policy, the Common Foreign and Security Policy, and the social dimension of European integration. They were also involved in discussions regarding the their related European political parties, in particular the Party of European Socialists (PES) and the European People's Party (EPP). At the proposal of the Czech governmental representative, the Presidium of the Convention was extended to include one representative of the candidate countries, which made the position of the Member States and candidate countries in the Convention more equal. The governmental representative of the Czech Republic was also involved in the meetings of governmental representatives of various countries and established active contacts with Convention members from like-minded countries, such as the Benelux countries.

In the spring of 2002, the Czech National Forum launched its activities in the Czech Republic under the auspices of the Senate of the Czech Parliament; the National Forum draws non-governmental organisations and interest groups into discussions on the future of Europe. Three plenary sessions took place within the framework of the National Forum in 2002, which were dedicated to the reform of European institutions, decision-making processes in the EU, and the distribution of power between the EU and the Member States. In addition, expert discussions concerning the EU's external relations, common defence, the Charter, social

policy, agriculture and business after the accession of the Czech Republic into the EU also took place.

#### *Co-operation of future member states in European matters*

The candidate countries continued their effective co-operation within the Laeken Group, i.e. the group of ten candidate countries in relation to which the European Union announced, in Brussels-Laeken in December 2001, its readiness to conclude accession negotiations by the end of 2002 if the countries concerned were ready and if the tempo of the process of their reforms and the rate of the accession negotiations was maintained.

Meetings of the Laeken Group took place in 2002 at the level of state secretaries for European matters (25 September 2002 in Warsaw), ministers of foreign affairs (22 May 2002 in Warsaw and 22 October 2002 in Prague), and at the level of Prime Ministers in the final stage of negotiations with the EU (15 November 2002 in Warsaw). Joint declarations were adopted at the end of the prime ministerial and ministerial meetings, in which the 10 candidate countries expressed their respective standpoints on the negotiating positions of the EU. In the final common declaration of the Prime Ministers of November 2002, the candidate countries agreed to define space for a joint position in the final stage of negotiations with the EU.

European matters became the crux of informal co-operation between Visegrád and Benelux countries, which was officially initiated by the summit of the Prime Ministers of those countries in Luxembourg on 5 December 2001. Another meeting of Prime Ministers took place in Trenčín on 24-25 May 2002, and a seminar on the issues of Europe's future was organised at the initiative of the Czech Republic (4 November 2002). An intensive exchange of opinions took place within the framework of the Convention, in particular when the discussion on the reform of European institutions heated up and when the Benelux countries published their Memorandum on EU institutional issues.

#### *Parliamentary co-operation*

The accomplishment of the objectives of the Europe Agreement continued to be enhanced by regular dialogue between deputies and senators of the Czech Parliament and

members of the European Parliament within the framework of the EU-Czech Republic Joint Parliamentary Committee for Accession, composed of the Permanent Delegation of the Chamber of Deputies for Co-operation with the European Parliament, the Permanent Delegation of the Senate for Co-operation with the European Parliament and the Permanent Delegation of the European Parliament. Three sessions took place in 2002. The 15<sup>th</sup> session of the EU-Czech Republic Joint Parliamentary Committee for Accession was held in Prague on 22-23 April 2002, and the next regular session was held in Brussels on 26 November 2002. A special session of the EU-Czech Republic Joint Parliamentary Committee was held in Strasbourg on 24 September 2002 to discuss the damage caused by the August floods in the Czech Republic.

At a multilateral level, meetings continued between chairpersons of the parliaments of the candidate countries and Pat Cox, the President of the European Parliament. One such meeting was held in Brussels on 26-27 November 2002. The Czech Republic was represented by the Chairman of the Senate of the Czech Parliament, Petr Pithart. The main items on the agenda were the conclusions of the European Council in Seville, the status of the enlargement process, and the upcoming European Council in Copenhagen.

Chairpersons of the foreign affairs committees and committees for European integration of the parliaments of the Member States and candidate countries also met on a regular basis. The chairpersons of the relevant committees of both chambers of the Parliament of the Czech Republic regularly attended these meetings.

On 18–21 November 2002, a delegation of deputies and senators from the Czech Republic and other candidate countries attended the plenary session of the EP for the first time, where the resolution on the enlargement of the EU was discussed and adopted.

*Selected visits by representatives of the Czech Republic to EU bodies:*

- 21-22 February 2002: Deputy Prime Minister and Minister of Foreign Affairs Jan Kavan attended talks in Brussels;
- 28 February 2002: Minister of Justice Jaroslav Bureš attended talks in Brussels;
- 19 March 2002: Minister of Agriculture Jan Fencel visited Brussels;
- 26 March 2002: Minister for the Environment Miloš Kužvart attended talks in Brussels;
- 8-11 April 2002: President of the Supreme Audit Office Lubomír Voleník visited European institutions in Brussels and Luxembourg;

- 23-24 May 2002: Prime Minister Miloš Zeman attended talks in Brussels with EU and NATO representatives;
- 24 June 2002: Governor of the Czech National Bank Zdeněk Tůma attended talks in Brussels;
- 14 October 2002: Minister of Agriculture Jaroslav Palas attended negotiations concerning the Common Agricultural Policy in the EP;
- 29 October 2002: Minister of Education Petra Buzková visited Brussels;
- 18 November 2002: Deputy Prime Minister and Minister of Foreign Affairs Cyril Svoboda negotiated with EU representatives in Brussels;
- 25 November 2002: Prime Minister Vladimír Špidla visited Brussels;
- 2 December 2002: Minister of Industry and Trade Jiří Rusnok attended talks in Brussels;
- 12-13 December 2002: Prime Minister Vladimír Špidla and Deputy Prime Minister and Minister of Foreign Affairs Cyril Svoboda attended the session of the European Council in Copenhagen.

*Selected visits of EU representatives to the Czech Republic:*

- 21-22 March 2002: European Parliament President Pat Cox visited the Czech Republic;
- 11-12 April and 28-29 August 2002: Günter Verheugen, the European Commissioner responsible for Enlargement, attended talks in Prague;
- 25-26 April 2002: Frits Bolkenstein, the European Commissioner responsible for the Internal Market, visited the Czech Republic;
- 17 May and 6 December 2002: Neil Kinnock, the European Commissioner responsible for Administrative Reform, attended talks in Prague;
- 16 August 2002: President of the European Commission, Romano Prodi, visited the Czech Republic;
- 12-14 September 2002: European Parliament Secretary General, Julian Priestley, attended talks in the Czech Republic;
- 18-20 October 2002: Mario Monti, the European Commissioner responsible for Competition, and Chris Patten, the European Commissioner responsible for External Relations, visited the Czech Republic;
- 7-8 November 2002: Franz Fischler, the European Commissioner responsible for Agriculture, attended talks in Prague;

- 11-12 November 2002: Poul Nielson, the European Commissioner responsible for Development and Humanitarian Aid, visited the Czech Republic.

*Institutional and organisational background of internal preparations for EU membership*

All central government authorities were involved in preparations for negotiations on the accession of the Czech Republic to the EU. The Ministry of Foreign Affairs acted as coordinator.

The Working Committee for the Integration of the Czech Republic into the European Union acted as a working body coordinating and ensuring the fulfilment of tasks related to preparations for membership. Its members included representatives of all ministries and other central government authorities. Seven Working Committee meetings were convened in 2002.

In the course of preparations for accession to the EU, the MFA, together with the Council of Economic and Social Agreement and representatives of employers, met within the framework of the Working Team for the Integration of the Czech Republic into the European Union. The Working Team had five meetings in 2002.

*Summary of the Czech Republic's remaining tasks for accession to the EU*

At the initiative of the Ministry of Foreign Affairs of the Czech Republic, the Deputy Prime Minister and Chairman of the Government's Legislative Council and the Deputy Prime Minister and Minister of Foreign Affairs, in co-operation with all ministries, drafted a document entitled the "Summary of remaining tasks of the Czech Republic for accession to the EU" (hereinafter referred to as the "Summary").

This document offers a comprehensive revision and summary of all obligations ensuing for the Czech Republic in connection with its accession to the EU from the programming documents for the preparation of the Czech Republic for EU membership (National Programme 2001, Accession Partnership 1999, 2001), position documents and additional information, Plans of Legislative and Non-legislative Work of the Government, and the conclusions of Regular Reports prepared on an annual basis by the European Commission. As such, the Summary provides concise information on specific tasks and on any delays or problems in their accomplishment.

The Summary was initially adopted by the Government of the Czech Republic when it passed Resolution No 372 of 10 April 2002. Under this Resolution, the Government of the



Czech Republic also ordered the Deputy Prime Minister and Chairman of the Government's Legislative Council and the Deputy Prime Minister and Minister of Foreign Affairs to prepare information on the fulfilment of the tasks contained in the Summary and to update the Summary, ready for submission to the Government by the end of May 2002. The Government of the Czech Republic adopted the information and updated Summary by passing Resolution No 602 of 12 June 2002. Additional information regarding the fulfilment of the tasks contained in the Summary and its updated version was prepared in November 2002 and adopted by the Government on 16 December 2002 when it passed Resolution No 1298. The Resolution requires that further information and an update to the Summary be submitted to the Government of the Czech Republic in June 2003.

Generally speaking, the majority of the obligations and tasks of the Czech Republic ensuing from the country's preparations for EU membership have been discharged more or less in compliance with the timetables specified in the respective programming documents and, in most areas, the Czech Republic has already achieved very positive results and a clearly advanced stage of preparedness for membership.

#### *Involvement of the Czech Republic in the Lisbon Process*

At the Lisbon Summit in March 2000, the European Council adopted a new strategic objective for the EU – to become, by the year 2010, a competitive and dynamic knowledge-based economy, able to maintain sustainable development, create larger numbers of high-quality job opportunities and strengthen social cohesion. This objective should be achieved through the implementation of what is referred to as the Lisbon Strategy, which, in substance, is the structured aggregate of partial tasks broken down into individual areas of economic and political life to which the implementation of the strategic objective relates. The Lisbon Strategy is dynamic, which means the Lisbon Process and the partial tasks performed by EU Member States need to be monitored continuously.

Based on the Enlargement Strategy Paper issued by the European Commission on 13 November 2001, efforts have been initiated to involve the candidate countries (CC) in the Lisbon Process. Therefore, the CC have been provided with the opportunity of adapting gradually to the new conditions of EU functioning and of sharing to a greater degree the benefits of the single market. Although the accession negotiations held between the EU and CC obligate the CC to participate actively in the implementation of the objectives of the

Lisbon Strategy, the EU has indicated on several occasions that it would welcome such activity on the part of the CC, bearing in mind the need for continuous, comprehensive and systemic monitoring of the Lisbon Strategy in the CC. No such activity has been carried out in the Czech Republic, a situation which, apart from other negative impacts, impedes the ability to assess and evaluate the implementation of the Lisbon Process in the Czech Republic and prevents an active approach from the Czech Republic.

In view of the anticipated accession of the Czech Republic to the EU, the need to ensure improved efficiency of government authorities in their approach to the Lisbon Strategy intensified in 2002. This resulted in the clear necessity to create a transparent structure for the monitoring and application of the Lisbon Process and a definition of the responsibilities of coordinators for individual areas. For this reason, the Government Council for European Integration, in its Resolution No 47 of 19 December 2002, adopted a document entitled “The Lisbon Process in relation to the Czech Republic”, in which the Government Council set out further action to be taken by the Czech Republic concerning the implementation of Lisbon Process objectives, including a proposal for the allocation of related responsibilities.

### *The Czech Republic and the European Economic Area*

The accession of the Czech Republic to the Agreement on the European Economic Area (EEA) is an obligation ensuing from membership of the European Union and was confirmed by the Czech Republic in negotiations on the accession of the Czech Republic to the EU, and specifically during negotiations on the External Relations chapter.

The European Economic Area is based on a “mixed agreement”, i.e. an agreement between the EC and its Member States, of the one party, and three of the four EFTA countries (Norway, Iceland, Liechtenstein), of the other party (note: the fourth EFTA country is Switzerland, which is not a member of the EEA). The principal objective of the EEA Agreement is to strengthen commercial and economic ties between the contracting parties and ensure equal conditions of competition in the homogeneous European Economic Area.

The Czech Republic applied for membership of the EEA in December 2002, via the Ambassador of Iceland in Brussels, to Iceland’s Minister for Foreign Affairs, whose country presided over the EEA Council until the end of 2002.

### *Economic relations between the Czech Republic and EU*

The Czech Republic's mutual commercial relations with EU countries are among the most dynamic. In the period 1994-2001, the mutual trade balance roughly trebled; Czech exports to the EU increased by 331.5%, and Czech imports from the EU increased by 296.1%. The Czech Republic's trade balance with EU countries posted a surplus for the Czech Republic for the first time in 1999 (CZK 3,944 million), while in 2002 the trade balance totalled a record CZK 58,106 million, representing a year-on-year increase of 213.9% as compared to the year 2001, when the final active balance amounted to CZK 18,511 million.

The Czech Republic's exports to EU countries in 2002 amounted to CZK 856,359 million FCO, representing 68.4% of the Czech Republic's total exports; compared with 2001, exports dropped by a modest 2.2%. The Czech Republic's imports from EU countries in 2002 amounted to CZK 798,253 million OP and also dropped – as compared to 2001 – by 6.8%. Imports from the EU accounted for 60.2% of the Czech Republic's total imports. The decrease in the commercial exchange was due to the recession in EU countries.

The share of EU countries in the Czech foreign trade has shown a rising trend, in particular in respect of Czech exports. In 1994 the share of EU countries in the Czech Republic's exports amounted to 58.7%; its current value is 68.4%. The share of EU countries in Czech imports increased from 59.4% to 60.2%. As exports represent 60% of the country's GDP, Czech exports to EU countries have a significant influence on the performance of the entire Czech economy.

The development of the commodity structure of the Czech Republic's foreign trade with EU countries can also be viewed positively, as products with a high rate of added value play a decisive role in that structure. Of the total amount of Czech exports to EU countries, machinery and transportation equipment accounted for 53.71%, followed by market products classified by type of material (21.80%), industrial products (13.15%) and chemicals (3.79%). Raw materials represented 3.07% and foodstuffs 1.25%. The improving structure of Czech exports was influenced by the much increased quality of the Czech mechanical-engineering industry and automotive industry; with a 12% share of high technologies in total exports, the Czech Republic is one of the top thirty countries worldwide and ranks first among the candidate countries.

Of the overall Czech imports from EU countries, machinery and transportation equipment represent 45.29%, followed by market products by type of material (23.50%),

chemicals (13.32%) and industrial products (10.44%). Foodstuffs account for 3.52% and raw materials for 1.88% of Czech imports.

In 2001 the Czech Republic managed to increase its GDP by 3.3% to CZK 2,146.1 billion, and the growth rate of the Czech economy was double the average in EU countries. Based on preliminary data, the GDP growth rate in the Czech Republic in 2002 was 2.6%; in which case the growth rate of the Czech economy would be as much as three times higher than the average in EU countries. GDP in the Czech Republic based on purchasing power parity in 2002 amounted to 62% of the average value in EU countries (only two of the candidate countries had a higher figure: Cyprus - 85% and Slovenia - 71%). It is expected that, after entry to the EU, economic growth in the Czech Republic will accelerate by an additional 2% of GDP.

The inflow of direct foreign investments into the Czech Republic in 2002 amounted to CZK 276,135.1 million, of which 91.9% originated in EU countries. The amount of investments per capita in the Czech Republic amounted to 84% of the EU level.

#### *Disbursements of pre-accession assistance from EU funds*

The Czech Republic currently utilises several instruments of EU financial assistance – Phare, ISPA and Sapard. All these instruments are referred to as “pre-accession instruments”; the focus of the programmes and projects they finance changes in accordance with shifts in pre-accession priorities.

The National Phare Programme for 2002 finances, in particular, projects supporting the administration’s preparations for accession to the EU, accelerated implementation of the *acquis communautaire*, and projects promoting and supporting the preparation of structures for receipts from EU funds. It is expected that the National Phare Programme for 2003 will focus more on investment projects that, by their nature, will approximate significantly the projects of future Structural Funds, on which the Czech Republic will be able to draw after its entry to the EU. In 2002, the Czech Republic received approximately EUR 38 million in Phare funds from the European Union. In 2002, the National Fund paid out approximately EUR 67 million to final beneficiaries through implementation agencies. Between 1993 and 2002, approximately CZK 22 billion was allocated to the Czech Republic in the framework of the Phare programme. Another CZK 3.1 billion will be allocated to the Czech Republic under the Phare programme for 2003. An additional CZK 292.5 million will be added to the Phare

budget for 2003 to support the development of the business infrastructure in the regions. This project was transferred to the Phare 2003 budget above the extent of standard allocations so that some of the Phare 2001 resources could be used to mitigate the damage caused by the floods in August 2002.

The ISPA pre-accession instrument is designed to support investment projects which help improve the environment and transport infrastructure. The Czech Republic can receive ISPA contributions between 2000 and 2006 or until accession to the European Union, whichever is earlier. Seventeen Financing Memoranda have been implemented so far in the scope of ISPA. In 2002, the National Fund received funding of approximately EUR 27 million from the EU . The National Fund paid out EUR 17.8 million to implementation agencies, while end beneficiaries received EUR 7 million. The total ISPA contribution based on already executed Financing Memoranda amounted to CZK 6 billion, of which CZK 3 billion was intended for transport investment projects, CZK 2 billion for environmental investment projects, and CZK 900 million for projects designed to cover flood damage. Additional funds were allocated for technical assistance in the preparation of projects.

The SAPARD programme, the major objectives of which include the preparation of implementation structures for assistance from the European Agriculture Guidance and Guarantee Fund, is focused on the support of projects in the sectors of agriculture and rural development. The SAPARD Programme could not be launched until the accreditation of the SAPARD Agency was approved by the European Commission on 15 April 2002. The Czech Republic learned numerous lessons from the accreditation process concerning the use of EU funds after accession, and the experience gained from this process may be used in the future establishment of implementation structures in other areas. Annual allocations under the SAPARD programme from 2000 until the date of accession amount to approximately CZK 672 million. In 2002, two regular rounds were advertised for candidates to file applications for assistance from the SAPARD programme; projects benefiting from an EU contribution of CZK 1.173 billion were selected in the first round, while approximately CZK 962 million will be available in the second round. In 2002, the National Fund received approximately EUR 11 million from the European Union. Of this, approximately EUR 1.6 million was paid out to final beneficiaries. In addition, a special “flood” round was announced, which was subject to special rules.

The European Commission made substantial amounts available to the Czech Republic under pre-accession assistance programmes to help clean up flood damage in the most afflicted regions. The Czech Republic also received financial resources of approximately

CZK 3.9 billion from the Solidarity Fund to cover damage caused by the floods. The Solidarity Fund was established by the European Union after the devastating floods in 2002, and the Czech Republic received a contribution from the Fund under conditions equal to those applicable to present EU Member States.

*Communication strategy of the Czech Republic prior to accession to the EU*

One of the characteristic features of the year 2002 was the continuation of work in accordance with Government Resolution No 974 of 26 September 2001, under which the Government agreed to launch a large-scale nationwide information campaign. In the second half of the year, preparations were under way for the crucial pre-referendum stage of the information campaign, and a document called the “Main Directions of the Czech Republic’s Communication Strategy prior to Accession to the EU” was drawn up. A detailed implementation plan for the information campaign covering the period before the referendum was drafted on the basis of this document.

Basic projects were resumed which were intended to have a general impact on the Czech public without significantly limiting certain types of projects focusing on specific target groups. A toll-free telephone line was set up where citizens could find out basic information about European integration and other information sources. This telephone line included an e-mail address.

The Euroskop Internet server project continued; the graphic design of the site was updated and the content catered to the broader interests of the general public. New sections were included, such as “What accession will mean for us” and the substantial “Fact and fiction”, addressing information on this issue which has been twisted or which is simply untrue.

Co-operation continued with the Economic Chamber of the Czech Republic and other organisations, focusing on the dissemination among entrepreneurs of information with European implications and giving rise to the publication of the Information Dispatch on the EU, which was distributed electronically to clients of the Economic Chamber of the Czech Republic.

In spring 2001, television stations started broadcasting programmes which systematically discussed basic integration issues. Besides experts, celebrities were also asked for their views in these broadcasts.

The issue of European integration was also covered (with support from the MFA) in the “European Family” multimedia project, with involvement in particular from TV Prima, Czech Radio and the daily newspaper *Hospodářské noviny*. This project, following the lives of ordinary families in the Czech Republic, Germany, France and Poland as they coped with various situations, became very popular with the general public and will be continued in 2003. In 2002, Czech Radio broadcast the tenth year of Radio Academy for the Third Age, which consisted of a cycle of eight lectures on European integration.

On 9 May 2002, the Ministry of Foreign Affairs of the Czech Republic, together with the Delegation of the European Commission and diplomatic missions of EU Member States, participated in an event called Schuman Day. An eye-catching informative presentation was organised for the public in the centre of Prague and was attended by President Havel and the ambassador heading the Delegation of the European Commission to the Czech Republic. The event received broad media coverage.

Co-operation continued with the network of Regional European Information Centres (REIS) and public libraries. A new centre was opened in Mariánské Lázně, taking the number of REIS to seventeen. In the Olomouc region, an initiative to establish Municipal European Information Centres was developed, and by the end of the year five such centres had been set up, with more on the way.

### *External communication strategy*

In line with the concept of external communication strategy (ECS) drawn up in the second half of 2000, the Czech Republic’s diplomatic missions ran projects in 2002 which presented the Czech Republic as a candidate country quite capable of discharging the obligations of an EU Member State and ready to bear its share of responsibility for the future political, economic, cultural and social development of Europe. The diplomatic missions also encouraged senior representatives and ministerial officials to participate in selected activities under the ECS during their visits and business trips to EU countries, including, in particular, the presentation of the Czech Republic in the EU media and the organisation of colloquia, seminars, discussions, talks, lectures, round tables, telebridges or trips by foreign journalists to the Czech Republic.

The web site of the MFA, available in three languages, proved to be an effective ECS instrument in 2002. Diplomatic missions obtained more information on a running basis from

the MFA web sites [www.mzv.cz](http://www.mzv.cz) and [www.euroskop.cz](http://www.euroskop.cz) and from the Department for the Coordination of Relations with the EU and the European Union and Western Europe Department of the MFA of the Czech Republic.

Diplomatic missions continued to maintain contacts with representatives of the European Commission, as well as with the relevant authorities and institutions of the Member States, carrying out activities to promote enlargement in their respective countries. In addition to Europe Days/Weeks, open house days or telebridges organised, as a rule, in co-operation with the relevant Permanent Delegation of the European Commission, the diplomatic missions held seminars and colloquia on the Czech Republic and the enlargement of the EU in combination with cultural activities performed in foreign countries by various Czech cultural institutions or with the primary support of the MFA's Department for Cultural Relations and Czechs Living Abroad .

#### *Common foreign and security policy of the EU*

In 2002, the Czech Republic continued harmonising its foreign policy with the Common Foreign and Security Policy (CFSP). The principal tool in this process was political dialogue with the EU, during which the Czech Republic participated in exchanges of views and opinions regarding key international political issues. Within the framework of this dialogue, the Czech Republic took part in discussions with the EU Political and Security Committee, both in the format of EU+15 (i.e. the EU + non-EU European allies, and candidate countries for membership in the EU), and in the format of EU+6 (i.e. EU + non-EU European allies). An integral part of the process was two regular meetings of political directors and European correspondents convened to discuss the current status of development in individual aspects of CFSP (Budapest, 1 March 2002, and Vilnius, 18 October 2002), and the participation of MFA experts in "troika" meetings of specialised working groups of the EU Council with candidates for membership, held to analyse the international situation in Eastern Europe, Central Asia and the Western Balkans, co-operation with international organisations, the non-proliferation of nuclear weapons and exports of conventional weapons, the protection of human rights, the fight against terrorism, harmonisation of consular services, and the analytical and planning procedures of foreign services. Political dialogue with the EU continued to be generally consistent. The fact that the Czech Republic plays a constructive role in political dialogue was noted in the European Commission's Regular Report for 2002.



The Czech Republic also subscribed to unilateral measures of the EU related to the Common Foreign and Security Policy when invited to do so. The complete compatibility of the starting position of the Czech Republic's foreign policy with EU intents was confirmed by the continuous screening of national legislation in comparison with the CFSP acquis. The Czech Republic proved to be sufficiently capable of implementing the CFSP acquis, harmonising its foreign policy with the Union's CFSP, and adhering to the commitments it undertook in the course of accession negotiations in this respect.

As regards the finalisation of preparations for membership, it remains desirable to focus Czech Republic's efforts on the need to ensure permanent compatibility of its foreign policy with the developing foreign and security policy of the Union, on the adoption of legislation related to economic sanctions, and on the finalisation of the required administrative structures. It was emphasised that national policy and practice must accommodate the common approaches and positions of the EU, that such positions must be defended in international forums, and that proper implementation must be ensured of all sanctions and restrictive measures.

In May 2002, a new coordinating department for CFSP issues was established at the Ministry of Foreign Affairs of the Czech Republic. The MFA can therefore draw on administrative arrangement compatible with CFSP structures common in EU countries.

### **Common European Security and Defence Policy**

The Czech Republic viewed the efforts towards building up a Common European Security and Defence Policy (CESDP) as a logical part of the process of European integration. The basic starting point for formulating the Czech Republic's approach to the development of the European security dimension was the recognition of the need to complete the economic and political integration of the EU. The open and non-confrontational attitude of the Czech Republic to CESDP, along with parallel efforts to maintain the cohesion of NATO and of the transatlantic alliance, should help accomplish the fundamental priority of Czech foreign policy – the successful completion of the Czech Republic's integration into all political, military and economic structures of the Euro-Atlantic area.

At the same time, the Czech Republic believed that forming an effective defence and security policy would be a desirable factor which, together with other elements of Common Foreign and Security Policy, would help improve its effectiveness and increase the credibility

of the European Union in international relations. The Czech Republic, as a member of NATO and a country seeking to enter the EU as soon as practicable, felt its share of responsibility for European defence and security even at that early stage and undertook to participate in this process to the maximum extent possible. The international security situation after the attacks in the United States and the still fragile situation in some of the Western Balkan countries evidence the need to reinforce Europe's ability to provide actively for its security and to act, as part of the Petersberg Tasks, as a security provider.

The development of European defence policy in 2002 was based on a declaration adopted by the European Council in Laeken (14-15 December 2001), which confirmed the EU's operability in the lower part of the range of Petersberg tasks. At that time, the Union was concentrating, in particular, on establishing autonomous military capacities of the EU, eliminating the ESDP's weaknesses as defined at the November 2001 Capabilities Improvement Conference, preparing non-military capacities, and cultivating the institutional background of the European security policy.

In May 2002, the Czech Republic achieved full-fledged membership of the Western European Armaments Organisation (WEAO), thus taking another step towards integration into the Common European Security and Defence Policy (CESDP). The European Union appreciated the decision to form a joint Czech and Slovak KFOR unit, which began operations in Kosovo in March 2002. Equal praise was reserved for the Czech Parliament for its decision to authorise involvement in a joint Czech-Slovak-Polish brigade.

In the second half of 2002, the EU was intensively involved in preparing the Union's historic first mission under CESDP. The EU Police Mission in Bosnia and Herzegovina (EUPM) was officially launched on 1 January 2003, when the EUPM took over responsibility from the IPTF mission deployed under the UN mandate. The Czech Republic was invited, together with other candidate countries, to send its police officers on this mission. This fact was significant for the Czech Republic for two reasons: 1) the EUPM was the first operation ever planned by the EU under the European security and defence policy, and 2) this was also the first operation in which the candidate countries were invited to take an active part. The Czech Republic therefore paid considerable attention to the preparations for the deployment of its experts.

The overall concept of the preparation of Czech police officers for EU requirements was discussed by the State Security Council on 25 June 2002. Of the nominated officers of the Police Force of the Czech Republic, six were selected, which was a relatively large number compared to the other "third countries". One of the experts was selected to serve as a member

of the planning team. Based on Resolution of the Government of the Czech Republic No 1098 of 6 November 2002, and based further on an authorisation of the Minister of Foreign Affairs, on 11 December 2002 the Czech EU Ambassador, Libor Sečka, signed an Agreement between the Czech Republic and the EU on Participation in the EU Police Mission in Bosnia and Herzegovina. The emphasis placed by the Czech Republic on the EUPM in general was also reflected in the allocation of a voluntary contribution of CZK 500,000 above the limit of the basic financial contribution, which for the Czech Republic as a state party amounted to EUR 25,000.

At the beginning of 2003, after difficult negotiations, an agreement was reached between the EU and NATO on the provision of common planning capacities of the Alliance to EU missions. That agreement will enable the future development of EU military capacities without unnecessary duplication of existing NATO capacities. After taking over the Police Mission in Bosnia and Herzegovina, the EU thus became able to engage in increasingly complex operations. Therefore, at its session in Copenhagen on 12-13 December 2002 the European Council confirmed the readiness of the EU to take over NATO's military operations in the FYROM.

### **3. The Czech Republic and the North Atlantic Treaty Organisation**

Active participation in the formation of a global security system offering long-term stability and security, enabling the enhancement of democracy, the protection of human rights, the development of a market economy and free trade, arms control and disarmament, and confidence-building, continues to be the basic objective of the Czech foreign security policy. This fundamental objective became a much more significant priority as a result of new security threats, in particular terrorism and the proliferation of weapons of mass destruction on a global scale.

The Czech Republic's membership of NATO has been the preferred means of attaining this objective since 1999. As in past years, the Czech Republic was intensively involved in discussions and decisions on the most important activities of the Alliance. The country has demonstrated, by its direct involvement, that it is an active co-maker of peace and stability not only in Europe, but also on a worldwide scale. Continuing participation in the global antiterrorist campaign, the activities of a radiation, chemical and biological protection unit of the Army of the Czech Republic in Kuwait in the operation "Enduring Freedom",

involvement in the peacekeeping operation in Afghanistan (ISAF), and the extensive participation of Czech units in the KFOR operation are tangible evidence of this.

The initial shock after the attacks of 11 September 2001 has accelerated, and in many respects provided new orientation for, the systematic consideration of a changed security environment and the future role of the North Atlantic Treaty Organisation. From this point of view, the year 2002 was characterised by efforts to transform and adapt NATO to new security threats. This resulted in clear concepts and the adoption of specific measures reacting to new, asymmetrical threats. NATO priorities in 2002 also included, among other things, further enlargement to draw in the states of Central and Eastern Europe, and the building of more effective relations with partners. The need to co-operate with partners was emphasised by the prospect of the global fight against terrorism. The most dynamic process in the first half of 2002 was the formation of co-operation and institutional forms of relations between NATO and Russia, culminating at the NATO-Russia Summit in Rome in May 2002. At this Summit, the heads of NATO states and the President of the Russian Federation signed a political declaration and approved the plan of the NATO-Russia Council (NRC). The NRC became a mechanism enabling deeper political dialogue on security issues aimed at identifying optimum common approaches, and, in cases of agreement, common action.

On 14-15 May 2002, a session of the NATO North Atlantic Council at the level of ministers of foreign affairs took place in Reykjavik. Its main issues were the adaptation and redefinition of the Alliance's role vis-à-vis new security challenges. Extensive attention was paid to the preparation of the conceptual documents regulating the Alliance's actions in the fight against terrorism. At the discussions in Reykjavik, the following three main sets of issues were established for the Prague Summit: new capacities, new members and new relations with partnership countries. At its session in Brussels on 6-7 June 2002, the ministers of defence clarified the tasks for the permanent bodies of the Alliance, in particular as regards the coordination and planning of the Alliance military contribution to the defence against terrorism and other non-conventional threats, to the coordination and planning of collective defence against the use of weapons of mass destruction, and to the adaptation of military doctrine. Such measures were aimed to provide the Alliance in the future with adequate defensive capabilities and military power to cope with new asymmetric threats, including the prevention of and defence against terrorism and the proliferation of weapons of mass destruction. Attention concentrated on a new initiative to improve the military capacity of the Alliance to conduct new, modern types of operations. In July 2002, the Secretary General of NATO Lord Robertson sent a letter to the heads of member countries and ministers of defence

specifying the capacities necessary for the initiative to be successful, and the time schedule for its implementation. Those areas identified covered: precision-guided ammunition, strategic lift, air-to-air refuelling, air-to-ground surveillance, command and control assets, NBC detection and protection, combat support and combat service support. From the outset, the Czech Republic viewed this initiative as the key to the future military capabilities of the Alliance and was keen to contribute to its success. In co-operation with the NATO International Staff, the Prague Multinational Capabilities Conference was held in Prague in September 2002, which discussed issues of development and the enhancement of the capabilities of the Alliance as a whole and of specific individual countries.

In 2002, the Czech Republic's activities promoting the process of opening up the Alliance to new members culminated. The Ministry of Foreign Affairs of the Czech Republic, in co-operation with the Ministry of Defence of the Czech Republic, the Ministry of Finance of the Czech Republic and embassies of the Czech Republic in candidate countries, participated actively in the fourth annual cycle of the MAP (Membership Action Plan – a programme to prepare the candidate countries for membership of NATO). Through bilateral consultations with the candidates, the Czech Republic continued to provide advice, feedback and assistance to the candidate countries in preparations for future membership of the Alliance. A number of security consultations with the MAP countries took place. On 31 August 2002, the embassy of the Czech Republic in Vilnius successfully completed its activities as a NATO contact embassy. The co-operation of the embassy in Vilnius with the embassies of member countries of NATO accredited in Lithuania, support for the building of a NATO library, the organisation of meetings of NATO working teams, and other diverse activities were rated highly. On 1 September 2002, the Czech Republic took over the functions of the NATO contact embassy in Austria. Given the specific position of Austria as a neutral country, the activities of the contact embassy concentrated mostly on information activities, public relations and the co-organisation of seminars about NATO and military issues.

### *NATO Summit in Prague*

The decision to organise a summit of NATO member and partner countries in Prague confirmed the successful integration of the Czech Republic into NATO. Top representatives of NATO countries and of the Euro-Atlantic Partnership Council (EAPC) from 46 states met

on 21–22 November 2002. The Prague Summit brought tangible and positive results in the transformation of NATO and the extension and building of new relations with partners, thus becoming a significant milestone in the history of the Alliance. However, the member countries, including the Czech Republic, still have to face the challenge of consistent implementation of all decisions and results.

1) New capacities

The North Atlantic Council (NAC), at the level of the Heads of State and Government, approved and noted at its session the fundamental documents relating to the adaptation of the Alliance to the new security environment and threats after 11 September 2001. In connection with their adoption at the Prague Summit, attention focused on a military capabilities initiative called the “Prague Capabilities Commitments” – PCC. The report on the PCC became one of the fundamental documents adopted by the summit; this report contained an annex listing individual national commitments to improve capabilities in identified areas. Following the approval of these documents, the member countries within the NATO framework were able to form effective military capacities to counter new asymmetric threats. The actual impact and importance of this new initiative will depend on the efforts and means invested in it by the member countries in the next few years. The Czech Republic has entered the initiative with 14 commitments, based on plans to reform its armed forces and concentrating on its specialisation in the identification and detection of the use of chemical and biological weapons, including consequence management, and passive surveillance systems.

The Alliance also decided to form a NATO Response Force (NRF). This corps of approximately 21,000 soldiers fitted out with high-tech equipment and available for service at short notice (5 to 30 days) should be capable of conducting operations in the whole range of Alliance missions. NRF-type units will enable the Alliance to react flexibly to threats as and when they arise; this decision demonstrates the determination of NATO members to intervene in cases of crisis – effectively and collectively. The approved the “Prague Initiative” on NBC weapons also related to the NRF concept and to the initiative on protective capabilities (PCC). The Czech Republic contributed to the initiative with unique capacities to build mobile laboratories and event response teams.

The North Atlantic Council also decided to restructure the NATO command structure. At the Prague Summit, the Heads of States and Governments of NATO countries acknowledged a report on a package of measures designed to fight terrorism. The report

included a Military Concept of Defence against Terrorism, defining the military role of the Alliance in four areas (defensive measures, consequence management, offensive measures, and military co-operation). In addition, the North Atlantic Council acknowledged a report on missile defence. On the basis of this report, the Heads of State and Government decided to examine the possibilities of protecting the territory, population, and deployed units of member countries of the Alliance against a wide scale of missile threats. The Czech Republic supported the efforts of the USA to insert the further development of the missile defence into the Alliance framework and into the context of building capacities for defence against asymmetric threats. Potential forms of Czech involvement in the project were discussed at expert level.

## 2) New members

The decision to invite Bulgaria, Estonia, Lithuania, Latvia, Romania, Slovakia and Slovenia to enter the Alliance was a historical milestone in the development of the Alliance. The Czech Republic viewed this enlargement unambiguously as a means of reinforcing security in the Euro-Atlantic region and as a contribution to the building of a united, peaceful Europe. The Czech Republic set itself the objective of actively supporting the quick and smooth course of the accession process and of offering further support and assistance to the invited countries by means of the Membership Action Plan (MAP). NATO also confirmed the “open door” principle that will make it possible to enlarge the Alliance to incorporate other countries willing and able to accept the responsibilities and commitments ensuing from the Washington Treaty.

## 3) New relations

The need for more intensive co-operation with partner countries was reflected in the approval of the “Partnership Action Plan against Terrorism” and the “Report on the Comprehensive Review of the EAPC and PfP” at the session of the Euro-Atlantic Partnership Council (EAPC). These documents should allow for co-operation in flexible formats, enabling those allies and partners who so wish to contribute to specific projects. Individual co-operation should be facilitated by Individual Partnership Action Plans, which should target the co-operation of a specific partner country in the needed areas.

The Prague Summit also hosted the first ever session of the NATO-Russia Council (NRC) at ministerial level. The main issues discussed there included an evaluation of the NRC’s activities since its foundation in May 2002 in Rome and other joint action in the fight

against terrorism, including an evaluation of threats posed by terrorism, and the proliferation of weapons of mass destruction. The session of the NATO-Ukraine Commission, initially planned at the level of Heads of State and Government, was subsequently demoted to the ministerial level. The approved Action Plan of Co-operation pursued the aim of enhancing and extending relations between the Alliance and the Ukraine and identifying the Ukraine's strategic objectives and priorities to meet its aspirations of becoming integrated into the Euro-Atlantic security structures.

In 2002, the Czech Republic continued its long-term efforts to further security in South Eastern Europe with the aim of ensuring stability in this region and its integration into the Euro-Atlantic structures. One of the instruments used to foster this policy was the participation of the Czech Republic in the NATO-led peacekeeping operation in Kosovo (KFOR), which underwent significant restructuring in 2002. In connection with the reassessment of the military operations structure under NATO command in the Balkan Peninsula, the Czech Republic's participation in this operation was considerably reinforced (up to approximately 400 persons) as of 28 February 2002, and, at the same time, a joint Czech-Slovak battalion was formed to operate within the framework of a multinational brigade "Centre" under the command of the United Kingdom, with headquarters in Pristina. The main tasks of the unit included monitoring and guarding the Kosovo-Serbian border, regulating the movement of persons, participating in the fight against organised crime and radical groups instigating ethnic intolerance, and ensuring civil-military co-operation with international organisations (UN, OSCE, EU).

The Czech Republic also participated in the anti-terrorist operation "Enduring Freedom". In Kuwait, a 250-man strong radiation, chemical and biological protection unit of the Army of the Czech Republic (ACR) was up and running as of March 2002. The Czech Republic also participated in the operations of the International Security Assistance Forces (ISAF). For eight months, until the end of 2002, a Czech field hospital (manned by approximately 150 persons) was in operation in Afghanistan.

The above-mentioned participation in foreign missions has helped cultivate the reputation of ACR as a professional, mobile, modern and efficient army, responding to new security needs and challenges abroad.

In terms of the development of the European security and defence policy, a fundamental break-through was attained in December 2002 on the issue of the European Union's access to the assets and capabilities of the Alliance for operations where NATO as a



whole is not engaged. EU and NATO members agreed on the extent of participation in the decision-making process by non-EU European allies (NEEA) in an EU autonomous operation, i.e. on an issue of key importance for the consent of all Alliance members to EU access to the planning capacities and military assets and capabilities of NATO. The Czech Republic fully supported this development because the effective use of the resources designated for the needs of the EU and NATO, and the minimisation of their duplication, can be best attained by close co-operation in the defence-planning of both organisations, and by intensive co-operation between the permanent EU and NATO bodies.

On 9 December 2002, the Government of the Czech Republic approved a proposal for changes to the Czech Republic Security Strategy prepared by the Ministry of Foreign Affairs. The Security Strategy is a fundamental conceptual document characterising the interests of the Czech Republic, the security situation, the international environment, and the main threats and risks for the Czech Republic, and identifying the basic means to provide for its security. The proposed changes were intended to intensify the fight against terrorism and the proliferation of weapons of mass destruction, as well as to accommodate a new perception of certain non-military security threats and the context of the conceptual materials approved at the NATO Summit.

#### **4. The Czech Republic and regional co-operation**

##### **Visegrád co-operation**

The regional co-operation of the Czech Republic, Republic of Hungary, Republic of Poland and the Slovak Republic, the inception of which dates back to 1991, is based on regular meetings of their representatives at many levels. In addition to heads of state and government, meetings also take place between representatives of individual ministries, representatives of parliaments, and experts in various fields. Once a year, an official meeting of prime ministers is held to determine the character of co-operation in the upcoming period. In the intervals between these meetings, one of the Visegrád Group (V4) countries presides over Visegrád co-operation.

On 29 June 2002, the official meeting of the prime ministers of the V4 countries took place in Esztergom, Hungary. This meeting rounded off the one-year Hungarian presidency of

the V4, and the presidency of Slovakia commenced. At the summit, the prime ministers discussed several issues intended to contribute to the development of the practical content of the Visegrád co-operation. As a supplement to the programming document “The Content of Visegrád Co-operation (1999)”, the prime ministers adopted a document specifying the role of the V4 presidency. They also undertook to increase the budget of the International Visegrád Fund (IVF) by EUR 400,000 from the beginning of 2003 (to a total sum of EUR 2.4 million), and to broaden IVF activities by providing scholarships. The idea of granting an International Visegrád Award was promoted. For the upcoming period, all prime ministers gave their priority to co-operation in the final phase of accession negotiations with the EU with the aim of the successful finalisation of finance-related chapters.

Reviewing the Hungarian presidency, there was a temporary reduction in contact at the top political level at the beginning of 2002 in the wake of statements made by the former Hungarian Prime Minister Viktor Orbán in the European Parliament. However, at ministerial level, Visegrád co-operation continued to develop with the same intensity, for example in the areas of environmental protection, the arts, defence, and internal security.

Under the Hungarian presidency, the international prestige of V4 and its external activities was further enhanced. The Visegrád Group continued to develop its co-operation in V4+ format. The Hungarian presidency prepared, for example, an initiative on co-operation between the Visegrád countries and the Ukraine in internal matters, and several expert meetings took place in this respect; the initiative was also the subject of negotiations between state secretaries of the ministries of foreign affairs of the V4 countries and the Ukraine. The concept of co-operation between the V4 countries and Benelux continued to develop successfully. A common summit of the prime ministers of the V4 countries and Benelux was organised in Trenčín, Slovakia (24-25 May 2002) where the representatives of the governments exchanged opinions on topical European, foreign policy and security issues, and a seminar of these countries on the future of Europe (Prague, 4 November 2002) also took place at expert level.

At the summit in Esztergom, Slovakia presented, in the scope of its presidency of the V4, the following issues: co-operation in European integration, the enhancement of stability and security in Central Europe, the co-operation of the V4 with third countries and other regional groups, and co-operation in areas such as infrastructure and energy. During the first stage of the Slovak presidency (i.e. in the second half of 2002), Visegrád co-operation was quite logically dominated by the issue of European integration, or the final phase of accession negotiations with the European Union. The prime ministers of the V4 countries met several

times to discuss this issue (Budapest – 1 December 2002, Červený kameň – 6-7 December 2002), having agreed on a common course of action in certain important issues.

On 6 and 7 December 2002, an informal summit of the prime ministers of the V4 countries took place at the Slovak castles Červený kameň and Smolenice. The future of the V4 after the entry of the Visegrád countries into the European Union was a very important item on the agenda. The representatives of all four countries expressed an interest in continuing this regional co-operation even after entry into the European Union, and a willingness to discuss the form of this co-operation under the new conditions arising from EU membership.

### *International Visegrád Fund (IVF)*

One of the significant fruits of Visegrád co-operation in 2002 was the activity of the International Visegrád Fund, the chief objectives of which primarily include the support and development of cultural co-operation, the support and development of scientific exchanges, research and co-operation in education, the support and development of exchanges of the young people, and the support and development of trans-boundary co-operation.

The IVF was established with the condition that the individual V4 countries would make annual contributions of EUR 250,000. From the first year of the existence of the IVF, however, it became obvious that the demands of applicants and the resources of the Fund were disproportionate. Therefore, the summit of the prime ministers in Krakow decided to increase the annual contribution to EUR 500,000 as of 2002.

In 2002, 379 projects were presented to the Fund, of which 116 were granted support.

A new important IVF programme drawn up in 2002, which should improve co-operation in education and science to a new, qualitatively higher level, is the Visegrád Scholarship Programme, where one-year postgraduate scholarships are granted to university students from V4 countries. Priorities include the support of study exchanges between the countries of the Visegrád Group and support in sending selected students from Visegrád countries to universities outside the V4 area. The Programme was adopted by the Conference of Ministers of Foreign Affairs of the IVF at its session in Prague on 22 October 2002, and Visegrád scholarships are expected to be granted from the 2003/2004 academic year. The launch of the Visegrád Scholarship Programme was fully supported by the prime ministers of the V4 countries in June 2002 at their summit in Esztergom.

*Meetings of representatives of the Visegrád Group states in 2002:*

- 23 January 2002 – meeting of Ministers of Defence in Budapest, Hungary;
- 31 January – 1 February 2002 – meeting of Parliamentary Foreign Affairs Committees, Committees on Defence and Committees on European Integration in Budapest, Hungary;
- 7-9 February 2002 – meeting of Ministers of Health of V4 countries, Austria and the Ukraine in Prague, Czech Republic;
- 20-21 March 2002 – 7<sup>th</sup> meeting of Ministers of the Environment in Visegrád, Hungary;
- 24-25 May 2002 – meeting of Prime Ministers of V4 and Benelux countries in Trenčín, Slovakia;
- 30 May 2002 – meeting of Ministers of Defence in Topoľčany, Slovakia;
- 21-22 June 2002 – informal meeting of ministers responsible for sport in Warsaw, Poland;
- 29 June 2002 – official summit of governmental representatives in Esztergom, Hungary;
- 22 August 2002 – meeting of Presidents in Častolovice;
- 5 September 2002 – meeting of Prime Ministers in Krynica, Poland;
- 5-6 September 2002 – 8<sup>th</sup> meeting of Ministers of Culture in Budapest, Hungary;
- 14-15 November 2002 – meeting of ministers responsible for research and development in Telč, Czech Republic;
- 1 December 2002 – meeting of Prime Ministers within the framework of an international conference on co-operation for protection against natural disasters in Budapest, Hungary;
- 6-7 December 2002 – informal summit of Prime Ministers at Červený Kameň and in Smolenice, Slovakia.

**Central European Free Trade Agreement (CEFTA)**

The Central European Free Trade Agreement was signed on 21 December 1992 in Krakow; it has been in force since 1 March 1993. The CEFTA states parties are the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic as the founding states, and the Republic of Slovenia, Romania, and the Republic of Bulgaria. The objectives of CEFTA include the creation of a free trade area for all industrial products, and the subsequent liberalisation of the agricultural trade. At the end of the transition period, i.e. as of 1 January 2001, tariff and non-tariff barriers in the trade in industrial products were

removed. The validity of certain exemptions relating to the import of some automotive industry products to the Republic of Poland terminated as of 1 January 2002. In 2002, the trend of liberalisation of agricultural trade continued.

CEFTA is not an international organisation and therefore does not have a secretariat or any permanent bodies. As a rule, sessions of the Joint Committee are held once a year (or more frequently if necessary). The representatives of individual states on the Joint Committee are the ministers responsible for external trade relations. The chairmanship of the Joint Committee rotates annually between the representatives of individual states. In 2002, the chairmanship was held by the representative of the Slovak Republic. Negotiations and meetings at the level of the Subcommittee for Agricultural Trade, the Joint Committee, and prime ministers took place during 2002. The most frequent meetings were those held by the expert group of representatives of the ministries responsible for foreign trade and of the representatives of the ministries and authorities dealing with the issues being discussed. The expert group made a substantial contribution to the preparation of most meetings and documents.

CEFTA is open to other states as well. The conditions for admission are membership of the applicant state in the World Trade Organisation (WTO), the existence of an association agreement with the European Community, and the consent of all CEFTA states parties. In 2002, negotiations on the accession of the Republic of Croatia took place. At the meeting of prime ministers in Bratislava, the willingness to complete all negotiations and legislative procedures necessary for the accession of the Republic of Croatia by the end of 2002 was confirmed.

In CEFTA, some states act as guarantors for the fulfilment of individual tasks. For several years, the Czech Republic has drawn up overviews of protective measures applied by individual states parties and presented them to all delegations at certain meetings. In 2002, updated overviews of protective measures were presented at the meetings of expert groups, the Subcommittee for Agricultural Trade and the Joint Committee, and at the meeting of the ministers of agriculture and prime ministers.

At the meeting of the Subcommittee for Agricultural Trade, an extensive exchange of opinions on the possibilities of further liberalisation of mutual agricultural trade took place. This liberalisation took place in particular among the Czech Republic, the Republic of Hungary, and the Slovak Republic, i.e. the states that adopted Additional Protocol No 10 to CEFTA concerning further liberalisation of agricultural trade. In 2002, Additional Protocol

No 12 was also adopted, under which agricultural trade between the Czech Republic and Slovenia was further liberalised.

On 13-14 September 2002, a meeting of the prime ministers of the CEFTA member countries took place in Bratislava. The speeches of the heads of the delegations expressed mutual consensus reflecting their positive evaluation of CEFTA's importance for the development of mutual trade and co-operation between the states parties. Certain problems remain concerning trade in agricultural products, where the intention to attain full liberalisation was not successfully accomplished. All parties welcomed information about progress in negotiations on the accession of the Republic of Croatia to CEFTA. Proposals were raised to open a debate on the future of CEFTA after the enlargement of the European Union with certain CEFTA states parties, and to broaden the co-operation of CEFTA states parties within the World Trade Organisation (WTO). At the end of the meeting, the heads of the delegations signed a declaration which, consistently with the spirit of the meeting as a whole, appreciated the contribution of CEFTA to the development of trade between and among its parties, and encouraged a solution to trade-related issues through bilateral consultations. The prime ministers agreed to continue bilateral negotiations on the further liberalisation of mutual agricultural trade, the mutual recognition of certificates of origin, and the prompt finalisation of negotiations on the accession of the Republic of Croatia to CEFTA.

### **Central European Initiative (CEI)**

In 2002, the Central European Initiative was chaired by Macedonia (FYROM), which went to extraordinary lengths to attain significant progress in the fulfilment of CEI targets during its chairmanship.

During the year, a number of important high-level meetings took place within the framework of the CEI governmental dimension, of which the most important was the annual meeting of prime ministers (Skopje, 15 November 2002). The prime ministers approved the final document in which, among other things, they welcomed progress in the stabilisation of the region and in the building of democratic institutions, gave a positive evaluation of the procedure applied to the transformation of the economies, and emphasised the need to enhance the cohesion of the CEI member countries in conditions of the upcoming enlargement of the European Union.

In connection with the meeting of prime ministers, the ministers of foreign affairs and ministers of finance also met in Skopje. The agenda included an Economic Forum, where the member countries presented their trade and investment opportunities. The Youth Forum, organised on the same occasion, formulated the priorities of the CEI in this area – education, information, employment, mobility and equal opportunities for all groups of youth.

Other important events of the CEI in 2002 included a meeting of the ministers of foreign affairs (Ohrid, 26 June 2002), a meeting of the ministers of agriculture (Trieste, 20 September 2002), a meeting of high governmental officials responsible for information and the media (Belgrade 23 May 2002), and a meeting of political directors (Rome, 23 October 2002).

During the year, dozens of working group sessions, seminars and negotiations at expert level took place in the member countries of the CEI and were attended by specialists from Czech ministries, universities, research institutions and enterprises.

The Ministry of Foreign Affairs of the Czech Republic, in co-operation with the National Training Fund, organised four seminars. These seminars were devoted to specific problems of the labour market, methodology for the preparation of projects such as the European Social Fund for the support of employment and development of human resources, the information support of education, and the relationship between marketing and the competitiveness of small and medium-sized enterprises. The Ministry of Foreign Affairs of the Czech Republic organised an international conference called “Development Co-operation – a Challenge for Emerging Donors” for development assistance specialists.

In 2002, the economic dimension of the CEI relied mostly on the activities of working groups focusing essentially on economic issues (transport, travel, small and medium-sized enterprises, tourism, agriculture); of growing importance was the co-operation between the CEI and the Central European Chambers of Commerce Initiative (CECCI).

At all these meetings, the Czech Republic supported the efforts of the Secretariat and other member countries to make the activities and operations of the CEI more effective. These common efforts were reflected, among other things, in the final document of the meeting of prime ministers, which approved an amendment to the CEI fundamental document in this respect. Attempts to focus more energetically on economic issues were also successful. This shift was also made possible by the fact that in the member countries of the CEI affected by conflicts, progress has been made in finding solutions to some pressing problems; there has been stabilisation of sorts in the security and political situation, and the still fragile democratic

institutions became more solid, as a result of which more room has been created for progress in other areas as well.

The ongoing enhancement of the parliamentary dimension of the CEI is a reaction to the demand for the exchange of information and experience in legislation regulating acute problems of the CEI member countries, in particular in the Balkan region: building democratic institutions, fighting against organised crime, migration, issues of rights, the situation of minorities, etc. The Parliament of the Czech Republic, within the framework of the Czech Republic's chairmanship of the Committee for Minorities, Migration, Cross-border Co-operation, Reconstruction and Development, organised a meeting of the Committee on 30-31 May 2002 at which all participants exchanged information on the current situation, existing problems and possible or already implemented methods for their solution at national level.

Co-operation between the CEI and other international organisations (OECD, EBRD) has been developing, and contacts with other regional and European initiatives have been extended, in particular with the Black Sea Economic Co-operation organisation (BSEC), EEC, UN, etc.

### **Stability Pact for South Eastern Europe**

The Stability Pact (SP) for South Eastern Europe (SEE), in which the European Union plays a leading role, enjoyed positive developments in 2002. As of 1 January 2002, the former Vice-Chancellor of Austria and coordinator of the regional association SECI (South East Europe Co-operative Initiative) Erhard Busek was appointed Special Coordinator of the SP for SEE, taking over from Bodo Hombach of Germany. Communication between the SP and the European Commission has improved, its structure has become more effective, and the activities of the Regional Table and of its individual working tables have been upgraded. The role of the SP as a coordination mechanism for development and stabilisation processes in SEE has been enhanced. The SP has also begun to contribute significantly to the enhancement of regional co-operation throughout the Balkan region, and it assists considerably in the creation of the European perspective for the countries of the SEE area.

In 2002, the Stability Pact for SEE set the following priorities: support for trade and investments – the creation of a free trade zone in SEE by the end of 2002, the restoration and building of infrastructure with an emphasis on the energy sector, the return of refugees, the



destruction of small arms and light weapons, the fight against organised crime, and the enhancement of regional co-operation. Important activities included the negotiation of a network of bilateral agreements with the aim of creating a free trade zone in SEE, and the adoption of a Memorandum of Understanding concerning the creation of a common market in electricity and its subsequent integration into the EU market within the South East Europe Electricity Regulatory Forum (SEEERF) initiative managed by the European Commission.

During 2002, co-operation between the Czech Republic and the SP for SEE was further enhanced. Within the framework of an extraordinary session of the Regional Table in Bucharest, the act of the official admission of the Czech Republic as a fully-fledged member state of the SP took place on 5 June 2002, which gave rise to new possibilities for the participation of the Czech Republic in the process of the restoration and enhancement of stability in the SEE region. In March 2002, the first ever session of managing bodies of the SECI took place in Prague. The Czech Republic was particularly active in the second working table of the SP for economic co-operation, reconstruction and development, where it presented its Energy Programme for SEE; an international workshop was organised on this theme on 13 March 2002 in Prague.

Following this event, the European Commission assigned the Czech Republic to the donor group of the SEEERF (South Eastern Europe Electricity Regulatory Forum) initiative within the framework of its founding session in Athens in June 2002. Then, in July 2002, Prague hosted a session of this donor group, and, as a “follow up” to the SEEERF ministerial conference (Athens, 15 November 2002), an international workshop intended for the domestic and foreign business sector was organised in Prague on 21 February 2003 in co-operation with the second working table of the SP. In this initiative, and within the framework of the donor group, the Czech Republic is entrusted, inter alia, with the task of setting up and running the Internet Electronic Library.

In 2002, at the first SP working table on democratisation and human rights, the Czech Republic financed a project of mobile cultural containers, the issue of the yearbook of the Helsinki International Federation, and projects realised via the OSCE – an Asylum House in Moldavia, and a project for a preventive campaign against trafficking in human beings in Bosnia and Herzegovina.

At the second SP working table in 2002, the Czech Republic contributed to a project called “Economic Monitoring”, implemented via the OECD. In 2000, a national programme of support for Czech entities doing business in the SEE region, managed by the Ministry of Industry and Trade of the Czech Republic and subsidised by the Government of the Czech

Republic with CZK 500 million, was closed on completion of the seventh stage of tender proceedings. The Czech Republic provided USD 50,000 for the implementation of the Energy Programme for SEE in 2002. A representative of the Czech Republic worked successfully on the Business Advisory Council (BAC) of the SECI and SP as of 14 December 2001.

At the third SP working table on security in 2002 the Czech Republic financed, for the third time, an inspection flight over Bosnia and Herzegovina as part of the Dayton Peace Agreement. In 2002, the Czech Republic contributed USD 50,000 to the International Trust Fund for Demining, based in Slovenia. At the third SP working table, the official of the Ministry of Foreign Affairs of the Czech Republic responsible for the destruction of small arms and light weapons in the SEE region was seconded to the Office of the Special Coordinator in Brussels as of 1 October 2002.

## **5. The Czech Republic and other European forums**

### **The Czech Republic and the Organisation for Security and Co-operation in Europe (OSCE)**

One of the foreign policy priorities of the Government of the Czech Republic was support for the activities of the OSCE as an important international organisation of co-operative security. In the human dimension of the OSCE in particular, the Czech Republic consistently prompted the OSCE to monitor the compliance of all participating states with existing standards, and to enhance its ability of identifying breaches of standards and of helping to find remedies. The Czech Republic systematically promoted the idea that the OSCE should be able to face new challenges flexibly and adapt its instruments accordingly, in particular in the fight against terrorism, the settlement of lengthy conflicts, and subsequent reconstruction. In the economic and environmental dimension, this included the preferential concentration of OSCE instruments and sources on problems directly influencing security and stability, including by means of more intensive co-operation with other institutions.

In the military and security areas, the OSCE dealt with issues having a fundamental influence on the security situation in Europe, i.e. the implementation of measures to enhance the trust and security contained in the documents adopted by the OSCE.

In 2002, the OSCE based its activities on the Action Plan for Fighting Terrorism, adopted at the OSCE Ministerial Council in 2001 in Bucharest. At the suggestion of Portugal,

the chairing country of the OSCE, the OSCE Charter on Preventing and Combating Terrorism was adopted, summarising the organisation's principles and instruments in the fight against terrorism.

The Czech Republic contributed to the OSCE's work in the military and security dimension by chairing the Forum for Security and Co-operation (FSC) in spring 2002 and by participating in the Troika chairmanship of the Forum throughout the year. The key actions of the Czech chairmanship included a seminar on small arms and light weapons, and an annual meeting to evaluate implementation. Under the Czech chairmanship, steps were taken in the scope of the FSC to enhance the control of production, transfer and stockpiling of small arms.

During 2002 there was only partial progress in the adaptation of the Treaty on Conventional Armed Forces in Europe (TCAFE), limiting the number of heavy conventional weapons in three ground and two airborne categories.

The Czech Republic, in coordination with its allies, insisted on the fulfilment of all commitments of the 1999 Istanbul Summit, and has materially fulfilled its commitment to reduce the capacity of the three ground categories of military equipment. The Czech Republic paid constant attention to and made efforts to encourage the withdrawal of Russian Federation forces from Moldova, the process of reconciliation in Transdnestria, and a solution to the situation in Georgia.

In 2002, the Open Skies Treaty of 1992 came into force, allowing for unarmed inspection flights over territories of the parties to the Treaty to verify whether or not there is any military activity which could adversely affect security. . The coming of the Open Skies Treaty into force made it possible to start the process of admitting other parties to the Treaty in 2002. The Czech Republic participated in preparations for the implementation of the Open Skies Treaty, including co-operation in the preparation of inspection flights with other NATO states.

Priority issues in the human dimension of the OSCE from the point of view of the Czech Republic in 2002 included non-discrimination, election standards, freedom of speech, freedom of the press, trafficking in human beings and the situation of the Roma. The selection of a new director of the OSCE Warsaw Office for Democratic Institutions and Human Rights (ODIHR), a key human dimension institution, was an important issue. The Czech Republic's nominee was Jiří Dienstbier.

The annual Human Dimension Implementation Meeting took place in Warsaw on 9-19 September 2002; the Czech Republic concentrated on issues of tolerance and non-

discrimination (in relation to ethnic minorities, the issue of the Roma), the freedom of belief and religion (in connection with a newly adopted act on churches and religious societies), and on trafficking in human beings. In 2002, the Czech Republic supported, with funding and staff, the activities of the Stability Pact Task Force on Trafficking in Human Beings.

The Czech Republic also continued to provide funds and personnel to the ODIHR Contact Point for Roma and Sinti Issues (CPRSI), providing, inter alia, a voluntary financial contribution of USD 10,000 for projects associated with the political advancement of the Roma. The activities of the senior adviser of the Czech Republic in the CPRSI for the preparation of the Action Plan on Roma and Sinti, implemented in accordance with the conclusions of the Bucharest Ministerial Council of the OSCE, continued until the middle of 2002.

The Czech Republic made an active contribution to the observation of elections in OSCE participating states; in all, several dozen short-term and long-term observers from the Czech Republic took part in the election observation programme, and a number of elections were observed by members of the Czech delegation to the Parliamentary Assembly of the OSCE. The Czech Republic participated especially intensively in OSCE election observation and supervision in the Balkan region.

In line with its commitments, the Czech Republic invited OSCE observers to monitor the elections to the Chamber of Deputies of the Parliament of the Czech Republic. An election observation mission of the OSCE/ODIHR was deployed in the Czech Republic from 15 May to 19 June 2002. The Czech Republic, in co-operation with the ODIHR, specifically invited members of the election bodies from Central Asia and Caucasus (the invitation was accepted by Azerbaijan, Kazakhstan, Kyrgyzstan, and Tajikistan) to become acquainted with Czech election legislation and practices.

In 2002, the Czech Republic continued the active seconding of its experts to OSCE field missions, in particular in the Balkan region, by means of a continuously updated system enabling experts to be nominated in accordance with the qualification requirements of the OSCE. This system has been operated by the Ministry of Foreign Affairs of the Czech Republic since 2001 and contains an extensive database of available candidates that is permanently open to new entries.

In 2002, the activities of the OSCE were clearly affected by a crisis in relations between the OSCE and Belarus, which culminated in October 2002 when Belarusian authorities banned further activities of the OSCE Advisory and Monitoring Group (AMG) in the country. Most OSCE states, including the Czech Republic, pressed for the OSCE to be

allowed to continue its activities in Belarus. At the end of 2002, an agreement between the OSCE and Belarus was reached and the AMG's activities were terminated on condition that the presence of the OSCE in the country would continue from 1 January 2003 with a new mandate and name (OSCE Office in Minsk).

The increased efforts of mediators – co-chairs of the OSCE Minsk Group – resulted in moderate progress in negotiations within the OSCE between Armenia and Azerbaijan concerning Nagorno-Karabakh. These negotiations were directly supported by the Czech Republic, which in 2002 hosted two meetings of the personal representatives of the presidents of Armenia and Azerbaijan with mediators.

In the economic and environmental dimension of the OSCE, a key task for the Czech Republic was to host the annual OSCE Economic Forum (EF), the most important event at high political level. The 10<sup>th</sup> EF of the OSCE on the topic “Co-operation for the sustainable use and protection of the quality of water in the context of the OSCE” was held in Prague in the period 28-31 May 2002. Three working groups concentrated on issues of co-operation in the area of sustainable use and protection of the quality of water, on the entities involved in co-operation in this area, and on instruments of co-operation in the area of sustainable use and protection of the quality of water. In response to the terrorist attacks of 11 September 2001, a special session was included on the agenda of the 10<sup>th</sup> EF on the topic “Suppressing the Financing of Terrorism”. Based on a US initiative, which was also expressly supported by the Czech Republic as the host country of the EF, a decision was expounded at the 10<sup>th</sup> EF and then adopted by the OSCE Permanent Council in Vienna, under which all participating states of the OSCE undertook to disclose information about their steps against financial operations associated with terrorism and to improve the relevant legislative measures to meet internationally agreed standards (the FATF questionnaire).

During 2002, a debate took place, culminating at the Ministerial Council meeting in Porto, on the possibilities of improving the agendas of economic forums, including the possibility of extending the EF annually by a review meeting that would deal with the implementation of OSCE economic and environmental commitments. The Czech Republic actively supported the organisation of review meetings within the framework of the EF in Prague. It cautiously considered proposals which would lead to an ineffective broadening of the OSCE agenda, and the associated financial impacts, and to the creation of new OSCE bodies to be active in this area. It also sought to ensure that any new commitments of the OSCE in this dimension are directly related to security and stability and do not duplicate the activities of other forums.

Portugal's chairmanship of the OSCE in 2002 culminated in the 10<sup>th</sup> Ministerial Council Meeting in Porto (6-7 December 2002). In addition to the aforesaid OSCE Charter on Preventing and Combating Terrorism, a Political Declaration on "Responding to Change" was adopted in Porto. The most complicated negotiations involved an evaluation of the Istanbul commitments of the Russian Federation in relation to Georgia and Moldova, and on the situation in these countries. The Czech Republic, as a country that has materially fulfilled its Istanbul commitment, laid great stress on the remaining tasks that must be accomplished as a precondition for the ratification of the adapted CFE Treaty. The Ministerial Council also adopted separate regional statements on South Eastern Europe, Georgia, Moldova, Nagorno-Karabakh and Central Asia, a Declaration on Trafficking in Human Beings, and a number of decisions. It was important for the Czech Republic that Prague remained the seat of an OSCE Office. The Czech Republic was interested in developing the activities of the Office further to the benefit of the organisation as a whole, both by enhancing its role as the OSCE archive and conference supporting body, and by enhancing the information assistance provided to experts and the general public.

## **Council of Europe**

### *Activities in the political sphere*

The Czech Republic participated in both sessions of the highest executive body of the Council of Europe (CoE), the Committee of Ministers (CM), in May and November 2002. During the 110<sup>th</sup> session of the CM in Vilnius, which concentrated on the fight against international terrorism and the enhancement of regional co-operation, the Czech Republic expressed its support for regional and sub-regional initiatives in Europe, which are capable of responding more flexibly and effectively than large organisations.

The 111<sup>th</sup> session of the CM continued the discussion on the reform of the European Court of Human Rights and considered, among other things, a proposal for the organisation of the 3<sup>rd</sup> CoE Summit. The Czech Republic adopted a cautious position on the admission of the Federal Republic of Yugoslavia (FRY) to the CoE: as a condition for its admission, it raised not only the issue of the adoption of the Constitutional Charter by the Parliaments of Serbia and Montenegro, but also consistent co-operation between the FRY and the ICTY.

At the 811<sup>th</sup> meeting of the Ministers' Deputies (MD) in October 2002, Finland presented an initiative for the establishment of a European Roma Forum to enable Roma to

participate in decisions taken at an international level, and to eliminate discrimination against the Roma. At the 111<sup>th</sup> session of the CM, the Czech Republic supported the idea of establishing such a forum in principle, provided, however, that it would actually have a representative composition. This issue has not been resolved satisfactorily and requires further discussion by CoE bodies.

#### *Activities in judicial and expert bodies of the Council of Europe*

At its 800<sup>th</sup> meeting on 20 June 2002, the MD adopted a response to the Parliamentary Assembly of the CoE on Recommendation No 1458 (2000) “Towards a Uniform Interpretation of CoE Conventions: Creation of a General Judicial Authority”. As a result, a two-year CoE discussion on the Czech initiative to create a general judicial authority of the CoE was in fact terminated because the CoE bodies cited the existence of a number of monitoring and other control mechanisms set up under individual conventions, and, not least, the financial requirements of the project.

During 2002, the Czech Republic attended expert meetings on proposals to reform the European Court of Human Rights in order to enhance the performance of the Court and to make the decision-making procedure simpler and faster.

The European Court of Human Rights notified the Czech Republic of dozens of complaints filed by individuals, most of which concerned a breach by the Czech Republic of Article 6(1) of the European Convention for the Protection of Human Rights and Fundamental Freedoms, namely the right to a fair hearing within a reasonable time by an independent and impartial tribunal.

The Ministry of Foreign Affairs of the Czech Republic also participated in the work of the multidisciplinary group for the fight against terrorism, the task of which was to review human rights protection in relation to new antiterrorist measures, and the CoE agreements used to implement criminal law co-operation between the CoE members. Special attention was paid to the European Convention on the Suppression of Terrorism of 1977, and the possibilities of making it more effective. During the 111<sup>th</sup> session of the CM, the Czech Republic criticised, in particular, the fact that the new protocol amending the European Convention on the Suppression of Terrorism would enable the parties to the Convention to refuse the extradition of an accused person on the basis of the “political offence reservation”

even in case of criminal acts in respect of which such reservation is prohibited by the relevant agreements of the UN.

The Czech Republic abided by the recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) of 1997. The last of the recommendations to be complied with by the Czech Republic is the creation, by a legislative act, of an independent body to supervise restrictions of personal liberty. The CPT delegation made a regular visit to the Czech Republic in April 2002, and a review report on the visit was delivered in December 2002.

The Ministry of Foreign Affairs of the Czech Republic maintained contact with the Secretariat of the European Commission against Racism and Intolerance (ECRI). The Ministry of Foreign Affairs of the Czech Republic provides the ECRI with information on the situation in the Czech Republic and on the activities of the Government in this area. In addition, the Czech Republic was represented by experts of the Ministry of Foreign Affairs in a number of specialised working bodies of the CoE, such as the Steering Committee for Human Rights (CDDH), the Subcommittee for the Development of the European Convention on Human Rights (DH-PR), and the Steering Committee for Equality between Women and Men (CDEG).

In 2002, co-operation between the Czech Republic and the CoE Development Bank also continued. The Secretary General of the bank offered assistance to the Czech Republic as it sought to clear up the aftermath of the floods, including assistance in the restoration of the damaged cultural heritage.

### *Contractual activities*

One of the most important steps for the integration of the Czech Republic into the contractual basis of the CoE was the signing of Protocol No 13 to the Convention for the Protection of Human Rights and Fundamental Freedoms, covering the abolition of the death penalty in all circumstances, which was signed during the CM session held in Vilnius on 2-3 May 2002. The Protocol concerns a general ban on the death penalty and a ban on imposing and implementing capital punishment during wartime. Another important document was the Additional Protocol to the European Social Charter, signed on 26 February 2002, which establishes a system of collective complaints implementing a new review instrument, i.e. a system based on filings by competent non-governmental organisations regarding breaches of



the Charter. This will be possible without the obligation to refer cases initially to national judicial bodies.

In 2002, the Czech Republic signed the European Convention on Social Security, the Supplementary Agreement for the Application of the European Convention on Social Security, the Protocol to the European Convention on Social Security, the European Landscape Convention, the Additional Protocol to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data concerning the supervisory authorities and trans-border data flows, and the Additional Protocol to the Anti-doping Convention.

The following conventions have been ratified: the European Convention on the Supervision of Conditionally Sentenced or Conditionally Released Offenders (10 April 2002), the European Convention on the Control of the Acquisition and Possession of Firearms by Individuals, and the Additional Protocol to the Convention on the Transfer of Sentenced Persons (2 October 2002).

## **6. The Czech Republic and international organisations**

### **The UN and associated organisations**

*57<sup>th</sup> session of the UN General Assembly (UN GA)*

On 10 September – 20 December 2002, the main (autumn) part of the 57<sup>th</sup> session of the UN General Assembly took place at the UN headquarters in New York. The main focus of attention was international security, in particular in the context of the situation in Iraq and the Middle East and the fight against terrorism, the role of the UN in finding solutions to issues which could foster terrorism, UN reform, UN peacekeeping operations, international disarmament and non-proliferation of weapons of mass destruction, international economic co-operation and sustainable development, social aspects, human rights, and international law.

For the first time in the history of the Czech Republic and the former Czechoslovakia, a candidate of the Czech Republic, the former Deputy Prime Minister and Minister of Foreign Affairs, Jan Kavan, was elected by acclamation to the office of the President of the 57<sup>th</sup> UN GA on 8 July 2002.

High representatives of all UN member countries, most of them at the level of ministers of foreign affairs, took part in the general discussion held on 12-20 September 2002. The opening statement was presented by UN Secretary General (UN SG) Kofi Annan, who emphasised the importance of multilateralism as a fundament of the UN and global matters. As such, Annan was expressing indirect disapproval of the unilateral intervention in Iraq and called for a peaceful solution through the UN. A similar stance was adopted by the President of the UN GA Jan Kavan in his speech.

The course of the discussion was significantly influenced by the speech of US President George W. Bush, which was mostly devoted to Iraq, and his call for the international community to take joint action in order to fulfil the requirements of the UN Security Council (UN SC). Further debate was dominated by calls for a joint fight against terrorism, by the urgent need for a solution to the Israel-Palestine conflict, support for the post-war reconstruction of Afghanistan, and issues of economic development and prosperity, the eradication of poverty, HIV/AIDS, globalisation and sustainable development. Special

attention was paid to the issues of development in Africa, including the UN's support for an emerging initiative, the New Partnership for Africa's Development (NEPAD).

On behalf of the head of delegation of the Czech Republic, the First Deputy Minister of Foreign Affairs Jan Kohout took part in the general debate at the 57<sup>th</sup> UN GA on 20 September 2002. In his speech, he confirmed the continuity of the Czech Republic's foreign policy, with an emphasis on the integration of the Czech Republic into the Euro-Atlantic structures and its multilateral co-operation, the determination to remain actively involved in the fight against terrorism, and the importance ascribed by the Czech Republic to disarmament and non-proliferation of weapons of mass destruction. As a topical matter, he presented the Czech Republic's opinion on the issue of Iraq and detailed the Czech Republic's standpoints on topical international issues and problems relating to the UN.

The Czech delegation, in accordance with the priorities of the Czech Republic's foreign policy, supported measures for the enhancement of international peace and security, and for the fight against international terrorism. The Czech Republic also placed a stress on conflict prevention, post-conflict reconstruction and the practice of discussing the situation in individual crisis areas (the Balkans, the Middle East, Afghanistan, Africa, etc.). In its presentation to the plenary session of the UN GA, the Czech Republic concentrated on SC reform, the IAEA report, the HIV/AIDS problem, and UN Volunteers Year. In accordance with the principles of political dialogue between member and associated countries of the EU, the Czech Republic expressed its adherence to many of the standpoints of the EU, and supported, during the debate on draft resolutions, numerous objectives of the EU, in addition to its own goals.

#### *Presidency of the 57<sup>th</sup> UN General Assembly*

The Czech presidency set the following priorities: 1. Support for the implementation of the Millennium Declaration conclusions, the implementation of the Monterrey Consensus, and the results of the World Summit on Sustainable Development in Johannesburg; 2. The prevention of conflicts and the fight against international terrorism; 3. Enhancement of co-operation inside and outside the UN; 4. Reform of the UN and revitalisation of the GA.

One of the most important tasks of the autumn part of the GA session was to discuss the UN SG report "Strengthening of the United Nations: An Agenda for Further Change". Under the leadership of its President Jan Kavan, the text of a resolution was prepared

outlining the further direction for reform processes and enhancement of the organisation, in particular in economic and social areas, by means of an adjusted budgetary plan for the two-year period 2004-2005.

The GA President also submitted a draft resolution concerning the UN SG report “The Implementation of the UN Millennium Declaration”. The consensually adopted resolution proposed to organise a high-level meeting to discuss comprehensively progress made in the implementation of Declaration objectives at the 60<sup>th</sup> UN GA session, i.e. 5 years from its adoption. Another consensually adopted presidential draft resolution concerned the “Subsequent Evaluation of the Implementation of the Declaration of Commitment on HIV/AIDS”. The plenary session on the New Partnership for Africa’s Development focused on a discussion of the possibilities of international support for the initiative, in particular support through the UN structure. Jan Kavan also presided over the working group dealing with the final evaluation of a ten-year UN initiative to support the development of Africa (the UN NADAF), which had just come to an end.

The President of the GA also opened a discussion on the revitalisation of the GA’s work. This discussion concentrated on the rationalisation of the GA agenda, on the higher effectiveness of its work, and the revitalisation of plenary session discussions. As a new element in the GA’s work, a panel discussion “Afghanistan – One Year After” was organised with the participation of representatives of the UN, non-governmental organisations and the mass media. Because the seminar was a success, the presidency of the UN GA was asked to organise similar panel discussions more frequently.

The presidency of the UN GA should also take part in the work of an open-ended working group dealing with the prevention of armed conflict. The President will also lead an Open-ended Working Group set up to discuss issues of equal representation, an increase in the membership of the UN SC, and other matters concerning the UN SC. The work of this Group will focus primarily on the working methods and transparency of SC activities.

## *Special Sessions of the General Assembly*

### *Resumed 10<sup>th</sup> Special Session of the UN General Assembly on the Middle East*

The 18<sup>th</sup> plenary session of the 10<sup>th</sup> special session of the UN GA was held on 5 August 2002. The agenda included a UN SG report on the events in Jenin. The session adopted a resolution which the Czech Republic supported in accord with the EU.

### *27<sup>th</sup> Special Session of the UN General Assembly on Children*

On 8-10 May 2002, the 27<sup>th</sup> special session of the UN GA on children took place in New York; this session reviewed the progress made in accomplishing the objectives of the World Summit on Children (New York, 1990) and confirmed specific commitments in this area for the following period (mostly until 2015). The participants adopted a document called “The World Fit for Children” containing a political declaration, a review of current developments, and an action plan. In his speech, the head of the Czech delegation summarised the positive results the Czech Republic has attained in child-related matters over the past 10 years, and recalled the issues and priorities the Czech Government has to deal with in the future. For the first time ever, a children’s forum – attended by young delegates from all over the world – took place on this occasion.

## *UN International Conferences*

### *International Conference on Financing for Development*

On 18-22 March 2002, an International Conference on Financing for Development took place in Monterrey, Mexico, with the aim of finding an effective cure for global poverty. Top representatives of UN member states, international finance and trade organisations, non-governmental organisations and the private sector took part in the conference. The delegation of the Czech Republic was headed by the Deputy Prime Minister and Minister of Foreign Affairs of the Czech Republic Jan Kavan.

The conference adopted a political declaration called “The Monterrey Consensus”, thus completing the preparatory process of financing for development, which had been run since 1999 with the involvement of representatives of the Ministry of Foreign Affairs,

Ministry of Finance, and Ministry of Trade, and with development assistance from UN member countries, representatives of international finance and trade organisations, and a number of non-governmental organisations and the private sector. The national development strategies mobilising national efforts for development should become a key instrument of development and development assistance. The Monterrey Consensus invited donor countries to “examine the methods and time schedules for the increase in the volume of the official development assistance in the amount of 0.7% of the GDP” in accordance with the long-term objectives of the UN, and to keep striving to make development assistance more effective (in part by concentrating more on the fight against poverty, respecting national development strategies, enhancing technological co-operation in the building-up of capacities, and supplying a greater share of unrestrained development assistance). The need to relieve the poorest countries of their indebtedness was also an important part of the process.

In his speech, Jan Kavan underlined the importance of the struggle to eradicate poverty as an integral part of the fight against terrorism and intolerance. While stressing that there was no direct causality between poverty and terrorism, he did express his conviction that they have a common base. He emphasised that the Czech Republic considered all aspects of support to developing countries, including private investments, official development assistance or debt waiving, to be important, but that it was necessary for developing countries to create an environment fitting for the receipt of such assistance.

#### *World Summit on Sustainable Development*

The World Summit on Sustainable Development was held in Johannesburg, South Africa, on 26 August – 4 September 2002. The main results of the summit were the Implementation Plan and the Johannesburg Declaration; partnership initiatives, i.e. voluntary commitments by governments, international organisations and non-governmental entities to share in activities supporting sustainable development, were also important.

The objective of the summit was to discuss the progress made by the global community in implementing the conclusions of the UN Conference on the Environment and Development (UNCED) (Rio de Janeiro, 1992). The goal of the Johannesburg Summit was to update and clarify the path to be taken towards sustainable development in view of present conditions. The most important specific conclusions of the summit therefore included the commitment to halve, by 2015, the number of persons having no access to basic sanitary

services, and the commitment to maintain, or to restore, by 2015, fish stocks at a level enabling maximum sustainable yield.

The Johannesburg Summit emphasised a direct link between measures to protect the environment and natural resources and the fight against poverty and the conditions of international trade, including the lifting of trade barriers and subsidies by developed countries. The Czech Republic welcomed the results of the summit because they confirmed the international community's commitment to ensure sustainable development. In the summit's Implementation Plan, all the Czech Republic's positions relating to education and science in the course of the preparatory process and at the summit were confirmed.

#### *Framework Convention on Climatic Change (UNFCCC)*

At the end of October and beginning of November 2002, the 8<sup>th</sup> session of the parties to the Convention was held in Delhi. The session elaborated on and clarified a set of decisions taken by the preceding session (the "Marrakech Agreement"), which contained specific operational rules for the implementation of the Kyoto Protocol. At the session, the Czech Republic was assigned the task of coordinating the CG-11 Group (the ten accession countries + Croatia).

#### *2<sup>nd</sup> World Assembly on Ageing and Ministerial Conference on Ageing*

The 2<sup>nd</sup> World Assembly on Ageing took place on 8-12 April 2002, which adopted consensually the globally valid Madrid 2000 International Action Plan for the Issues of Ageing, which responds to topical problems connected with global ageing and, at the same time, anticipates the tasks which need to be carried out with regard to forecast demographical developments, in particular with a sharper focus on the developing countries and countries with economies in transition.

In connection with the conclusions of the assembly, a Ministerial Conference on Ageing took place in Berlin on 11-13 September 2002. This conference adopted two documents, the Berlin Ministerial Declaration and the Regional Implementation Strategy, highlighting the areas on which the national policies of member countries of the EEC should focus and designed to support the creation of a society viewing seniors as important partners.

### *UN Security Council (SC)*

During 2002, SC interest concentrated on the situation in Afghanistan, the Middle East, and, in the second half of the year, particularly on the Iraq issue. In addition to the Counter Terrorism Committee (CTC) established under Resolution 1373 (2001), which is an auxiliary body to the Council for the Coordination of the International Fight against Terrorism, there were eight Security Council Sanctions Committees concerning Iraq (661), Libya (748), Somalia (751), Angola (864), Rwanda (918), Sierra Leone (1132), Afghanistan (1267) and Liberia (1343). The Sanctions Committee concerning the situation in Angola was wound up at the end of the year following the termination of sanctions against the UNITA. The Committee concerning Libya discontinued its activities following the suspension of sanctions. The SC's most important act was to increase international pressure on Iraq when the SC, under Resolution No 1441 (2002) of 8 November 2002, took a unanimous decision on further steps aimed at the prescribed disarmament of Iraq. Weapons inspections in Iraq were subsequently resumed by the UN on 27 November 2002 after a four-year interruption.

### *UN Economic and Social Council (ECOSOC)*

The ECOSOC is the main body of the UN dealing with matters of economic and social development. Its activities in 2002 culminated in the July substantive session held in New York (1-27 July 2002) with the main topic of the "Contribution of the Human Resources Development, including the Areas of Health and Education, to the Process of Development". The Czech Republic actively supported the EU in the negotiation of the Ministerial Declaration, which contained references to the development objectives of the Millennium Declaration, regarding the 26<sup>th</sup> special session of the UN GA on AIDS, and the New Partnership for Africa's Development.

### *Combating illicit drugs within the UN framework*

In 2002, the National Antidrug Centre and the Antidrug Department of the Customs General Directorate began to deliver regular quarterly statements to the UNDCP on the results



achieved by the Czech Republic in uncovering illegal drugs. In December 2002, the Government of the Czech Republic adopted a resolution on the proposal to ratify the Agreement on Illicit Traffic by Sea, implementing Article 17 of the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. At the end of 2002, the Permanent Mission of the Czech Republic to the United Nations in Vienna announced the intention of the International Narcotic Control Board to second a mission to the Czech Republic to review the implementation of the international anti-drug conventions and to ascertain the status of the anti-drug policy.

### **International specialised organisations within the UN system**

#### *UN Industrial Development Organisation (UNIDO)*

In 2002, co-operation between the Czech Republic and the UNIDO diversified. The realisation of a project to handle issues of municipal waste in Darussalam, the capital city of Tanzania (within the framework of the UNIDO Integrated Programme for Tanzania) and the implementation of a project to build cleaner production capacities in Macedonia began. The Czech Republic also became involved in the UNIDO regional programme “Technology Foresight”, where it assumed substantive and financial responsibilities for one of the areas. The Czech Republic’s participation in the above-mentioned UNIDO projects and programmes was financed primarily out of its voluntary contributions to the UNIDO Industrial Development Fund (IDF). In addition to the enhancement of the donor profile of the Czech Republic in the UNIDO, Czech entities were also successfully involved in UNIDO activities: a Czech science and research institution joined in with a UNIDO pilot project dedicated to the fulfilment of commitments under the Stockholm Convention on Persistent Organic Compounds. The project, worth more than USD 500,000, was financed out of the Global Environment Fund (GEF).

#### *Food and Agriculture Organisation of the United Nations (FAO)*

Thanks to its membership of the FAO Council, the Czech Republic was able to play an active role in the decision-making processes of this largest specialised organisation within

the UN system. On 10-13 June 2002, the “World Food Summit: Five Years” took place in Rome to assess the progress made since a similar summit held in 1996. The participants confirmed their political willingness to keep honouring their commitments laid down in the Rome Declaration on global food provision, and in the Action Plan of the World Food Summit. Within the framework of the Czech Republic’s official development assistance, training courses for agricultural specialists from Eastern Europe were organised in co-operation with the FAO in the Czech Republic via the FAO Trust Fund, and Czech experts were involved in FAO programmes and projects in developing countries.

#### *International Labour Organisation (ILO)*

In June 2002, the session of the 90<sup>th</sup> International Labour Conference, the supreme body of the ILO, was held in Geneva and was attended by a tripartite delegation of the Czech Republic. The session concentrated on child labour as a global problem arising out of poverty, dock labour, forced or obligatory labour, and the records and reporting of industrial accidents and occupational diseases. Discussions were also held on a new recommendation to support co-operatives and on the informal economy, and a resolution on the tripartite negotiations and social dialogue was adopted.

#### *World Health Organisation (WHO)*

The delegation of the Czech Republic participated in the 55<sup>th</sup> World Health Assembly in May 2002, and in the regional session in Copenhagen in September 2002. The representative of the Czech Republic, Bohumil Fišer, was elected a member of the Executive Council, the WHO supreme executive body, for the 2004-2006 period.

#### *International Civil Aviation Organisation (ICAO)*

On 19–20 February 2002, the Ministerial Conference on Civil Aviation Security took place in Montreal, reflecting the extraordinarily adverse impact of the events of 11 September 2001 on civil aviation transport. In addition to a discussion on measures to restore customer

confidence in aviation, the conference agenda concentrated on the adoption of enhanced uniform security measures responding to a certain threat level. These measures should include security audits at airports of all ICAO member countries. The Czech Republic agreed to make a CZK 1 million contribution to cover increased expenses in the implementation of security measures. These funds should be guaranteed in the form of an increase in the Czech Republic's regular annual contribution to the ICAO by CZK 500,000 in the years 2003 and 2004.

*United Nations Educational, Scientific and Cultural Organisation (UNESCO)*

The Czech Republic took part in the Round Table of the ministers of culture (Istanbul, September 2002) and was involved, at expert level, in the preparation of a draft international legal instrument to protect intangible cultural heritage. Czech experts participated, for example, in the preparation of a Recommendation on Multilingualism and General Access to the Cyberspace, and a Charter on Digital Heritage Maintenance.

The Czech Republic participated, as a reporter, in the 17<sup>th</sup> session of the Intergovernmental Council for the Man and Biosphere Programme (Paris, March 2002). Representatives of the Czech Republic took part in sessions of the governing bodies of the International Hydrological Programme, the Intergovernmental Office for Education, and the UNESCO International Statistical Office. The chairperson of the Czech Commission for UNESCO, Ms Jaroslava Moserová, attended the sessions of the World Commission for Ethics of Scientific Knowledge and Technology.

The UNESCO secretariat provided a financial subsidy of USD 93,000 for six projects in the Czech Republic. In addition, UNESCO granted USD 25,000 for the restoration of libraries damaged by floods, and also subsidised, via the World Heritage Centre – which participates in long-term projects – the renovation of damaged monuments recorded on the World Heritage List (Prague, Český Krumlov).

The Czech Republic was involved in the implementation of projects in the scope of UN Cultural Heritage Year (such as organising national European Heritage Days), which culminated in a congress on the 30<sup>th</sup> anniversary of the signing of the Convention concerning the Protection of the World Cultural and Natural Heritage (Venice, November 2002). In August, a Certificate of Inscription, verifying the registration of Tugendhat Villa in Brno as the eleventh Czech monument on the UNESCO World Heritage List, was officially presented.

In addition, an application for the inscription of two monuments in the town of Třebíč (its Jewish Quarter and the Basilica of St Procopius), was considered. At the end of 2002, the thirteenth nomination, for the Český ráj nature reserve, was filed with the World Heritage Committee.

## **UN programmes**

### *UN Development Programme (UNDP) and UN Population Fund (UNFPA)*

Within the framework of its membership on the UNDP/UNFPA Executive Board in the period 2002-2004, the Czech Republic, in its capacity of vice-president, actively participated, in particular, in preparations for the International Conference on Financing for Development (Monterrey, March 2002).

Via the Czech UNDP Trust Fund, the Czech Republic also became involved in the implementation of regional UNDP programmes and projects by organising training courses and study trips in the Czech Republic. Co-operation continued with the UNDP Regional Bureau in the operations of the Development Centre of the Institute for International Relations and Utilisation of Financial Resources of the Global Environmental Fund (GEF) in the field of environmental protection in the Czech Republic. The UNDP provided the Czech Republic with a donation of USD 50,000 to clean up the aftermath of the floods.

### *UN Volunteers Programme (UNV)*

The support provided by the Czech Republic for volunteer activities within the United Nations system was reflected primarily by the financing of three Czech volunteers involved in UN programmes and projects through the UNV, and also the financing of the National Contact Point for UN Volunteers in the Czech Republic. Working in close co-operation with the UNV, the Point identifies and secures areas where Czech volunteers can be involved in UN missions.

### *UN Children's Fund (UNICEF)*

The MFA of the Czech Republic co-operated with the Czech Committee for UNICEF in preparations for the Czech Republic's participation in the 27<sup>th</sup> special session of the UN General Assembly on Children (New York, May 2002). UNICEF provided the Czech Republic with financial assistance of approximately EUR 55,000 to help clear up the aftermath of the floods; this sum was the proceeds from a fund-raising event organised for this purpose in Germany (by the German Committee for UNICEF).

### *International Francophone Organisation (OIF)*

The Czech Republic's observer member status in OIF broadens the possibilities for co-operation between the Czech Republic and OIF member countries, including not only the traditionally francophone countries of the world, but also countries of Central and Eastern Europe. In 2002, the Czech Republic participated in the three most important events organised by the OIF: the 16<sup>th</sup> Ministerial Conference in Paris, the 9<sup>th</sup> Summit on Francophony in Beirut, and the 18<sup>th</sup> Ministerial Conference in Lausanne. An inter-ministerial working group for Francophony was established in the Czech Republic, the proposals of which were presented to the OIF for review. The 6<sup>th</sup> International Days of Francophony were held in the Czech Republic in March 2002 under the auspices of the Minister of Foreign Affairs.

## **The Czech Republic and global economy**

### *Organisation for Economic Co-operation and Development (OECD)*

In 2002 the Czech Republic continued to promote its foreign political and economic interests within the OECD (Organisation for Economic Co-operation and Development). As in previous years, most central government authorities of the Czech Republic and the Czech National Bank (CNB), coordinated by the inter-ministerial Working Group for Co-operation with the OECD headed by the Ministry of Foreign Affairs of the Czech Republic, were involved in co-operation with the OECD.

Within the framework of the OECD agenda, numerous sessions of the working bodies of the OECD took place, some of which were attended on behalf of the Czech Republic by representatives of the Office for the Protection of Competition, the Czech Statistical Office and the Administration of the State Material Reserves, as well as by representatives of ministries.

The annual OECD Council Meeting at Ministerial Level was held on 15-16 May 2002. In the area of economy, the participants discussed the issues of the intensification and acceleration of economic recovery and integrity and transparency in the international economy. The meeting also dealt with the relationship between trade and development as a follow-up to the Ministerial Conference of the World Trade Organisation (WTO) in Doha and the UN Conference on Financing for Development in Monterrey.

In 2002, the Czech Republic also participated in OECD co-operation with non-member economies. The Czech Republic considers this co-operation to be an integral part of the OECD's activities and an instrument for the dissemination of good practice to non-OECD countries. Representatives of the Czech Republic participated in activities organised within the framework of the dialogue on policies and regional and national programmes. In compliance with the priorities of its foreign policy, the Czech Republic supported co-operation between the OECD and the region of South Eastern Europe with a voluntary contribution of CZK 1 million, devoted to economic development in the region and anticorruption activities.

#### *World Trade Organisation (WTO)*

The WTO is responsible for the supervision of the multilateral trade system and is a forum for actions aimed at the liberalisation of trade in goods and services and for the drawing up of rules in trade-related areas. Its documents represent a fundamental contractual framework in which the Czech Republic implements its foreign trade policy. The Czech Republic completed the fulfilment of its commitments under the treaties and covenants of the Uruguay Round (reducing or eliminating agreed customs, reducing domestic subsidies and export subsidies in agriculture, liberalisation of trade in services) and the transposition of all other commitments ensuing from WTO documents in its internal legislation.

In 2002, the Czech Republic applied protective measures in respect of the export of certain food products.

The main task in 2002 in relation to the WTO was to formulate the Czech Republic's position for negotiations within the framework of the new development programme defined at the IV Conference of Ministers in Doha in 2001; the programme applied, in particular, to market access, amendments to existing multilateral rules, dispute management and settlement, subsidy policy, antidumping and regional trade agreement rules, and the relationship between trade and the environment. All the affected ministries were involved in accomplishing this task and the Government approved the relevant proposal for the negotiating position under Resolution No 1118 of 13 November 2002.

The Czech Republic is actively involved in negotiations on the approach of the Ukraine, the Russian Federation and other countries to WTO, and consults and coordinates its position regarding this and other issues with CEFTA and EU Member States.

#### *IMF, World Bank*

##### *International Monetary Fund (IMF)*

The International Monetary Fund and the World Bank (WB) were established at a conference held in Bretton Woods (New Hampshire, USA) in 1944. Under the IMF Articles of Agreement, the principal objectives of the IMF are to promote international monetary co-operation, facilitate the expansion and growth of international trade, support foreign exchange stability, facilitate the establishment of multilateral payment systems, make resources temporarily available to members having difficulty with their payment balance, and reduce the duration and mitigate the level of imbalance in the international payment balances of members.

The Czech Republic has been a member since 1 January 1993. In the same year, the IMF extended a loan (known as "stand-by credits") to the Czech Republic to support its payment balance in connection with the introduction of internal convertibility and structural changes in its economy. The stand-by credits were repaid before the due date in 1994.

The member's quota (i.e. the amount of capital obligatorily subscribed by each member country) applicable to the Czech Republic is SDR 819.3 million, which is tantamount to voting power of 0.39% (SDR is the currency unit used to express the financial operations of the IMF and WB). The IMF's supreme body is the Board of Governors. The current IMF Governor for the Czech Republic is the Governor of the Czech National Bank, Zdeněk Tůma. The Czech Republic's permanent representative at the IMF is Jiří Jonáš, who holds the

position of adviser to the Executive Director for the Constituency (i.e. a group of countries represented on the Board of Executive Directors by a single Executive Director, which includes, beside the Czech Republic, Belgium, Austria, Belarus, Hungary, Kazakhstan, Luxembourg, Slovakia, Slovenia and Turkey).

The Czech Republic participates in the generation of resources for the PRGF (Poverty Reduction and Growth Facility) programme, under which the IMF provides assistance to the poorest and least developed countries. The total amount of the contribution payable by the Czech Republic is SDR 10 million. The contribution has been paid in annual instalments of SDR 1 million SDR since 1994 (i.e. it will be complete in 2003).

Co-operation in 2002 principally took the form of regular IMF missions to the Czech Republic, resulting in recommendations for economic policy in the monetary, fiscal and wage areas. Official staff missions, i.e. Missions under Article IV of the IMF Articles of Agreement, take place once a year. The last such mission was carried out in April and May 2002, and concentrated on the current macro-economic situation. Another mission in 2002, a "Staff Visit", took place in November 2002 and its main topic was fiscal policy in the period preceding entry to the EU.

#### *World Bank (WB)*

The Czech Republic has been member of the WB since 1 January 1993. The WB's supreme body is the Board of Governors. The current WB Governor for the Czech Republic is Minister of Finance Bohuslav Sobotka, with Vice-governor of the CNB Oldřich Dědek as his alternate. The voting power of the Czech Republic is derived from the amount of its capital contribution and stands at 0.41%.

The Czech Republic is currently one of the IBRD's client countries. In the spring of 2001, however, the Czech Republic initiated the process of graduating its membership in the bank. The graduation of a member country means its transition from the group of client countries to the group of developed countries, which do not draw assistance from the bank but, on the contrary, contribute to the assistance to other countries. The process of the graduation of the Czech Republic will be completed on its accession to the EU. In 1991, the IBRD provided a SAL (Structural Adjustment Loan) of USD 450 million to the then Czechoslovakia to finance structural changes in its economy (in particular to build infrastructure). After the division of the Czech and Slovak Federative Republic, USD 300 million was transferred to the Czech Republic. The loan is currently being repaid, with the



final due date falling in 2006. The Czech Republic has not drawn any other loans from the IBRD, nor does it intend to do so in the future.

Current co-operation focuses on technical assistance by the WB. In 2002, a ROSC (Review of Standards of Codes of Corporate Governance) mission was carried out, the results of which were presented in Prague on 3 December 2002. Work continued on pension reform (the WB is preparing, among other requirements arising from consultations held in 2002, a report on the potential establishment of a Social Insurance Authority). In the 2002/2003 fiscal year, co-operation is being carried out in the area of pension reform, the improvement of insurance sector supervision, the legal framework for insolvency, private and public sectors and the knowledge economy on the basis of the “Memorandum on Co-operation between the Czech Republic and the WB”.

Joint annual sessions of IMF and WB were held in Washington, D.C., in September 2002, attended by a Czech delegation headed by the Minister of Finance and the Governor of the CNB.

#### *European Bank for Reconstruction and Development (EBRD)*

The EBRD provides assistance to the transforming countries of Central and Eastern Europe and countries of the former USSR in their transition to a market economy, and has financial operations in 27 countries. Its supreme body is the Board of Governors, where the Czech Republic is represented by Minister of Finance Bohuslav Sobotka. The share of the Czech Republic in the subscribed capital of the bank amounts to 0.87%, which also represents the Czech Republic’s voting power. The Board of Governors meets once a year at annual EBRD sessions (the last annual session of the Board of Governors took place on 19-20 May 2002 in Bucharest).

The EBRD’s activities in the Czech Republic are focused primarily on financing the private sector; since its establishment, it has approved 41 projects in the Czech Republic, worth a total of EUR 905 million. In 2002, five new projects totalling EUR 61.1 million were signed.

The EBRD’s activities in the Czech Republic in 2002 were governed by the “EBRD Strategy for the Czech Republic for 2002-2003”, adopted in November 2001. The Strategy has a positive view of the inflow of foreign investments into the Czech Republic and the on-going process of privatisation. The Strategy provides information on the focus of EBRD’s

activities in 2002 and 2003 (investments into infrastructure and into the environment in cities and municipalities, investments into the development of the finance sector, business sector and in support of small and medium-sized enterprises in the Czech Republic).

#### *Council of Europe Development Bank (CEB)*

The CEB was established in 1956, but until 1 November 1999 it worked under the name Council of Europe Social Development Fund. Its shareholders include most member countries of the Council of Europe (CoE); the CEB is associated with the CoE and is subordinated to its supreme authority. The CEB contributes to the development of social investment programmes based on criteria of its own and provides loans to its member countries or to financial institutions approved by the governments of such states. The CEB is legally and financially independent and is the principal instrument of the solidarity policy pursued by the Council of Europe. The managing organs of CEB include the Governing Board, the Administrative Council (each member country has one representative in either of these organs) and the Auditing Board. The Czech Republic has been a member since 12 February 1999.

The priority objective of the CEB is to assist in resolving social issues that exist or may occur in European countries as a result of the presence of refugees, immigrants or migrants, as well as the presence of victims of natural or ecological disasters. In particular, the CEB finances projects involving job creation and social housing, social infrastructure, assistance to small and medium-sized enterprises, environmental protection, promotion of education and health, rural modernisation, the improvement of living conditions in disadvantaged urban areas, and the protection and rehabilitation of historic heritage. In the Czech Republic, the CEB finances several projects through its partner bank.

#### *European Investment Bank (EIB)*

The European Investment Bank is an autonomous body within the structure of the European Union, established to finance capital investment projects accomplishing the objectives of individual EU policies; the EIB is owned by EU Member States.

The focus of the EIB's investment activities is on EU Member States, although the bank also operates in EU candidate countries and in other states throughout the world. The EIB has been active in the Czech Republic since 1992, and since that time has entered into loan agreements in the Czech Republic totalling EUR 3.8 billion.

On accession to the EU, the Czech Republic will become a member of the EIB. Negotiations on the terms and conditions of entry into the EIB were part of the accession negotiations with the European Commission in 2002. For the Czech Republic, entry will mean the obligation to pay a share in the EIB's capital and reserves (in total around EUR 220 million) by March 2009; in return, the country will be able, through its representatives in EIB bodies, to participate in the decision-making on EIB's loan policy and commercial activities.

In connection with the expected entry to the EU, it will be expedient to use loans from the EIB, in particular, to co-finance projects in relation to which the Czech Republic will draw resources from the Cohesion Fund and the Structural Funds, as these loans may be used to substitute mandatory national participation in financing. Another trend anticipated in the future is an increasing rate of co-operation between the EIB and self-governing administrative subdivisions as part of a programme to transfer a number of competencies and responsibilities of public administration to self-governing regions in the Czech Republic.

#### *International Bank for Economic Co-operation (IBEC) and International Investment Bank (IIB)*

The International Bank for Economic Co-operation was set up under the Agreement on the Establishment and Operation of the International Bank for Economic Co-operation of 22 October 1963, and the International Investment Bank arose under the Agreement on the Establishment of the International Investment Bank of 10 July 1970. The former Czechoslovakia was one of the founding members of both banks, and membership of the Czech Republic was established on the basis of succession to the international treaties entered into by the former Czech and Slovak Federative Republic.

The main reason for establishing the IBEC was to provide for multilateral settlements of transactions between member countries. The primary mission of the IIB was to extend medium-term and long-term loans for investment projects implemented by investors in member countries as well as for projects of joint significance.

Following the dissolution of the Council for Mutual Economic Assistance (Comecon) and following a change in the foreign trade principles established between member countries, preparations began for the transformation of banks into financial institutions operating on a strictly commercial basis, where their activity would be consistent with the economic interests of their owners – states – under new conditions. In the early 1990s, however, both banks found themselves in a critical financial situation as a result of overdue outstanding financial obligations of some of the member countries. Most of the debtors repaid their respective obligations in the previous years, with the exception of the Russian Federation and Cuba. At the May 2002 session of the Boards of the EBIC and IIB, the Russian delegation presented, and the banks' Boards discussed, a motion on the settlement of Russia's debt to both banks, and legislative and budgetary preconditions for the execution of this transaction were created in the Russian Federation in that same year.

### **The Czech Republic's membership of other international organisations**

The European and Mediterranean Plant Protection Organisation (EPPO) prepares processes of phytosanitary regulation in member countries and runs assessments of pesticides. The Ministry of Agriculture of the Czech Republic, in co-operation with the State Phytosanitary Administration, makes use of the findings, recommendations and documents of the EPPO for its activities in the field of quarantine, plant protection and registration of plant protection agents. The Ministry also receives data-sheets, i.e. facts about and descriptions of new harmful organisms (pests), which are important in assessing the risk of their potential introduction and spread in the territory of member countries.

The International Office of Epizootics (OIE) provides information on animal diseases in its member countries and participates in the research, monitoring and elimination of diseases. The OIE also provides source materials for the drafting and application of recommended veterinary principles for international trade in animals with a view to harmonising requirements among the member countries. The State Veterinary Administration of the Czech Republic is the Czech authority responsible for drawing up and applying recommended veterinary principles for international trade in animals and animal products with a view to harmonising the requirements among member countries.

The International Union for the Protection of New Varieties of Plants (UPOV) provides support for basic breeder rights attached to the sale of varieties and their protection

against misuse by the entities of other states, and enables the adoption of the results of testing of already verified varieties from other countries at a price substantially lower than the cost of new testing.

The International Office of Vine and Wine (OIV) protects the interests of vine growers, regulates the international wine market, creates standards and distributes information. The information released by OIV serves as the basis for the drafting of guidelines and directives in the field of wine production and vine growing and for the drafting of agricultural policies.

The Permanent Commission for the Proofing of Firearms (CIP) deals with the safety of weapons and ammunition for civilian purposes (other than weapons and munitions for purposes of land, naval or air warfare) and specifies and unifies measuring devices for measurements of the safety and technical parameters of weapons and ammunition and other devices, and weapons or equipment for industrial or business purposes where explosive filling is used. Ammunition and weapons that pass the tests are labelled with recognised marks, which eliminates the need for any further testing when these products are supplied to CIP member countries or third countries.

The International Bureau of Weights and Measures (BIPM) allows its member countries to link the values of their national standards of measurement for length, time (frequency), direct-current voltage, direct-current resistance, luminous intensity and ionising radiation activity to the BIPM's international standards of measurement.

The main focus of activities of the International Organisation of Legal Metrology (OIML) is to issue publications of an informative or a recommended nature, in particular in the fields of legal measuring devices – i.e. devices used in commerce, energy balancing, transport and environmental protection. The OIML currently applies a certification system, the objective of which is to create conditions, gradually, for the mutual recognition of appropriate types of legal measuring devices by individual member countries.

The principal objective of the International Institute of Refrigeration (IIF) is to facilitate the research and development of refrigeration technologies in the form of the dissemination and exchange of information on the latest status of science and technology in this area.

The Central Dispatch Organisation of Interconnected Power Systems (CDO) focuses on the development of trade in the power industry, co-operation in the field of power, energy efficiency and environmental protection, and allows access to and development of sources of

power, access to markets, liberalisation of the power market, and promotion and protection of investments. CDO also ensures the application of safety principles and directives.

The goal of the European Organisation for Nuclear Research (CERN) is international co-operation in the field of purely scientific and basic research, as well as related research. CERN is not involved in military projects. CERN's activities focus on the establishment and operation of international laboratories for the research of high-energy particles, including cosmic radiation. In 2002, the Czech Republic co-operated with CERN in eight experiments and an extensive theoretical set of issues related to sub-nuclear and nuclear physics. CERN's most significant project at present involves the construction of an LHC (Large Hadron Collider) accelerator, due for completion in 2006. Expert co-operation between the Czech Republic and CERN is ensured by the Czech Academy of Sciences via the Committee on the Co-operation of the Czech Republic with CERN.

The Joint Nuclear Research Institute (JNRI) is a joint centre for research in the field of elementary particle physics and nuclear chemistry and for the development of accelerator technology and detection devices for physical experiments. Recently, JNRI has concentrated on the research of physics of solid substances, radiobiology and medicine, and also develops certain applications of nuclear-physical methods in technical practice. Expert co-operation is ensured by the Academy of Sciences of the Czech Republic through the Committee on the Coordination of Co-operation with JNRI.

The International Cocoa Organisation gathers information on the consumption of cocoa and cocoa beans, endeavours to increase the sales of these products, and provides for the exchange of information concerning this issue.

The World Customs Organisation (WCO) deals with rules on the origin of goods, the simplification and harmonisation of customs regimes, customs treaties, and the terms and conditions for the liberalisation of world trade.

The European Molecular Biology Conference (EMBC) allows for co-operation between European countries in basic molecular biology research.

International transport organisations, including the European Conference of Ministers of Transport (ECMT), the Intergovernmental Organisation for International Carriage by Rail (OTIF), the Organisation for Co-operation of Railways (OSShD), the European Civil Aviation Conference (ECAC) and the European Organisation for the Safety of Air Navigation (EUROCONTROL), adopt measures at European or regional levels and coordinate the development of European air, road, rail and water transport with a view to harmonising European legislation with EU standards.

Most international telecommunication organisations, including in particular the International Telecommunications Satellite Organisation (ITSO), the European Telecommunications Satellite Organisation (EUTELSAT) and the International Mobile Satellite Organisation (IMSO), have undergone substantial restructuring in recent years that will strengthen the position of these organisations in the global telecommunications market. In accordance with intergovernmental agreements, outer space segments are reserved for member countries for the purposes of providing all types of electronic information.

The World Tourism Organisation (OMT), in the Executive Council of which the Czech Republic has a mandate until the end of 2003, has been gradually transforming over the past few years into a specialised UN organisation due to its position in the world tourism sector.

The International Bureau of Exhibitions (BIE) regulates and controls the conditions for the organisation of world fairs (known as EXPO). This intergovernmental organisation decided in late 2002 that the World Fair EXPO 2010 would be held in China, whose project won in the face of tough international competition. In 2002, the Czech Republic was actively involved in the work of the Administration and Budget Committee.

The International Criminal Police Organisation (INTERPOL) coordinates co-operation between criminal police authorities of member countries in combating organised crime.

The Interoceanmetal Joint Organisation (IOM) is an intergovernmental organisation with a focus on searching for, exploring and preparing for the industrial utilisation of ferromanganese concretions from the seabed. At the initiative of the Czech Republic, negotiations were commenced in 2002 with a view to amending this intergovernmental agreement so that it better accommodates the current international conditions.

## **7. Non-proliferation, arms control and disarmament**

International talks concerning disarmament, arms control and the non-proliferation of weapons of mass destruction (WMD) were mutually interconnected and were the subject of the work of the Conference on Disarmament in Geneva (CD), the UN Disarmament Commission (DC) and, in particular, the First Committee (disarmament and international security) of the UN General Assembly in New York. At these forums, the Czech Republic supported efforts aimed at the adoption and implementation of specific gradual steps with the

objective of destroying WMD and eliminating the proliferation of such weapons and their means of delivery.

The Czech Republic was an active member of all international control regimes and covenants which are significant because, by implementing a more stringent export policy for materials, equipment and technologies for direct use and double-use items, they help in preventing the proliferation of WMD, their means of delivery, and excessive accumulation of conventional weapons in a certain country or region. These control regimes existed without any direct link to the UN and complemented the control and non-proliferation regime implemented under UN disarmament covenants.

### *Nuclear weapons*

The principal assignment of the Czech Republic in the nuclear sector in 2002 was its presidency of the Nuclear Suppliers Group (NSG) from May 2002 to May 2003. Other important tasks included the preparation of and participation in the Second Review Conference of the Nuclear Safety Convention (NSC), the First Meeting of the Preparatory Committee for the Seventh Review Conference of the Non-Proliferation Treaty (NPT), and in expert meetings concerning the preparation of an amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM). Within the framework of the International Atomic Energy Agency (IAEA), the priority task was to monitor the political aspects of nuclear safety, also in relation to Temelín Nuclear Power Plant. At the IAEA Annual General Conference, Czech Republic's objective was to facilitate the strengthening of this organisation's role as a global platform for the drawing-up of nuclear safety standards.

At the NSG Plenary Session held in Prague in May 2002, the Czech Republic became, for the period of one year, the presiding country of this nuclear non-proliferation regime. The NSG's activities focused primarily on consolidating the measures designed to prevent any misuse of nuclear material and double-use items for terrorist purposes. The recent improvement in the relationship between the United States and the Russian Federation within the framework of the fight against terrorism was positively reflected in the NSG's work. The Prague Plenary Session admitted Kazakhstan as the 40<sup>th</sup> participant state and established a new forum for the exchange of information between national licensing and customs experts, with a view to preventing any misuse of nuclear exports for terrorist purposes. The NSG's most significant project in 2002 was the adoption of amendments to the NSG's statutory documents – "Guidelines Part 1 and Part 2", initiated by the USA as a preventative measure



against nuclear terrorism. The NSG's activities also intensified considerably in other areas under the Czech presidency. In September 2002, the first round of "outreach dialogue" took place with China, Egypt, Indonesia, Iran, Malaysia, Mexico, Pakistan and, for the first time in the NSG's history, with Israel.

A special plenary session held in December 2002 discussed the situation in North Korea, which failed to comply with commitments under the NPT, the Guarantee Agreement with the IAEA, and the Agreement on Denuclearisation of the Korean Peninsula, and published a press statement on the latest developments in North Korea.

Preparations for the Seventh Review Conference (RC) of the Non-Proliferation Treaty (NPT) began with a meeting of the First Preparatory Committee in New York on 15-19 April 2002. Discussions confirmed the consensus of the states parties on the need to reinforce the security of nuclear facilities, physical protection, the implementation of guarantees and nuclear export controls in the context of the events of 11 September 2001. The Czech Republic advocated more stringent criteria to prevent the proliferation of nuclear articles and technologies.

The Second Review Conference (RC) of the Nuclear Safety Convention (NSC) took place in Vienna in April 2002. The NSC entered into force on 24 October 1996 and had been signed by 65 countries and ratified by 54 countries as at 12 April 2002. Forty-six signatories (including EURATOM) attended the RC, with the OECD Nuclear Energy Agency (NEA) as observer. In compliance with the NSC, the Czech Republic, like other states signatories, submitted its National Nuclear Safety Report six months prior to the Second RC. The overall evaluation of the Czech Republic in discharging its obligations was positive.

The IAEA is a global forum for co-operation in the peaceful utilisation of nuclear energy and the drawing-up and supervision of compliance with nuclear safety standards, and plays an important role in nuclear non-proliferation. In 2002, several more expert meetings took place under the auspices of the IAEA to discuss an amendment to the Convention on the Physical Protection of Nuclear Material. The Czech Republic actively supported the more stringent provisions of the Convention as an effective means of preventing nuclear terrorism.

The principal topics of the 46<sup>th</sup> General Conference (GC) of IAEA included the fight against terrorism, the strengthening of nuclear safety, and the suppression of illicit trade in nuclear material. The Czech Republic was cited among the states that had ratified the Additional Protocol, which entered into effect for the Czech Republic on 1 July 2002. The Czech Republic joined the EU proclamation and, in its national presentation, emphasised the issues of nuclear safety and supported the IAEA in its efforts to consolidate the prevention of

nuclear terrorism. The Czech Republic's speech also responded to Austria's reference to the Temelín nuclear plant by emphasising, in a confrontation-free manner, the high standard of the plant's nuclear safety, which has also been confirmed by several IAEA inspection missions.

In the course of the GC, representatives of the IAEA Secretariat were informed of the situation regarding nuclear protection and radiation safety during the floods in the Czech Republic in the summer of 2002. The IAEA subsequently earmarked USD 100,000 for reconstruction of the radiation protection system at the Nuclear Research Institute in Řež u Prahy. On 19 September 2002, the delegation of the Czech Republic signed a commitment for a contribution of USD 128,000 to the IAEA Programme of Technical Co-operation and Assistance. In co-operation with the JNRI, the MFA of the Czech Republic will continue to support projects of technical assistance in third countries with the involvement of the IAEA where these projects are implemented with the Czech Republic's contribution for technical assistance.

Most resolutions discussed at the 46<sup>th</sup> GC were adopted by consensus and without any problems. The discussion on resolutions concerning North Korea and Iraq were, as a rule, more complicated (in both cases the Czech Republic acted as a co-sponsor of such resolutions). During the deliberations of the 46<sup>th</sup> IAEA GC, the Czech Republic was elected as a member of the Board of Governors for the period 2002-2004.

Another important non-proliferation instrument is the Comprehensive Test Ban Treaty (CTBT). The process of setting up the International Monitoring System (IMS) and the International Data Centre continued in 2002. This activity, however, was tainted by the continually negative attitude of the United States towards ratification of the CTBT. The United States failed to make contributions to activities related to the preparation of an on-site inspection scheme, thus challenging the already contractually agreed control mechanisms of the Treaty.

These developments provoked an outcry from many signatories of the Treaty (Australia, Hungary, Japan, Jordan, the Netherlands, New Zealand, Peru, the Republic of Korea, Canada, Chile, France, Nigeria, the Philippines, the United Kingdom, the Russian Federation, South Africa, Turkey and Sweden), who issued a "Joint Ministerial Statement on the CTBT" in New York in September 2002. The Statement contained an appeal requesting ratification of the CTBT as promptly as possible, a continuation of the nuclear test ban, and international co-operation in building a verification system. The Czech Republic also subscribed to the Statement.

After several years of negotiations, the “Agreement between the Czech Republic and the CTBTO Preparatory Commission on Activities, Including Post-certification Activities, Relating to International Monitoring Facilities for the Comprehensive Test Ban Treaty” (the “Facility Agreement”) was concluded in Vienna on 13 November 2002. Its purpose was to provide for the operations of the Auxiliary Seismic Station at Vranov near Brno, constituting a part of the IMS.

#### *Chemical and biological weapons*

On 7-11 October 2002, the 7<sup>th</sup> Conference of States Parties to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (CWC) was held in The Hague. At the Conference, the Czech Republic was elected a member of the Executive Council for a two-year period as of May 2003.

The session of the 5<sup>th</sup> Review Conference of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (BTWC) was held on 11-15 November 2002 in Geneva. The Czech Republic supported the multilateral approach to the implementation of the Convention and sought to ensure that, once certain critical moments were overcome, negotiations would resume on outstanding issues, with the prospect of creating an effective control mechanism. In recent years, the Czech Republic has made considerable progress in implementing the Convention and ranked *pari passu* with developed countries where conditions exist for proper compliance with the ban on biological and toxin weapons, by promulgating Act No 281/2002 Coll.

The plenary session of the control regime of the Australia Group was held in Paris on 2-5 June 2002. The session discussed further measures to increase the effectiveness of this control regime in the field of the non-proliferation of chemical and biological weapons.

The Czech Republic also participated in the work of the Missile Technology Control Regime (MTCR), the plenary session of which was held on 21-27 September 2002. In 2002, the process of preparing the International Code of Conduct against Ballistic Missile Proliferation (ICOC) was completely separated from the MTCR in accordance with the conclusions of the previous plenary session held in September 2001 in Ottawa. Thanks to the efforts of the EU, a conference was held in The Hague on 25-26 November 2002, where the ICOC was adopted and, at the same time, renamed The Hague Code of Conduct. The Czech Republic expressed its support of the Code at the conference.

### *Conventional weapons*

The Czech Republic continued to implement the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction, also known as the Ottawa Convention.

In December 2002, a delegation of the Czech Republic participated in the 4<sup>th</sup> Annual Conference on the Amended Protocol II to the Convention on the Prohibition or Restrictions on the Use of Certain Conventional Weapons (CCW) in Geneva, the 3<sup>rd</sup> session of the representatives of governmental experts, and a meeting of CCW states parties. A group of governmental experts prepared a proposal for its own negotiation mandate for 2003, containing the drawing-up of a legally binding document that would define most types of explosive munitions, with the exception of mines, define responsibility for their destruction, determine the methods of civilian population warning, and formulate the principles of international co-operation and assistance. A mandate was also approved according to which the member countries are required to continue the detailed assessment of mines other than anti-personnel mines.

The activity of the international community in the field of the non-proliferation of small arms and light weapons was based in 2002 primarily on the conclusions of the UN Conference on Illicit Trade in Small Arms and Light Weapons in All Its Aspects, which was held in 2001, i.e. primarily on the political, legally non-binding Action Programme.

The Czech Republic's approach to these negotiations was based on efforts to find an equilibrium between the responsible fulfilment of foreign political commitments in the area of small arms and light weapons trade control, on the one hand, and the protection of its own security and commercial interests, on the other hand. The Czech Republic has continuously supported UN's efforts towards increasing the transparency and adopting global standards for monitoring the movements and transfers of small arms and light weapons. In doing so, the Czech Republic has also kept in mind its membership in NATO and the ongoing process of integration into the EU, as well as its involvement in the international regime for export controls concerning military material and double-use items and technologies, known as the Wassenaar Arrangement (WA).

The December plenary session of the WA once again confirmed the decision of 2001 to extend the applicability of the regime to the issue of combating terrorism, in particular with a view to prevent supplies of weapons to terrorist groups. The participants also confirmed

their interest in extending contacts with non-member countries, major arms manufacturers in particular. They further emphasised their interest in continuing co-operation with the United Nations and other international organisations.

## **8. The Czech Republic in the fight against international terrorism**

The fight against the global threat of terrorism and active work in this area on an international scale became an important priority of the Czech Republic's foreign policy in 2002. Immediately after 11 September 2001, the Czech Republic emphasised the need for a broader concept of an international anti-terrorist campaign that would not be limited to punishing those that are to be blamed for the terrorist attacks against the USA, but would focus in the long run on all forms of combating international organised crime, trafficking in narcotic drugs, arms and human beings, corruption, and the financing of terrorism.

The Czech Republic's active approach to international co-operation not only reflected its solidarity with other members of the world community, but was also a means of substantially safeguarding its own security. The Czech Republic took part in numerous important activities aimed at combating terrorism in various international organisations, institutions and forums.

### *National Action Plan to Combat Terrorism*

In relation to the EU Action Plan to Combat Terrorism, in 2002 the Government of the Czech Republic adopted a National Action Plan to Combat Terrorism, which became the Czech Republic's basic strategic document in this respect. The Plan contained a list of specific anti-terrorist measures and defined the entities responsible for, and the binding schedules of, their implementation. Its priorities included the strengthening of co-operation with foreign partners (police, intelligence services, counter-terrorist specialists), improvements in the control of trade in arms and double-use technologies, the suppression of the financing of terrorism, an increase in the effectiveness of migration, asylum and customs policies and their harmonisation with EU policies, and crisis management measures. At the end of 2002, the fulfilment of the National Action Plan was evaluated, and subsequently an updated version was submitted to the Government of the Czech Republic.

### *Active involvement of the Czech Republic in the missions of the anti-terrorist coalition*

The Czech Republic actively supported the activities of the global anti-terrorist coalition in international missions. As part of the ISAF contingent in Afghanistan, the Czech Republic contributed to the attempts of the international community by deploying its 6<sup>th</sup>, and subsequently the 11<sup>th</sup>, field hospital, which operated in Kabul until the end of 2002. Within the framework of the anti-terrorist operation “Enduring Freedom”, the 4<sup>th</sup> radiation, chemical and biological protection unit (formerly the 9<sup>th</sup> reinforced radiation, chemical and biological protection company) operated in Kuwait.

### *Humanitarian aid and development assistance of the Czech Republic in the context of the fight against terrorism*

By providing humanitarian aid and development assistance, the Czech Republic contributed to the efforts of the international community to prevent terrorism. After providing humanitarian aid of CZK 8.7 million to Afghanistan in 2001, the country continued to provide governmental aid in the form of food and pharmaceutical supplies or participation in projects to reconstruct the education system in 2002. The overall amount of this assistance cost CZK 6.9 million. Czech non-governmental organisations took part in a number of projects. Beyond the scope of this direct assistance, thousands of civilian patients were treated by the 6<sup>th</sup> – and subsequently by the 11<sup>th</sup> – field hospital.

### *The Czech Republic and the United Nations in the fight against terrorism*

In line with intensive international endeavours, the strengthening of international peace and security, including the fight against international terrorism, became one of the Czech Republic’s priorities at the 57<sup>th</sup> Session of the UN General Assembly. The Czech Republic supported the UN’s active role in creating conditions for the further operations of an international anti-terrorist alliance as coherent, fit for action and broad as possible. The Czech Republic also co-operated with the UN Counter Terrorist Committee in implementing the objectives of UN Security Council Resolution No 1373 of 2001. The UN conducted

discussions on the drafting of a general convention on terrorism, the irreplaceable significance of which lay in particular in the drawing-up of an international legal definition of terrorism. The Czech Republic supported the drafting of this general convention and sought to accelerate the current pace of preparations for it.

### *The Czech Republic and the European Union in the fight against terrorism*

In view of its upcoming membership in the EU, the Czech Republic paid increased attention to the EU's efforts to deepen co-operation and integration in all key aspects of the fight against terrorism, in particular as regards the co-operation of police and judicial authorities, the development of international court authorities, the prevention of the financing of terrorism, the reinforcement of the security of air transport, and the coordination of the EU's global activities. In the second half of 2002 in particular, the emphasis on strengthening the role of the Union in the areas in question increased in the international forum. This was also related to efforts to increase the effectiveness of the Union's Common Foreign and Security Policy, including its European Security and Defence Policy, in combating terrorism. In connection with both these projects, the Czech Republic continued its long-term efforts aimed at the most intensive involvement possible in the pre-accession period (whereby it helped build up the Union's capabilities and participated in the EU Police Mission in Bosnia and Herzegovina).

The new global situation after 11 September 2001 was also reflected in the EU by strong pressure on the implementation of corresponding changes in EU legislation. Because planned or effected changes become part of the *acquis* and it is imperative for the Czech Republic to transpose them into its national law, the Czech Republic paid attention to these changes accordingly. A number of steps were included in the National Action Plan, evidencing the Czech Republic's efforts at ensuring the prompt implementation of the measures provided for by such documents. In 2002, the Czech Republic also subscribed to key unilateral measures of the EU designed to combat terrorism. These included a series of four Common Positions (Nos 2002/340/CFSP, 2002/462/CFSP, 2002/847/CFSP and 2002/976/CFSP), updating the list of persons and groups to which Common Position No 2001/931/CFSP applied, and the implementation of specific measures to combat terrorism as adopted by the EU Council on 27 December 2001.

However, the Czech Republic's attention in the field of combating terrorism was not just limited to legislation. Various organisational and technical measures were just as important. The National Action Plan included a number of steps allowing for the gradual involvement of the country in many EU programmes (Europol, Schengen Information System).

The role of a forum for the exchange of information on individual aspects of anti-terrorist efforts implemented by the candidate countries and by the European Union was played by meetings of the Troika working group on terrorism with associated countries, in which representatives of the Czech Republic participated on a regular basis.

### *The Czech Republic and the North Atlantic Treaty Organisation (NATO) in the fight against terrorism*

As a member state, the Czech Republic was involved in anti-terrorist activities carried out by NATO and the Euro-Atlantic Partnership Council (EAPC).

The Czech Republic supported the adoption of the NATO Prague Summit Declaration of 21 November 2002, which has a strong anti-terrorist dimension. Together with other member states, the Czech Republic also participated in the drafting of the Declaration. In the Declaration, heads of state and government of NATO member states reiterated their categorical condemnation of terrorism in all its forms and manifestations, referring to terrorism as a serious and increasing threat to international security.

In the context of the events of 11 September 2001, NATO member states declared their commitment to transform and adapt the Alliance as a demonstration of their determination to protect their populations, territory and forces against any armed attack, including terrorist attack. The Czech Republic, being a member state, agreed to implement fully the Civil Emergency Planning Action Plan for the Improvement of Civil Preparedness Against Possible Attacks Against the Civilian Population with Chemical, Biological or Radioactive Agents. The Declaration provided an impulse to strengthen the capabilities of providing national institutions with assistance in consequence management in relation to terrorist attacks. Support was expressed for the agreed Military Concept for Defence Against Terrorism, which formed a part of the set of measures designed to reinforce NATO's capabilities in this area. Also agreed was the reinforcement of the capability to defend against cyberattacks. Closely linked to the fight against terrorism is the commitment to explore the



possibilities of responding to the increasing threat of missile attacks, the decision to create the NATO Response Force (NRF), or the adoption of a set of measures entitled the Prague Capabilities Commitment (PCC), designed to improve and develop new military capabilities. The issue of terrorism was referred to in the Declaration in the context of the progress achieved by the NATO – Russia Council (NRC). With respect to the Mediterranean region, NATO member states expressed their support for the strengthening of practical co-operation in security issues, with explicit reference to those related to terrorism.

At the EAPC Summit, the participating states, including the Czech Republic, highlighted the importance of the initiatives designed to improve EAPC's contribution to the fight against terrorism, and welcomed the Partnership Action Plan against Terrorism.

As regards the military dimension of the fight against terrorism, the Czech delegation also attended conferences on the role of armed forces in this respect, held in the autumn of 2002 in Rome and Moscow.

*The Czech Republic and the Organisation for Security and Co-operation in Europe (OSCE) in the fight against terrorism*

Representatives of the Czech Republic were actively involved in anti-terrorist activities performed by the OSCE. Of great significance in this respect was their participation in regular sessions of the OSCE Permanent Council. In accordance with the Bucharest Ministerial Declaration of 2001, in which the participating states made the fight against terrorism their principal priority in the upcoming period, the suppression of terrorism became the OSCE's "high priority" under Portugal's presidency in 2002. A Personal Representative of the OSCE Chairman-in-Office for Terrorism was appointed, and a high-level meeting on preventing and combating terrorism was held in Lisbon on 12 June 2002.

The OSCE Charter on Preventing and Combating Terrorism, which the Czech Republic helped draw up, was adopted at the December Ministerial Conference in Porto. A conspicuous feature of the Charter is the recognition of instruments of international law and policy that had been created earlier for combating terrorism. The Charter also called for support in setting up an international legal anti-terrorist framework and dealt, in the context of the fight against terrorism, with the issues of human rights, conflict prevention, weapons of mass destruction, the proliferation of conventional weapons, media, and border controls. The Czech delegation also participated actively in negotiations on the content of other documents

adopted at the OSCE Ministerial Meeting, including the Ministerial Declaration. Decision No 1, implementing the commitments and activities of the OSCE in the fight against terrorism, was also dedicated to the fight against terrorism.

#### *The Czech Republic and the Council of Europe in the fight against terrorism*

Within the framework of the Council of Europe, the Multidisciplinary Group on International Action against Terrorism (GMT) continued its activities in 2002. The GMT concentrated almost exclusively on a discussion of the possibility of amending the European Convention on the Suppression of Terrorism, with a view to reflecting the shift in the international community's approach to the fight against international terrorism after the events of 11 September 2001. Preparations for the draft protocol amending the 1977 Convention were completed at the fifth GMT meeting. The proposed draft was subsequently adopted at the 111<sup>th</sup> Session of the Committee of Ministers of the Council of Europe held on 6 and 7 November 2002. This revision of the Convention was designed to improve the effectiveness of anti-terrorist co-operation between members of the Council of Europe.

The Czech Republic also actively participated in the work of the select committee of experts on the evaluation of anti-money laundering measures (MONEYVAL).

#### *The Czech Republic and the Organisation for Economic Co-operation and Development (OECD) in the fight against terrorism*

The Czech Republic was also active in the anti-terrorist activities conducted by the OECD. The Czech Republic participated in the meetings of the working group on biotechnologies, focused on the issue of combating terrorism, and participated in drawing up the text of an amendment to the guideline for the security of information systems, adopted by the OECD Council on 25 July 2002. In the context of this guideline, at the 57<sup>th</sup> UN GA the Czech Republic co-sponsored a resolution with the same content. The Czech Republic also worked in various working bodies, where it helped prepare analyses on the economic impacts of terrorist attacks and on the necessary response of economic policies. The Czech Republic also supported the adoption of the Report on the Possibility of Obtaining Information on Actual Ownership and Control, containing proposals to improve transparency of the business

sector and prevent the misuse of business companies for ulterior purposes, including the financing of terrorism.

*The Czech Republic and the Financial Action Task Force on Money Laundering (FATF) in the fight against terrorism*

At the initiative of the FATF, an intergovernmental body established at the G-7 Paris Summit in 1989, a questionnaire was drafted on the fulfilment of its eight special recommendations for the suppression of financial terrorism. The OSCE Permanent Council and the OECD Ministerial Council joined the FATF Secretariat in requesting that the questionnaire be completed. The Czech Republic duly completed and returned the questionnaire.

## **9. Official development assistance and humanitarian aid**

*Foreign development co-operation*

By providing development assistance, the Czech Republic helps to implement the conclusions of the UN Millennium Summit of 2001, with an emphasis on eradicating poverty and promoting democracy, human rights and social justice in the world. The Czech Republic acknowledges compliance with and implementation of key international documents on global development, such as the UN Programme of Action for the Least Developed Countries for the decade of 2001 – 2010, and the WTO Doha Development Agenda on strengthening the integration of developing countries into the world economy. In 2002, the Czech Republic adopted the Monterrey Consensus on Financing for Development and the Implementation Plan for Global Sustainable Development, which was promulgated at the UN Conference in Johannesburg. The Czech Republic recognises the primary responsibility of developing countries for their own development.

Within the framework of official development assistance, in 2002 the Czech Republic participated in the international initiative of debt relief for developing countries falling in the group of Heavily Indebted Poor Countries (HIPC); it did so based on an awareness of the potential that the extension of trade exchange and the active support of involvement in international trade, especially under the WTO, has for the development of poor countries. The

Czech Republic also applied a unilaterally preferential customs scheme for imports of goods from developing countries in 2002; imports into the Czech Republic of goods from Least Developed Countries (LD) was customs-free and quota-free.

In 2002, the Czech Republic continued its efforts to approximate its system and practices of development co-operation with the principles of developed donor countries of the OECD and EU. The visit by the European Commissioner for Development and Humanitarian Aid, Poul Nielson, to the Czech Republic in November 2002 and his meeting with senior constitutional officials was an important element in this process.

#### *Official development assistance*

The principal documents for the provision of official development assistance are the Principles for the Provision of Official Development Assistance of 1995 and the Concept of the Czech Republic Foreign Aid Programme for the 2002 – 2007 Period, acknowledged by the Government of the Czech Republic under Resolution No 91 of 23 January 2002.

In compliance with the above Principles, on an annual basis the Government of the Czech Republic adopts development projects in the form of a plan, drafted by the MFA of the Czech Republic as coordinator, which is based on the proposals of individual ministries. The amount of financial resources for official development assistance is subject to approval by the Parliament of the Czech Republic within the framework of the central government budget. The corresponding funds are subsequently transferred from the General Treasury Administration chapter to the budgets of individual ministries responsible for the implementation, monitoring and evaluation of individual projects.

The Concept of the Czech Republic Foreign Aid Programme for the 2002-2007 Period reflects the country's efforts at making the system of official development assistance more effective and improving its transparency, and approximates the Czech practices of providing official development assistance with the developed donor countries of the OECD and EU and with international organisations. The Concept has also set the goals and principles of the Czech Republic's official development assistance, identifying twenty preferred countries and preferred sectors of co-operation and proposing a new framework of institutional and financial coverage for the Czech Republic's development co-operation in the medium-term, in particular in view of the Czech Republic's upcoming membership of the EU. Besides the Concept, the Government was kept informed in 2002 by means of a special document about

the envisaged demands and Czech Republic's obligations as regards official development assistance on entry to the EU.

In accordance with the Concept, in 2002 the MFA of the Czech Republic initiated a number of measures to make the system of official development assistance more effective. In co-operation with individual ministries, a single methodology and project cycle rules were introduced in a form compatible with practices in OECD and EU countries, applicable to the preparation, implementation and evaluation of projects. The Development Centre, established in 2001 by the Institute of International Relations as an auxiliary expert partner of the MFA for the coordination of official development assistance, played an important role in this process.

In 2002 the MFA of the Czech Republic, in the interests of better transparency, effectiveness and partnership in development co-operation, complemented projects presented by individual ministries with projects based on public tenders in the plan of official development assistance for the upcoming period.

In accordance with the Concept, greater emphasis was placed on involving the non-governmental sector and the general public in development co-operation. In this context, the MFA welcomed an initiative by non-governmental organisations, which established a joint platform called the Czech Forum for Development Co-operation on 2 September 2002; this move created the conditions necessary for successful dialogue between governmental and non-governmental sectors in this area.

The MFA of the Czech Republic helped improve general awareness about the Czech Republic's official development assistance by organising an international conference called "Development Co-operation – Challenge for Emerging Donors", held under the auspices of the Minister of Foreign Affairs on 12 September 2002 and attended by nearly 200 experts from various areas, including representatives of the executive, legislature, experts, the academic community, non-governmental organisations and the media. The conference was the first of its type in a candidate country. The first Report on the Foreign Development Co-operation of the Czech Republic was issued on the occasion of the conference.

In order to improve general awareness of the Czech Republic's official development assistance, the MFA runs web site at [www.mzv.cz/pomoc](http://www.mzv.cz/pomoc), and an English language version at [www.mfa.cz/aid](http://www.mfa.cz/aid). In co-operation with Palacky University in Olomouc, the fifth year of the Summer School of Development Co-operation and Aid was held; more than 600 participants interested in the issue of development assistance have attended the project since its first year.

Until accession to the EU, the Canada-Visegrád project ODACE (Official Development Assistance Programme for Central Europe) will be an important tool for implementing the Concept of the Czech Republic's Foreign Aid Programme for the 2002-2007 Period. The signing of the Memorandum of Understanding between the MFA of the Czech Republic and the Canadian development agency CIDA in September 2002 created preconditions for the transfer of know-how to the Czech Republic in the area of building an effective system for development co-operation and in the area of implementing the country's own programmes and projects. In the scope of co-operation under the ODACE project, the evaluation of the Czech Republic's official development assistance for 2001 was, for the first time in 2002, performed with the consistent application of statistical reporting methodology in accordance with OECD standards. In 2001, the Czech Republic spent CZK 1,469.82 million (i.e. 0.07% of the country's GDP) on official development co-operation.

In 2002, the Czech Republic's official development assistance expenditure amounted to CZK 1,618.26 million, i.e. 0.073% of GDP. The share of funding implemented in the form of development projects amounted to CZK 217 million. Development projects implemented in 2002 were intended, in particular, for South, South-East and East Asia (37.25%), for Eastern Europe and the Balkan countries (22.66%), Latin America (20.09%), Sub-Saharan Africa (15.06%) and the Middle East (4.94%). Segmented by sector, 47% of the development resources were allocated to education (including the governmental scholarship programme for students from developing countries), 30% to environmental issues (including forest development projects, geological surveys, and access to innocuous water), 8% to health care, 8% to agricultural infrastructure development, and 7% to other projects.

#### *Foreign humanitarian aid*

Foreign humanitarian aid is an integral part of Czech Republic's foreign policy. The Czech Republic provides this type of aid depending on the urgency of the situation and the needs of the affected country, and based on the possibilities of its own economy and the resources available in the central government budget, all in compliance with the principles and resolutions of the international community (United Nations, International Committee of the Red Cross and the Red Crescent, etc.) and with its own priorities and interests. In accordance with its laws, the Czech Republic also understands the internationally used term of humanitarian aid to mean the country's involvement in international rescue operations. The

Czech Republic provides humanitarian aid at bilateral level either directly to the affected country or through international governmental and non-governmental mechanisms to particular groups of the population. The Czech Republic provides multilateral humanitarian aid through international humanitarian organisations.

In 2002, the Czech Republic provided humanitarian aid in 25 cases to 18 countries affected by extraordinary events – natural disasters, technology breakdowns or war. Its humanitarian aid, provided in the form of financial resources, material and rescue work and covered out of the budgetary reserve of the General Treasury Administration, amounted to CZK 20.65 million in 2002. Compared with 2001, there was an increase in the share of material supplies and in the level of aid provided to African countries. Humanitarian aid to Afghanistan continued on a priority basis and amounted to CZK 6.9 million.

More humanitarian aid was provided by the Czech Republic in 2002 in compliance with Resolution of the Government of the Czech Republic No 765 of 21 July 1999, where financial resources were allocated to the MFA and other ministries to mitigate the consequences of the Kosovo crisis. Out of these financial resources, the Ministries of Industry and Trade, Agriculture, and Foreign Affairs provided humanitarian aid to South Eastern Europe (Yugoslavia and Kosovo) totalling CZK 13.54 million in 2002. This aid was made available in co-operation with Czech humanitarian NGOs.

Foreign humanitarian aid in 2002 helped not only protect the lives, health and property of the affected populations, but also contributed significantly to the spreading of the Czech Republic's good reputation abroad.

## **II. BILATERAL RELATIONS OF THE CZECH REPUBLIC**

### **Summary information on bilateral relations**

The year 2002 has clearly confirmed that the Czech Republic belongs to the stable and prosperous Europe with its strong trans-Atlantic ties. The increasing significance of the Czech Republic has been demonstrated by the fact that, in November 2002, Prague had the opportunity to host a summit of NATO and EAPC countries. Subsequently, in December 2002, the Czech Republic concluded accession negotiations with the European Union in Copenhagen.

The Czech Republic seeks to preserve its high-quality and intensive relations with its traditional partners, but also continues to establish and develop new partnerships. The Czech Republic's good bilateral relationships with other countries of the world were demonstrated by the assistance provided by many of them in the wake of the August 2002 floods.

In 2002, the Czech Republic established diplomatic contacts with two countries of the Asia-Pacific region: Vanuatu and East Timor.

As in the previous years, in 2002 the Czech Republic sought to raise in accordance with its Foreign Policy Concept the attained level of bilateral relations with member and candidate states of NATO and the European Union, and paid particular attention to maintaining good neighbourly relations with countries sharing its borders. The country continued its efforts to further strengthen the already above-standard relations with the Slovak Republic, but also demonstrated its interest in good co-operation and good neighbourly relations with the other two countries of the Visegrád Group: Hungary and Poland. The co-operation of these four countries in the final stage of the accession negotiations with the EU was a priority, with a view to a successful conclusion of the negotiated chapters. Meetings of representatives of the Visegrád Group were dominated by the issue of European integration and the final stages of accession negotiations with the EU, but other relevant issues concerning the common future in Europe and current co-operation and the future of the Visegrád Group as such were also discussed.

The final stage of negotiations on the accession of the Czech Republic to the European Union was reflected in intensive bilateral negotiations with the 15 member states of the European Union and in mutual relations with other candidate countries. In the context of the future enlargement of the European Union, co-operation between individual ministries of



Central European countries (Hungary, Poland, Slovakia, Austria and Slovenia) became closer. In 2002, the Czech Republic continued to ascribe great significance to the co-operation with countries undergoing a similar economic and political transformation and seeking to be integrated into the Euro-Atlantic and European structures. Many of them were invited to join NATO at the Prague Summit in November 2002, and many of them concluded, like the Czech Republic, accession negotiations with the European Union in Copenhagen in December 2002.

The Czech Republic is interested in building a strong and stable Europe. It continued to engage in projects of reconstruction and reinforcement of the South Eastern European region. Countries in this region have been the Czech Republic's traditional partners, and preserving and developing the existing relations with those states is of crucial significance for the Czech Republic. Therefore, 5 June 2002, when the Czech Republic was admitted as a full-fledged member state of the Stability Pact for South Eastern Europe, was an important date. The Czech Republic continued in 2002 to seek the attainment of a higher standard and an extension of the beneficial co-operation with the Russian Federation and the Ukraine, and in relation to these two countries emphasised the need to extend and deepen the co-ordination in the area of commercial and economic relations and to resolve certain long-open issues in this area.

In 2002 the Czech Republic did not concentrate its attention solely on the European and North American territories. It also sought to deepen and develop its relations with countries in other regions of the world – in Asia, Africa and Latin America, and in particular to establish economic co-operation beneficial to both sides. Czech Republic's foreign policy continued to take seriously the commercial and investment opportunities in countries where economic relations with the Czech Republic have had a long tradition and that are promising trade partners for the Czech Republic. Further extensions were made to the contractual basis of relations with these countries.

In the chapter on the Czech Republic's bilateral relations with individual countries of the world, those countries are, for practical reasons, sorted alphabetically. As in the previous years, the chapter on bilateral relations contains basic facts on the political, economic and cultural relations of the Czech Republic with individual countries of the world; the foreign trade figures are based on information supplied by the Customs Directorate General of the Czech Republic and the Czech National Bank.

Note to the tables showing economic relations in the following text: For each of the countries below the table shows the development of selected mutual trade and investments indicators for the period of 2000 – 2002. The column "Share in total

indicators for 2002 (%)” refers to the aggregate values of the Czech Republic’s foreign trade in 2002. The facts relating to foreign investments include three components – capital stock, reinvested profits and other capital (characterised chiefly by loan arrangements). Where the “minus” sign is included, the figure means:

- in respect of direct foreign investments to the Czech Republic, a decrease in the amount of investments by the particular country in the Czech Republic (e.g., the profits were not reinvested in the Czech Republic, foreign businesses were repaying loans drawn earlier to foreign lenders);
- in respect of Czech investments abroad, a decrease in the amount of direct Czech investments in the particular country (e.g., by divesting the capital stock, generating a loss, or extending a loan outside the host country).

Summary information regarding the Czech Republic’s foreign trade with other countries and customs areas not referred to in the text of Chapter II. Bilateral Relations of the Czech Republic are contained in the table “Foreign trade of the Czech Republic in the years 2000 – 2002” in section APPENDICES of this publication.

## AFGHANISTAN

After more than ten years, the diplomatic contacts between the two countries were again elevated in 2002 to the level of ambassadors, and political dialogue at the highest level was renewed. As part of the ISAF multinational mission which, under the mandate of the U.N. provides for security of the capital city of Kabul, the 6<sup>th</sup> Field Hospital of the Army of the Czech Republic was despatched to Afghanistan in 2002. Beside soldiers of the multinational forces, an overwhelming majority of the patients of the hospital consisted of Afghan civilians. The Czech Republic has participated in renovation of the war-destroyed Afghanistan in the form of on-going projects of humanitarian and development assistance. In 2002, Afghanistan again became one of the principal beneficiaries of governmental humanitarian aid from the Czech Republic (33.4 % of the total amount).

### *Visits by representatives of the Czech Republic:*

- 3 October 2002 – visit of Prime Minister V. Špidla and Defence Minister J. Tvrdík.

### *Visits by representatives of Afghanistan:*

- 24 September 2002 – visit of the Minister of Culture and Information, S. M. Rahín.

### *Economic relations*

|  |  | 2000 | 2001 | 2002 | Share in total |
|--|--|------|------|------|----------------|
|  |  |      |      |      |                |

|                                   |                      |              |              |              |                         |
|-----------------------------------|----------------------|--------------|--------------|--------------|-------------------------|
|                                   |                      |              |              |              | indicators for 2002 (%) |
| Turnover                          | '000 CZK             | 39,427       | 10,752       | 27,446       | 0.0011                  |
|                                   | year-on-year index   | 169.8        | 27.3         | 255.3        |                         |
| Exports                           | '000 CZK             | 26,265       | 5,961        | 26,302       | 0,0021                  |
|                                   | year-on-year index   | 177.6        | 22.7         | 441.2        |                         |
| Imports                           | '000 CZK             | 13,162       | 4,791        | 1,144        | 0.0001                  |
|                                   | year-on-year index   | 156.1        | 36.4         | 23.9         |                         |
| Trade balance                     | '000 CZK             | 13,103       | 1,170        | 25,158       |                         |
| Foreign investments<br>– incoming | direct ('000 CZK)    | 0            | 0            | 0            |                         |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |                         |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 0            | 0            | 0            |                         |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | 0            |                         |

Principal export commodities of the Czech Republic: electronic appliances, electrical engineering products, costume jewellery.

Principal import commodities of the Czech Republic: carpets, furs.

## ARAB REPUBLIC OF EGYPT

The Czech Republic has traditionally maintained good relations with Egypt, considering Egypt as one of its priority partners in the region of Middle East and North Africa. The standard of mutual relations also reflects the importance of the country as a regional power playing an important part in inter-Arab relations and in the Middle East peace process. Both countries paid considerable attention to economic co-operation.

### *Economic relations*

|                                   |                      |              |              |              |  |
|-----------------------------------|----------------------|--------------|--------------|--------------|--|
|                                   |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
| Turnover                          | '000 CZK             | 2,410,980    | 2,443,037    | 2,016,285    | 0.0782                                 |
|                                   | year-on-year index   | 83.0         | 101.3        | 82.5         |  |
| Exports                           | '000 CZK             | 2,010,822    | 2,081,900    | 1,610,943    | 0.1287                                 |
|                                   | year-on-year index   | 77.0         | 103.5        | 77.4         |  |
| Imports                           | '000 CZK             | 400,158      | 361,137      | 405,342      | 0.0306                                 |
|                                   | year-on-year index   | 133.0        | 90.2         | 112.2        |  |
| Trade balance                     | '000 CZK             | 1,610,664    | 1,720,763    | 1,205,601    |  |
| Foreign investments<br>– incoming | direct ('000 CZK)    | 0            | 200          | 0            |  |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                   | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: cars, rails, parts for food industry machines, parts for turbines, glass products, motorcycles.

Principal import commodities of the Czech Republic: cotton, cotton yarn, aluminium rods, agricultural products.

The year 2002 saw a decrease in the export level of the main export items, in the past including facilities for power plants (such as turbines), airplanes, and recently cars.

### *Cultural relations*

Co-operation in the field of culture and science has traditionally been on a high standard. Within the framework of the executive programme to the cultural agreement, co-operation has been successfully developing in the field of education and culture.

Czech String Duo gave a concert in Cairo in September 2002, performing works of Czech composers. A joint exhibition of the watercolour paintings by Jaroslav and Jáchym Šerých took place in October 2002. A number of new as well as older Czech films were screened in the course of 2002.

The work of an expedition of the Czech Institute of Egyptology of Charles University and Czech National Center for Egyptology at Abusir was repeatedly presented to the general public in numerous lectures by Czech egyptologists, in an exhibition of photographs by M. Balík, or during a trip to the site of the archaeological excavations. These events were organised in coordination with the International Centre for Cultural Co-operation.

Six governmental scholarships for postgraduate studies were offered to Egypt for the academic year of 2002/2003. Egyptian children participated in international art competition "Lidice 2002".

## **BOLIVARIAN REPUBLIC OF VENEZUELA**

Bilateral relations between the Czech Republic and Venezuela are of a good standard and have been focused in particular on commercial and economic co-operation, which, however, was affected in 2002 by the political instability and economic crisis of the country.

### *Economic relations*

|          |                    | 2000    | 2001    | 2002    | Share in total indicators for 2002 (%) |
|----------|--------------------|---------|---------|---------|--|
| Turnover | '000 CZK           | 386,528 | 324,659 | 260,887 | 0.0101                                 |
|          | year-on-year index | 197.0   | 84.0    | 80.4    |  |
| Exports  | '000 CZK           | 371,444 | 320,882 | 249,299 | 0.0199                                 |
|          | year-on-year index | 281.0   | 86.4    | 77.7    |  |
| Imports  | '000 CZK           | 15,084  | 3,777   | 11,588  | 0.0009                                 |

|                     |                      |              |              |              |  |
|---------------------|----------------------|--------------|--------------|--------------|--|
|                     | year-on-year index   | 24.0         | 25.0         | 306.8        |  |
| Trade balance       | '000 CZK             | 356,360      | 317,105      | 237,711      |  |
| Foreign investments | direct ('000 CZK)    | 0            | 0            | 0            |  |
| – incoming          | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments | direct ('000 CZK)    | 0            | 0            | 0            |  |
| – outgoing          | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: milk and its derivatives, malt, hops, chemicals, pigments.

Principal import commodities of the Czech Republic: tropical fruit, coffee, foodstuffs and live animals.

In 2002, Czech Republic's commercial interests were influenced by measures of the Government of Venezuela in the area of import licences, which particularly affected importers of milk and its derivatives from the Czech Republic.

#### *Cultural relations*

Despite the complicated internal political situation, cultural relations between the two countries continued to develop. At the invitation of the Czech section of the World Folklore Federation, the folk ensemble Cruz Alejandro Quinal from Ciudad Bolívar visited the Czech Republic as part of its European tour and performed at several folk festivals in Bohemia and Moravia. Talich Quartet performed in Caracas and in Colonia Tovar under the auspices of the Czech Embassy. Works of artists associated under the Union of Fine Artists of the Olomouc Region were introduced in several exhibitions in the capital city of Caracas.

The Government of the Czech Republic granted one scholarship for M.A. studies within the framework of foreign development assistance. Co-operation was established between Palacky University in Olomouc and Monte Ávila University in Caracas. The expatriate association Czech-Venezuelan Association organised an intensive course of Czech language for its members in the premises of the Czech Embassy in Caracas. In co-operation with the association, a Czech expatriate and fine artist C. Stohr organised a sales exhibition "Siluetas de Praga", the proceeds whereof were donated to flood victims through fund-raising efforts of the Czech Red Cross.

## BOSNIA AND HERZEGOVINA

The Czech Republic was actively involved in the stabilisation of the internal political and security situation in Bosnia and Herzegovina, and deems the country's existence as a single, stable, democratic and multi-ethnic state to be of crucial importance for the stability and development of democracy in South Eastern Europe. In 2002, representatives of the Czech Republic operated in the territory of Bosnia and Herzegovina within the framework of the international structures of the CIMIC civil and military co-operation groups and the IPTF international police task force contingent. The relations between the Czech Republic and Bosnia and Herzegovina are of a good standard and offer the potential for further development.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 2,130,971    | 2,788,614    | 2,717,038    | 0.1054                                 |
|                                | year-on-year index   | 125.2        | 130.9        | 97.4         |  |
| Exports                        | '000 CZK             | 2,045,734    | 2,658,427    | 2,561,459    | 0.2046                                 |
|                                | year-on-year index   | 123.3        | 129.9        | 96.4         |  |
| Imports                        | '000 CZK             | 85,237       | 130,187      | 155,579      | 0.0117                                 |
|                                | year-on-year index   | 200.0        | 152.7        | 119.5        |  |
| Trade balance                  | '000 CZK             | 1,960,497    | 2,528,240    | 2,405,880    |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 1,300        | 900          |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 3,100        | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities: motor vehicles, tractors, bicycles, soap, detergents, lubricants etc., wax, reactors, boilers, apparatuses and mechanical tools, edible meat and giblets, iron and steel, electronic recording devices and sound and picture reproduction devices.

Principal import commodities: timber, coal, wooden products, plastics and plastic products, clothes and accessories, reactors, boilers, apparatuses and mechanical tools, iron or steel products, non-ferrous metals and products from such metals, iron and steel, soap, detergents and lubricants.

### *Bilateral agreements concluded in 2002:*

- Agreement on the Promotion and Protection of Investments between the Czech Republic and Bosnia and Herzegovina, Sarajevo, 17 April 2002.

### *Cultural relations*

A concert of J. Hosprová (viola) and A. Skoumal (piano) was organised on the occasion of a Czech national holiday. An exhibition called “The Czech Republic at the turn of millennia” was organised in the capital cities of the two entities – Sarajevo and Banja Luka – with the use of the funds of the MFA of the Czech Republic.

Two governmental scholarships were offered to Bosnia a Herzegovina for candidates of postgraduate studies. The Embassy of the Czech Republic developed co-operation with Czech expatriate communities in the territory of Bosnia and Herzegovina.

## **CANADA**

Canada continued to be an important ally and partner of the Czech Republic in the area of multilateral as well as bilateral relations. Continuously good co-operation may be noted in particular in the field of international security. Preconditions exist for further successful development of bilateral relations in all aspects, in particular economy. Despite initial concerns that the reciprocal introduction of a visa regime by the Czech Republic would result in a decline of willingness of Canada’s citizens to travel to the Czech Republic, statistical data indicate an increase in their number by almost 20 %.

### *Visits by representatives of the Czech Republic:*

- 4-12 June 2002 – working visit by a delegation of the Committee for Regional Development, Public Administration and Environment of the Senate of the Parliament of the Czech Republic;
- 19-24 October 2002 – working visit by a delegation of the Committee on Social and Health Policy of the Senate of the Parliament of the Czech Republic;
- 3-7 November 2002 – official visit by Minister of Industry and Trade of the Czech Republic J. Rusnok.

### *Visits by representatives of Canada:*

- 15-21 October 2002 – official visit by Chairman of the Canadian Senate D. Hays;
- 20-22 November 2002 – participation of Canada’s delegation headed by Prime Minister J. Chrétien in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 6,081,858    | 6,136,236    | 5,559,162    | 0.2156                                 |
|                                | year-on-year index   | 113.0        | 100.9        | 90.6         |  |
| Exports                        | ‘000 CZK             | 2,427,562    | 2,303,707    | 2,190,474    | 0.1750                                 |
|                                | year-on-year index   | 127.0        | 94.9         | 95.1         |  |
| Imports                        | ‘000 CZK             | 3,654,296    | 3,832,529    | 3,368,688    | 0.2540                                 |
|                                | year-on-year index   | 105.0        | 104.9        | 87.9         |  |
| Trade balance                  | ‘000 CZK             | -1,226,734   | -1,528,822   | -1,178,214   |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 5,970,200    | 798,000      | 95,100       |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | 177,300      | 4,400        | 49,300       |  |
|                                | portfolio (‘000 CZK) | not recorded | 902,000      | 918,800      |  |

Principal export commodities of the Czech Republic: metal products, natural uranium, iron and steel, glass bottles and glasses, costume jewellery, office furniture, beverages, television sets, printing machines, fittings, musical instruments, textile products, footwear, toys, sport accessories, machine tools, industrial products and chemicals.

Principal import commodities of the Czech Republic: telecommunications equipment, pharmaceuticals, turbo-propellers, plastics processing machines, animal feeds, foodstuffs, automated data processing equipment, tractors, chemicals and various industrial products. No significant growth of Canada’s economy occurred in 2002 after the recession in 2001.

The most important event of commercial and political significance in 2002 was the trade mission from the Czech Republic to Canada, headed by Minister of Industry and Trade J. Rusnok. Twenty-three companies participated in the mission, and were given the opportunity to deal with Canadian partners in Toronto and Montreal.

*Bilateral agreements concluded in 2002:*

- Agreement on Social Security between the Government of the Czech Republic and the Government of Québec, Québec 19 February 2002.



### *Cultural relations*

Czech culture was presented in 2002 in its traditional sectors, cinematography (films “Tmavomodrý svět (Dark Blue World)” at the 3<sup>rd</sup> Central European Film Festival in Ottawa, “Babí léto (Indian Summer)” at film festivals in Toronto and Vancouver, and a cycle of Czech films of the 1990s called “The New Czech Miracle” in Canadian club cinemas), music (concert of Talich Quartet in Ottawa and Québec City, Children Choir Severáček at the Toronto festival “Joy of Singing” and subsequently also in Ottawa and Montreal, concert tour of Pražák Quartet), and theatre (the “Toronto – Prague” theatre project). The first part of the motion theatre project took place in 2002 with the support of the Ministry of Culture of the Czech Republic and the Ministry of Foreign Affairs of the Czech Republic. The “Canadian Theatre Season” took place in October 2002 in Prague.

An agreement on academic co-operation was concluded in 2002 between Charles University in Prague and Dalhousie University in Halifax.

Many persons claiming Czech origin live in Canada; activities of the expatriate associations were supported by financial donations from the Ministry of Foreign Affairs of the Czech Republic. The year 2002 was the first year in which Czech expatriates were permitted to participate in elections to Czech representative bodies.

## **COMMONWEALTH OF AUSTRALIA**

Australia plays a significant role, in political as well as economic terms, in the Asia-Pacific region. An important factor influencing the development of Czech-Australian contacts is the large Czech community living in Australia.

### *Visits by representatives of Australia:*

- 10-12 August 2002 – visit of Minister for Immigration P. Ruddock.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 3,116,773    | 3,625,560    | 3,427,385    | 0.1329                                 |
|                                | year-on-year index   | 144.0        | 116.3        | 94.5         |  |
| Exports                        | '000 CZK             | 1,243,046    | 1,102,056    | 1,516,641    | 0.1211                                 |
|                                | year-on-year index   | 123.0        | 88.7         | 137.6        |  |
| Imports                        | '000 CZK             | 1,873,727    | 2,523,504    | 1,910,744    | 0.1441                                 |
|                                | year-on-year index   | 162.0        | 134.7        | 75.7         |  |
| Trade balance                  | '000 CZK             | -630,681     | -1,421,448   | -394,103     |  |
| Foreign investments – incoming | direct ('000 CZK)    | 206,100      | 4,100        | -10,600      |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | -54,000      | 8,000        | 47,200       |  |
|                                | portfolio ('000 CZK) | not recorded | 3,725,000    | 1,385,100    |  |

Principal export commodities of the Czech Republic: metal machine tools, glass, textile, computing technology products, engineering products, components for transmission of electrical energy, sport weapons and ammunition, sport accessories and toys, chemicals and chemical components.

Principal import commodities of the Czech Republic: wool, sheepskins and lambskins, wine, meat and food products, medical and pharmaceutical preparations, concentrates of manganese, aluminium, titanium and other ores.

### *Cultural relations*

The Czech Embassy in Canberra and consulate general in Sydney participated in organising an exhibition of “Czech Baroque” that took place on 14-21 November 2002 in the lobby of the Supreme Court of Australia, or concerts of the Czech violinist R. Zieglerová in a number of Australian cities in June 2002. Czech community organisations provided background for the concert tour of singer H. Vondráčková in March 2002.

There has been a significant growth in the number of Czech students on short-term study stays; Australian statistics mention 1,500 students.

## **DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA**

The Czech Republic carefully monitored the developments in the Korean Peninsula and encouraged the process of searching for ways and forms of overcoming the division of Korea.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 125,138      | 33,791       | 46,564       | 0.0018                                 |
|                                | year-on-year index   | 193.0        | 27.0         | 137.8        |  |
| Exports                        | '000 CZK             | 118,130      | 14,287       | 17,453       | 0.0014                                 |
|                                | year-on-year index   | 246.0        | 12.1         | 122.2        |  |
| Imports                        | '000 CZK             | 7,008        | 19,504       | 29,111       | 0.0022                                 |
|                                | year-on-year index   | 42.0         | 278.3        | 149.3        |  |
| Trade balance                  | '000 CZK             | 111,122      | -5,217       | -11,658      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: footwear, machine tools.

Principal import commodities of the Czech Republic: electrotechnical components, plastic products, automobile components, textile, cranes.

The Czech Republic provides humanitarian assistance to North Korea. In 2002, material humanitarian assistance worth approximately CZK 250,000 was provided to the country.

### *Cultural relations*

The focus of cultural co-operation rested in the field of education; in 2002, the Czech Republic provided to the DPRK three governmental scholarships and four scholarships for the Summer School of Slavonic Studies.

## **DEMOCRATIC REPUBLIC OF THE CONGO**

Despite the unfavourable domestic political situation in Congo, the standard of the bilateral relations between the Czech Republic and the Democratic Republic of the Congo continues to gradually improve. The Czech Republic has provided humanitarian aid to Congo, both towards elimination of the consequences of the long-standing armed conflict and in particular in connection with the natural disaster in the eastern parts of the country.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 13,604       | 15,021       | 4,880        | 0.0002                                 |
|                                | year-on-year index   | 2,070.0      | 110.4        | 32.5         |  |
| Exports                        | '000 CZK             | 11,610       | 10,219       | 2,450        | 0.0002                                 |
|                                | year-on-year index   | 1,767.0      | 88.0         | 24.0         |  |
| Imports                        | '000 CZK             | 1,994        | 4,802        | 2,430        | 0.0002                                 |
|                                | year-on-year index   | --           | 240.8        | 50.6         |  |
| Trade balance                  | '000 CZK             | 9,616        | 5,417        | 20           |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: electric appliances, spare parts for motor vehicles, spare parts for compression ignition engines, pumps.

Principal import commodities of the Czech Republic: non-ferrous metals, coffee, aquarium fish.

### *Cultural relations*

In 2002, an exhibition of oil paintings by Congolese female painters, “Inspiration from Czech Landscape”, was held under the auspices of the Embassy of the Czech Republic; furthermore, an exhibition of postage stamps “Art on Czech Postage Stamps” took place in the exhibition premises of the Academy of Fine Arts in Kinshasa in co-operation with the Postal Museum in Prague; and the project of printing another part of the series “Congolese Art on Postcards” continued. In November, the Czech Republic took part in the festival “The Month of European Cinematography”. In 2002, the Government of the Czech Republic granted two governmental university scholarships to the Government of the Democratic Republic of the Congo, and the scholarships were accepted and used.

## **EASTERN REPUBLIC OF URUGUAY**

The relations between the two countries are good and are focussed on trade and economic exchange, whose volume shows an ascending tendency.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 160,827      | 140,177      | 352,045      | 0.0137                                 |
|                              | year-on-year index   | 55.0         | 87.2         | 251.1        |  |
| Exports                      | '000 CZK             | 61,801       | 50,758       | 290,263      | 0.0232                                 |
|                              | year-on-year index   | 43.0         | 82.1         | 571.9        |  |
| Imports                      | '000 CZK             | 99,026       | 89,419       | 61,782       | 0.0047                                 |
|                              | year-on-year index   | 67.0         | 90.3         | 69.1         |  |
| Balance                      | '000 CZK             | -37,225      | -38,661      | 228,481      |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: plans and drawings for construction, industrial, business and other purposes, natural plant alkaloids, plant juices and extracts and tyres.

Principal import commodities of the Czech Republic: combed wool and wool staple, meat, frozen fish, citrus fruits.

The trade exchange between the two countries witnessed a significant growth. This was due particularly to the Czech exports, which showed the best results for the last ten years.

### *Cultural relations*

Škampa's Quartet and the Prague Chamber Orchestra performed in 2002 in Montevideo and other cities in Uruguay and the exhibition "Classical Prague" took place there.

The Uruguayan Association of Friends of the Czech Republic organised in co-operation with the embassy a two-month Czech language course and lessons of Czech cooking and cuisine for compatriots. The first Week of the Czech Culture was held in Montevideo in October.

## **FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

Ethiopia is an important partner of the Czech Republic in Africa. As a traditional customer for Czech goods, Ethiopia has always played an important role in the Czech

Republic's policy towards Sub-Saharan Africa. The Czech Republic provided financial humanitarian aid to Ethiopia for liquidation of the consequences of the disastrous drought and lack of harvest.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 70,977       | 82,819       | 72,019       | 0.0028                                 |
|                                | year-on-year index   | 42.0         | 116.7        | 87.0         |  |
| Exports                        | '000 CZK             | 37,605       | 50,915       | 46,153       | 0.0037                                 |
|                                | year-on-year index   | 27.0         | 135.4        | 90.6         |  |
| Imports                        | '000 CZK             | 33,372       | 31,904       | 25,866       | 0.0020                                 |
|                                | year-on-year index   | 112.0        | 95.6         | 81.1         |  |
| Trade balance                  | '000 CZK             | 4,233        | 19,011       | 20,287       |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: leather-processing and textile machines, spare parts for machines, steel and iron profiles, accessories to machine tools, valves and fittings.

Principal import commodities of the Czech Republic: hides and skins, pulses.

Ethiopia is a traditional customer for Czech goods and continues to be a promising business partner for the Czech Republic.

### *Cultural relations*

The Government of the Czech Republic granted 3 governmental university scholarships to the Government of Ethiopia in 2002.

## **FEDERAL REPUBLIC OF GERMANY**

From the political and particularly from the economic point of view, the Federal Republic of Germany is the most important neighbour of the Czech Republic, an important ally in the NATO and a partner in the efforts of the Czech Republic for the entry into the EU.

The relations between the Czech Republic and the Federal Republic of Germany were affected in the first half of 2002 by the pre-election atmosphere in both countries, which revived certain topics connected with the past.

One of the manifestations of the systematic improvement of the Czech German-relations was in 2002 the dynamic co-operation with the federal states of Saxony and Bavaria, which are direct neighbours of the Czech Republic. Beside these two federal states, the Czech Republic concluded co-operation agreements also with Baden-Württemberg and North Rhine-Westphalia.

The twining relations between the Czech and German cities and municipalities, which offer extensive possibilities of mutual knowledge, were developing well. Until now, more than 220 twinning agreements were concluded on the municipal level, based on the provisions of the Czech-German Treaty on Good Neighbourliness and Friendly Co-operation of 1992.

In accordance with the spirit of the Czech-German Declaration of 1997, both countries tried to avoid burdening their relations with the past. As regards bilateral relations, the Czech –German Fund of the Future provided support to hundreds of projects and the Czech-German Discussion Forum focussed on specific areas of bilateral relations, like the care for national minorities or the possibilities of improvement of cross-border co-operation. The Czech-German Fund of the Future fulfils the tasks of the Government of the Czech Republic as the partner of the German endowment for indemnification of victims of Nazism “Reminder, Responsibility and Future”.

The Czech public highly appreciated the aid provided by individual German states and by the Federal Republic of Germany to the Czech Republic for the removal of damage caused by the disastrous floods in 2002.

The Federal Republic Germany remained in 2002 the most important economic partner of the Czech Republic. The Czech-German trade exchange reached 34.4% of the total foreign trade of the Czech Republic.

*Visits by representatives of the Czech Republic:*

- 18 January 2002 - visit by Chairman of the Chamber of Deputies of the Parliament of the Czech Republic V. Klaus;

- 16 - 19 March 2002 - visit of a delegation of the Economic Committee of the Chamber of Deputies of the Parliament of the Czech Republic;
- 10 June 2002 - visit of a delegation of the Standing Commission of the Senate of the Parliament of the Czech Republic for Compatriots Living Abroad;
- 4 July 2002 - visit of a delegation of the Committee for Education, Science, Culture, Human Rights and Petitions of the Senate of the Parliament of the Czech Republic;
- 18 August 2002 - visit by Prime Minister V. Špidla and Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda on the “flood-combating summit” in Berlin;
- 17 - 19 September 2002 - visit of a delegation of the Committee for Economy, Agriculture and Transport of the Senate of the Parliament of the Czech Republic;
- 26 - 27 September 2002 - visit of a delegation of the Economic Committee of the Chamber of Deputies of the Parliament of the Czech Republic;
- 20 - 23 November 2002 - visit of a delegation of the Committee for European Integration of the Chamber of Deputies of the Parliament of the Czech Republic.

*Visits by representatives of Federal Republic of Germany:*

- 20 February 2002 - visit by Vice Chancellor and Federal Minister of Foreign Affairs J. Fischer;
- 5 June 2002 - visit by Federal President J. Rau;
- 11 June 2002 - visit of a delegation of the Constitutional Committee of the Bavarian Parliament.
- 22 October 2002 - visit by Prime Minister of the Free State of Saxony G. Milbradt;
- 21 - 22 November 2002 – participation of a delegation of the Federal Republic of Germany headed by the Federal Chancellor G. Schröder in the NATO/EAPC Summit.



## *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 854,059,689  | 940,914,752  | 887,344,039  | 34.4169                                |
|                              | year-on-year index   | 120.0        | 110.2        | 94.3         |  |
| Exports                      | '000 CZK             | 453,521,498  | 484,424,067  | 456,668,773  | 36.4785                                |
|                              | year-on-year index   | 118.8        | 106.8        | 94.3         |  |
| Imports                      | '000 CZK             | 400,538,191  | 456,490,685  | 430,675,266  | 32.4710                                |
|                              | year-on-year index   | 121.3        | 114.0        | 94.3         |  |
| Balance                      | '000 CZK             | 52,983,307   | 27,933,382   | 25,993,507   |  |
| Foreign investments incoming | direct ('000 CZK)    | 51,023,600   | 52,304,300   | 155,554,100  |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -146,900     | 180,000      | 4,100        |  |
|                              | portfolio ('000 CZK) | not recorded | 21,800,000   | 28,221,000   |  |

Principal export commodities of the Czech Republic: automobiles, parts and accessories, electrical cell batteries, iron and steel products, electrical conductors, iron constructions, metal sheets, business promotion materials and electrical lighting of cars and motorcycles.

Principal import commodities of the Czech Republic: electrical cell batteries, automobiles, parts and accessories, plastic products, electrical switches, combustion engines, iron and steel products and business promotion material.

The Federal Republic of Germany is the most important trade and economic partner of the Czech Republic. The Czech Republic is the 13<sup>th</sup> largest trade partner of the Federal Republic of Germany – the most important one of all central and eastern European countries (i.e., ahead of Poland, Hungary and even Russia).

The Federal Republic of Germany was in 2002 the leading investor in the Czech Republic. The influx of direct German investments represented within the period under review approximately one half of direct foreign investments. Many items of the trade exchange between the two countries result from direct German investments in the Czech economy, which supports the stability of trade relations between the two countries.

### *Bilateral agreements concluded in 2002:*

- Accord between the Governments of the Czech Republic and of the Federal Republic of Germany on the Amendment of Annex 1 of the Agreement on Border Crossings at Common State Borders, executed in Prague on 18 November 1996, Prague, 28 May 2002, effective as of the execution date;

- Accord between the Ministry of Education, Youth and Sports of the Czech Republic and the Ministry for Science, Research and the Arts of Baden- Württemberg on Co-operation in the Sphere of Universities, Prague, 21 June 2002, effective as of the execution date.

### *Cultural relations*

Out of major cultural events organised in 2002, it is possible to mention the “Czech-Saxonian Musical Festival”, the “Czech- Bavarian Musical Festival”, the joint Czech-Bavarian-Saxonian festival “Mitte Europa” or the 4<sup>th</sup> annual cultural and social event “Czech Cultural Days”, which was organised in Dresden and other Saxonian cities. A touring exhibition “Centre of Europe Around 1000”, which was opened in Berlin in May 2001, continued successfully in Prague in June 2002.

The Czech Centre in Berlin organised in summer 2002 in co-operation with the Slovak and the French Institute a large-scale exhibition dedicated to Alfons Mucha's works.

A musical festival “Mozart and Prague – the Baroque Czechia” was held in Bad Aarolsen in May 2002 under the auspices of the Minister of Culture of the Czech Republic.

The “Czech Cultural Days” took place in the federal state of Hessen in August - November 2002”. In October 2002, the Czech Republic participated as usual in the book fair at Frankfurt am Main.

The 7<sup>th</sup> annual German language theatre festival was held in Prague in November 2002.

The “Czech Library” series , which is published with the support of Robert Bosch's Endowment and in which the principal works of Czech literature and philosophy are to appear in German translation in the years 1999 - 2008, continued to be published in 2002.

The co-operation within the Czech-German Commission of Historians proceeded as well.

In connection with the August floods, a part of the aid provided by the Federal Republic of Germany was directed to Czech school and cultural facilities and institutions affected by the floods.

The Czech-German Fund of the Future continues to provide funding to a number of joint Czech-German cultural projects, exchanges of young people and sociological or historical research projects.

## **FEDERAL REPUBLIC OF YUGOSLAVIA**

The Czech Republic supported the course towards democracy and reform taken by the Federal Republic of Yugoslavia and welcomed the progress achieved in the resolution of the long-term state and legal crisis. The Czech Republic strove to renew the previous rich tradition of relations between the two countries and transferred its experience from its own transformation and involvement in European and Euro-Atlantic structures. A joint Czech-Slovak unit started operating in KFOR since March 2002 and became involved in the maintenance of peace and building of a multi-ethnic society in the Kosovo Province.

The Czech Republic further provided its support to the territorial unity and state sovereignty of the Federal Republic of Yugoslavia and promoted systematic compliance with the Resolution of the U.N. Security Council No. 1244/99 on Kosovo.

### *Visits by representatives of the Czech Republic:*

- 17 – 18 January 2002 – visit by Prime Minister M. Zeman;
- 21 April 2002 – visit by Minister of Defence J. Tvrđík of the Czech- Slovak unit of KFOR in Kosovo;
- 7 May 2002 – visit by Minister of Foreign Affairs J. Kavan;
- 2 September 2002 – visit by Minister of Defence J. Tvrđík of the Czech- Slovak unit of KFOR in Kosovo.

### *Visits by representatives of the Federal Republic of Yugoslavia:*

- 18 – 21 February 2002 - visit by Chairman of the Council of the Republics of the Federal Parliament of the Federal Republic of Yugoslavia S. Božović;

- 13 – 15 March 2002 – visit by Minister of Transport and Communications of the Republic of Serbia M. Rašeta – Vukosavljević.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 3,366,400    | 3,893,597    | 4,952,366    | 0.1921                                 |
|                              | year-on-year index   | 147.0        | 115.7        | 127.2        |  |
| Exports                      | '000 CZK             | 2,691,181    | 3,224,328    | 4,088,659    | 0.3266                                 |
|                              | year-on-year index   | 141.0        | 119.8        | 126.8        |  |
| Imports                      | '000 CZK             | 675,219      | 669,269      | 863,707      | 0.0651                                 |
|                              | year-on-year index   | 177.0        | 99.1         | 129.1        |  |
| Balance                      | '000 CZK             | 2,015,962    | 2,555,059    | 3,224,952    |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 47,100       | 22,400       |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 1,400        | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: road motor vehicles and tractors, reactors, boilers, glass, tyres, mechanical instruments and tools, fuels, oils, iron and steel products, sugar and confectioneries, detergents.

Principal import commodities of the Czech Republic: iron and steel products, tyres, wires, cables, electrical conductors, rubber and rubber products, paper and paperboard, wood fibres, plastics and plastic products, non-ferrous metals and products thereof, clothing accessories.

### *Bilateral agreements concluded in 2002:*

- Treaty between the Czech Republic and the Federal Republic of Yugoslavia on Social Security, Belgrade, 17 January 2002.

### *Cultural relations*

Based on funding provided by UNESCO, the National Film Archive of the Czech Republic co-operated with the Cinémathèque and the Film Archive of Belgrade particularly in the restoration of film materials with historical importance. Czech artists, like the musical conductor P. Vronský or the harp player J. Boušková, performed successfully in Belgrade. An exhibition "Czech Theatrical Puppets" was organised in Belgrade by the Museum of Puppet

Cultures in Chrudim and the Applied Arts Museum in Belgrade. The “Czech Films Week” had a good response. A new Czech language tutor started working at the University of Belgrade, which represented a major boost of the interest in Czech language studies. An agreement on direct co-operation was concluded between Masaryk University in Brno and the University of Belgrade. The Czech Republic granted to the Federal Republic of Yugoslavia six graduate and post-graduate scholarships. A Czech language tutor continued to render his services to Czech compatriots in the Federal Republic of Yugoslavia.

## FEDERATIVE REPUBLIC OF BRAZIL

Brazil belongs to Czech Republic’s most important partners in Latin America; mutual relations of the two countries rely on commercial and economic co-operation.

### *Visits by representatives of the Czech Republic:*

- 13 March 2002 – working visit by Minister of Foreign Affairs of the Czech Republic J. Kavan.

### *Visits by representatives of Brazil:*

- 24-26 March 2002 – visit by President of the National Congress of Brazil R. Tebeto.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 5,918,376    | 5,530,014    | 4,534,254    | 0.1759                                 |
|                                | year-on-year index   | 154.0        | 93.4         | 82.0         |  |
| Exports                        | ‘000 CZK             | 1,819,301    | 1,484,800    | 1,502,226    | 0.1200                                 |
|                                | year-on-year index   | 172.0        | 81.6         | 101.2        |  |
| Imports                        | ‘000 CZK             | 4,099,075    | 4,045,214    | 3,032,028    | 0.2286                                 |
|                                | year-on-year index   | 147.0        | 98.7         | 75.0         |  |
| Trade balance                  | ‘000 CZK             | -2,279,774   | -2,560,414   | -1,529,802   |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 0            | 200          | 0            |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | -105,800     | 42,500       | -1,100       |  |
|                                | portfolio (‘000 CZK) | not recorded | 3,000        | 3,500        |  |

Principal export commodities of the Czech Republic: industrial technologies, machinery and equipment, glass and glass products, cars and parts, chemicals.

Principal import commodities of the Czech Republic: meat products, foodstuffs, tobacco, footwear, natural oils and coffee.

### *Cultural relations*

Czech culture was represented at the “EU Film Festival” by the film “Kytice (Wild Flowers)”, in a collection of European poetry by poems by J. Seifert, and also by an exhibition called “UNESCO Cities” in the university library in Brasília. An exhibition called “The Czech Republic at the turn of millennia” took place in Lidice in Brazil.

Several hundreds of Czech expatriates live in Brazil, in particular in Sao Paulo and Rio de Janeiro. Czech communities are active in Brazil, e.g. the Czech-Brazilian Cultural Union, Czech-Brazilian Cultural Workshop, Veteran Association, etc.

## **FEDERATIVE REPUBLIC OF NIGERIA**

The traditionally good relations between the two countries were restored after the accession of the civil regime at the end of the nineties. The emphasis is put on trade and economic co-operation.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | ‘000 CZK             | 290,650      | 953,957      | 863,198      | 0.0335                                 |
|                              | year-on-year index   | 54.0         | 328.2        | 90.5         |  |
| Exports                      | ‘000 CZK             | 201,852      | 503,742      | 451,762      | 0.0361                                 |
|                              | year-on-year index   | 71.0         | 249.6        | 89.7         |  |
| Imports                      | ‘000 CZK             | 88,798       | 450,215      | 411,436      | 0.0310                                 |
|                              | year-on-year index   | 42.0         | 507.0        | 91.4         |  |
| Balance                      | ‘000 CZK             | 113,054      | 53,527       | 40,326       |  |
| Foreign investments incoming | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: automobiles, aircraft, turbo-propelled engines and their spare parts, shaving blades, fezzes and hats.

Principal import commodities of the Czech Republic: cocoa beans, precious and semi-precious stones.

*Cultural relations:*

An exhibition “650 years of Charles University” was organised under the auspices of the Embassy of the Czech Republic. In 2002, the Government of the Czech Republic granted 3 governmental university scholarships to the Government of the Federative Republic of Nigeria.

## **FRENCH REPUBLIC**

France is among the Czech Republic’s most important partners. The current good standard of Czech-French relations manifested itself in 2002 by the high frequency of bilateral contacts and consultations at all levels. Due to the presidential and parliamentary elections in France in the first half of 2002, visits by representatives of the Czech Republic prevailed.

Bilateral co-operation was also successfully developed at regional level; the pending project of partnership between France’s Centre region and the Pardubice region may serve as an example. Of great significance for the development of Czech-French relations has also been co-operation of more than fifty French and Czech partner cities and municipalities.

The Czech Republic provided financial humanitarian assistance for the liquidation of the consequences of floods that afflicted the south-east part of France.

In the area of commerce, promising trends were noted in 2002. In terms of the turnover of mutual trade, France is among the Czech Republic’s most important partners, currently ranking fifth. The inflow of French investments into the Czech economy continued in 2002; with the overall amount of direct investments of US\$ 2,510 million, France ranks fourth in this respect.

*Visits by representatives of the Czech Republic:*

- 10-11 January 2002 – visit by Deputy Prime Minister of the Government and Minister of Foreign Affairs J. Kavan and participation in the Ministerial Conference of Francophony;
- 17-18 January 2002 – visit by Minister of Culture P. Dostál;
- 1 February 2002 – visit by President V. Havel;
- 25 February 2002 – visit by First Deputy Prime Minister of the Government and Minister of Labour and Social Affairs V. Špidla;
- 6-7 March 2002 – visit by Chairman of the Senate of the Parliament of the Czech Republic P. Pithart;
- 27 March 2002 – visit by Minister of Agriculture J. Fencí;
- 28 March 2002 – visit by Minister of Culture P. Dostál;
- 28-29 March 2002 – visit by Minister of Transport J. Schling;
- 23-24 May 2002 – visit by Chairman of the Senate of the Parliament of the Czech Republic P. Pithart;
- 27-28 May 2002 – visit by Minister of Justice J. Bureš;
- 16 July 2002 – visit by President V. Havel;
- 10- 12 October 2002 – visit by Prime Minister of the Government V. Špidla.

*Visits by representatives of France:*

- 21 February 2002 – visit by Minister Delegate for European Affairs P. Moscovici;
- 20-21 November 2002 – participation of a delegation of France headed by President J. Chirac in the NATO/EAPC Summit;
- 27-28 November 2002 - visit by Chairman of the Senate Ch. Poncelet.

*Economic relations*

|               |                    | 2000        | 2001        | 2002        | Share in total indicators for 2002 (%) |
|---------------|--------------------|-------------|-------------|-------------|--|
| Turnover      | '000 CZK           | 106,727,847 | 120,912,646 | 121,850,392 | 4.7261                                 |
|               | year-on-year index | 127.9       | 113.3       | 100.8       |  |
| Exports       | '000 CZK           | 45,085,233  | 54,396,475  | 58,300,709  | 4.6570                                 |
|               | year-on-year index | 164.0       | 120.7       | 107.2       |  |
| Imports       | '000 CZK           | 61,642,614  | 66,516,171  | 63,549,683  | 4.7914                                 |
|               | year-on-year index | 128.7       | 107.9       | 95.5        |  |
| Trade balance | '000 CZK           | -16,557,381 | -12,119,696 | -5,248,974  |  |
|               | direct ('000 CZK)  | 8,969,300   | 52,094,700  | 11,004,600  |  |



|                                |                      |              |              |              |  |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Foreign investments – incoming | direct ('000 CZK)    | 8,969,300    | 52,094,700   | 11,004,600   |  |
| Foreign investments – incoming | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
|                                | portfolio ('000 CZK) | not recorded | 6,200,000    | 6,060,600    |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, road motor vehicles, electrical facilities, apparatuses and appliances.

Principal import commodities of the Czech Republic: machinery and transportation equipment, road motor vehicles, telecommunications and voice recording and reproduction equipment, drugs and pharmaceuticals.

Thanks to the continuing growth in Czech exports and a drop in imports from France, there has been another considerable decrease in the passive balance of the bilateral trade exchange.

#### *Cultural relations*

The most important cultural event in 2002, also in the broader context of Czech-French relations, was the six months long Czech season in France called “Bohemia magica” under the auspices of Presidents V. Havel and J. Chirac. The Czech Republic had the opportunity to present its cultural wealth before the entry into the EU in one of the most prominent and culturally attractive countries in Europe. The project was coordinated by the Ministry of Culture of the Czech Republic. The season became an impulse for top-level political visits from the Czech Republic: President V. Havel visited cultural events in Paris and Avignon; Chairman of the Senate of the Parliament of the Czech Republic P. Pithart attended a colloquium on T. G. Masaryk; Prime Minister of the Government V. Špidla opened an exhibition of Czech baroque in Lille; Minister of Culture P. Dostál attended the opening of the Czech season in Paris and many of its events.

Co-operation between the Czech Republic and France in the area of education is based on the Programme of Bilateral Inter-governmental Co-operation in Education; the latest programme signed for the years 2000-2002 was extended by an additional year. In the area of secondary education, bilingual grammar schools in Prague, Brno, Olomouc and Tábor represent the most significant points of contact. Within the framework of the traditional co-operation between the Burgundy region and the Czech Republic, Czech students are admitted for a three-year study at Lycée Carnot in Dijon. A similar tradition is developing at the lyceum in Nîmes.

## GEORGIA

The Czech Republic views Georgia as an important partner in the region and ascribes great significance to the development of mutual commercial and economic relations. Coordination in the military area is also well-developed.

### *Visits by representatives of the Czech Republic:*

- 22-24 May 2002 – visit by Chief of the General Staff of ACR Gen. J. Šedivý;
- 24-30 May 2002 – visit by a delegation of the Committee on Education, Science, Culture, Human Rights and Petitions of the Senate of the Parliament of the Czech Republic.

### *Visits by representatives of Georgia:*

- 21-22 November 2002 – participation of a delegation of Georgia headed by President E. Shevardnadze in the NATO/EAPC Summit.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 226,607      | 217,749      | 243,588      | 0.0094                                 |
|                                | year-on-year index   | 94.6         | 96.1         | 111.9        |  |
| Exports                        | '000 CZK             | 201,067      | 200,491      | 238,607      | 0.0191                                 |
|                                | year-on-year index   | 98.5         | 99.7         | 119.0        |  |
| Imports                        | '000 CZK             | 25,540       | 17,258       | 4,981        | 0.0004                                 |
|                                | year-on-year index   | 72.4         | 67.6         | 28.9         |  |
| Trade balance                  | '000 CZK             | 175,527      | 183,233      | 233,626      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 11,100       |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, tobacco and tobacco products, pharmaceuticals, paper, airplanes and avionic parts.

Principal import commodities of the Czech Republic: coffee, tea, beverages, pharmaceuticals.

### *Cultural relations*

Despite the fact that there does not exist any contractual basis between the Czech Republic and Georgia in the area of culture and education, the Czech Embassy in Tbilisi together with the Ministry for Culture of Georgia organised the staging of G. Verdi's opera Tosca. Other cultural events included, for example, the exhibition "Prague through the eyes of Marina Tsvetayeva", or a commemorative evening on the 90<sup>th</sup> anniversary of the foundation of Sokol physical training organisation in Georgia. The Embassy of the Czech Republic actively co-operates with the Golden Prague Czech expatriate community.

In 2002, 8 scholarship recipients from Georgia studied in the Czech Republic on the basis of governmental scholarships.

In addition, direct co-operation in the education sector begins to develop between individual institutions; on the Czech side, this form of co-operation was initiated by the Institute of Economy of Charles University under CERGE programme.

## **GRAND DUCHY OF LUXEMBOURG**

The Czech-Luxembourg relations were promoted in 2002 to a new level with the opening of residential embassies of Luxembourg in the Czech Republic on 10 October 2002 and of the Czech Republic in Luxembourg on 25 October 2002. The importance and long-term tradition of mutual relations was further promoted by the visit by the Luxembourg sovereign couple, which took place in October 2002. On this occasion, the Duchy of Luxembourg announced an increase of the material assistance provided by Luxembourg for the removal of the consequences of catastrophic floods in the Czech Republic.

The Czech Republic perceives Luxembourg as a future partner in the European Union. The future membership of the Visegrad countries was also the principal focus of the development of co-operation on the Visegrad – Benelux level. A summit of Prime Ministers of both groups in Trenčín (Slovak Republic) took place in May 2002.

*Visits by representatives of Luxembourg:*

- 8 – 10 October 2002 – official visit by the Grand Duke of Luxembourg Henri and the Grand Duchess of Luxembourg Marie Teresa accompanied by Deputy Prime Minister and Minister of Foreign Affairs L. Polfer;
- 20 – 22 November 2002 – participation of a Luxembourg delegation headed by Prime Minister J. - C. Juncker in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 3,823,350    | 4,597,408    | 4,631,738    | 0.1796                                 |
|                              | year-on-year index   | 129.9        | 120.2        | 100.7        |  |
| Exports                      | '000 CZK             | 1,779,955    | 2,352,549    | 2,053,713    | 0.1640                                 |
|                              | year-on-year index   | 140.1        | 132.2        | 87.3         |  |
| Imports                      | '000 CZK             | 2,043,395    | 2,244,859    | 2,578,027    | 0.1944                                 |
|                              | year-on-year index   | 122.2        | 109.9        | 114.8        |  |
| Balance                      | '000 CZK             | -263,440     | 107,690      | -524,312     |  |
| Foreign investments incoming | direct ('000 CZK)    | 3,571,000    | 2,699,900    | 3,583,300    |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -1,000       | 5,600        | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 12,087,000   | 19,941,100   |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, mineral fuels and lubricants, furniture and means of transport;

Principal import commodities of the Czech Republic: machinery and transportation equipment, optical and measurement devices, aluminium, iron, steel and iron and steel products, plastics, glass, rubber, impregnated textile and paper.

### *Bilateral agreements concluded in 2002*

- The exchange programme in the area of science, education, sports, youth and culture between the Governments of the Czech Republic and of the Grand Duchy of Luxembourg for the years of 2002 – 2005, Luxembourg, 26 September 2002.

### *Cultural relations*

An exhibition of the first two centuries of typography in Bohemia, which was opened in December 2002 at the National Library of Luxembourg, successfully presented the Czech Republic as a country with great cultural traditions and present. The exhibition was organised

by the National Libraries of the Czech Republic and Luxembourg with the participation of the Embassy of the Czech Republic in Luxembourg.

## GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

The Czech Republic continued the restoration of bilateral relations, particularly in the economy, which started since April 1999, i.e., since the suspension of the sanction regime imposed upon Libya by the UN Security Council. The issue of receivables of the Czech Republic from Libya is still unresolved.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 149,505      | 3,842,621    | 936,660      | 0.0363                                 |
|                              | year-on-year index   | 17.0         | 2,570.2      | 24.4         |  |
| Exports                      | '000 CZK             | 138,497      | 130,229      | 72,632       | 0.0058                                 |
|                              | year-on-year index   | 116.0        | 94.0         | 55.8         |  |
| Imports                      | '000 CZK             | 11,008       | 3,712,392    | 864,028      | 0.0651                                 |
|                              | year-on-year index   | 1.4          | 33,724.5     | 23.3         |  |
| Balance                      | '000 CZK             | 127,489      | -3,582,163   | -791,396     |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: wood, glass, paper and china products, machinery and transportation equipment, consumer goods.

Principal import commodities of the Czech Republic: crude oil and natural gas.

The trade balance deficit is caused by increased imports of oil products.

### *Cultural relations*

One master and one PhD scholarship were offered to Libya out of the government scholarship quota for the academic year 2002/2003.

## HASHEMITE KINGDOM OF JORDAN

Czech-Jordan relations have been traditionally friendly, with an emphasis on commercial-economic exchange. An expert meeting was held in Prague in concerning the Agreement for the Avoidance of Double Taxation, which was initialled on that occasion.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 241,820      | 462,182      | 556,782      | 0.0216                                 |
|                                | year-on-year index   | 95.0         | 191.1        | 120.5        |  |
| Exports                        | '000 CZK             | 237,637      | 456,301      | 552,412      | 0.0441                                 |
|                                | year-on-year index   | 94.0         | 192.0        | 121.1        |  |
| Imports                        | '000 CZK             | 4,183        | 5,881        | 4,370        | 0.0003                                 |
|                                | year-on-year index   | 106.0        | 140.6        | 74.3         |  |
| Trade balance                  | '000 CZK             | 233,454      | 450,420      | 548,042      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 40,000       | 200          |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: paper and products containing cellulose, passenger cars, dairy products, glass products and crystal chandeliers, tyres.

Principal import commodities of the Czech Republic: Dead Sea products, food-grade salt, ceramic products.

### *Cultural relations*

Czech String Duo gave three concerts in Amman in May 2002. J. Svěcený, P. Malásek and Prague Chamber Orchestra performed in Amman in September 2002 as part of the “Nights with Opera” event. The Jordanian side offered two one-year scholarships for studies of the Arabic language, literature and history. Co-operation between the Institute of Tropical and Sub-tropical Agriculture of the Czech Agricultural University in Prague and Jordanian University for Science and Technology in Irbid continued for a second year with respect of a project of a research and training centre. One governmental scholarship for M.A. studies was allocated to the Jordanian side for the academic year of 2002/2003. Jordanian children participated in the international art competition “Lidice 2002”.

## HELLENIC REPUBLIC (GREECE)

Czech-Greek relations in the period under review were significantly influenced by the membership of both countries in NATO and by the gradual integration of the Czech Republic into the EU. The focus of the relations between the two countries still lay in economic co-operation, whose potential has not yet been fully utilised..

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 6,860,866    | 7,521,946    | 7,141,237    | 0.0277                                 |
|                              | year-on-year index   | 145.0        | 109.6        | 94.9         |  |
| Exports                      | '000 CZK             | 4,630,626    | 5,096,028    | 4,937,855    | 0.3944                                 |
|                              | year-on-year index   | 165.0        | 110.1        | 96.9         |  |
| Imports                      | '000 CZK             | 2,230,240    | 2,425,918    | 2,203,382    | 0.1661                                 |
|                              | year-on-year index   | 117.0        | 108.8        | 90.8         |  |
| Balance                      | '000 CZK             | 2,400,386    | 2,670,110    | 2,734,473    |  |
| Foreign investments incoming | direct ('000 CZK)    | 66,300       | 1,400        | 237,000      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | not recorded | 1,000        | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 353,000      | 6,600        |  |

Principal export commodities of the Czech Republic: motor vehicles, electronic recording and audio reproduction devices, wood and wooden products, iron and steel products, mechanical instruments, rubber and rubber products.

Principal import commodities of the Czech Republic: fruit, cotton, vegetables and vegetable products, clothes and clothing accessories, tobacco and tobacco substitutes.

### *Cultural relations*

The principal events were the Czech days in Volos, which were organised by the Embassy of the Czech Republic and by the local authorities. The programme of this universal event included a fine arts exhibition "Dotýkejte se, prosím" (Please Touch), a document exhibit "Česká republika na přelomu tisíciletí" (The Czech Republic at the Turn of the Millennium), concerts of the Panoch Quartet, performances of the folk band Hořeňák, showing of the film "Pelíšky" (Cosy Nests), "Musíme si pomáhat" (Divided We Fall), "Rebelové" (The Rebels) and "Podzimní návrat" (Return in Autumn) and lectures on various

aspects of life in the Czech Republic. The exhibition “Dotýkejte se, prosím” (Please Touch) was then shown in Athens.

As regards education, both parties implemented the programme of co-operation in education, including exchanges of students, university lecturers and scientists.

## **HOLY SEE**

The relationships between the Czech Republic and the Holy See are based on sharing of common principles of Western European civilisation and on the proximity of attitudes to fundamental principles of international policy.

The negotiations between both parties, which started in 2000, culminated with the execution the Agreement between the Czech Republic and the Holy See on Regulation of Mutual Relations in 2002.

*Visits by representatives of the Czech Republic:*

- 6 April 2002 – official visit of President of the Czech Republic V. Havel to the Holy See on the occasion of his official visit in the Italian Republic.

*Bilateral agreements concluded in 2002:*

- Agreement between the Czech Republic and the Holy See on the Regulation of Mutual Relations, Prague, 27 July 2002.

## **IRELAND**

Czech-Irish relations may be characterised as very good. Ireland welcomes co-operation with the Czech Republic in the enlarged Europe; this is evidenced by the declared intent not to apply against the Czech Republic any restrictions in respect of the free movement of persons from the date of accession to the EU. Mutual contacts in 2002 were less intensive than in the previous years due to the parliamentary elections in both countries.



The affirmative result of the repeated referendum on the Treaty of Nice held on 19 December 2002 had significant impact on the process of accession of the Czech Republic to the EU.

*Visits by representatives of the Czech Republic:*

- 10 October 2002 – visit by Deputy Prime Minister of the Government and Minister of Foreign Affairs C. Svoboda;
- 2-7 November 2002 – visit by a delegation of the Committee for European Integration of the Chamber of Deputies of the Parliament of the Czech Republic.

*Visits by representatives of Ireland:*

- 20-22 January 2002 – visit by a delegation of the Parliamentary Joint Committee for EU Affairs;
- 20-21 November 2002 – participation of Ireland's delegation headed by Minister of State with Special Responsibility for European Affairs D. Roche in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 16,410,220   | 16,957,851   | 16,240,533   | 0.6299                                 |
|                                | year-on-year index   | 148.4        | 103.3        | 95.8         |  |
| Exports                        | '000 CZK             | 7,595,248    | 9,057,426    | 7,997,692    | 0.6389                                 |
|                                | year-on-year index   | 177.7        | 119.3        | 88.3         |  |
| Imports                        | '000 CZK             | 8,814,972    | 7,900,425    | 8,242,841    | 0.6215                                 |
|                                | year-on-year index   | 130.0        | 89.6         | 104.3        |  |
| Trade balance                  | '000 CZK             | -1,219,724   | 1,157,001    | -245,149     |  |
| Foreign investments – incoming | direct ('000 CZK)    | 579,100      | 93,900       | 131,000      |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 25,300       | 0            | 33,100       |  |
|                                | portfolio ('000 CZK) | not recorded | 1,266,000    | 3,309,600    |  |

Principal export commodities of the Czech Republic: passenger cars, components for refrigerating equipment, telecommunications technology.

Principal import commodities of the Czech Republic: telecommunications equipment, computing technology, software and recorded data media, pharmaceuticals.

### *Cultural relations*

No contractual document have as yet been concluded between the Czech Republic and Ireland on cultural co-operation. Main cultural events that took place in Ireland in 2002 included the performance of D. Pecková in the Sligo International Music Festival, visiting performances of the Prague Chamber Orchestra in the Kilkenny International Music Festival, benefit flood concerts of the violinist P. Šporcl, and director J. Svěrák's participation in the Film Festival in Cork.

Co-operation in the field of education is based on implementation of the Agreement on Co-operation in the Field of Education and Science between the Ministry of Education, Youth and Sports of the Czech Republic and the Ministry of Education and Science of Ireland for the years 2001-2003.

## **ISLAMIC REPUBLIC OF IRAN**

In the course of 2002, the Islamic Republic of Iran continued its efforts to normalise its relations with the surrounding world, and in particular with EU countries.

Czech-Iranian relations have had long and wealthy tradition, and their potential still is not used to its full capacity; they continued to be influenced by the broadcasting of Radio Free Europe/Radio Liberty to Iran from Prague.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 3,112,871    | 1,396,713    | 1,557,388    | 0.0604                                 |
|                                | year-on-year index   | 207.0        | 44.9         | 111.5        |  |
| Exports                        | '000 CZK             | 2,833,482    | 1,121,050    | 1,308,514    | 0.1045                                 |
|                                | year-on-year index   | 230.0        | 39.6         | 116.7        |  |
| Imports                        | '000 CZK             | 279,389      | 275,663      | 248,874      | 0.0188                                 |
|                                | year-on-year index   | 102.0        | 98.7         | 90.3         |  |
| Trade balance                  | '000 CZK             | 2,554,093    | 845,387      | 1,059,640    |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 300          |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 3,000        |  |

Principal export commodities of the Czech Republic: investment projects, boilers, apparatuses and mechanical devices, glass and glass products, pharmaceuticals, iron and steel.

Principal import commodities of the Czech Republic: agricultural products, aluminium, carpets and floor coverings.

### *Cultural relations*

In March 2002, an exhibition called “UNESCO Towns in the Czech Republic” was held in Teheran, and exhibition “Prague Monuments in the Vicinity of the River Vltava” was presented on the occasion of the national holiday on 28 October 2002. In September 2002, a Czech language course for foreigners was launched by the Embassy of the Czech Republic in Teheran. An Iranian lecturer of the Persian language has been teaching at the Faculty of Arts of Charles University in Prague for a second year. Two governmental scholarships for M.A. studies were granted to Iran for the academic year of 2002/2003. Iranian children took part in international art competition “Lidice 2002”.

## **ISLAMIC REPUBLIC OF PAKISTAN**

Despite the development of the principal prerequisites for a change in the attitude of the international community towards Pakistan, the Czech – Pakistani relations, which are traditionally focused on the trade and economic area, did not witness any significant development.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | ‘000 CZK             | 827,061      | 1,054,073    | 1,031,891    | 0.0400                                 |
|                              | year-on-year index   | 129.1        | 127.4        | 97.9         |  |
| Exports                      | ‘000 CZK             | 259,276      | 398,455      | 394,496      | 0.0315                                 |
|                              | year-on-year index   | 124.2        | 153.7        | 99.0         |  |
| Imports                      | ‘000 CZK             | 567,785      | 655,618      | 637,395      | 0.0481                                 |
|                              | year-on-year index   | 131.5        | 115.5        | 97.2         |  |
| Balance                      | ‘000 CZK             | -308,509     | -257,163     | -242,899     |  |
| Foreign investments incoming | direct (‘000 CZK)    | 0            | 0            | 600          |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
|                              | direct (‘000 CZK)    | 0            | 0            | 0            |  |

|                              |   |                      |              |   |              |  |
|------------------------------|---|----------------------|--------------|---|--------------|--|
| Foreign investments outgoing | – | direct ('000 CZK)    | 0            | 0 | 0            |  |
| Foreign investments outgoing | – | portfolio ('000 CZK) | not recorded | 0 | not recorded |  |

Principal export commodities of the Czech Republic: textile machines, jewellery and glass products and paper.

Principal import commodities of the Czech Republic: leather products, textile, clothing, sports equipment.

## JAPAN

Japan is a world power, one of the leading providers of development assistance, and one of Czech Republic's most important partners in Asia. The highlight of mutual political relations in 2002 was the visit by the Imperial couple to the Czech Republic. The substantial inflow of Japanese investments continued in 2002. The traditionally strong cultural ties are of special significance for the relations of the Czech Republic and Japan.

### *Visits by representatives of the Czech Republic:*

- 17-19 February 2002 – visit by Minister of Finance J. Rusnok.

### *Visits by representatives of Japan:*

- 14 January 2002 – visit by Minister of Education, Culture and Sports A. Toyama;

- 6-9 July 2002 – state visit by Japan's Emperor Akihito and Empress Michiko.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 28,262,103   | 30,414,003   | 32,034,461   | 1.2425                                 |
|                                | year-on-year index   | 127.0        | 107.6        | 105.3        |  |
| Exports                        | '000 CZK             | 4,501,702    | 4,743,593    | 4,550,894    | 0.3635                                 |
|                                | year-on-year index   | 173.0        | 105.4        | 95.9         |  |
| Imports                        | '000 CZK             | 23,760,401   | 25,670,410   | 27,483,567   | 2.0721                                 |
|                                | year-on-year index   | 121.0        | 108.0        | 107.1        |  |
| Trade balance                  | '000 CZK             | -19,258,699  | -20,926,817  | -22,932,673  |  |
| Foreign investments – incoming | direct ('000 CZK)    | 1,786,700    | 724,400      | 4,397,500    |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
|                                | direct ('000 CZK)    | 0            | 0            | 0            |  |

|                                   |                      |              |        |       |  |
|-----------------------------------|----------------------|--------------|--------|-------|--|
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 0            | 0      | 0     |  |
|                                   | portfolio ('000 CZK) | not recorded | 68,000 | 9,500 |  |

Principal export commodities of the Czech Republic: electrotechnical components, pumps, glass, timber.

Principal import commodities of the Czech Republic: computing technology components, consumer electronic appliances, cars, optical devices, pumps, mechanical devices.

*Bilateral agreements concluded in 2002:*

- Agreement between the Government of the Czech Republic and the Government of Japan on the Supply of Audio and Lighting Equipment for the National Moravian-Silesian Theatre in Ostrava in the Form of Exchange of Personal Notes, Prague, 11 April 2002.

*Cultural relations*

Cultural relations have traditionally been of a very good standard and are developing dynamically. Particularly the Czech classical music has excellent renown in Japan, while traditional forms of Japanese culture are extraordinarily popular in the Czech Republic, including calligraphy, the tea ceremony, music, arranging of flowers, or theatre.

On an annual basis the Government of Japan provides culture grants in the amount of JPY 50 million. A culture grant was donated in 2002 to the Moravian-Silesian Theatre in Ostrava.

In the area of education, four governmental scholarships are exchanged annually between Japan and the Czech Republic. In 2002, five more Japanese students were granted scholarship for the Summer School of Slavonic Studies and other scholarships are granted to Czech students by Japanese foundations and universities.

## **KINGDOM OF BELGIUM**

The Czech Republic perceives Belgium as a future partner in the EU; the two countries have in common their interest in maintaining the equal position of small countries

within the Union. Beside contacts at the Belgian federal level, contacts with Belgium's regions and communities were also strengthened – in 2002, the Czech Republic signed an agreement on co-operation with the Flemish Government, and similar agreements entered into force with the Governments of the French Community of Belgium and of the Walloon Region. The countries also continued in their co-operation in the Visegrád – Benelux format; a summit of the Prime Ministers of both groups took place in Trenčín, Slovakia, in May 2002.

In 2002, Belgium was the twelfth biggest foreign trade partner of the Czech Republic (8<sup>th</sup> biggest from among the EU countries), and was the sixth biggest foreign investor in the period 1993 – 30 September 2002.

#### *Visits by representatives of the Czech Republic*

- 25 November 2002 – working visit by Prime Minister of the Government V. Špidla.

#### *Visits by representatives of Belgium:*

- 11-13 February 2002 – visit by Minister of Interior, State Administration and Foreign Affairs of the Flemish Government P. Van Grembergen;

- 13-14 May 2002 – visit by Minister for Economy, Small and Medium-sized Enterprise, Research and New Technologies of the Walloon Region S. Kubla.

#### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 51,871,033   | 71,034,861   | 59,561,058   | 2.3102                                 |
|                                | year-on-year index   | 131.4        | 136.9        | 83.8         |  |
| Exports                        | '000 CZK             | 24,496,750   | 37,971,074   | 29,693,523   | 2.3719                                 |
|                                | year-on-year index   | 131.0        | 155.0        | 78.2         |  |
| Imports                        | '000 CZK             | 27,374,283   | 33,063,787   | 29,867,535   | 2.2519                                 |
|                                | year-on-year index   | 131.8        | 120.8        | 90.3         |  |
| Trade balance                  | '000 CZK             | -2,877,533   | 4,907,287    | -174,012     |  |
| Foreign investments – incoming | direct ('000 CZK)    | 2,041,100    | 1,816,200    | 8,211,500    |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | -100         | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 4,201,000    | 10,529,800   |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, various industrial products.

Principal import commodities of the Czech Republic: machinery and transportation equipment, chemicals.

*Bilateral agreements concluded in 2002:*

- Agreement on Co-operation between the Government of the Czech Republic and the Flemish Government, Prague, 12 February 2002.

*Cultural relations*

In 2002, Czech culture was successfully presented in Belgium by, for example, an exhibition of the work of 6 Czech artists living in the Czech Republic and Austria, installed on the premises of the Antwerp Academy of Fine Arts, or an exhibition called “Temporary Czech architecture” at the Czech Centre in Brussels.

## **KINGDOM OF DENMARK**

The good relations between the Czech Republic and Denmark were positively influenced in 2002, in particular, by the fact that Denmark presided over the EU in the second half of 2002 and its activities significantly facilitated the completion of the accession talks of the EU with the candidate countries. At the European Council Summit in Copenhagen in December, the Czech Republic and nine other countries received an invitation to enter into the EU. The extraordinary intensity of travels and visits by Czech political and expert representatives provided a valuable means for comparing the positions of both parties concerning European integration and strengthened their bilateral relations.

*Visits by representatives of the Czech Republic:*

- 3 June 2002 – visit by Minister of Agriculture J. Fencel;
- 9 September 2002 – visit by Prime Minister of the Government V. Špidla;
- 4 October 2002 – visit by Deputy Prime Minister of the Government and Minister of Foreign Affairs C. Svoboda;

- 28 October 2002 – visit by Prime Minister of the Government V. Špidla;
- 29-30 November 2002 – visit by Minister of Education, Youth and Sports P. Buzková;
- 12-14 December 2002 – participation of Prime Minister of the Government V. Špidla, Deputy Prime Minister of the Government and Minister of Foreign Affairs C. Svoboda, Minister of Finance P. Sobotka and Minister of Agriculture J. Palas in the European Council Summit in Copenhagen;

*(Note: in the course of 2002, and in its second half in particular, many more working visits took place in connection with the country's EU presidency.)*

*Visits by representatives of Denmark:*

- 21-22 November 2002 – participation of a delegation of Denmark headed by Prime Minister of the Government A. F. Rasmussen in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 13,370,718   | 15,847,777   | 15,745,726   | 0.6107                                 |
|                                | year-on-year index   | 106.4        | 118.5        | 99.4         |  |
| Exports                        | '000 CZK             | 6,082,197    | 7,361,039    | 7,410,491    | 0.5919                                 |
|                                | year-on-year index   | 103.4        | 121.0        | 100.7        |  |
| Imports                        | '000 CZK             | 7,288,521    | 8,486,738    | 8,335,235    | 0.6284                                 |
|                                | year-on-year index   | 109.0        | 116.4        | 98.2         |  |
| Trade balance                  | '000 CZK             | -1,206,324   | -1,125,699   | -924,744     |  |
| Foreign investments – incoming | direct ('000 CZK)    | 3,971,800    | 8,826,500    | 1,449,100    |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 2,000        | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 253,000      | 121,000      |  |

Principal export commodities of the Czech Republic: metallurgical materials, chemicals and engineering products – in particular passenger cars, and also rubber, wooden, textile and non-ferrous metal products, consumer goods, glass, footwear, toys, leather accessories and office supplies.

Principal import commodities of the Czech Republic: machinery for food industry and agriculture, energy facilities, chemicals, medical and pharmaceutical products, measuring and regulating apparatuses and diagnostic devices.



After several years of increases in the volume of trade turnover, the trade exchange stagnated in 2002, with a positive trend of Czech exports catching up with the imports, thus reducing the negative trade balance.

### *Cultural relations*

On 30 June – 4 July 2002, “Days of culture of the candidate countries for accession to the EU” were held at the Tivoli park in Copenhagen. The Czech Republic was represented by the Czech rock band Monkey Business and the folk music ensemble V.R.M. Alongside with the show, the Czech Republic’s presentation included printed materials and discussions with visitors within the framework of “European village”.

On the occasion of a national holiday of 28 October, an exhibition was held of photographs of the August floods in the Czech Republic, reminding of the assistance of Danish rescue team members present at the exhibition.

In late 2002, the Danish National Gallery in Copenhagen organised an exhibition “European National Galleries in 25 Films” introducing, in the form of documentary films, the most important works of art exhibited in the national galleries of 25 European countries. Before the December Summit, an exhibition of environmental and cultural diversity of the candidate countries, “Europe is Uniting”, was organised in the Copenhagen pedestrian zone, where the Czech Republic presented itself as a future EU member and an interesting tourist destination. As part of the show “Art Dance in Central Europe: Culture and the Enlargement”, the Czech Republic was represented by K. Lhotáková with her experimental performance of The Swan.

## **KINGDOM OF MOROCCO**

The Czech Republic considers Morocco as one of the important countries of the eastern Mediterranean region. In 2002, both parties showed increased interest in further enhancement of their dialogue and co-operation. Expert negotiations were held with respect to the Agreement between the Czech Republic and the Kingdom of Morocco on Exchange of Convicts and Co-operation in the Execution of the Prison Sentence.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 778,350      | 884,501      | 839,294      | 0.0326                                 |
|                              | year-on-year index   | 121.0        | 113.6        | 94.9         |  |
| Exports                      | '000 CZK             | 388,542      | 428,475      | 276,926      | 0.0221                                 |
|                              | year-on-year index   | 153.0        | 110.3        | 64.6         |  |
| Imports                      | '000 CZK             | 390,408      | 456,026      | 562,368      | 0.0424                                 |
|                              | year-on-year index   | 100.2        | 116.8        | 123.3        |  |
| Balance                      | '000 CZK             | -1,866       | -27,551      | -285,442     |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: steel products, construction iron, polyethylene, glass, costume jewellery, textile machinery and related spare parts, consumer goods, carpets, foodstuffs and health care products.

Principal import commodities of the Czech Republic: citrus fruits, potatoes, vegetables, fresh flowers, essential oils for cosmetic production, frozen and canned fish, textile, gold and consumer goods.

### *Cultural relations*

The Czech Republic took part as a traditional participant in the international film festival "Festival du Grand Cinema Inaperçu", which was held in Rabat in August 2002. Children from Morocco participated in the international fine arts contest "Lidice 2002".

## **KINGDOM OF NORWAY**

The centre of the Czech-Norwegian co-operation lay in the area of economy and security. The relations between the two countries were intensified in connection with the membership of the Czech Republic in NATO and the preparation for future membership of the Czech Republic in the European Economic Area.

*Visits by representatives of the Czech Republic:*

- 11 – 15 February 2002 – visit by a delegation of the Constitutional and Legal Committee of the Chamber of Deputies of the Parliament of the Czech Republic;
- 22 – 25 April 2002 – visit by the delegation of the Committee of the Senate of the Parliament of the Czech Republic on Culture, Science, Education, Human Rights and Petitions;
- 18 April 2002 – visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan

*Visits by representatives of Norway:*

- 21 – 22 November 2002 – participation of the delegation of Norway headed by Prime Minister K. M. Bondevik in the NATO/EAPC Summit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 15,987,891   | 18,852,814   | 18,055,128   | 0.7003                                 |
|                              | year-on-year index   | 170.1        | 117.9        | 95.8         |  |
| Exports                      | '000 CZK             | 4,426,574    | 5,160,334    | 5,641,884    | 0.4507                                 |
|                              | year-on-year index   | 126.1        | 116.6        | 109.3        |  |
| Imports                      | '000 CZK             | 11,561,317   | 13,692,480   | 12,413,244   | 0.9359                                 |
|                              | year-on-year index   | 196.4        | 118.4        | 90.7         |  |
| Balance                      | '000 CZK             | -7,134,743   | -8,532,146   | -6,771,360   |  |
| Foreign investments incoming | direct ('000 CZK)    | -550,300     | 1,336,900    | 430,800      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -80,400      | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 557,300      |  |

Principal export commodities of the Czech Republic: automobiles, metallurgy products, textile products, tyres, machinery and electrotechnical products, sports equipment, ceramics and glass products, shoes and toys.

Principal import commodities of the Czech Republic: natural gas, ferrous alloys, aluminium and aluminium products, electrical devices, fish, plastics, paper, chemicals, non-ferrous metals, food products.

*Cultural relations*

The leading cultural event in 2002 was the “Prague Spring” in Drammen, which was held in March and included the following events: a glass art exhibition, performances of the Prague Chamber Orchestra, the puppet theatre Don Giovanni, the music band Cymbelin and the non-verbal theatre OKOLO. The program was accompanied by an exhibition on tourism, which was opened by the wife of President of the Czech Republic, D. Havlová. In April, the Embassy of the Czech Republic in Oslo took part in the organisation of the 1<sup>st</sup> Annual European Festival of Documentary Films.

There exists an association of compatriots in Norway, the Czech-Norway Forum. A Norwegian section of the Nordic Society successfully develops its activities in the Czech Republic.

## **KINGDOM OF SAUDI ARABIA**

Saudi Arabia is one of the Czech Republic’s most important partners in the Gulf region. The support of Czech economic activities in the Kingdom is of great significance for the mutual relations. The appointment of the first Saudi ambassador to the Czech Republic and the opening of the Czech honorary consulate in Jeddah are a promising aspect for further development of mutual co-operation. There has been an increasing tendency in the willingness of Saudis to travel to the Czech Republic for trade, recreation or treatment in Czech spas. Co-operation in the areas of health care, agriculture, science and defence continue to develop, and the police corps of both countries co-operate intensively.

### *Visits by representatives of the Czech Republic*

- 24-27 May 2002 – visit by Minister of Agriculture J. Fencľ;
- 28-30 September 2002 – visit by Chief of the General Staff of ACR Gen. J. Šedivý.

### *Economic relations*

|          |                    | 2000      | 2001      | 2002      | Share in total indicators for 2002 (%) |
|----------|--------------------|-----------|-----------|-----------|--|
| Turnover | ‘000 CZK           | 1,420,863 | 2,121,481 | 1,210,334 | 0.0469                                 |
|          | year-on-year index | 175.0     | 149.3     | 57.1      |  |
| Exports  | ‘000 CZK           | 1,370,339 | 2,077,314 | 1,097,223 | 0.0876                                 |
|          | year-on-year index | 185.0     | 151.6     | 52.8      |  |
| Imports  | ‘000 CZK           | 50,524    | 44,167    | 113,111   | 0.0085                                 |

|                                   |                      |              |              |              |  |
|-----------------------------------|----------------------|--------------|--------------|--------------|--|
|                                   | year-on-year index   | 72.0         | 87.4         | 256.1        |  |
| Trade balance                     | '000 CZK             | 1,319,815    | 2,033,147    | 984,112      |  |
| Foreign investments<br>– incoming | direct ('000 CZK)    | 1,200        | 0            | 1,200        |  |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities: automobiles, tyres, foodstuffs, paper and metal products.

Principal import commodities of the Czech Republic: oily products.

The overall development of the structure of export by commodity has been positive. An increase has been seen in the area of technology transfers and export of dairy products.

*Bilateral agreements concluded in 2002:*

- General Agreement on Mutual Co-operation, Riyadh, 3 March 2002.

*Cultural relations*

An exhibition of the work of the Czech photographer M. Mancová-Pechová, “Stories of light and darkness”, was organised in October 2002 on the occasion of a national holiday of the Czech Republic. The exhibition was then presented in Jeddah on the occasion of the opening of the honorary consulate of the Czech Republic in November 2002. In April 2002, a delegation of King Abdulaziz City for Science and Technology visited the Czech Republic. In August 2002, the Director of the King Faisal Center for Research and Islamic Studies visited the Oriental Institute of the Academy of Sciences of the Czech Republic. Talks on co-operation were carried on between Charles University and King Saud University in Riyadh. Two scholarships were granted by the Arab Language Institute of King Saud University to students of the Faculty of Arts of Charles University. Saudi children participated in the international arts competition “Lidice 2002”.

## **KINGDOM OF SPAIN**

The Czech Republic considers its relations with Spain as very important. Contacts from the Czech side were particularly active in 2002, also with respect to the Spanish presidency over the EU. Spain was and has remained an important country for the Czech Republic not only as regards the alliance in NATO, but also as a future EU partner.

### *Visits by representatives of the Czech Republic:*

- 15 March 2002 – participation of Prime Minister M. Zeman in the EU Summit in Barcelona;
- 18 - 19 April 2002- visit by Chairman of the Senate of the Parliament of the Czech Republic P. Pithart;
- 7 - 9 June 2002 – participation of Chairman of the Senate of the Parliament of the Czech Republic P. Pithart in the conference of chairmen of chambers of deputies and senates of EU member and candidate countries in Madrid;
- 22 June 2002 - participation Prime Minister M. Zeman and Deputy Prime Minister and Minister of Foreign Affairs J. Kavan in EU Summit in Sevilla;
- 26 - 28 June 2002 – visit of a delegation of the Standing Committee of Senate of the Parliament of the Czech Republic on the Constitution of the Czech Republic and for Parliamentary Procedures;
- 18 - 23 November 2002 - visit of a delegation of the Committee of the Senate of the Parliament of the Czech Republic on Legal and Constitutional Affairs.

### *Visits by representatives of Spain:*

- 20 - 22 November 2002 – participation of a delegation of Spain headed by Prime Minister J. M. Aznar in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 40,890,142   | 48,814,983   | 50,245,212   | 1.9488                                 |
|                              | year-on-year index   | 135.0        | 119.4        | 102.9        |  |
| Exports                      | '000 CZK             | 18,142,445   | 22,734,084   | 24,999,514   | 1.9970                                 |
|                              | year-on-year index   | 116.9        | 125.3        | 110.0        |  |
| Imports                      | '000 CZK             | 22,747,697   | 26,080,899   | 24,245,698   | 1.9034                                 |
|                              | year-on-year index   | 154.5        | 114.7        | 96.8         |  |
| Balance                      | '000 CZK             | -4,605,252   | -3,346,815   | -246,184     |  |
| Foreign investments incoming | direct ('000 CZK)    | 1,138,900    | 390,700      | 357,800      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -13,700      | 2,100        | 3,400        |  |
|                              | portfolio ('000 CZK) | not recorded | 2,819,00     | 4,962,600    |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, automobiles, tyres, iron fittings, electrical equipment, textile yarn and fabrics, organic chemicals. The Czech Republic managed to renew supplies of tractors and lifting equipment.

Principal import commodities of the Czech Republic: automobiles, tyres, machinery, iron fittings, electrical equipment, textile yarn, fabrics and organic chemicals.

### *Cultural relations*

The Czech-Spanish cultural co-operation is based on the Agreement on Cultural Co-operation executed in 1979.

A large-scale cultural presentation of EU candidate countries was held in Madrid; the Czech Republic was represented by the Wallachian band Soláň and the Bierhanzl guitar duo. A film festival of the countries of central and eastern Europe "Possible" was organised in Barcelona with the help of the Embassy of the Czech Republic in Madrid; the Czech Republic offered the most numerous collection of twenty films. The 12<sup>th</sup> Annual Experimental Film Festival was held in Madrid with significant Czech participation. The Czech animated film was presented on the Canary Islands and in Granada. The project of "Czech Days", which is organised in various regions of Spain, has won public interest and an extensive response in the media. In 2002, the Czech Days were organised in Oviedo. The exhibition "The Czech Republic on the Turn of the Millennium" was used in a number of secondary schools in Galicia and Asturias.

## **KINGDOM OF SWEDEN**

An intensive political dialogue between the Czech Republic and Sweden continued in 2002. Sweden supports the enlargement of the EU and considers the Czech Republic as a country that is well prepared for the entry into the EU. Sweden offered extensive material aid for the liquidation of effects of floods.

### *Visits by representatives of the Czech Republic:*

- 3 - 4 March 2002 - visit by Minister of Defence J. Tvrđík;
- 2 - 3 April 2002 - visit of a delegation of the Committee on European Integration of the Senate the Czech Republic;
- 15 - 16 May 2002 - visit by Minister of Agriculture J. Fencł;
- 12 October 2002 - visit by Minister of Agriculture J. Palas.

### *Visits by representatives of Sweden:*

- 8 April 2002 - visit by Minister of Foreign Affairs A. Lindh;
- 22 May 2002 - visit by Minister of Defence B. von Sydow
- 21 - 22 November 2002 – participation of a delegation of Sweden headed by Prime Minister G. Persson in the NATO/EAPC Summit.



### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 34,863,723   | 28,892,975   | 28,635,628   | 0.1107                                 |
|                              | year-on-year index   | 144.7        | 82.9         | 99.1         |  |
| Exports                      | '000 CZK             | 15,113,328   | 12,397,531   | 13,926,357   | 1.1124                                 |
|                              | year-on-year index   | 137.2        | 82.0         | 112.3        |  |
| Imports                      | '000 CZK             | 19,750,395   | 16,495,444   | 14,709,271   | 1.1090                                 |
|                              | year-on-year index   | 151.0        | 83.5         | 89.2         |  |
| Balance                      | '000 CZK             | -4,637,067   | -4,097,913   | -782,914     |  |
| Foreign investments incoming | direct ('000 CZK)    | 5,695,800    | 788,000      | 2,482,100    |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -42,300      | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 632,000      | 2,216,200    |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, transport means, beverages, ceramic products, textile, paper, wood, plastics, rubber and rubber products.

Principal import commodities of the Czech Republic: machinery and transportation equipment, chemicals, pharmaceutical products, iron and steel, non-ferrous metals, dyes, vegetable and animal fats.

### *Cultural relations*

The most important projects implemented in 2002 included a series of exhibitions of modern Czech architecture, which was accompanied by expert lectures. A touring exhibition of photographs "2002 Floods in Bohemia" was organised in connection with the floods. Fundraising concerts were organised in co-operation with compatriot organisations. An important role in the presentation of the Czech Republic in Sweden was played in 2002; the Czech film production was represented on three festivals, a week-end with Czech film was held in Stockholm and the Czech Centre showed continuously new Czech films.

As regards education, a student exchange was ongoing based on the Accord between the Ministry of Education, Youth and Sports of the Czech Republic and the Swedish Institute under the Socrates Programme.

## **KINGDOM OF THAILAND**

The Kingdom of Thailand was in the period under review one of the important partners of the Czech Republic in Southeast Asia, where it plays, due to its position of a developed parliamentary democracy and economy, a stabilising role and represents one of the most active factors in the development of regional co-operation.

*Visits by representatives of the Czech Republic:*

- 4-7 February 2002 - official visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan.

*Visits by representatives of Thailand:*

- 27 October 2002 - private visit by Queen of Thailand Sirikit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 4,124,604    | 5,989,153    | 6,280,887    | 0.2436                                 |
|                              | year-on-year index   | 144.0        | 145.2        | 104.9        |  |
| Exports                      | '000 CZK             | 1,066,137    | 1,676,078    | 1,923,057    | 0.1536                                 |
|                              | year-on-year index   | 216.0        | 157.2        | 114.7        |  |
| Imports                      | '000 CZK             | 3,058,467    | 4,313,075    | 4,357,830    | 0.3286                                 |
|                              | year-on-year index   | 129.0        | 141.0        | 101.0        |  |
| Balance                      | '000 CZK             | -1,992,330   | -2,636,997   | -2,434,773   |  |
| Foreign investments incoming | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 16,500       |  |

Principal export commodities of the Czech Republic: dried milk, machinery and transportation equipment, textile and food processing machinery, automobiles.

Principal import commodities: electrotechnical products, food products, textile, clothing.

Thailand is one of the most important trade partners of the Czech Republic from the countries of Southeast Asia. Despite a regular growth of trade exchange between the two countries in the last years, the achieved results do not fully correspond to the potential of both countries, even though the existing contract basis (a trade agreement, an agreement on

avoidance of double taxation and an agreement on support and protection of investment) forms a sufficient legislative framework for the development of trade and economic relations.

#### *Cultural relations*

The main cultural events in 2002 included the exhibition “Theatrum Mundi” and the show of the film “Postřižiny” in the presence of the director J. Menzel.

Representatives of the Czech Republic participated in the world-wide scout Jamboree in Thailand in December 2002. The Government of the Czech Republic granted 3 university scholarships to Thai students, all of which were used.

## **KINGDOM OF THE NETHERLANDS**

The principal subject of Czech-Dutch relationships was the upcoming enlargement of the European Union. The Netherlands provided active support to the Czech Republic in its preparation for admission to the EU, which focused particularly on the co-operation of ministries of agriculture. The Czech Republic perceived the Netherlands as a prospective partner in the EU, which was also manifested in the co-ordination of attitudes to the future institutional organisation of the EU. Matters related to the future extension of the EU also prevailed in the development of co-operation on the Visegrad – Benelux level. In May 2002, a summit of Prime Ministers of both groups took place in Trenčín (Slovak Republic).

In the year 2002, the Netherlands was the 8<sup>th</sup> most important foreign trade partner of the Czech Republic (and held the 6<sup>th</sup> place among EU member countries). Due to its large share of direct foreign investments, the Netherlands held in the period from 1993 until 30 September 2002 the second place among foreign investors in the Czech Republic.

#### *Visits by representatives of the Czech Republic:*

- 12 March 2002 – visit by the Minister of Finance J. Rusnok;
- 6 – 9 July 2002 – visit by a delegation of the Standing Commission of the Senate of the Parliament of the Czech Republic on Compatriots Living Abroad;

- 7 – 9 October 2002 – visit by the Committee of the Senate of the Czech Republic on Public Administration, Regional Development and Environment;

- 29 October 2002 – visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

*Visits by representatives of the Netherlands:*

– 8 April 2002 – visit by Minister of Agriculture L. J. Brinkhorst;

– 20 – 22 November 2002 – participation of a delegation of the Netherlands headed by Prime Minister J. P. Balkenend in the NATO/EAPC Summit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 54,796,820   | 68,170,367   | 79,975,105   | 3.1019                                 |
|                              | year-on-year index   | 120.1        | 124.4        | 117.3        |  |
| Exports                      | '000 CZK             | 25,779,032   | 35,393,660   | 48,714,173   | 3.8913                                 |
|                              | year-on-year index   | 116.1        | 137.3        | 137.6        |  |
| Imports                      | '000 CZK             | 29,017,788   | 32,776,707   | 31,260,932   | 2.3569                                 |
|                              | year-on-year index   | 123.8        | 113.0        | 95.4         |  |
| Balance                      | '000 CZK             | -3,238,756   | 2,616,953    | 17,453,241   |  |
| Foreign investments incoming | direct ('000 CZK)    | 40,005,900   | 31,083,300   | 31,149,300   |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -674,400     | 2,000        | 42,900       |  |
|                              | portfolio ('000 CZK) | not recorded | 14,997,000   | 33,721,800   |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, soaps, cleaning and washing detergents, clothing and fabrics, wood and wooden products, paper, dyes, milk products, means of transport.

Principal import commodities of the Czech Republic: machinery and transportation equipment, chemicals, trees, flowers, seeds, plant and animal fats, pharmaceutical products, electrical devices and fabrics.

The growth of the Czech exports in 2002 (including export of automobiles) contributed, together with a slight decrease of imports, to a significant growth of the trade balance surplus. In 2002, the Netherlands was the third leading foreign investor in the Czech Republic.

### *Cultural relations*

Examples of the successful presentation of Czech culture in the Netherlands in 2002 include the participation of the Czech Republic in the 31<sup>st</sup> Rotterdam International Film Festival, the main prize of which was granted to the film director B. Sláma for his film “Divoké včely” (“Wild Bees”), a concert of V. Hudeček and a performance of the State Opera of Brno at the “Visegrad Opera Festival” in The Hague, accompanied by an exhibition “Letem českým světem” (Round About the Czech World), which also included photos of the floods in the Czech Republic.

The Netherlands provided active assistance in the rescue of the Czech cultural heritage destroyed by the August floods. The aid, designated mostly for the National Technical Museum and the National Museum of Musical Instruments, consisted mainly in the provision of equipment and know-how for conservation and restoring of damaged archive materials.

## **MALAYSIAN FEDERATION**

Malaysia is a country with a significant economic potential. The Czech Republic strives to focus in the development of mutual relations on the economy. The current level of trade exchange does not correspond to the economic potential of both countries.

### *Visits by representatives of Malaysia*

- 4 – 15 March 2002- visit by Minister of Culture, Arts and Tourism A. Fadzir;
- 20 – 24 March 2002 – visit by Minister of Energy, Communications and Multimedia A. L. Moggie;
- 30 October –2 November 2002 – visit by Minister of Health Chua Jui Meng.

### *Economic relations*

|          |                    | 2000      | 2001       | 2002       | Share in total indicators for 2002 (%) |
|----------|--------------------|-----------|------------|------------|--|
| Turnover | '000 CZK           | 7,777,931 | 13,395,617 | 16,923,359 | 0.6564                                 |
|          | year-on-year index | 171.0     | 172.2      | 126.3      |  |
| Exports  | '000 CZK           | 1,369,884 | 1,306,260  | 1,696,757  | 0.1355                                 |
|          | year-on-year index | 378.0     | 95.4       | 129.9      |  |

|                              |                      |              |              |              |        |
|------------------------------|----------------------|--------------|--------------|--------------|--------|
| Imports                      | '000 CZK             | 6,408,047    | 12,089,357   | 15,226,602   | 1.1480 |
|                              | year-on-year index   | 153.0        | 188.7        | 126.0        |        |
| Balance                      | '000 CZK             | -5,038,163   | -10,783,097  | -13,529,845  |        |
| Foreign investments incoming | direct ('000 CZK)    | 12,600       |              | 44,600       |        |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |        |
| Foreign investments outgoing | direct ('000 CZK)    | not recorded | not recorded | 0            |        |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |        |

Principal export commodities of the Czech Republic: metal processing machinery, copiers and machine tools, transportation and electrical equipment, devices and appliances, valves, fittings and bearings, paper and cardboard, musical instruments, chemicals, tyres, dried milk, polyethylene, handkerchiefs and glass products.

Principal import commodities of the Czech Republic: machinery and transportation equipment, radio sets, automatic data processing equipment, natural rubber, palm oil, office automaton, textile yarn, cocoa, vulcanised rubber cord, digital monolithic integral circuits, audio recording and reproduction devices, syringes, needles, toys, shoes, clothing and accessories, cosmetics, soaps, pepper, furniture, rubber gloves, food products.

#### *Cultural relations:*

An exhibition of the modern Czech graphic art of visual artists J. Anderle, O. Kulhánek and K. Demel named "Theatrum Mundi" was held in February 2002 in the Kuala Lumpur National Gallery.

In March 2002, a Malaysian dance and music band visited Prague with its program "Malaysia Truly Asia".

## **MONGOLIA**

The relations between the Czech Republic and Mongolia have been traditionally friendly, with the emphasis on the development of trade and economic co-operation, whose potential has not yet been fully utilised. Mongolia remained a significant receiver of the development aid of the Czech Republic. In 2002, the issue of the Mongolian debt to the Czech Republic was successfully resolved.

*Visits by representatives of Mongolia:*

29 – 30 April 2002 – visit by Deputy Minister of Foreign Affairs S. Batbold

*Economic relations:*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 184,993      | 261,710      | 129,326      | 0.0050                                 |
|                              | year-on-year index   | 119.9        | 141.5        | 49.4         |  |
| Exports                      | '000 CZK             | 173,631      | 257,233      | 123,252      | 0.0098                                 |
|                              | year-on-year index   | 124.6        | 148.1        | 47.9         |  |
| Imports                      | '000 CZK             | 11,362       | 4,477        | 6,074        | 0.0005                                 |
|                              | year-on-year index   | 76.1         | 39.4         | 135.7        |  |
| Balance                      | '000 CZK             | 162,269      | 252,756      | 117,178      |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 500          | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: food products, machinery, equipment and furniture.

Principal import commodities of the Czech Republic: data processing devices, leather and precious stones.

Based on the Concept of Foreign Aid Program for the Years 2002 – 2007, Mongolia was placed among the twenty priority receivers. Provision of foreign development aid to Mongolia continued in 2002 in the form of specific projects, including governmental scholarships for Mongolian students. Thanks to the continuing intensive co-operation in the area of education, a relatively high number of foreign graduates of the Czech universities come from Mongolia. Moreover, a number of Mongolian citizens reside in the Czech Republic on the basis of long-term employment contracts, which represent another significant dimension of the relations between the two countries. Beside the development projects and educational co-operation, another important link between the Czech Republic and Mongolia is represented by foreign trade. The Czech Republic has, for a long time, been among the top twenty trade partners for Mongolian imports.

## NEW ZEALAND

New Zealand is an important partner of the Czech Republic, playing an active role in the international organisations. The focus of the mutual co-operation lies in the trade and economic area. With the upcoming admission of the Czech Republic to the EU, the bilateral relations between the Czech Republic and New Zealand have been expanding. In December 2002, the government of New Zealand decided to reinstate, effective from January 2003, the visa-free regime for the citizens of the Czech Republic.

### *Visits by representatives of New Zealand:*

- 8 – 10 May 2002 – visit by Minister of Foreign Affairs and Trade P. Goff.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 347,490      | 383,482      | 647,614      | 0.0251                                 |
|                              | year-on-year index   | 121.0        | 110.4        | 168.9        |  |
| Exports                      | '000 CZK             | 114,217      | 110,753      | 269,074      | 0.0215                                 |
|                              | year-on-year index   | 127.0        | 97.0         | 242.9        |  |
| Imports                      | '000 CZK             | 233,273      | 272,729      | 378,540      | 0.0285                                 |
|                              | year-on-year index   | 118.0        | 116.9        | 138.8        |  |
| Balance                      | '000 CZK             | -119,056     | -161,976     | -109,466     |  |
| Foreign investments incoming | direct ('000 CZK)    | -12,100      | 26,600       | 8,100        |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |

Principal export commodities of the Czech Republic: tableware and kitchen glass, arms and ammunition, musical instruments, tyres, textile, shoes, machinery products, electrical engines, furniture and chemicals.

Principal import commodities of the Czech Republic: wool, textile machines, plastics, medical instruments and meat.

### *Cultural relations*



Cultural, educational, sport and scientific contacts were carried out mainly on a commercial basis. An important role in the development of the mutual contacts is played by Czech compatriots living in New Zealand .

## NICARAGUA

The year 2002 witnessed further development of traditional friendly relations between the Czech Republic and Nicaragua with an emphasis on trade and economic co-operation. Nonetheless, the potential of such co-operation has not yet been fully utilised.

### *Visits by representatives of the Czech Republic:*

- 21 – 25 February 2002 – visit by Minister of Environment M. Kužvart;
- 1 – 3 April 2002 – visit by Minister of Finance J. Rusnok.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 105,432      | 30,713       | 17,856       | 0.0007                                 |
|                              | year-on-year index   | 229.0        | 29.1         | 58.1         |  |
| Exports                      | '000 CZK             | 6,826        | 7,476        | 6,313        | 0.0005                                 |
|                              | year-on-year index   | 53.0         | 109.5        | 84.4         |  |
| Imports                      | '000 CZK             | 98,606       | 23,237       | 11,543       | 0.0009                                 |
|                              | year-on-year index   | 298.0        | 23.6         | 49.7         |  |
| Balance                      | '000 CZK             | -91,780      | -15,761      | -5,230       |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: firearms, tyres, spare parts for engines, consumer goods, leather processing machines, ball bearings.

Principal import commodities of the Czech Republic: coffee, fruit.

### *Bilateral agreements concluded in 2002:*

- Agreement between the Czech Republic and Republic of Nicaragua on the Promotion and Mutual Protection of Investments, Managua, 2 April 2002

## PALESTINE (PALESTINIAN NATIONAL AUTHORITY)

Due to the continuous crisis in Palestinian-Israeli relations, it was impossible to fully develop closer relations between the Czech Republic and the Palestinian leadership. The stable long-term foreign policy of the Czech Republic towards the Middle East peace process emphasises the termination of violence on both sides and a political dialogue with the aim of establishing an independent Palestinian state.

In 2002, the Czech Republic provided financial, material and humanitarian aid for the renovation of Palestinian educational institutions.

### *Visits by representatives of the Czech Republic:*

- 25 May 2002 – visit by the Minister of Foreign Affairs, J. Kavan

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 0.0          | 36,404       | 1,991        | 0.0001                                 |
|                              | year-on-year index   | 0.0          | -            | 5.5          |  |
| Exports                      | '000 CZK             | 0            | 36,329       | 1,985        | 0.0002                                 |
|                              | year-on-year index   | 0.0          | -            | 5.5          |  |
| Imports                      | '000 CZK             | 0            | 75           | 6            | 0.0000                                 |
|                              | year-on-year index   | 0.0          | -            | 8.0          |  |
| Balance                      | '000 CZK             | 0            | 36,254       | 1,979        |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 600          |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: projects in the energy sector and water management industry.

A part of the exchange is included in the statistical data about the Czech – Israeli relations.

### *Cultural relations*

The Palestinian side was granted six master and three PhD scholarships out of the quota of governmental scholarships for the academic year 2002/2003.

## **PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA**

Algeria is a traditional partner of the Czech Republic in the Mediterranean area. The Czech Republic is interested in a general development of contacts, and in particular in deepening economic co-operation.

### *Visits by representatives of the Czech Republic:*

- 1-3 March 2002 – official visit of Deputy Prime Minister of the Government and Minister of Foreign Affairs of the Czech Republic J. Kavan.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 4,571,081    | 2,974,696    | 1,967,981    | 0.0763                                 |
|                                | year-on-year index   | 205.0        | 65.1         | 66.2         |  |
| Exports                        | '000 CZK             | 469,494      | 1,078,186    | 1,442,288    | 0.1152                                 |
|                                | year-on-year index   | 90.0         | 229.6        | 133.8        |  |
| Imports                        | '000 CZK             | 4,101,587    | 1,896,510    | 525,693      | 0.0396                                 |
|                                | year-on-year index   | 241.0        | 46.2         | 27.7         |  |
| Trade balance                  | '000 CZK             | -3,632,093   | -818,324     | 916,595      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 1,000        |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: spare parts for trucks and aircraft, glass, porcelain, industrial facilities, iron and construction steel.

Principal import commodities of the Czech Republic: raw materials, in particular crude oil and oil products.

### *Cultural relations*

The Bennewitz Quartet performed in two concerts in Algeria in May 2002, as part of the “European Cultural Festival” organised by the diplomatic missions of EU member states. An exhibition of nine Czech women photographers, called the “Views of the World”, took place in December. Out of the quota of governmental scholarships for the academic year of 2002/03, one postgraduate scholarship was allocated to Algeria. Algerian children participated in an international arts competition called “Lidice 2002”.

## **PEOPLE’S REPUBLIC OF CHINA**

China is a regional power aspiring to the role of a global power. Its influence is also significantly manifested in the Asia-Pacific region. China is one of the Permanent Members of the UN Security Council and is involved in the work of numerous international organisations, but is not a member of any political or military group.

Relations between the Czech Republic and China have traditionally been friendly. Current relations are developing within the limits of the possibilities offered by the differences between the political systems, incommensurability of the two countries in terms of size, international position and level of interest in the other party.

China is one of Czech Republic’s most important partners in Asia.

### *Visits by representatives of China:*

- 6-8 June 2002 – visit by Wang Zhongyu, Secretary General of the State Council of the People’s Republic of China;
- 4-8 July 2002 – visit by a delegation headed by State Councillor Wu Yi.

### *Economic relations*

|               |                    | 2000        | 2001        | 2002        | Share in total indicators for 2002 (%) |
|---------------|--------------------|-------------|-------------|-------------|--|
| Turnover      | ‘000 CZK           | 29,360,590  | 43,659,173  | 66,058,849  | 2.5622                                 |
|               | year-on-year index | 136.0       | 148.7       | 151.3       |  |
| Exports       | ‘000 CZK           | 2,548,018   | 3,063,282   | 4,689,714   | 0.3746                                 |
|               | year-on-year index | 126.0       | 120.2       | 153.1       |  |
| Imports       | ‘000 CZK           | 26,812,572  | 40,595,891  | 61,369,135  | 4.6270                                 |
|               | year-on-year index | 137.0       | 151.4       | 151.2       |  |
| Trade balance | ‘000 CZK           | -24,264,554 | -37,532,609 | -56,679,421 |  |

|                                   |                      |              |              |              |  |
|-----------------------------------|----------------------|--------------|--------------|--------------|--|
| Foreign investments<br>– incoming | direct ('000 CZK)    | 51,900       | 1,270,400    | 1,300        |  |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 30,700       | 8,000        | 7,800        |  |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | 100          |  |

Principal export commodities of the Czech Republic: passenger and transport vehicles, textile machinery, optical apparatuses, shafts and transmission gears, machine tools, glass, automated data processing machines, metering devices, products of organic chemistry.

Principal import commodities of the Czech Republic: automated data processing machines, textile and clothes, footwear, toys, optical apparatuses, stopcocks, valves, foodstuffs, household appliances, audio-visual technology, marine products, leather products.

In 2002, too, there continued the growth of the deficit in the trade balance. In connection with China's entry into WTO, a gradual diminishing may be expected of the barriers preventing the access of Czech entities and products to the Chinese market; this should enhance further diversification of mutual economic relations.

Stronger presence of Czech entities in the demanding (in terms of investments) Chinese market is to a decisive extent conditional on co-operation with strong partners from third countries, involvement in individual projects in the capacity of subcontractors, or, as the case may be, co-operation with credible local entities.

### *Cultural relations*

Contacts in the area of culture, education and science were based on inter-ministerial agreements concluded by the Ministry of Education, Youth and Sports of the Czech Republic, the Ministry of Culture of the Czech Republic and the Academy of Sciences of the Czech Republic, and, to a lesser extent, based on individual activities and at the level of non-governmental institutions.

The Symphonic Orchestra of the Czech Radio went on a tour of China in January 2002. The Chinese audience also had the opportunity to attend concerts of other Czech performing artists – L. Zakopal, P. Neckář, S. Vimrová and J. Vodňanský. An international exhibition of glass art was held in Beijing in May, with contributions by a number of Czech glass artists. The works of Czech children were displayed at “International exhibition of children's drawing” in Sichuan. A translation of “Letters Home from China and Other Correspondence with European Astronomers”, a book by Czech Sinologist J. Kolmaš about

the life and work of the Czech missionary and scientist J. Slaviček in China in the 18<sup>th</sup> century, was published in China in September 2002.

Co-operation in the field of education is being implemented under the Protocol on Co-operation between The Ministry of Education, Youth and Sports of the Czech Republic and the Ministry of Education of the People's Republic of China. The countries also exchange scholarship recipients on a regular basis.

## HONG KONG SPECIAL ADMINISTRATIVE REGION

As of 1 July 1997, Hong Kong was returned under China's sovereignty, while Hong Kong retained full autonomy in all spheres of life, with the exception of defence and a part of international relations relating to the sovereignty of the People's Republic of China as a whole. The Czech Republic develops its relations with Hong Kong in accordance with the principle of "one country, two systems" and with an emphasis on the development of mutual co-operation in the area of economy.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 5,221,372    | 5,722,015    | 5,850,945    | 0.2269                                 |
|                                | year-on-year index   | 107.0        | 109.6        | 102.3        |  |
| Exports                        | '000 CZK             | 3,181,423    | 3,337,325    | 3,739,936    | 0.2987                                 |
|                                | year-on-year index   | 117.0        | 104.9        | 112.1        |  |
| Imports                        | '000 CZK             | 2,039,949    | 2,384,690    | 2,111,009    | 0.1592                                 |
|                                | year-on-year index   | 94.0         | 116.9        | 88.5         |  |
| Trade balance                  | '000 CZK             | 1,141,474    | 952,635      | 1,628,927    |  |
| Foreign investments – incoming | direct ('000 CZK)    | 31,900       | 0            | -35,800      |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 264,700      | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 2,000        |  |

Principal export commodities of the Czech Republic: glass beads, colour television screens, electric condensers, sewing machines, textile yarn.

Principal import commodities of the Czech Republic: integrated circuits, optical apparatuses, clocks, footwear, transformers, memory units, textile, communication equipment, electrical and mechanical equipment.

## MACAU SPECIAL ADMINISTRATIVE REGION

By the example of Hong Kong, Chinese administration was restored over the territory of Macau on 20 December 1999. The Czech Republic has been developing its contacts with Macau in compliance with the policy of “one country, two systems”.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 75,084       | 71,878       | 185,517      | 0.0072                                 |
|                                | year-on-year index   | 197.0        | 95.7         | 258.1        |  |
| Exports                        | '000 CZK             | 7,234        | 12,408       | 126,518      | 0.0101                                 |
|                                | year-on-year index   | 425.0        | 171.5        | 1,019.6      |  |
| Imports                        | '000 CZK             | 67,850       | 59,470       | 58,999       | 0.0044                                 |
|                                | year-on-year index   | 186.0        | 87.6         | 99.2         |  |
| Trade balance                  | '000 CZK             | -60,616      | -47,062      | 67,519       |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 241,000      | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |

Principal export commodities of the Czech Republic: gas turbines, glass beads, flavouring agents, textile, dyes, pigments, varnishes, glues.

Principal import commodities of the Czech Republic: footwear, clothes and accessories.

## TAIWAN

Since 1949, Taiwan has not been subject to the jurisdiction of the Beijing administration. In compliance with “one China policy”, the Czech Republic develops economic and cultural relations with Taiwan on non-governmental basis.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 10,151,072   | 12,963,251   | 16,931,189   | 0.6567                                 |
|                                | year-on-year index   | 130.0        | 127.7        | 130.6        |  |
| Exports                        | '000 CZK             | 366,694      | 868,471      | 1,012,124    | 0.0808                                 |
|                                | year-on-year index   | 205.0        | 236.8        | 116.5        |  |
| Imports                        | '000 CZK             | 9,784,378    | 12,094,780   | 15,919,065   | 1.2002                                 |
|                                | year-on-year index   | 124.0        | 123.6        | 131.6        |  |
| Trade balance                  | '000 CZK             | -9,417,684   | -11,226,309  | -14,906,941  |  |
| Foreign investments – incoming | direct ('000 CZK)    | -34,900      | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: automated data processing machines, organic chemistry products, audio-visual technology, engineering products, iron and steel products.

Principal import commodities of the Czech Republic: typewriter parts, automated data processing machines, metal working machines, integrated circuits, plastics and plastic products, iron and steel products, engineering products, audio-visual technology.

## PORTUGUESE REPUBLIC

The development of the Czech-Portuguese relations was assisted by the membership of both countries in NATO and by the preparation of the Czech Republic for the entry into the EU. The partnership between Portugal and the Czech Republic in the EU has good prospects. No top-level bilateral visits took place in 2002 due to the elections held in both countries.

### *Visits by representatives of Portugal:*

- 20. – 22 November 2002 – participation of a delegation of Portugal headed by Prime Minister J.M.D.Barros in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 6,660,138    | 7,633,130    | 7,847,083    | 0.3004                                 |
|                              | year-on-year index   | 148.3        | 114.6        | 102.8        |  |
| Exports                      | '000 CZK             | 4,440,429    | 4,812,941    | 4,837,287    | 0.3864                                 |
|                              | year-on-year index   | 134.6        | 108.4        | 100.5        |  |
| Imports                      | '000 CZK             | 2,219,709    | 2,820,189    | 3,009,796    | 0.2269                                 |
|                              | year-on-year index   | 186.3        | 127.1        | 106.7        |  |
| Balance                      | '000 CZK             | 2,220,720    | 1,992,752    | 1,827,491    |  |
| Foreign investments incoming | direct ('000 CZK)    | 42,500       | 3,900        | 455,700      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 22,000       | 1,018,500    |  |

Principal export commodities of the Czech Republic: machinery and transport means (particularly automobiles) and metallurgical products.



Principal import commodities of the Czech Republic: cork and cork products, clothing and shoes, ball bearings and electrotechnical products, textile fibres, metal-working machines, chemicals and glass products.

Portuguese investors are represented in the Czech Republic in a number of joint ventures in the metallurgy and construction sectors; nevertheless, the potential of economic relations between the two countries has not yet been fully utilised.

### *Cultural relations*

The Cultural Agreement executed in 1976 is still valid; the Programme of Co-operation between the Government of the Czech Republic and the Government of the Portuguese Republic in the Field of Education and Culture, which was concluded for the years 1998-2000, was extended until 2002. A Scientific Co-operation Agreement was concluded between the Academy of Science and the Portuguese National Foundation for Science and Technology.

The Czech choir Camella participated in 2002 in the musical festival “Gaia”. The Czech Republic was represented at the puppet festival in Aveiro, at the “International Festival of Arts and Folk Customs” in Matosinhos and at the 38<sup>th</sup> Folklore Festival in Gulpirhares. The Czech theatre Ta Fantastika performed at the exhibition of contemporary European art in Porto. The Embassy of the Czech Republic in Lisbon organised a show of J. Švankmajer's films, a concert of the piano duo Melmuka and an exhibition under the name “Extradition”. The Czech poet and writer František Listopad, who resides permanently in Portugal, was awarded in 2002 a honorary doctorate of Charles University.

## **PRINCIPALITY OF LIECHTENSTEIN**

No diplomatic contacts exist between the Principality of Liechtenstein and the Czech Republic. As a new entity of international law, the Czech Republic at the turn of 1992/1993 called on Liechtenstein, as well as all countries of the world, to recognise the Czech Republic and establish diplomatic contacts with it. However, Liechtenstein has not recognised the Czech Republic yet. Prince Hans-Adam II makes the normalisation of mutual relations conditional upon bilateral negotiations on disputed property legal issues that arose in the past.

## REPUBLIC OF ALBANIA

The mutual contacts of the Czech Republic with Albania concentrated in 2002, in particular, on the commercial, economic and cultural areas. The Czech Government continued in supporting the participation of Czech businesses in long-term projects in Albania. At the same time, the Czech Republic has searched for opportunities to ensure a more permanent nature of co-operation between Czech and Albanian business entities and their involvement in some of the major investment projects.

The Czech Republic has provided financial humanitarian aid for the liquidation of the consequences of vast floods that afflicted central and northern Albania.

### *Visits by representatives of Albania:*

- 21-22 November – participation of a delegation of the Republic of Albania at the NATO/EAPC Summit.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 589,251      | 444,098      | 316,559      | 0.0123                                 |
|                                | year-on-year index   | 176.0        | 75.4         | 71.3         |  |
| Exports                        | '000 CZK             | 567,031      | 418,188      | 293,814      | 0.0235                                 |
|                                | year-on-year index   | 178.0        | 73.8         | 70.3         |  |
| Imports                        | '000 CZK             | 22,220       | 25,910       | 22,745       | 0.0017                                 |
|                                | year-on-year index   | 139.0        | 116.6        | 87.8         |  |
| Trade balance                  | '000 CZK             | 544,811      | 392,278      | 271,069      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: cigarette paper, tobacco products, beverages, chemicals, durable foodstuffs, live cattle, construction, transport and agricultural mechanisms and machinery, tyres, electrotechnical parts, electric appliances, finished products.

Principal import commodities of the Czech Republic: raw materials, various finished products, leather, fruit, vegetables, spices, industrial products.

### *Cultural relations*

The principal form of co-operation at the governmental level included the granting of two scholarships to the Albanian students – one for an M.A. and the other for a graduate study programme.

Cultural presentation was based on the activities of the diplomatic mission. At its initiative and with its contribution, a “Night of Czech Culture” was organised on the occasion of a Czech national holiday, and Czech contributions were provided for a special issue of the *Aleph* literary magazine dedicated to Central European culture. Publicity of the Czech Republic was also actively promoted by the Association of Friends of the Czech Republic.

## **REPUBLIC OF ANGOLA**

The Republic of Angola is one of the important countries of Sub-Saharan Africa. After putting an end to the protracted civil war, the country is steadily liquidating the damage and stabilising the disrupted economy. In 2002, the Czech Republic provided financial humanitarian assistance to eliminate the consequences of the humanitarian catastrophe in the country. In July 2002, activities of the Czech diplomatic mission in Luanda were resumed.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 36,502       | 49,894       | 7,326        | 0.0003                                 |
|                                | year-on-year index   | 295.0        | 136.7        | 14.7         |  |
| Exports                        | ‘000 CZK             | 34,963       | 49,894       | 7,326        | 0.0006                                 |
|                                | year-on-year index   | 283.0        | 142.7        | 14.7         |  |
| Imports                        | ‘000 CZK             | 1,539        | 0            | 0            | 3.0000                                 |
|                                | year-on-year index   | --           | 0.0          | --           |  |
| Trade balance                  | ‘000 CZK             | 33,424       | 49,894       | 7,326        |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: trucks, machine tools, utility glass and bottles, tractors, antibiotics, bandaging materials, spare parts for airplanes, diesel generators.

Principal import commodities of the Czech Republic: hydraulic valves.

### *Cultural relations*

So far limited to Czech governmental scholarships. In 2002, the Government of the Czech Republic provided 2 university scholarships to the Government of Angola.

## **REPUBLIC OF ARMENIA**

Permanent interest in bilateral co-operation exists between the Czech Republic and Armenia, with an emphasis on commercial and economic relations, the development whereof, however, is adversely affected by insufficient contractual basis, as Armenia has not recognised the principle of contractual continuity and has not succeeded into the agreements executed with the former Czechoslovakia.

### *Visits by representatives of the Republic of Armenia:*

- 21-22 November 2002 – participation of Armenian delegation in the NATO/EAPC Summit.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 358,276      | 194,872      | 150,104      | 0.0058                                 |
|                                | year-on-year index   | 77.5         | 54.4         | 77.0         |  |
| Exports                        | '000 CZK             | 355,746      | 194,828      | 143,912      | 0.0115                                 |
|                                | year-on-year index   | 77.7         | 54.8         | 73.9         |  |
| Imports                        | '000 CZK             | 2,530        | 44           | 6,192        | 0.0005                                 |
|                                | year-on-year index   | 50.9         | 1.7          | 14,072.7     |  |
| Trade balance                  | '000 CZK             | 353,216      | 194,784      | 137,720      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: ceramic products, glass and glass products, machinery and transportation equipment, pharmaceuticals, plastics, paper, products of iron and steel.

Principal import commodities of the Czech Republic: optical devices and parts.

The Czech Republic is an important exporter into the Armenian market in the traditional branch of Czech exports – glass products.

### *Cultural relations*

The granting of Czech governmental scholarships represents an important contribution to the development of mutual relations between the Czech Republic and Armenia. In 2002, six Armenian students studied in the Czech Republic on the basis of the governmental scholarships; in addition, students of Czech and Armenian studies, respectively, were exchanged. Czech embassy in Armenia communicates with the Society of Armenian-Czech Friendship in Yerevan.

## **REPUBLIC OF AZERBAIJAN**

The Czech Republic is interested in developing standard relations with Azerbaijan, in particular, in the field of trade and economy. Both sides continue to be interested in extending their bilateral relations, whose potential is not as yet fully used in political or economic area.

The Czech Republic contributes to the efforts to resolve the long-standing regional conflict in Nagorno-Karabakh by having hosted twice the meeting of the OSCE Minsk Group – a body engaged in resolving the Karabakh issue.

### *Visits by representatives of Azerbaijan:*

- 21-22 November 2001 – participation of Azerbaijan's delegation in the NATO/EAPC summit.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 681,057      | 4,718,430    | 6,179,978    | 0.2397                                 |
|                                | year-on-year index   | 170.8        | 692.8        | 131.0        |  |
| Exports                        | '000 CZK             | 471,591      | 559,266      | 563,663      | 0.0450                                 |
|                                | year-on-year index   | 156.9        | 118.6        | 100.8        |  |
| Imports                        | '000 CZK             | 209,466      | 4,159,164    | 5,616,315    | 0.4234                                 |
|                                | year-on-year index   | 213.1        | 1,985.6      | 135.0        |  |
| Trade balance                  | '000 CZK             | 262,125      | -3,599,898   | -5,052,652   |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | -1,900       |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 3,600        | 0            | 200          |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, chemicals, cosmetics, pharmaceuticals, soaps, detergents, plastics.

Principal import commodities of the Czech Republic: mineral fuels, lubricants and related materials.

### *Cultural relations*

The Czech Republic places particular emphasis on co-operation in the sector of education. The postgraduate economic programme CERGE of the Economic Institute of the Charles University was a success. Czech language courses have been a traditional subject at the State University in Baku where approximately 30 students study at the Czech Studies Department. In 2002, 5 scholarship recipients from Azerbaijan were studying in the Czech Republic.

## **REPUBLIC OF AUSTRIA**

Austria has, for a long time one, been of the most important foreign political, trade and economic partners of the Czech Republic. In comparison with the previous year, the year 2002 witnessed an improvement of the Czech-Austrian relations. The interest of both countries in the expansion and intensification of the co-operation in all areas helped remove gradually certain burdens that survived in the relations between the countries from the past. Moreover, the foreign policy of the Czech Republic continued to be based on the conviction that the Czech-Austrian relations have a large potential of identical interests, namely in economy and culture.

A systematic and timely fulfilment of the obligations arising from the Brussels Agreement concluded in November 2001, which brought an end to complicated political negotiations concerning the Temelin Nuclear Plant, contributed to the establishment of an atmosphere of mutual trust, which was reflected, among others, in the approach to sensitive historical issues.

Positive trends could be found in the successfully developing economic, cultural and cross-border co-operation, whose quality may be demonstrated particularly by the extensive solidarity at the government and civic level, which appeared during the destructive floods in

August 2002. At that time, the Czech Republic dispatched to Austria a Fire Rescue Service unit to assist in the liquidation of effects of the floods.

With a 4.9% share in the total Czech foreign trade volume, Austria remained in 2002 the third leading trade partner of the Czech Republic. Austrian investors also had a large share in the amount of direct foreign investments in the Czech Republic.

*Visits by representatives of the Czech Republic:*

- 13 February 2002 – visit of Chairman of the Chamber of Deputies of the Czech Republic V. Klaus;
- 25 August 2002 – meeting of Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda with Federal Chancellor W. Schüssel and Federal Minister for Foreign Affairs B. Ferrero-Waldner in the conference “European Forum” in Alpbach.

*Visits by representatives of Austria:*

- 23 August 2002 – meeting of the governor of Lower Austria E. Pröll with Chairman of the Senate of the Parliament of the Czech Republic P. Pithart in Hevlín;
- 27 August 2002 – visit of Chairman of the National Council H. Fischer;
- 5 September 2002 – meeting of the Federal President T. Klestil with President V. Havel in Znojmo;
- 24 September 2002 – meeting of Federal Minister for Foreign Affairs B. Ferrero-Waldner with Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda in Southern Bohemia;
- 12 October 2002 – work meeting of Federal Minister of Agriculture, Forestry, Environment and Water Management W. Molterer with Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda in Vranov nad Dyjí;
- 20. - 22 November 2002 – participation of a delegation of Austria headed by Minister for Foreign Affairs B. Ferrero-Waldner in the NATO/EAPC Summit;
- 29 November 2002 - meeting of Federal Minister for Foreign Affairs B. Ferrero-Waldner with Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda at the regional conference “Gelebte Nachbarschaft” in Brno.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 128,288,079  | 136,370,820  | 126,787,737  | 4.9176                                 |
|                              | year-on-year index   | 111.5        | 106.3        | 93.0         |  |
| Exports                      | '000 CZK             | 66,955,878   | 73,074,818   | 69,248,366   | 5.5315                                 |
|                              | year-on-year index   | 112.6        | 109.1        | 94.8         |  |
| Imports                      | '000 CZK             | 61,332,201   | 63,296,002   | 57,539,371   | 4.3382                                 |
|                              | year-on-year index   | 110.3        | 103.2        | 90.9         |  |
| Balance                      | '000 CZK             | 5,623,677    | 9,778,816    | 11,708,995   |  |
| Foreign investments incoming | direct ('000 CZK)    | 28,478,000   | 11,230,200   | 26,596,800   |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 118,400      | 39,300       | 14,000       |  |
|                              | portfolio ('000 CZK) | not recorded | 8,616,000    | 12,876,500   |  |

Principal export commodities of the Czech Republic: automobiles, automotive parts and accessories, ores, coal, petroleum products, electrical devices, wood, cables, electrical instruments, textile products, sports accessories.

Principal import commodities of the Czech Republic: electrical equipment and appliances, office and database machines, industrial machinery and equipment, automatic data processing machines, automotive parts and accessories, iron, steel, paper and cardboard, motor gasoline and oils.

The decline in the dynamic of the Czech exports to Austria has been caused by the fluctuation of the Czech currency rates and by the declining economies in EU member countries. As regards specific commodities, the exports of Czech automobiles declined significantly. The decline of the dynamic of the Austrian exports into the Czech Republic has been caused by the economic declines in the developed economies, including the Austrian economy. Another element that partly restricts trade relations between the two countries is the continuing ban on imports of electrical energy from the Czech Republic to Austria.

#### *Bilateral agreements concluded in 2002:*

- Accord between the Government of the Czech Republic and the Federal Government of Austria on the Establishment of Advanced Czech and Austrian Border Clearance Points at the Railway Stations of České Velenice and Gmünd, and on the Border Clearance During Ride on the Route between the Stations Veselí nad Lužnicí and Schwarzenau and České Budějovice and Schwarzenau, Prague 7, June 2002.



### *Cultural relations*

The common past, traditional ties and numerous personal contacts have had a significant impact on the increasing intensity and scope of the cultural relations between the two countries. Due to the large number of cultural events, it is impossible to refer to each of them separately. The relations between the two countries were further boosted by the development of co-operation within the cultural platform of the “Regional Partnership”. Czech artists participated in a number of renowned cultural events and projects (e.g., Salzburger Festspiele). The noteworthy events that took place in 2002 included a commemorative act at the tomb of the poet and army officer M. M. Z. Polák, organised as part of the symposium on learning foreign languages in the Austrian army based on the example of the Czech language, which was held on 3 October 2002 at the Vienna Neustadt, and the official ceremony held in Vienna on 27 October 2002 where Minister of Culture P. Dostál awarded medals of *Artis Bohemiae Amicis* to Czech compatriot clubs.

## **REPUBLIC OF BELARUS**

The Czech Republic is interested in strengthening the democratic principles of the political life in Belarus, which would contribute to extricating the country from international isolation and to extending the contacts between the Czech Republic and Belarus. Mutual contacts of the two countries in 2002 were focused primarily on commercial and economic co-operation. Political contacts were only maintained on a working basis. The Czech Republic endeavours to extend co-operation in the non-governmental area.

### *Visits by representatives of the Czech Republic:*

- 18 April 2002 – visit by Prime Minister of the Czech Government M. Zeman as Chairman of the Socialist International Committee on Peace, Democracy and Human Rights.

### *Visits by representatives of the Republic of Belarus:*

- 21-22 November 2002 – participation of a delegation of Belarus, headed by Minister of Foreign Affairs N. Khvostov, in the NATO/EAPC Summit.

### *Bilateral agreements concluded in 2002:*

- Agreement between the Government of the Czech Republic and the Government of the Republic of Belarus on Co-operation and Mutual Assistance in Customs Matters, Minsk, 26 April 2002;
- Protocol between the Czech Republic and the Republic of Belarus concerning settlement in issues of succession in relation to international treaties between the former Czech and Slovak Federal Republic and the Union of Soviet Socialist Republics, Minsk, 16 November 2002.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 5,067,095    | 3,320,405    | 2,847,606    | 0.1104                                 |
|                                | year-on-year index   | 175.6        | 65.5         | 85.8         |  |
| Exports                        | '000 CZK             | 3,912,447    | 1,974,125    | 1,550,465    | 0.1239                                 |
|                                | year-on-year index   | 205.9        | 50.5         | 78.5         |  |
| Imports                        | '000 CZK             | 1,154,648    | 1,346,280    | 1,297,141    | 0.0978                                 |
|                                | year-on-year index   | 117.2        | 116.6        | 96.4         |  |
| Trade balance                  | '000 CZK             | 2,757,799    | 627,845      | 253,324      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 8,500        | 3,500        | 7,600        |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | -42,500      | 43,700       | 1,800        |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, pharmaceuticals, plastics, electronic recording devices, optical devices.

Principal import commodities of the Czech Republic: fertilisers, chemicals, artificial silk, wood and wooden products, iron and steel products, transport vehicles.

As part of development assistance, the Czech Republic provided to Belarus another tranche of CZK 3 million for the project of “Assistance in Commissioning and Developing Common Production of Insulin”.

### *Cultural relations*

Cultural activities were focused on the promotion of the Czech Republic with a view to following up with related themes of the development of the Czech and Belarusian societies. In this context, it is necessary to mention an exhibition called “Social and cultural life of Belarusian and Russian emigrants in Czechoslovakia in 1921-1938”, and an event called the

“Week of Czech film makers”, which offered to the Belarusian public a profile of Czech films of the 1980’s.

In the area of education, the Czech Republic has traditionally provided 10 scholarships to Belarusian students on an annual basis. In 2002, 23 governmental scholarship recipients from Belarus were studying in the Czech Republic.

## REPUBLIC OF BOLIVIA

The bilateral relations between the Czech Republic and the Republic of Bolivia are problem-free, though their intensity is relatively low.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 37,096       | 55,559       | 25,108       | 0.0010                                 |
|                                | year-on-year index   | 79.0         | 149.8        | 45.2         |  |
| Exports                        | '000 CZK             | 16,649       | 46,932       | 20,651       | 0.0016                                 |
|                                | year-on-year index   | 120.0        | 281.9        | 44.0         |  |
| Imports                        | '000 CZK             | 20,447       | 8,627        | 4,457        | 0.0003                                 |
|                                | year-on-year index   | 61.0         | 42.2         | 51.7         |  |
| Trade balance                  | '000 CZK             | -3,798       | 38,305       | 16,194       |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 200          |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: porcelain-ware, glass, glass products, machinery for textile industry.

Principal import commodities of the Czech Republic: nuts.

### *Cultural relations*

The project of foreign development assistance of the Czech Republic continued (in the total amount of CZK 6 million), consisting in assistance of the Institute of Technology and Management of Production of J. E. Purkyně University in Ústí nad Labem (UJEP) in the setting up of the technology institute of the El Alto Public University (UPEA). UJEP and UPEA representatives visited Bolivia and the Czech Republic, respectively, and a course of action was agreed on in respect of the installation of facilities and equipment for chemical, physical and electro-technical laboratories of UPEA, donated to UPEA by UJEP.

Scholarships granted by the Government of the Czech Republic for studies at Czech universities are highly esteemed. In the academic year of 2002/2003, four scholarships were offered to Bolivia.

## **REPUBLIC OF BULGARIA**

Bulgaria represents an important stabilising element in South Eastern Europe. The Czech Republic maintained intensive contacts with Bulgaria and the two countries developed political dialogue and economic relations. The Czech Republic supported Bulgaria's entry into NATO, and Czech-Bulgarian relations were developing in 2002 especially in connection with the preparations for the November Summit of NATO/EAPC in Prague, at which Bulgaria was invited to the North Atlantic Treaty Organisation.

### *Visits by representatives of the Czech Republic:*

- 2-3 April 2002 – visit by P. Nečas, Chairman of the Committee on Defence and Security of the Chamber of Deputies of the Parliament of the Czech Republic;
- 7-8 May 2002 – visit by P. Pithart, Chairman of the Senate of the Parliament of the Czech Republic;
- 19 September 2002 – visit by Chief of the General Staff of ACR Gen. J. Šedivý.

### *Visits by representatives of Bulgaria:*

- 3-6 November 2002 – visit by delegation of the Committee on Foreign Policy, Defence and Security of the National Assembly;
- 21-22 November 2002 – participation of Bulgarian delegation in the NATO/EAPC Summit;
- 8-11 December 2002 – visit by Minister for Energy and Energy Sources M. Kovachev.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 4,742,622    | 4,806,553    | 5,075,426    | 0.1969                                 |
|                                | year-on-year index   | 115.0        | 101.3        | 105.6        |  |
| Exports                        | '000 CZK             | 3,838,350    | 3,798,313    | 3,828,515    | 0.3058                                 |
|                                | year-on-year index   | 116.0        | 99.0         | 100.8        |  |
| Imports                        | '000 CZK             | 904,272      | 1,008,240    | 1,246,911    | 0.0940                                 |
|                                | year-on-year index   | 111.0        | 111.5        | 123.7        |  |
| Trade balance                  | '000 CZK             | 2,934,078    | 2,790,073    | 2,581,604    |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 6,300        |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 96,000       | -1,700       | -6,200       |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | not recorded |  |

Principal export commodities of the Czech Republic: detergents, iron and steel products, reactors, boilers, mechanical devices, motor vehicles, tractors, devices of electronic recording and reproduction of sound, plastics and plastic products, crude rubber and rubber products.

Principal import commodities of the Czech Republic: boilers, mechanical devices, ceramic products, clothes and accessories, iron and steel products, rubber and rubber products, cereal products, flour, timber and wooden products.

### *Cultural relations*

As part of presentation of Czech culture, both artistic as well as documentary exhibitions were organised, such as “Czech graphic art at the threshold of century”, exhibition of the work of J. Anderle, photographic exhibitions “The Czech Republic at the threshold of a new millennium” or “The flood of 2002”. Concerts were given by Ensemble Martinů, violinist I. Štraus, and clarinettist K. Váchová.

Intensive co-operation continued in the area of language courses – students and lecturers of Czech in Bulgaria are particularly active. Two governmental scholarships were granted to Bulgaria for the academic year of 2002/2003.

A club of Czech expatriates living in Bulgaria, the Czechoslovak Club, commemorated in 2002 the 110<sup>th</sup> anniversary of establishment of The Czech, the first expatriate society, in Sofia.

## REPUBLIC OF CHILE

Mutual relations are concentrated in particular in the area of economy and trade. In 2002, there was a considerable increase in the intensity of mutual visits at governmental and parliamentary levels. Chile has belonged in the recent decade among Czech Republic's important partners in Latin America. The Czech Republic provided financial humanitarian assistance to the country affected by vast floods.

### *Visits by representatives of the Czech Republic:*

- 19-21 February 2002 - working visit by Deputy Minister of Foreign Affairs P. Vošalík;
- 31 July – 6 August 2002 – official visit by a delegation of the Committee on Education, Science, Culture, Human Rights and Petitions of the Senate of the Parliament of the Czech Republic;
- 30 September - 6 October 2002 – working visit by a delegation of the Committee on Health and Social Policy of the Senate of the Parliament;
- 21-27 October 2002 – working visit by a delegation of the Committee on National Economy, Agriculture and Transport of the Senate of the Parliament.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 325,911      | 423,650      | 422,719      | 0.0164                                 |
|                                | year-on-year index   | 85.0         | 130.0        | 99.8         |  |
| Exports                        | '000 CZK             | 207,923      | 245,024      | 186,804      | 0.0149                                 |
|                                | year-on-year index   | 91.0         | 117.8        | 76.2         |  |
| Imports                        | '000 CZK             | 117,988      | 178,626      | 235,915      | 0.0178                                 |
|                                | year-on-year index   | 76.0         | 151.4        | 132.1        |  |
| Trade balance                  | '000 CZK             | 89,935       | 66,398       | -49,111      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: passenger cars, mining machines and equipment, electric and traction engines, vacuum pumps, air pumps, and machines and equipment for treatment and filtration of water.

Principal import commodities of the Czech Republic: grapes, canned fish meat, dried fruit.

### *Cultural relations*

The focal point of cultural promotion in 2002 was in exhibitions, concerts and social events, designed to improve the general awareness regarding the Czech Republic. Among other events, a show of films by M. Forman took place in Santiago de Chile, and also a collected exhibition of modern Czech graphic art, an exhibition of photographs “The beauties of architecture of the Czech Baroque”, an exposition of graphic art sheets by prominent Czech graphic artists, and a sales exhibition of Czech crystal. A concert of Škampa Quartet and a performance of J. Srnec’s Black Light Theatre were given in Santiago de Chile with great success.

In the field of education, co-operation concentrated on exchanges of scholarships. The Czech Republic provided as part of its foreign development assistance one scholarship for M.A. studies at Charles University in Prague for the academic year of 2001/2002, and the Diplomatic Academy of the Chilean Ministry of Foreign Affairs provided for a one-year study stay for young Czech diplomats.

## **REPUBLIC OF COLOMBIA**

The Republic of Colombia is an important partner of the Czech Republic in Latin America. Relations between the two countries concentrate in the area of economy and commerce.

### *Visits by representatives of the Czech Republic:*

- 7-9 February 2002 – official visit by Minister of Agriculture J. Fencł;
- 13-15 February 2002 – working visit by Minister for the Environment M. Kužvart.

### *Economic relations*

|          |                    | 2000      | 2001      | 2002      | Share in total indicators for 2002 (%) |
|----------|--------------------|-----------|-----------|-----------|--|
| Turnover | ‘000 CZK           | 1,376,763 | 1,539,950 | 1,401,572 | 0.0544                                 |
|          | year-on-year index | 144.0     | 111.9     | 91.0      |  |
| Exports  | ‘000 CZK           | 249,367   | 530,562   | 447,375   | 0.0357                                 |
|          | year-on-year index | 178.0     | 212.8     | 84.3      |  |

|                                   |                      |              |              |              |        |
|-----------------------------------|----------------------|--------------|--------------|--------------|--------|
| Imports                           | '000 CZK             | 1,127,396    | 1,009,388    | 954,197      | 0.0719 |
|                                   | year-on-year index   | 138.0        | 89.5         | 94.5         |        |
| Trade balance                     | '000 CZK             | -878,029     | -478,826     | -506,822     |        |
| Foreign investments<br>– incoming | direct ('000 CZK)    | 0            | 0            | 0            |        |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |        |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 0            | 0            | 0            |        |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | 0            |        |

Principal export commodities of the Czech Republic: machinery and transportation equipment, cars, machinery and facilities for generation of electricity, metal working machines, tools and devices, iron and steel, glass products, weapons and ammunition, milk derivatives, chemicals.

Principal import commodities of the Czech Republic: coffee and its substitutes, bananas, cut flowers and seeds.

#### *Bilateral agreements concluded in 2002*

- Covenant on Scientific and Technical Co-operation in Agriculture, Bogotá, 8 February 2002.

#### *Cultural relations*

Czech culture was presented in Colombia by the exhibition “UNESCO Towns”. The Czech Republic annually grants undergraduate and postgraduate scholarships for studies at Czech universities, which are much in demand among Colombian students. A total of 4 scholarships were granted in 2002.

## **REPUBLIC OF COSTA RICA**

The volume of commercial exchange increased significantly in 2002, and Costa Rica became Czech Republic’s most important trade partner in Latin America.

#### *Economic relations*

|          |                    | 2000    | 2001      | 2002      | Share in total indicators for 2002 (%) |
|----------|--------------------|---------|-----------|-----------|--|
| Turnover | '000 CZK           | 289,918 | 1,265,809 | 7,371,552 | 0.2859                                 |
|          | year-on-year index | 0.0     | 436.6     | 582.4     |  |
| Exports  | '000 CZK           | 70,338  | 61,343    | 65,809    | 0.0053                                 |
|          | year-on-year index | 0.0     | 87.2      | 107.3     |  |
| Imports  | '000 CZK           | 219,580 | 1,204,466 | 7,305,743 | 0.5508                                 |



|                                |                      |              |              |              |  |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
|                                | year-on-year index   | 0.0          | 548.5        | 606.6        |  |
| Trade balance                  | ‘000 CZK             | -149,242     | -1,143,123   | -7,239,934   |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 0            | 0            | 71,000       |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | 0            | 0            | -18,500      |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: consumer goods, passenger cars and motorcycles, industrial products, rolled iron products, electric engines, tyres, firearms.

Principal import commodities of the Czech Republic: digital monolithic integrated units, fruit and vegetables, tropical flowers.

## REPUBLIC OF CROATIA

As in the previous years, relations between the Czech Republic and the Republic of Croatia developed dynamically. Political, economic and cultural co-operation was further deepened at the bilateral level. In respect of multilateral relations, both sides closely co-operated within the framework of international organisations and in the area of stabilising the region of South Eastern Europe. The Czech Republic expressed through its political representatives its support to Croatia’s efforts towards integration into the European and Euro-Atlantic structures.

### *Visits by representatives of the Czech Republic:*

- 21-23 March 2002 – participation of Minister of Agriculture of the Czech Republic J. Fenc in the international forum “The Enlargement of the European Union and Agriculture” in Brijun;
- 26 April 2002 – official visit by Deputy Prime Minister of the Government and Minister of Foreign Affairs J. Kavan;
- 9-11 May 2002 – participation of Chairman of the Senate of the Parliament of the Czech Republic P. Pithart in the Conference of Speakers of European Parliaments.

### *Visits by representatives of Croatia:*

- 12-14 April 2002 – visit by Minister for the Environment B. Kovačević;

- 21-22 November 2002 – participation of Croatia’s delegation headed by Deputy Prime Minister of the Government and Minister of Defence Ž. Antunovićova in the NATO/EAPC Summit.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 7,402,318    | 8,648,199    | 9,219,740    | 0.3576                                 |
|                                | year-on-year index   | 126.8        | 116.8        | 106.6        |  |
| Exports                        | ‘000 CZK             | 6,156,584    | 7,184,136    | 7,733,807    | 0.6178                                 |
|                                | year-on-year index   | 132.5        | 116.7        | 107.7        |  |
| Imports                        | ‘000 CZK             | 1,245,734    | 1,464,063    | 1,485,933    | 0.1120                                 |
|                                | year-on-year index   | 104.7        | 117.5        | 101.5        |  |
| Trade balance                  | ‘000 CZK             | 4,910,850    | 5,720,073    | 6,247,874    |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 44,300       | 200          | -500         |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | -37,600      | 6,500        | 6,900        |  |
|                                | portfolio (‘000 CZK) | not recorded | 0            | 183,600      |  |

Principal export commodities: iron and steel, motor vehicles, tractors and other vehicles, bicycles, soap, detergents, surfactants, wax, iron or steel products, reactors, boilers, mechanical apparatuses and devices, glass and glass products, devices of electronic recording and reproduction of sound and image, paper.

Principal import commodities: fuels, oils and oily products, bituminous substances, wax, reactors, boilers, mechanical apparatuses and devices, pharmaceuticals, devices of electronic recording and reproduction of sound and image, food products, non-ferrous metals and products of such metals.

### *Bilateral agreements concluded in 2002:*

- Administrative Agreement between the Czech Republic and the Republic of Croatia on the Implementation of the Agreement on Social Security, Zagreb, 26 April 2002;
- Protocol on Cooperation between the Ministry of Foreign Affairs of the Czech Republic and the Ministry of Foreign Affairs of the Republic of Croatia, Zagreb, 26 April 2002.

### *Cultural relations*

Based on the Agreement between the Government of the Czech Republic and the Government of the Republic of Croatia on Co-operation in the Area of Culture, Education and

Science, the Programme of Cultural Co-operation between the Ministries of Culture for the Years 2003-2005 was discussed and prepared for signing.

A project called “The World in Zagreb – Czech Republic Days” was held in Zagreb, where different areas of Czech culture and arts were introduced over three weeks. The exhibition of “TOYEN” was held in the prestigious gallery Klovičevi dvori, and an exhibition of the work of A. Born was organised on the occasion of opening the “Children’s Festival” in Šibenik.

Both old and new Czech films were introduced in two shows of Czech cinematography.

Co-operation in the education sector was oriented in particular on language teaching – a Czech language teacher worked in Zagreb, and students were exchanged for summer language courses.

Czech expatriates living in Croatia were also active in presenting and promoting Czech culture. For its work, their association was granted in 2002 the Jan Masaryk Prize Gratias Agit.

## **REPUBLIC OF CUBA**

Bilateral relations have been oriented in the recent years primarily on commercial and economic co-operation.

The Czech Republic has been traditionally advocating the commencement of the transformation of Cuba into a pluralistic society with an open market economy. Special attention is paid to respecting human rights in Cuba. The Czech Republic has presented its position in international forums as well as in bilateral meetings. In April 2002, the Czech Republic supported in the UN Commission on Human Rights in Geneva a resolution criticising the Cuban government for its disrespect to human rights, presented by Uruguay.

Compared to previous years, the Czech-Cuban relations improved in 2002; communication with Cuban partners at all levels intensified.

### *Economic relations*

|  |  |      |      |      |  |
|--|--|------|------|------|--|
|  |  | 2000 | 2001 | 2002 | Share in total indicators for 2002 (%) |
|--|--|------|------|------|--|

|                                   |                      |              |              |              |        |
|-----------------------------------|----------------------|--------------|--------------|--------------|--------|
| Turnover                          | '000 CZK             | 246,472      | 240,598      | 140,568      | 0.0055 |
|                                   | year-on-year index   | 58.0         | 97.6         | 58.4         |        |
| Exports                           | '000 CZK             | 199,910      | 206,330      | 106,258      | 0.0085 |
|                                   | year-on-year index   | 49.0         | 103.2        | 51.5         |        |
| Imports                           | '000 CZK             | 46,562       | 34,268       | 34,310       | 0.0026 |
|                                   | year-on-year index   | 234.0        | 73.6         | 100.1        |        |
| Trade balance                     | '000 CZK             | 153,348      | 172,062      | 71,948       |        |
| Foreign investments<br>– incoming | direct ('000 CZK)    | 0            | 0            | 0            |        |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |        |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | 0            | 0            | 0            |        |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | 0            |        |

Principal export commodities of the Czech Republic: motorcycles and spare parts, hand tools, iron, steel profiles and tyres.

Principal import commodities of the Czech Republic: nickel ore, cigars, rum and fruit juices.

#### *Cultural relations*

On Cuban's part, cultural co-operation is tied to politics, which by extension means that the opportunities for presentation of Czech culture are limited. The Embassy of the Czech Republic in Cuba issues an information bulletin in Spanish.

## **REPUBLIC OF CYPRUS**

An impulse for intensifying mutual contacts ensued from the EU Summit in Copenhagen in December 2002, where Cyprus, the Czech Republic and eight more European countries received an invitation to enter into the EU. Mutual commercial and economic co-operation was further extended in 2002.

#### *Visits by representatives of the Czech Republic*

- 13-15 March 2002 – visit by a delegation of the Regional Development, Public Administration and Environment Committee of the Senate of the Czech Parliament.

#### *Economic relations*

|          |                    | 2000    | 2001    | 2002      | Share in total indicators for 2002 (%) |
|----------|--------------------|---------|---------|-----------|--|
| Turnover | '000 CZK           | 593,335 | 620,769 | 1,101,152 | 0.0427                                 |
|          | year-on-year index | 129.0   | 104.6   | 177.4     |  |
| Exports  | '000 CZK           | 418,778 | 398,924 | 738,720   | 0.0590                                 |

|                                   |                      |              |              |              |        |
|-----------------------------------|----------------------|--------------|--------------|--------------|--------|
|                                   | year-on-year index   | 139.0        | 95.3         | 185.2        |        |
| Imports                           | '000 CZK             | 174,557      | 221,845      | 362,432      | 0.0273 |
|                                   | year-on-year index   | 111.0        | 127.1        | 163.4        |        |
| Trade balance                     | '000 CZK             | 244,221      | 177,079      | 376,288      |        |
| Foreign investments<br>– incoming | direct ('000 CZK)    | 4,720,800    | 469,720      | 5,216,600    |        |
|                                   | portfolio ('000 CZK) | not recorded | not recorded | not recorded |        |
| Foreign investments<br>– outgoing | direct ('000 CZK)    | -152,300     | 0            | 100          |        |
|                                   | portfolio ('000 CZK) | not recorded | 0            | 443,000      |        |

Principal export commodities of the Czech Republic: glass and glass products, motor vehicles, ceramic products, el. recording devices, plastics and plastic products.

Principal import commodities of the Czech Republic: fruit, pharmaceuticals, motor vehicles, electronic recording and sound reproduction devices.

#### *Bilateral agreements concluded in 2002*

- Agreement between the Government of the Czech Republic and the Government of the Republic of Cyprus on the International Road Transport of Passengers and Goods, Nicosia, 20 May 2002.

#### *Cultural relations*

Concert tour of Cyprus by violoncellist D. Veis. Introduction of J. Hřebejk's film "Musíme si pomáhat (Divided We Fall)".

In the area of education, Czech students spent some time on study stays at Cypriot universities focused on economy, based on scholarships granted by the Cypriot party.

## **REPUBLIC OF ECUADOR**

Mutual relations of the Czech Republic with Ecuador have traditionally been of a very good standard, and have concentrated in particular of trade and economy.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 690,736      | 1,047,546    | 792,297      | 0.0307                                 |
|                                | year-on-year index   | 111.0        | 151.7        | 75.6         |  |
| Exports                        | '000 CZK             | 177,678      | 404,705      | 361,990      | 0.0289                                 |
|                                | year-on-year index   | 186.0        | 227.8        | 89.4         |  |
| Imports                        | '000 CZK             | 513,058      | 642,841      | 430,307      | 0.0324                                 |
|                                | year-on-year index   | 98.0         | 125.3        | 66.9         |  |
| Trade balance                  | '000 CZK             | -335,380     | -238,136     | -68,317      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: automobiles, machinery and transportation equipment, iron, steel, chemicals, various industrial products.

Principal import commodities of the Czech Republic: bananas, fish, vegetables, fruit, coffee, cocoa, cut flowers, cork, timber.

### *Cultural relations*

Bilateral cultural relations between the countries mainly consist in exhibitions. The Czech Republic annually offers, within the framework of the plan for development assistance in the area of education, 4 scholarships for undergraduate and postgraduate studies, which are much in demand.

## **REPUBLIC OF ESTONIA**

In the course of 2002, the favourable development of relations between the Czech Republic and Estonia continued. Intensive co-operation was maintained primarily in connection with integration into the Euro-Atlantic structures. Both countries completed accession negotiations with the EU and the Czech Republic supported the entry of Estonia into NATO, which was approved at the Prague NATO Summit. In January 2002, Estonia appointed its first residing Ambassador to Prague. The intensive development of mutual relations was reflected by the frequency of visits at different levels. The good relations were also manifested by the financial contribution granted by Estonia to the city of Český Krumlov as part of flood relief.

*Visits by representatives of the Czech Republic:*

- 5-6 June 2002 – visit by a delegation of the Committee on Foreign Affairs, Defence and Security of the Senate of the Parliament of the Czech Republic;
- 30 October 2002 – visit by a delegation of representatives of the Parliament of the Czech Republic.

*Visits by representatives of Estonia:*

- 10-13 April 2002 – visit by Chairman of the Parliament T. Savi;
- 23-26 April 2002 – visit by a delegation of the Agricultural Committee of the Parliament;
- 2 May 2002 – working visit by President A. Rüütel on the occasion of the meeting of Presidents of the Czech Republic, Estonia, Lithuania and Latvia;
- 8-9 October 2002 – visit by Minister for Foreign Affairs K. Ojuland;
- 22 October 2002 – participation of Minister For Foreign Affairs K. Ojuland in the meeting of ministers for foreign affairs of the Laeken 10 countries;
- 7 November 2002 – visit by Minister of Agriculture J. Marrandi;
- 21-22 November 2002 – participation of a delegation of Estonia headed by Prime Minister S. Kallas in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 2,799,056    | 1,611,427    | 1,762,015    | 0.0683                                 |
|                                | year-on-year index   | 299.5        | 57.6         | 109.3        |  |
| Exports                        | '000 CZK             | 866,755      | 1,102,792    | 1,209,236    | 0.0966                                 |
|                                | year-on-year index   | 136.6        | 127.2        | 109.7        |  |
| Imports                        | '000 CZK             | 1,932,301    | 508,635      | 552,779      | 0.0417                                 |
|                                | year-on-year index   | 644.2        | 26.3         | 108.7        |  |
| Trade balance                  | '000 CZK             | -1,065,546   | 594,157      | 656,457      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: textile yarn, glass, passenger vehicles, machinery and equipment, beverages, detergents and surfactants.

Principal import commodities of the Czech Republic: electrotechnical products, footwear, furniture and material for its manufacture.

#### *Cultural relations*

Successful screenings of films for children by the Czech artist Z. Miler and others took place in Estonia. Folk ensembles Domažlická dudácká muzika (Domažlice Bagpipes) and Jarošovci presented themselves. Musica Florea, an ensemble performing baroque music, gave several concerts. Poet B. Trojak read a lecture. Film director P. Zelenka attended the “Dark Nights Film Festival” in Tallin and introduced his film “Rok d’ábla (Year of the Devil)”. P. Pärn, an outstanding Estonian animator, attended a festival of animated movies in Olomouc.

## **REPUBLIC OF FINLAND**

Czech-Finnish relations continued to develop successfully in 2002; the frequency of visits, in particular at the parliamentary level, was high. In 2002 the Czech Republic also carefully monitored Finland’s position in the process of the enlargement of the EU and scrutinised Finland’s experience from accession negotiations. Finland also was one of important business partners of the Czech Republic.

#### *Visits by representatives of the Czech Republic:*

- 4-7 March 2002 – visit by a delegation of the Committee on Science, Education, Culture, Youth and Sports of the Chamber of Deputies of the Parliament of the Czech Republic;
- 26 March 2002 – visit by Deputy Prime Minister of the Government and Minister of Foreign Affairs J. Kavan;
- 2-5 April 2002 – visit by a delegation of the Committee on National Economy, Agriculture and Transport of the Senate of the Parliament of the Czech Republic;
- 13-16 May 2002 – visit by a delegation of the Budget Committee of the Chamber of Deputies of the Parliament of the Czech Republic;



- 27-29 May 2002 – visit by a delegation of the Committee on European Integration of the Senate of the Parliament of the Czech Republic;
- 23-26 September 2002 – visit by a delegation of the Senate of the Parliament of the Czech Republic headed by Chairman of the Senate P. Pithart;
- 2-4 2002 – participation of Deputy Prime Minister of the Government P. Mareš in “Helsinki Conference 2002 – Searching for Global Partnership”.

*Visits by representatives of Finland:*

- 25-26 March 2002 – visit by Minister of Finance S. Niinistö;
- 20-21 2002 – participation of a delegation of Finland headed by President T. Halonen in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 14,612,483   | 15,385,247   | 12,595,448   | 0.4885                                 |
|                                | year-on-year index   | 113.8        | 105.3        | 81.9         |  |
| Exports                        | ‘000 CZK             | 4,639,026    | 5,398,695    | 4,739,984    | 0.3786                                 |
|                                | year-on-year index   | 116.8        | 116.4        | 87.8         |  |
| Imports                        | ‘000 CZK             | 9,973,457    | 9,986,552    | 7,855,464    | 0.5923                                 |
|                                | year-on-year index   | 112.4        | 100.1        | 78.7         |  |
| Trade balance                  | ‘000 CZK             | -5,334,431   | -4,587,857   | -3,115,480   |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 9,100        | 241,300      | 682,400      |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | -13,600      | 0            | 91,700       |  |
|                                | portfolio (‘000 CZK) | not recorded | 1,248,000    | 190,100      |  |

Principal export commodities of the Czech Republic: passenger cars, metallurgic products, textile products and footwear, building materials, machinery and equipment.

Principal import commodities of the Czech Republic: telecommunications products, machines and products of paper and cellulose industry, chemicals, equipment for energy industry, in particular electric transformers and wires, and beverages.

*Cultural relations*

In 2002, an exhibition of the glass art of P. Hlava was held at the renowned museum of glass in Riihimäki, and the theatre ensemble Drak from Hradec Králové participated in the traditional festival “Bravo” in Helsinki. Two benefit concerts of Czech Madrigalists were held and a representational exhibition “Czech crystal – Buquoy glass in Bohemia in 1620-1851” was opened in October 2002. In the middle of December, the ballet ensemble of the Prague National Theatre visited Tampere.

Students and graduates are exchanged on the basis of the Programme of Cultural, Educational and Scientific Co-operation between the Government of the Czech Republic and the Government of the Republic of Finland for the years 2000-2004, and as part of Socrates and Erasmus programmes.

## REPUBLIC OF GHANA

The focal point of mutual relations between Ghana and the Czech Republic was primarily in the area of commerce.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 147,417      | 193,009      | 136,252      | 0.0053                                 |
|                                | year-on-year index   | 169.0        | 130.9        | 70.6         |  |
| Exports                        | '000 CZK             | 113,382      | 155,941      | 101,197      | 0.0081                                 |
|                                | year-on-year index   | 157.0        | 137.5        | 64.9         |  |
| Imports                        | '000 CZK             | 34,035       | 37,068       | 35,055       | 0.0026                                 |
|                                | year-on-year index   | 224.0        | 108.9        | 94.6         |  |
| Trade balance                  | '000 CZK             | 79,347       | 118,873      | 66,142       |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: tractors, powder milk, tyres, passenger cars, cyanide salts, glass costume jewellery, steel and iron profiles, bandages, fittings.

Principal import commodities of the Czech Republic: tropical wood and veneer, coffee, pineapples, sea fish, cocoa beans.

### *Cultural relations*

The Government of the Czech Republic granted 2 governmental university scholarships to the Government of the Republic of Ghana, both of which were accepted.

## **REPUBLIC OF HUNGARY**

Hungary is one of the most important partners of the Czech Republic in the Central European region. The Czech Republic co-operates with Hungary on a bilateral level and in the Visegrad Group, SEI, CEFTA and a number of other international organisations. The important aspects of co-operation of both countries are the common membership of the North Atlantic Treaty Alliance and their common aspiration to EU membership. The quality of their relations is further enhanced by very intensive cultural relations and a dynamically developing trade exchange.

### *Visits by representatives of the Czech Republic:*

- 18 February 2002- visit by Minister of Environment M. Kužvart;
- 17 April 2002 – unofficial visit by the Chairman of the Senate of the Parliament of the Czech Republic P. Pithart;
- 14 – 15 November 2002 – participation of Minister for Regional Development P. Němec in the conference of regional representatives and ministers of regional planning in Pecs;
- 1 December 2002 – participation of Prime Minister V. Špidla in the international conference on co-ordinated action of Central European countries against floods, which was held in Budapest.

### *Visits by representatives of Hungary:*

- 31 January –1 February 2002 – visit by delegation of the Economic Committee of the Parliament of the Republic of Hungary;
- 20 – 22 November 2002 – participation of a Hungarian delegation headed by Prime Minister P. Medgyessy in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 40,904,870   | 48,012,745   | 56,330,555   | 2,1849                                 |
|                              | year-on-year index   | 128.1        | 117.4        | 117.3        |  |
| Exports                      | '000 CZK             | 21,010,891   | 23,988,005   | 30,293,200   | 2.4198                                 |
|                              | year-on-year index   | 129.3        | 114.2        | 126.3        |  |
| Imports                      | '000 CZK             | 19,893,979   | 24,024,740   | 26,037,355   | 0.9631                                 |
|                              | year-on-year index   | 126.9        | 120.8        | 108.4        |  |
| Balance                      | '000 CZK             | 1,116,912    | -36,735      | 4,255,845    |  |
| Foreign investments incoming | direct ('000 CZK)    | 1,603,000    | 143,300      | 771,000      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 235,900      | 131,900      | 24,600       |  |
|                              | portfolio ('000 CZK) | not recorded | 7,544,000    | 5,586,300    |  |

Principal export commodities of the Czech Republic: machinery and chemical products, coal, automobiles and trucks, washing detergents, aniline, ethylene, mineral oils, tyres, cord fabrics for tyres, vacuum cleaners, electric motors, paper and textile products.

Principal import commodities of the Czech Republic: ignition engines for automobiles, mineral oils, medications, products and components of the electronic industry, chocolate, wine.

Hungary is one of the important and traditional trade partners. A Czech-Hungarian trade club was established in Budapest at the end of 2002, which attracted as many as 47 members from among major Hungarian importers of Czech products.

### *Cultural relations*

Major cultural events that took place in 2002 included, for instance, the "Festival Bohemia", which was held as part of the "Budapest Autumn Festival" and included contributions of other Visegrad countries. The "Festival Bohemia" opened with an exhibition of the Czech visual artist M. Troup in Dúna Museum in Esztergom. The program also included shows of films made in Visegrad countries, performances of several music groups, including the Czech band Psí vojáci ("Dog Warriors") or a public talk with F. Topol about the translation of one of his books into Hungarian.

The regular cultural events included the traditional "Bohemia Ball Dance" in Budapest and the "International Book Festival", where the Czech literature is regularly presented in the form of translations of the Hungarian publishing house Europa, or the "Czech Films Festival", which is organised on an annual basis in co-operation with the Hungarian Film Institute.

Other successful events included the “Czech Days in Eger” organised as part of the twinning co-operation between the cities of Kutná Hora and Eger, and the week of Czech culture named “Prague and Its Secrets” which was held in the Szegedin club Grand Café. The co-operation between Czech and Hungarian theatres had the form of visits of Hungarian theatre groups in the Czech Republic.

## REPUBLIC OF ICELAND

Mutual relations between Iceland and the Czech Republic are affected by the geographical distance and the different foreign political priorities. The mutual relations intensified in connection with the Czech Republic’s membership in NATO and preparations for the future membership of the Czech Republic in the European Economic Area.

### *Visits by representatives of the Czech Republic:*

- 14-15 May 2002 – participation of Deputy Prime Minister of the Government and Minister of Foreign Affairs J. Kavan in the NATO Foreign Ministers Meeting in Reykjavik.

### *Visits by representatives of Iceland:*

- 21-22 November 2002 – participation of Iceland’s delegation headed by Prime Minister of the Government D. Oddsson in the NATO/EAPC Summit.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 328,002      | 298,507      | 456,611      | 0.0177                                 |
|                                | year-on-year index   | 66.5         | 91.0         | 153.0        |  |
| Exports                        | ‘000 CZK             | 293,996      | 253,662      | 338,074      | 0.0270                                 |
|                                | year-on-year index   | 63.1         | 86.3         | 133.3        |  |
| Imports                        | ‘000 CZK             | 34,006       | 44,845       | 118,537      | 0.0089                                 |
|                                | year-on-year index   | 125.7        | 131.9        | 264.3        |  |
| Trade balance                  | ‘000 CZK             | 259,990      | 208,817      | 219,537      |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 500          | 0            | 200          |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | not recorded | not recorded | 0            |  |
|                                | portfolio (‘000 CZK) | 0            | 1,062,000    | 1,031,500    |  |

Principal export commodities of the Czech Republic: engineering and metallurgical products, cars, paper and glass.

Principal import commodities of the Czech Republic: fish and fish products, furs, wool and leather.

### *Cultural relations*

Due to the geographical distance, cultural activities have been limited. In late 2002, A. K. Magnusdottir, a columnist of Czech origin, organised a concert to aid those affected by the August floods; the concert was broadcast by Icelandic television and several Czech performing artists appeared on-stage.

## **REPUBLIC OF INDIA**

The relations between the Czech Republic and India have been traditionally of a good standard. The Czech Republic emphasised, in particular, its commercial interests; the volume of mutual commercial exchange was increased.

### *Visits by representatives of the Czech Republic:*

- 28-30 August 2002 – visit by Minister of Industry and Trade J. Rusnok.

### *Visits by representatives of India:*

- 19-20 February 2002 – visit by Minister of State for External Affairs O. Abdullah;

- 22-26 September 2002 – visit by Minister of Heavy Industry V. Patil.

### *Economic relations*

|               |                    | 2000      | 2001      | 2002      | Share in total indicators for 2002 (%) |
|---------------|--------------------|-----------|-----------|-----------|--|
| Turnover      | '000 CZK           | 5,879,560 | 5,843,775 | 8,382,878 | 0.3251                                 |
|               | year-on-year index | 130.0     | 99.4      | 143.4     |  |
| Exports       | '000 CZK           | 2,999,478 | 2,591,477 | 5,094,447 | 0.4069                                 |
|               | year-on-year index | 161.0     | 86.4      | 196.6     |  |
| Imports       | '000 CZK           | 2,880,082 | 3,252,298 | 3,288,431 | 0.2479                                 |
|               | year-on-year index | 109.0     | 112.9     | 101.1     |  |
| Trade balance | '000 CZK           | 119,396   | -660,821  | 1,806,016 |  |
|               | direct ('000 CZK)  | -600      | 2,400     | 3,600     |  |

|                                |                              |              |              |              |  |
|--------------------------------|------------------------------|--------------|--------------|--------------|--|
| Foreign investments – incoming | direct ('000 CZK)            | -600         | 2,400        | 3,600        |  |
| Foreign investments – incoming | <del>direct ('000 CZK)</del> | not recorded | not recorded | not recorded |  |
|                                | portfolio ('000 CZK)         | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: freight and passenger vehicles, machines for the textile and shoe industry, machine tools, Diesel aggregates, bearings, electronic and optical apparatuses, chemicals, glass and glass products.

Principal import commodities of the Czech Republic: raw materials, semi-finished products and foodstuffs; specifically forage cakes, cotton, cotton yarn, iron ore, jute products, skins and leather semi-finished products, tobacco, tea, coffee, spices.

In 2002, India became Czech Republic's most significant export destination in Asia.

### *Cultural relations*

Cultural co-operation has been based on the Culture Agreement of 1997 and has been of traditionally high standard. The Czech Republic introduced the film "Sedmikrásky (Daisies)" by Věra Chytilová at the "7<sup>th</sup> Trivandrum International Film Festival 2002". In July, Karel Čapek's drama "RUR" was staged in the city of Indore (state of Madhya Pradesh). The Czech Embassy in Delhi handed over drawings by Czech children to the organisers of "Shankar's International Competition 2002" and received 13 silver medals for Czech participants in the 2001 competition. Young Indian artists received medals and prizes in the 30<sup>th</sup> year of "International Children's Art Competition Lidice 2002".

As in the previous years, beneficiaries of university scholarships were exchanged. The Czech Republic granted 2 governmental postgraduate scholarships to India, while the number of Czech governmental scholarship recipients in India increased to four. Czech language courses continued at the Department of Slavonic Languages of the Delhi University. Reciprocal short-term internships of Czech and Indian students and experts took place as part of the bilateral exchange programme between the India Academy of Sciences and the Academy of Sciences of the Czech Republic.

The project of "Long Distance Adoption" contributes to the good reputation of the Czech Republic in India. At the end of 2002, the number of Indian children supported from the Czech Republic reached 5,000 and the total amount of support reached CZK 30 million.

## REPUBLIC OF INDONESIA

Czech-Indonesian relations are friendly and have a long tradition; due to the persisting difficult domestic political and security situation in Indonesia, however, the rate of development of bilateral economic relations did not correspond with the potential of both countries.

### *Visits by representatives of the Czech Republic:*

- 2-4 February 2002 – official visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan.

### *Visits by representatives of Indonesia:*

- 17-19 June 2002 – official visit by President M. Sukarnoputri.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 2,865,433    | 3,699,346    | 4,279,772    | 0.1660                                 |
|                                | year-on-year index   | 125.0        | 129.1        | 115.7        |  |
| Exports                        | '000 CZK             | 452,529      | 510,447      | 530,682      | 0.0424                                 |
|                                | year-on-year index   | 172.0        | 112.8        | 104.0        |  |
| Imports                        | '000 CZK             | 2,412,904    | 3,188,899    | 3,749,090    | 0.2827                                 |
|                                | year-on-year index   | 118.0        | 132.2        | 117.6        |  |
| Trade balance                  | '000 CZK             | -1,960,375   | -2,678,452   | -3,218,408   |  |
| Foreign investments – incoming | direct ('000 CZK)    | 10,500       | not recorded | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: milk powder, chemicals, luminescent materials, cyanide, textile fibres, glass and glass products, chandeliers, electric and Diesel engines, textile machines, cutting tools, wood-working and metal-working machines, automotive parts and components.

Principal import commodities of the Czech Republic: fish, fruit, coffee, coconuts, pepper, nutmeg, raw rubber, plywood, paper, organic chemicals, plastics, textile fibres, synthetic textile tissues, clothes, tin, data processing machines, rattan and wooden furniture, footwear.



### *Cultural relations*

At the turn of February and March 2002, an exhibition of colour photographs of Prague by J. Všečetka was held in the exhibition hall of the Czech Embassy in Jakarta under the title “The Prague Pedestrian”. In March 2002, travelling exhibition of graphic art was opened in the Cemara Gallery, displaying the work of J. Anderle, K. Deml and O. Kulhánek, under the title “Theatrum Mundi”. In May 2002, an exhibition of Czech and Slovak independent art “Minisalon” was organised in Indonesia. The Government of the Czech Republic granted 3 governmental scholarships to Indonesian students.

## **REPUBLIC OF IRAQ**

The Republic of Iraq continued to be in international isolation under the sanction regime of the UN SC, adopted after Iraq’s invasion to Kuwait. The Czech Republic respected the restrictions ensuing from the sanctions and supported the efforts of the international community to disarm Iraq in accordance with the applicable UN SC resolutions.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | ‘000 CZK             | 275,364      | 1,382        | 14,804       | 0.0006                                 |
|                                | year-on-year index   | 0.0          | 0.5          | 1,071.2      |  |
| Exports                        | ‘000 CZK             | 7,623        | 1,361        | 14,682       | 0.0012                                 |
|                                | year-on-year index   | 0.0          | 17.9         | 1,078.8      |  |
| Imports                        | ‘000 CZK             | 267,741      | 21           | 122          | 0.0000                                 |
|                                | year-on-year index   | 0.0          | 0.0          | 581.0        |  |
| Trade balance                  | ‘000 CZK             | -260,118     | 1,340        | 14,560       |  |
| Foreign investments – incoming | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |

Principal export commodities of the Czech Republic: spare parts for crude oil and energy industries, tractors and mills and textile industry.

Principal import commodities of the Czech Republic: crude oil, oily products.

In the recent years, Czech businesses have been excluded from the opportunity to engage in full-scale commercial relations with Iraq. Some commercial transactions between

the Czech Republic and Iraq were effected, due to the boycott of Czech companies by Iraq, via businesses in third countries.

### *Cultural relations*

On the occasion of celebration of national holiday on 28 October 2002, the Czech Embassy organised a concert of compositions by Czech composers. Czech expatriate N. ar-Rádí performed in the concert.

## REPUBLIC OF ITALY

Mutual relations between the Czech Republic and Italy in 2002 can be described as very good and balanced; both sides concentrated on further developing economic relations. The state visit by President V. Havel to Italy in April was the peak of the bilateral relations of the two countries.

### *Visits by representatives of the Czech Republic:*

- 3-7 April 2002 – state visit by President V. Havel;
- 21-25 October 2002 – visit by a delegation of the Constitutional and Legislative Committee of the Chamber of Deputies of the Parliament of the Czech Republic;
- 10-13 June 2002 – participation of Minister of Agriculture J. Fencel in the World Food Summit in Rome.

### *Visits by representatives of Italy:*

- 17 May 2002 – visit by Senate delegation;
- 20-22 November 2002 – participation of Italy's delegation headed by Prime Minister of the Government S. Berlusconi in the NATO/EAPC Summit;
- 1-4 December 2002 – visit by the Committee for European Union Policies of the Chamber of Deputies and the Committee for European Policy of the Senate.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 106,582,354  | 124,336,143  | 122,368,191  | 4.7462                                 |
|                                | year-on-year index   | 124.0        | 116.7        | 98.4         |  |
| Exports                        | '000 CZK             | 42,387,992   | 51,495,343   | 50,774,292   | 4.0558                                 |
|                                | year-on-year index   | 127.3        | 121.5        | 98.6         |  |
| Imports                        | '000 CZK             | 64,194,362   | 72,840,800   | 71,593,899   | 5.3979                                 |
|                                | year-on-year index   | 122.0        | 113.5        | 98.3         |  |
| Trade balance                  | '000 CZK             | -21,806,370  | -21,345,457  | -20,819,607  |  |
| Foreign investments – incoming | direct ('000 CZK)    | 1,392,100    | 3,700        | 3,021,300    |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | -7,500       | 8,000        | 500          |  |
|                                | portfolio ('000 CZK) | not recorded | 1,981,000    | 5,361,400    |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, industrial products, chemicals and related products, passenger cars, textile yarn, textiles, iron, steel, metal working machines, paper, cardboard and chemicals.

Principal import commodities of the Czech Republic: machinery and transportation equipment, industrial products, chemicals and related products, electrical and mechanical household appliances, machines, road vehicles, textile yarn and fabric, plastic products, footwear, furniture and foodstuffs.

The largest share of Italian investments in the Czech Republic was noted in the petrochemical industry, telecommunications and production of automotive components. A strategic investment in the Czech banking sector was made at the end of 2002.

### *Cultural relations*

The list of cultural events organised by the Embassy of the Czech Republic in Rome in 2002 includes the lecture by the Secretary of the Federation of Jewish Communities in the Czech Republic, K. Kraus, on the topic of the history of the Jewish community in Bohemia; ceremonial opening of Jan Palach College at the University of Venice and installation of Palach's death mask donated by sculptor O. Zoubek; a round table on Jan Palach designated the "Dream of Freedom"; screening of the Czech Television documentary film "Torch 1"; and reading from the work of J. Moserová "Letter to Wollongong". An exhibition of photographs from official visits of President V. Havel and a round table "V. Havel – politician and dramatist" took place. A first meeting of Italian experts on Czech language and culture was held at the embassy in Rome. A number of cultural events in the second half of 2002 had beneficial character and their proceeds were intended for the restoration of cultural heritage damaged by the floods in August.

## **REPUBLIC OF IVORY COAST**

The current relations of the Czech Republic with the Ivory Coast were focused, as in the past, namely on trade and economic co-operation. The development of political contacts is hindered by the current complicated political situation in the Ivory Coast.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 743,700      | 499,717      | 354,077      | 0.0137                                 |
|                              | year-on-year index   | 130.0        | 67.2         | 70.9         |  |
| Exports                      | '000 CZK             | 84,003       | 54,114       | 102,499      | 0.0082                                 |
|                              | year-on-year index   | 238.0        | 64.4         | 189.4        |  |
| Imports                      | '000 CZK             | 659,697      | 445,603      | 251,578      | 0.0190                                 |
|                              | year-on-year index   | 123.0        | 67.5         | 56.5         |  |
| Balance                      | '000 CZK             | -575,694     | -391,489     | -149,079     |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 8,616,000    | 12,876,500   |  |

Principal export commodities of the Czech Republic: automobiles, spare parts to mining machines, dried milk, gearboxes and spare parts to motorcycles, BTV receivers, steel and iron profiles, cotton fabrics, glass jewellery.

Principal import commodities of the Czech Republic: cocoa beans, pineapple, bananas, coffee.

### *Cultural relations*

Two touring exhibits, "Current Czech Poster" and "From the Women's Perspective" were organised in 2002 in the country under the auspices of the Embassy of the Czech Republic.

The Government of the Czech Republic granted to the Government of the Republic of Ivory Coast in 2002 1 university scholarship.

## **REPUBLIC OF KAZAKHSTAN**

Czech-Kazakh relations have in particular an economic dimension. Kazakhstan, a country with immense natural resources, is potentially an important partner for the Czech Republic. Czech companies have been involved in numerous projects for modernisation of the Kazakh industry and transport. The bilateral relations, however, continue to be blemished by the long-outstanding issue of Kazakhstan's debt owing to the Czech Republic, an inheritance of the former USSR and the Czechoslovak Socialist Republic.

*Visits by representatives of the Czech Republic:*

- 21-28 June 2002 – visit by First Vice-chairman of the Senate of the Parliament of the Czech Republic P. Sobotka.

*Visits by representatives of Kazakhstan:*

- 21-22 November 2002 – participation of Kazakhstan's delegation headed by President N. Nazarbayev in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 5,988,719    | 5,321,477    | 2,660,659    | 0.1032                                 |
|                                | year-on-year index   | 276.2        | 88.9         | 50.0         |  |
| Exports                        | '000 CZK             | 1,259,429    | 1,290,495    | 1,455,804    | 0.1163                                 |
|                                | year-on-year index   | 136.6        | 102.5        | 112.8        |  |
| Imports                        | '000 CZK             | 4,729,290    | 4,030,982    | 1,204,855    | 0.0908                                 |
|                                | year-on-year index   | 387.3        | 85.2         | 29.9         |  |
| Trade balance                  | '000 CZK             | -3,469,861   | -2,740,487   | 250,949      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 279,200      |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 102,800      | -6,400       | 32,700       |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 1,686,900    |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, pharmaceuticals, soap, detergents and surfactants, timber, paper and paper products, plastics, glass, furniture, aluminium.

Principal import commodities of the Czech Republic: mineral fuels, lubricants and related substances, iron and steel, non-ferrous metals, chemicals, cotton.

*Cultural relations*

A substantial part of co-operation in culture is represented by education. The Czech Republic granted 12 scholarships to Kazakhstan in the academic year of 2002/03.

## REPUBLIC OF KENYA

Relations between the Czech Republic and Kenya have traditionally been of good standard. The focus of co-operation was in particular in economy.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 113,874      | 135,019      | 94,323       | 0.0037                                 |
|                                | year-on-year index   | 142.0        | 118.6        | 69.9         |  |
| Exports                        | '000 CZK             | 80,941       | 102,501      | 70,868       | 0.0057                                 |
|                                | year-on-year index   | 60.0         | 126.6        | 69.1         |  |
| Imports                        | '000 CZK             | 32,933       | 32,518       | 23,455       | 0.0018                                 |
|                                | year-on-year index   | 272.0        | 98.7         | 72.1         |  |
| Trade balance                  | '000 CZK             | 48,008       | 69,983       | 47,413       |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: airplanes, turbo-propeller engines and spare parts to them, small arms, glass forms, glass jewellery, tyres and tyre cords, steel and iron profiles, laboratory and utility glass, manual tools.

Principal import commodities of the Czech Republic: cut flowers, tea and tea concentrate, coffee, mango, footwear, leather.

The trade balance has in the long-term been active on the part of the Czech Republic.

### *Cultural relations*

At the end of 2002, exhibition “An Inspiring Childhood” concerning J. Adams, native of Opava in the Czech Republic, was organised at the National Museum in Nairobi under the auspices of the Embassy of the Czech Republic.

In 2002, the Government of the Czech Republic granted 3 governmental university scholarships to the Government of the Republic of Kenya, who accepted them.

## REPUBLIC OF KOREA

The Republic of Korea is an important partner of the Czech Republic in the region of East Asia. The focus of relations rested in particular in commerce and economy.

### *Visits by representatives of the Czech Republic*

- 19-21 February 2002 – working visit by Minister of Finance J. Rusnok.

### *Visits by representatives of the Republic of Korea:*

- 19-20 March 2002 – Chairman of the National Assembly Lee Man-sup.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 7,317,053    | 7,745,952    | 11,215,378   | 0.4350                                 |
|                                | year-on-year index   | 121.0        | 105.9        | 144.8        |  |
| Exports                        | '000 CZK             | 2,100,747    | 1,788,083    | 1,105,699    | 0.0883                                 |
|                                | year-on-year index   | 370.0        | 85.1         | 61.8         |  |
| Imports                        | '000 CZK             | 5,216,306    | 5,957,869    | 10,109,679   | 0.7622                                 |
|                                | year-on-year index   | 95.0         | 114.2        | 169.7        |  |
| Trade balance                  | '000 CZK             | -3,115,559   | -4,169,786   | -9,003,980   |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 600          |  |

Principal export commodities of the Czech Republic: machine tools, glass, components for cars and machines.

Principal import commodities of the Czech Republic: electronic appliances, automobiles, optical apparatuses, computing technology, resin, synthetic fibres.

### *Cultural relations*

Cultural relations between the Republic of Korea and the Czech Republic are of a good standard. Beside the traditionally appreciated Czech classical music, Czech cinematography and applied arts, especially glass and jewellery, are winning general popularity. The cultural public in the Czech Republic is becoming aware of Korean



cinematography and traditional art. The two countries are working together towards opening an exposition of Korean art in the Oriental collection of the Czech National Gallery.

The Czech Republic also closely co-operates with Korea in the field of education. Reciprocal exchange of lecturers takes place between the countries, who teach at the departments of Korean and Czech studies in Prague and in Seoul, respectively. Two scholarship recipients are exchanged on an annual basis. In addition, two scholarships were granted to the Republic of Korea in 2002 for the Summer School of Slavonic Studies.

## REPUBLIC OF LATVIA

Latvia is an important political and economic partner of the Czech Republic. We can expect that the co-operation between the two countries will intensify after full integration of the country into the EU and NATO. In 2002, both countries carried on an intensive political dialogue, and their co-operation in the area of security, economy and culture developed successfully.

### *Visits by representatives of the Czech Republic:*

- 17-18 August 2002 –official visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan.

### *Visits by representatives of Latvia to the Czech Republic:*

- 5 May 2002 – working visit by the President V. Vīke-Freiberga on the occasion of a meeting of Presidents of the Czech Republic, Latvia, Lithuania and Estonia;  
 - 21-22 November 2002 – participation of a Latvian delegation headed by President V. Vīke-Freiberg in the NATO/EAPC Summit.

### *Economic relations*

|          |                    | 2000      | 2001      | 2002      | Share in total indicators for 2002 (%) |
|----------|--------------------|-----------|-----------|-----------|--|
| Turnover | '000 CZK           | 2,059,431 | 2,619,799 | 2,387,942 | 0.0926                                 |
|          | year-on-year index | 129.7     | 127.2     | 91.1      |  |

|                              |                      |              |              |              |        |
|------------------------------|----------------------|--------------|--------------|--------------|--------|
| Exports                      | '000 CZK             | 1,744,973    | 2,098,042    | 1,953,375    | 0.1560 |
|                              | year-on-year index   | 126.0        | 120.2        | 93.1         |        |
| Imports                      | '000 CZK             | 314,458      | 521,757      | 434,567      | 0.0328 |
|                              | year-on-year index   | 155.0        | 165.9        | 83.3         |        |
| Balance                      | '000 CZK             | 1,430,515    | 1,576,285    | 1,518,808    |        |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |        |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |        |
| Foreign investments outgoing | direct ('000 CZK)    | -1,400       | 100          | 0            |        |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |        |

Principal export commodities of the Czech Republic: working clothes, polishing and cleaning devices, medications, plastic materials, automobiles, electrical equipment, devices and appliances.

Principal import commodities of the Czech Republic: wooden products (excluding furniture), textile yarn and fabrics, non-ferrous metals, machinery and fish.

### *Cultural relations*

The principal contract document regulating cultural relations with Latvia is the Agreement on Cultural Co-operation between the Governments of the Czech Republic and of Latvia, signed by the Ministers of Culture in 1999. During his official visit, Minister of Foreign Affairs J. Kavan opened the exhibition "Czech-Latvian Relations in the 20<sup>th</sup> Century", which informed the public about the development of Czech-Latvian relations in the period from the establishment of an independent republic in each of the countries until the present. An exhibition of modern Czech graphic art "Labyrinth" was presented at several regional centres and the films "Musíme si pomáhat" ("Divided We Fall") and "Divoké včely" ("Wild Bees") were shown at the film festival "Arsenals". The premiere of a theatre play of V. Havel "Protest" was staged on the occasion of the state holiday of the Czech Republic and was attended by President of Latvia. A centre of Czech and Polish studies was officially opened at the Faculty of Philology of the Latvian University in October 2002.

## **REPUBLIC OF LEBANON**

Relations between the Czech Republic and Lebanon have been traditionally friendly. The Czech Republic attended as an observer the Ninth Summit on Francophony, which was held in Beirut in October 2002. The wording of the Air Transport Agreement was agreed in

the course of the year. At the end of 2002, the Czech government approved humanitarian aid to Lebanon.

*Visits by representatives of the Republic of Lebanon:*

- 26-28 June 2002 – official visit by President E. Lahoud.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 1,389,289    | 1,277,701    | 1,018,065    | 0.0395                                 |
|                              | year-on-year index   | 0.0          | 92.0         | 79.7         |  |
| Exports                      | '000 CZK             | 1,382,818    | 1,268,541    | 1,003,358    | 0.0801                                 |
|                              | year-on-year index   | 0.0          | 91.7         | 79.1         |  |
| Imports                      | '000 CZK             | 6,471        | 9,160        | 14,707       | 0.0011                                 |
|                              | year-on-year index   | 144.0        | 141.6        | 160.6        |  |
| Balance                      | '000 CZK             | 1,376,347    | 1,259,381    | 988,651      |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: dried milk and other milk products, utility glass, crystal, mirrors, chandeliers, paper, cardboard and other paper products.

Principal import commodities of the Czech Republic: food preparation equipment, fruit and vegetables.

Due to competition from certain eastern European countries, the share of Czech steel industry imports (pipes, profiles, sheets, etc.) has been in permanent decline.

*Cultural relations*

A conference on the composer L. Janáček was held in Beirut in 2002. The prestigious music festival "Al Bustan", which was dedicated to the Czech Republic, Czech composers and performing artists, was held in February and March with the participation of Symfonický orchestr hl. m. Prahy FOK (Prague Symphony Orchestra), the Prague Chamber Orchestra, Kubelík's Trio, Ballet of the National Theatre and Prague Chamber Choir. The cultural events accompanying the Ninth Summit on Francophony included a concert by the violoncellist J. Bárta with the accompaniment of J. Čech, which was held in November 2002. Out of the

quota of government scholarships for the academic year 2002/2003, the Lebanese party was granted one PhD and two master scholarships.

## **REPUBLIC OF LITHUANIA**

Lithuania is an important partner of the Czech Republic. It has always had the highest share of trade exchange with the Czech Republic of all the Baltic countries. The development of co-operation in all areas continued in 2002 – specifically in the area of politics and in the economy, military and cultural areas. The relations between the two countries were further enhanced by the continuing process of integration into Euro-Atlantic structures.

By the end of August 2002, the Embassy of the Czech Republic finished a successful two-year period acting as a NATO Contact Embassy in Lithuania.

### *Visits by representatives of the Czech Republic:*

- 12-14 March 2002 – visit by Minister of Transport and Communications J. Schling;
- 17 April 2002 – visit by Prime Minister M. Zeman;
- 2-3 June 2002 – working visit by a delegation of the Committee on Foreign Affairs, Defence and Security of the Senate of the Parliament of the Czech Republic.

### *Visits by representatives of Lithuania:*

- 21 February 2002 – visit by a delegation of European Issues Committee of the Parliament;
- 5 May 2002 – working visit by President V. Adamkus on the occasion of a meeting of Presidents of the Czech Republic, Lithuania, Latvia and Estonia;
- 18 July 2002 – visit by the President V. Adamkus;
- 20-22 November 2002 – participation of a Lithuanian delegation headed by President V. Adamkus in the NATO/EAPC Summit.

### *Economic relations*

|  |  | 2000 | 2001 | 2002 | Share in total |
|--|--|------|------|------|----------------|
|--|--|------|------|------|----------------|

|                              |                      |              |              |              | indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|-------------------------|
| Turnover                     | '000 CZK             | 4,871,027    | 5,541,833    | 5,817,766    | 0.2257                  |
|                              | year-on-year index   | 127.4        | 113.8        | 105.0        |                         |
| Exports                      | '000 CZK             | 4,106,150    | 4,788,061    | 4,908,091    | 0.3921                  |
|                              | year-on-year index   | 124.6        | 116.6        | 102.5        |                         |
| Imports                      | '000 CZK             | 764,877      | 753,722      | 909,675      | 0.0686                  |
|                              | year-on-year index   | 144.0        | 98.5         | 120.7        |                         |
| Balance                      | '000 CZK             | 3,341,273    | 4,034,289    | 3,998,416    |                         |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |                         |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |                         |
| Foreign investments outgoing | direct ('000 CZK)    | 1,000        | 0            | 0            |                         |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |                         |

Principal export commodities of the Czech Republic: electrical equipment, household appliances, automobiles, glass products, cleaning devices, sanitary equipment, boilers and radiators of central heating systems, confectionery, locks, water heaters.

Principal import commodities of the Czech Republic: textile yarn, fabrics, wooden products, household appliances, non-ferrous metals and chemical materials.

#### *Cultural relations*

Cultural co-operation, based on historical traditions and interests of cultural institutions of both countries, retained its ascending trend. The exchange of concert performances and exhibitions was intensive. The Republic of Lithuania is very much interested in Czech culture, which is reflected in an increasing number of translations from Czech literature and in the interest in the Czech language. The twinning co-operation between the cities of Krnov and Telšiai and between Bruntál and Plunge also developed successfully.

The most important cultural events activities that took place in Vilnius and other Lithuanian towns in 2002 included, for example, an exhibition of graphic works of O. Kulhánek; a performance by the folk music group Domažlická dudácká muzika (Bagpipe Band from Domažlice) at the international folklore festival "Skamba skamba kankliai"; a performance of Bohuslav Martinů Quartet at the "Thomas Mann International Festival" in Nida; an exhibition of Czech books for children organised as part of a seminar on the role of illustration for children and an exhibition "Czech literature of the 20<sup>th</sup> century" held in various Lithuanian libraries.

## REPUBLIC OF MALTA

The bilateral relationships between the Czech Republic and Malta, which are based mostly on economy and trade, are on a very good level and have been further enhanced by the joint efforts developed by both countries in the process of integration into the EU.

### *Visits by representatives of the Czech Republic:*

- 4 – 9 April 2002 – visit by President of the Czech Republic V. Havel.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 263,566      | 475,101      | 593,085      | 0.0230                                 |
|                              | year-on-year index   | 132.0        | 180.3        | 124.8        |  |
| Exports                      | '000 CZK             | 139,767      | 158,501      | 181,061      | 0.0145                                 |
|                              | year-on-year index   | 108.1        | 113.4        | 114.2        |  |
| Imports                      | '000 CZK             | 123,799      | 316,600      | 412,024      | 0.0311                                 |
|                              | year-on-year index   | 175.8        | 255.7        | 130.1        |  |
| Balance                      | '000 CZK             | 15,968       | -158,099     | -230,963     |  |
| Foreign investments incoming | direct ('000 CZK)    | 1,088,000    | 482,000      | 115,700      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: automobiles, electrical devices, machinery, steel products, rubber products, plastics, textile products, glass, musical instruments and chemicals.

Principal import commodities of the Czech Republic: electrical equipment, machinery, artificial fibres, knitted goods and medications.

The important milestones of the Czech-Maltese economic relations were the opening of a Maltese branch of the office of CzechTrade in Milan on 6 January 2002 and the participation of the Czech Republic in the 45<sup>th</sup> International Fair in Naxxar.

### *Bilateral agreements concluded in 2002:*

- Agreement between the Czech Republic and Malta on Promotion and Mutual Protection of Investments, Valetta, 9 April 2002.

### *Cultural relations*

An exhibition of photographs named “Václav Havel” was organised on 3 – 9 April 2002 at the Maltese Chamber of Commerce in Valletta. The exhibition was officially opened with the participation of President of Malta G. de Marco and formed a cultural background of the official visit by President of the Czech Republic to Malta.

## **REPUBLIC OF MOLDOVA**

The level of mutual relations in 2002 did not correspond to the potential of their development.

### *Visits by representatives of the Republic of Moldova*

- 21 – 22 November 2002 – participation of a delegation of the Republic of Moldova in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 469,750      | 627,935      | 401,114      | 0.0156                                 |
|                              | year-on-year index   | 119.0        | 133.7        | 63.9         |  |
| Exports                      | '000 CZK             | 381,884      | 590,133      | 362,225      | 0.0289                                 |
|                              | year-on-year index   | 121.5        | 154.5        | 61.4         |  |
| Imports                      | '000 CZK             | 87,866       | 37,802       | 38,889       | 0.0029                                 |
|                              | year-on-year index   | 110.0        | 43.0         | 102.9        |  |
| Balance                      | '000 CZK             | 294,018      | 552,331      | 323,336      |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 600          | 1,100        |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: motor vehicles, boilers, mechanical devices, glass and glass products, plastics and plastic products and iron and steel products.

Principal import commodities of the Czech Republic: fruit and vegetable products, spirits, clothes and clothing accessories, iron and steel.

### *Cultural relations*

The development of cultural relations focused in 2002 in area of educational co-operation; the Czech Republic granted to Moldova two governmental scholarships.

## **REPUBLIC OF PARAGUAY**

The expansion of relations between the countries in 2002 was enhanced by a visit of Minister of External Affairs of Paraguay in the Czech Republic and the opening of the honorary consulate of Paraguay in Prague. The development potential of mutual economic co-operation has not yet been fully utilised.

### *Visits by representatives of the Republic of Paraguay:*

- 20 – 22 October 2002 – an official visit by Minister of External Affairs J. A. Moreno Ruffinelli.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 26,670       | 42,143       | 42,571       | 0.0017                                 |
|                              | year-on-year index   | 208.0        | 158.0        | 101.0        |  |
| Exports                      | '000 CZK             | 25,985       | 36,607       | 21,154       | 0.0017                                 |
|                              | year-on-year index   | 212.0        | 140.9        | 57.8         |  |
| Imports                      | '000 CZK             | 685          | 5,536        | 21,417       | 0.0016                                 |
|                              | year-on-year index   | 129.0        | 808.2        | 386.9        |  |
| Balance                      | '000 CZK             | 25,300       | 31,071       | -263         |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 600          |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |

Principal export commodities of the Czech Republic: paper products, arms and ammunition and metallurgical products.

Principal import commodities of the Czech Republic: cotton, wool, fruit and tobacco.

### *Cultural relations*



An exhibition named “Ten Personalities of Czech Graphic Art” took place in the National Gallery in Asunción in October 2002. On the other hand, the Paraguayan painter von Horoch exhibited his paintings at the Tuscany Palace in Prague.

As part of the plan of foreign development aid, the Czech Republic offers to Paraguay graduate scholarships, which have been traditionally in great demand.

Relations with the compatriots’ community in Paraguay are being systematically restored. There are approximately 100 Czech compatriots living in Paraguay.

## REPUBLIC OF PERU

The positive development of the relations between the Czech Republic and the Republic of Peru has been continuing. The emphasis is mainly placed on the expansion of trade and economic co-operation, the intensity of which is slowly increasing.

### *Visits by representatives of the Czech Republic:*

- 1 – 7 February 2002 – visit by Minister of Agriculture, J. Fencel
- 13 – 18 March 2002 – visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan;
- 28 October – 1 November 2002 – working visit by the delegation of the Senate of Parliament of the Czech Republic

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | ‘000 CZK             | 459,077      | 610,310      | 403,014      | 0.0156                                 |
|                              | year-on-year index   | 145.0        | 132.9        | 66.0         |  |
| Exports                      | ‘000 CZK             | 147,006      | 218,957      | 171,997      | 0.0137                                 |
|                              | year-on-year index   | 118.0        | 148.9        | 78.6         |  |
| Imports                      | ‘000 CZK             | 312,071      | 391,353      | 231,017      | 0.0174                                 |
|                              | year-on-year index   | 162.0        | 125.4        | 59.0         |  |
| Balance                      | ‘000 CZK             | -165,065     | -172,396     | -59,020      |  |
| Foreign investments incoming | direct (‘000 CZK)    | 0            | 0            | 600          |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of Czech Republic: power generation sets, knitting and shuttle-stitch machines, metallurgic material, office supplies, chemicals, glass and glass products.

Principal import commodities of the Czech Republic: fish products, coffee, cotton yarn and natural dyes.

#### *Bilateral agreements concluded in 2002*

- Agreement on Veterinary and Phyto-sanitary Co-operation between the Czech Republic and Peru, Lima, 4 February 2002.

#### *Cultural relations*

The co-operation of the countries in scientific research in Antarctica continued in 2002 as well. In the period from January until March 2002, the scientists of the Masaryk University in Brno participated in the scientific expedition at Peru's Antarctica base Machu Picchu.

In connection with the implementation of the Memorandum of Co-operation of the Czech Republic and Peru in the area of thermal springs and balneology, the Czech balneologists made an expert visit to Peru in the months of May – June 2002. The co-operation between the Faculty of Natural Sciences of Charles University and the measurement centre in the town of Huaraz in the Andes on the project of measurement of geologic processes also continued.

The cultural events that met with a very warm response in Peru included the exhibition “Beauty of the Czech Baroque Architecture”, concerts of the Suk Chamber Orchestra and Škampa Quartet and a performance of the theatre play of Václav Havel “Largo Desolato”.

In 2002, the countries carried on their co-operation in the field of education. The Czech Republic granted 5 governmental scholarships for university studies in the Czech Republic, while Peru granted to the Czech Ministry of Foreign Affairs one scholarship for studies at the Diplomatic Academy of the Ministry of Foreign Affairs in Lima.

## REPUBLIC OF POLAND

Relations between the Czech Republic and Poland became much closer, namely in connection with the process of European integration and NATO membership. As in the past, the typical signs of this close co-operation included frequent top-level contacts. Thus, the first official foreign visit of the new Prime Minister V. Špidla was his visit to Poland.

The level and scope of the relations was demonstrated by the humanitarian aid provided by Poland to Czech citizens affected by the floods in August 2002. The extent of the Polish aid, its spontaneity and the solidarity of Polish citizens with their neighbours was absolutely unique. The Czech Republic, on the other hand, provided financial humanitarian aid for removal of consequences of floods that affected the south-western parts of Poland. An intensive cross-border co-operation was further expanded in many areas, mainly due to the increasingly frequent activities of the Euroregions. The Czech Republic strives to use the upcoming membership of both countries in the European Union as a new opportunity for further development of such regional co-operation.

In 2002, Poland occupied the 7<sup>th</sup> place among trade partners of the Czech Republic.

### *Visits by representatives of the Czech Republic:*

- 15 February 2002 – meeting of Prime Ministers M. Zeman and L. Miller on the occasion of an official opening of the new border crossing Bartultovice-Trzebina;
- 8 May 2002 – meeting of Prime Ministers on the occasion of the opening of the Czech national exhibition on the premises of the former concentration camp in Auschwitz
- 4 – 5 May 2002 – official visit by Prime Minister V. Špidla in the Republic of Poland
- 23 – 25 October 2002 – working visit by the delegation of the Foreign Affairs Committee of the Chamber of Deputies of the Czech Republic
- 2 December 2002 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

### *Visits by representatives of Poland:*

- 26 – 27 April 2002 – official visit by Prime Minister L. Miller;

- 13 – 14 September 2002 – cross-border meeting of the Chairmen of the Senates of both countries P. Pithart and L. Pastusiak in Ostrava, Těrlicko and Český Těšín on the occasion of the 70<sup>th</sup> anniversary of the death of Polish pilots F. Żwirko and S. Wigura;
- 20 – 22 November 2002 – participation of a delegation of Poland headed by the President A. Kwaśniewski in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 105,230,457  | 117,802,906  | 112,426,432  | 4.3606                                 |
|                              | year-on-year index   | 122.8        | 111.9        | 95.4         |  |
| Exports                      | '000 CZK             | 60,898,285   | 65,788,218   | 59,247,556   | 0.0221                                 |
|                              | year-on-year index   | 120.1        | 108.0        | 90.1         |  |
| Imports                      | '000 CZK             | 44,332,172   | 52,014,688   | 53,178,876   | 4.0094                                 |
|                              | year-on-year index   | 126.8        | 117.3        | 102.2        |  |
| Balance                      | '000 CZK             | 16,566,113   | 13,773,530   | 6,068,680    |  |
| Foreign investments incoming | direct ('000 CZK)    | 787,700      | 58,500       | 81,100       |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 733,40       | 520,800      | -10,200      |  |
|                              | portfolio ('000 CZK) | not recorded | 5,774,000    | 5,917,900    |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, metallurgical products, cleaning detergents, television sets and TV screens, malt, packed coffee, sanitary paper tissues, tractors and tyres.

Principal import commodities of the Czech Republic: petrochemical products, copper wire, metallurgical semi-products, coal, coke, electricity, iron scrap, ammonium, furniture, TV sets, cheese and sugar.

The largest trade surplus of the Czech Republic was achieved in the trade in machines and transportation equipment, the substantial part of which resulted from the sale of means of transport. Automobiles, which are the leading Czech export commodity, represent about 10% of the total Czech export to Poland. A major success was achieved in 2002 in the export of tractors, which increased more than three times in comparison with the previous year and which has a 30 % share on the Polish market.

The overall Czech export results achieved in 2002 are, however, significantly lower than in 2001, both in absolute numbers and in comparison with other major importers into Poland. This was due to a concurrence of several adverse factors, the most serious of which appear to be the continuing major recession on the market of new automobiles, the major

recession of the Polish ship building industry and construction works (i.e., the sectors that have been traditional customers of the Czech metallurgical industry), continuing low overall demand and adverse developments of the exchange rate of the Czech crown and zloty. On the contrary, the strengthening of the Czech crown helped Polish exporters, who increased the value of their exports to the Czech Republic in comparison with the previous year by 18.8 %. Reference should be made in this context namely to the significant growth of gasoline imports from Poland.

*Bilateral agreements concluded in 2002:*

- Accord between the Government of the Czech Republic and the Government of the Republic of Poland on the Amendment of Annex Number 1 of the Agreement between the Governments of the Czech Republic and of the Republic of Poland on Border Crossings, Crossings on Tourist Paths Intersecting State Borders and on Principles for Crossing State Borders Outside Border Crossings, executed in Warsaw on 22 November 1996 and agreed by an exchange of notes, Warsaw, 23 January 2002 and 28 May 2002;
- Accord between the Government of the Czech Republic and the Government of the Republic of Poland on the Amendment of Annex Number 3 of the Agreement between the Governments of the Czech Republic and of the Republic of Poland on Border Crossings, Crossings on Tourist Paths Intersecting State Borders and on Principles of Crossing State Borders Outside Border Crossings, executed in Warsaw on 22 November 1996 and agreed by an exchange of notes, Warsaw, 6 February 2002;
- Accord between the Governments of the Czech Republic and of the Republic of Poland on the Amendment of Annex Number 1 and Annex Number 2 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Paths Intersecting State Borders and on Principles of Crossing State Borders Outside Border Crossings, executed in Warsaw on 22 November 1996 and agreed by an exchange of notes, Warsaw, 12 February 2002;
- Agreement between the Czech Republic and the Republic of Poland on the Construction of a New Border Bridge Across the River Divoká Orlice at the Border Crossing Orlické Záhoří - Mostowice, Warsaw 20 March 2002;

- Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on the Interconnection between the Czech Highway D 47 and the Polish Highway A 1 at the Czech-Polish border, Prague, 20 May 2002;
- Arrangement between the Ministry of Labour and Social Affairs of the Czech Republic and the Ministry of Labour and Social Policy of the Republic of Poland on Payment of Allowances and Performance of Administrative and Medical Control, Prague, 10 December 2002.

### *Cultural relations*

One of the regular cultural events is the annual theatrical festival “On the Border”, which was held for the thirteenth time in Český Těšín and in the Polish Cieszyn and which has been recently expanded to include other member countries of the Visegrád Group. The 10<sup>th</sup> annual theatrical festival “Triologue” was held in Brno in February 2002.

A permanent Czech and Slovak exhibition dedicated to holocaust victims was opened in Auschwitz, Poland in the presence of top government representatives. Its opening date, 8 May 2002, coincided symbolically with the memorial day of the Czech Republic. The guarantor for the Czech party is the Terezín Memorial.

Another traditional annual exhibition of folk art and crafts of the Czech-Polish border region was held in June 2002 in Prudnik, Poland.

An academic conference under the name “The Czechs in Wroclaw – Wroclaw in Bohemia”, dedicated to the 160<sup>th</sup> anniversary of the founding of the department of Slavic studies at the local university, was held in October 2002.

## **REPUBLIC OF SENEGAL**

Relations between the Republic of Senegal and the Czech Republic, particularly the economic relations between the two countries, have been gradually restored since the beginning of the 1990s. The Czech Republic provided to Senegal material humanitarian aid in the form of vaccination against the yellow fever epidemic.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 39,038       | 32,204       | 41,812       | 0.0016                                 |
|                              | year-on-year index   | 135.0        | 82.5         | 129.8        |  |
| Exports                      | '000 CZK             | 34,534       | 25,792       | 40,385       | 0.0032                                 |
|                              | year-on-year index   | 130.0        | 74.7         | 156.6        |  |
| Imports                      | '000 CZK             | 4,504        | 6,412        | 1,427        | 0.0001                                 |
|                              | year-on-year index   | 188.0        | 142.4        | 22.3         |  |
| Balance                      | '000 CZK             | 30,030       | 19,380       | 38,958       |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: food processing machinery, steel and iron profiles, fezzes and hats, glass jewellery, tyres, lamps and batteries, cotton fabrics.

Principal import commodities of the Czech Republic: vegetables, wigs, coconuts, frozen fish.

## **REPUBLIC OF SINGAPORE**

Singapore has always been one of the prominent trade partners of the Czech Republic in Southeast Asia and an important potential investor in the Czech Republic.

### *Visits by representatives of the Czech Republic:*

- 7 - 9 February 2002 - visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 8,896,803    | 8,713,357    | 10,182,246   | 0.3949                                 |
|                              | year-on-year index   | 157.0        | 97.9         | 116.9        |  |
| Exports                      | '000 CZK             | 5,177,682    | 3,201,936    | 2,766,554    | 0.2210                                 |
|                              | year-on-year index   | 152.0        | 61.8         | 86.4         |  |
| Imports                      | '000 CZK             | 3,719,121    | 5,511,421    | 7,415,692    | 0.5591                                 |
|                              | year-on-year index   | 165.0        | 148.2        | 134.6        |  |
| Balance                      | '000 CZK             | 1,458,561    | -2,309,485   | 4,649,138    |  |
| Foreign investments incoming | direct ('000 CZK)    | 215,600      | 115,100      | 101,600      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 1,800        |  |

Principal export commodities of the Czech Republic: condensers, integrated circuits, razor blades, glass, automobiles, and sweetened condensed cream.

Principal import commodities of the Czech Republic: computers and parts, integrated circuits and other semi-conductors, natural rubber, medical devices and electronic components.

### *Cultural relations*

The exhibition of lithographies of the prominent Czech artists J. Anderle, O. Kulháněk and K. Demel "Theatrum Mundi" was held in Singapore in July 2002.

## **REPUBLIC OF SLOVENIA**

Relations between the Republic of Slovenia and the Czech Republic are very good, have an ascending tendency and a number of common characteristics not only in the political, but also in the economic and cultural fields. The joint priority of both countries is the entry into the European Union. At the NATO Summit held in Prague in November 2002, the Czech Republic voiced its support for the invitation of Slovenia to the Alliance. The Czech Republic is an important economic partner of Slovenia.

*Visits by representatives of the Czech Republic:*



- 31 May 2002 – participation of President V. Havel at the 9<sup>th</sup> meeting of presidents of central European states;
- 3-4 June 2002 – participation of a delegation headed by Minister – Head of the Office of the Government of the Czech Republic K. Březina in the international conference of ministers on the information society “Information Society - Connecting Europe”;
- 27. - 28 June 2002 – participation of Chairman of the Senate of the Parliament of the Czech Republic P. Pithart in a meeting of Association of European Senates;
- 4 December 2002 – meeting of Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda with Minister of Foreign Affairs D. Rupel at the tripartite meeting of ministers of foreign affairs of Slovenia, the United Kingdom and the Czech Republic.

*Visits by representatives of Slovenia:*

- 22 October 2002 – participation Minister of Foreign Affairs D. Rupel in the meeting of ministers of foreign affairs of the Laeken 10;
- 21-22 November 2002 – participation of a delegation of Slovenia headed by President M. Kučan in the NATO/EAPC Summit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 16,107,704   | 16,282,686   | 15,970,718   | 0.6194                                 |
|                              | year-on-year index   | 104.4        | 101.1        | 98.1         |  |
| Exports                      | '000 CZK             | 9,103,623    | 8,385,069    | 8,039,052    | 0.6422                                 |
|                              | year-on-year index   | 96.9         | 92.1         | 95.9         |  |
| Imports                      | '000 CZK             | 7,004,081    | 7,897,617    | 7,931,666    | 0.5980                                 |
|                              | year-on-year index   | 115.9        | 112.8        | 100.4        |  |
| Balance                      | '000 CZK             | 2,099,542    | 487,452      | 107,386      |  |
| Foreign investments incoming | direct ('000 CZK)    | 215,600      | 5,500        | -5,800       |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -777,800     | 50,600       | 2,142,300    |  |
|                              | portfolio ('000 CZK) | not recorded | 10,000       | 1,080,700    |  |

Principal export commodities of the Czech Republic: iron and iron products, automobiles.

Principal import commodities of the Czech Republic: detergents, chemicals and drugs, electrical equipment, machines and appliances, paper and cardboard.

Economic relations are characterised by their high level and intensity. The Czech Republic is the 6<sup>th</sup> leading economic partner of Slovenia and follows immediately after its neighbouring states and Germany. Slovenia is the 24<sup>th</sup> among the most important trade partners of the Czech Republic. Both parties seek more sophisticated forms of co-operation, namely direct investments, establishment of links between their capital markets or co-operation in third-party markets. The most important platform of the current economic co-operation between the Czech Republic and the Republic of Slovenia is the Central European Free Trade Agreement (CEFTA).

The structure of Czech exports to Slovenia is relatively unfavourable for the Czech Republic; the prevailing commodity is iron and iron products. A major part of the Czech exports are also automobiles, even though their share on the Slovenian market has declined in the last two years (by more than 30% in 2002).

Slovenia currently implements a number of major investment projects in the Czech Republic, particularly in the sector of services – Globtour (Parkhotel in Prague), retail networks Peko, Planika, Mura, the terminal and production of kitchen sets Gorenje, the insurance company Triglav and the New Bank of Ljubljana. A significant share on the Czech market has traditionally been held by Slovenian pharmaceutical companies. The largest Czech investment projects in Slovenia are in the paper industry.

### *Cultural relations*

The part of Czech culture that is presented most frequently in Slovenia is music. Every year, there is a large number of professional and amateur musicians performing in Slovenia. Thus, the Slovenian public could attend in 2002 concerts by Czech musicians performing baroque music or jazz or of Czech choirs, many of which have their partner Slovenian choirs which they regularly visit and with which they organise their concerts. These activities include, for instance, the 8<sup>th</sup> annual international summer organ school in Ljubljana or the 9<sup>th</sup> annual summer violin school. An important event for the presentation of Czech music in 2002 was the “Brežice Festival” with a focus on ancient music (which was accompanied by an exhibition of pedagogues of AVU (Fine Arts Academy in Prague)). As regards the presentation of Czech films, there exists traditional co-operation with the Slovenian Cinematèque in Ljubljana, which in 2002 staged a retrospective of V. Chytilová's films.

There is no typical Czech minority in Slovenia; the Czech community consists mostly of people who have decided to live in Slovenia for family or business reasons. Much appreciated are particularly the regular meetings of compatriots from Ljubljana and its vicinity, which contribute to the exchange of information among them. The leading compatriot organisations in Slovenia are the Slovenian-Czech Society and the Slovenian-Czech League Maribor.

## REPUBLIC OF SOUTH AFRICA

The Republic of South Africa is the most developed country in Sub-Saharan Africa and is Czech Republic's most important partner in the region. Mutual contacts between the Czech Republic and RSA in the political sphere have been developing dynamically in the recent years. Commercial and economic relations have also been developing.

### *Visits by representatives of the Czech Republic:*

- 10-16 October 2002 – visit by a delegation of the Constitutional and Legislative Committee of the Senate of the Parliament of the Czech Republic.

### *Visits by representatives of South Africa:*

- 1-2 October 2002 - visit by Deputy Minister of Industry and Trade L. Hendricks.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 1,532,072    | 1,917,018    | 2,753,563    | 0.1068                                 |
|                                | year-on-year index   | 107.0        | 125.1        | 143.6        |  |
| Exports                        | '000 CZK             | 588,330      | 693,764      | 1,227,691    | 0.0981                                 |
|                                | year-on-year index   | 134.0        | 117.9        | 177.0        |  |
| Imports                        | '000 CZK             | 943,742      | 1,223,254    | 1,525,872    | 0.1150                                 |
|                                | year-on-year index   | 106.0        | 129.6        | 124.7        |  |
| Trade balance                  | '000 CZK             | -355,412     | -529,490     | -298,181     |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: digital data processing systems, vehicle spare parts and accessories, paper and paper products, electrical engines, seamless pipes and pipelines, transmission equipment with receivers, tyres, pumps.

Principal import commodities of the Czech Republic: wool, grapes, citruses, filtration equipment, alloy steel, pharmaceuticals, motor vehicle spare parts and accessories, chromium concentrate.

### *Cultural relations*

The work of Z. Mézl was introduced to the South African public under the auspices of the Embassy of the Czech Republic (19-26 April 2002 in Bamboo gallery in Johannesburg, 7-14 May 2002 in Irma Stern Museum in Cape Town).

The public greeted with interest the exhibition “The personality of St. Wenceslas and his role in the Czech history”, held on 16-22 September 2002 in Brooklyn Centre in Pretoria. As part of the exhibition, painter A. Wunschová performed painting on glass, and bagpipe players of Doudlebská folklorní muzika gave a concert.

On 12-18 September 2002, the 2<sup>nd</sup> year of the “Week of Czech and Slovak films” took place in Pretoria. The films “Pelíšky (Cosy Nests)”, “Zapomenuté světlo (Forgotten Light)”, “Ene bene”, “Limonádový Joe (Lemonade Joe)” and “O princezně Jasněnce a létajícím ševci (Of Princess Jasněnka and the Flying Cobbler)” were screened. The films were also screened later at the Film Week in Cape Town on 26 September – 3 October 2002. Due to considerable success, an additional film show was organised on 18-24 October 2002 in Durban.

Implementation was commenced of the Agreement on Co-operation between Academies of Sciences. Co-operation continued between the University of Pretoria and Charles University in Prague, KwaZulu-Natal University and Palacky University in Olomouc, University of South Bohemia and University of Potchefstroom.

## **REPUBLIC OF SUDAN**

Relations between the Czech Republic and Sudan remained limited in 2002, because the situation in the country did not calm down despite attempts of the international

community to put an end to the long-term conflict in the country. The Czech Republic repeatedly expressed its support to EU declarations relating to dissatisfactory level of respect of human rights in the Sudan.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 241,032      | 246,986      | 108,882      | 0.0042                                 |
|                              | year-on-year index   | 74.0         | 102.5        | 44.1         |  |
| Exports                      | '000 CZK             | 214,822      | 186,060      | 87,609       | 0.0070                                 |
|                              | year-on-year index   | 74.0         | 986.6        | 47.1         |  |
| Imports                      | '000 CZK             | 26,210       | 60,926       | 21,273       | 0.0016                                 |
|                              | year-on-year index   | 72.0         | 232.5        | 34.9         |  |
| Balance                      | '000 CZK             | 188,612      | 125,134      | 66,336       |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: food products and live animals, chemicals, machinery (particularly Diesel aggregates).

Principal import commodities of the Czech Republic: raw cotton, peanuts and plants for production of fragrances.

### *Cultural relations*

Sudan was granted one master and one PhD scholarship out of the quota of government scholarships for the academic year of 2002/2003.

## **REPUBLIC OF THE PHILIPPINES**

The Republic of the Philippines is an important member of the community of South-East Asia countries; its foreign policy is oriented towards co-operation in ASEAN and APEC regional organisations and universal co-operation with the USA. Relations of the Czech Republic with the Philippines are friendly, with an emphasis on co-operation in the field of commerce and economy.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 1,108,859    | 2,025,040    | 6,854,247    | 0.2659                                 |
|                                | year-on-year index   | 55.0         | 182.6        | 338.5        |  |
| Exports                        | '000 CZK             | 441,449      | 390,860      | 259,277      | 0.0207                                 |
|                                | year-on-year index   | 43.0         | 88.5         | 66.3         |  |
| Imports                        | '000 CZK             | 667,410      | 1,634,180    | 6,594,970    | 0.4972                                 |
|                                | year-on-year index   | 139.0        | 244.9        | 403.6        |  |
| Trade balance                  | '000 CZK             | -225,961     | -1,243,320   | -6,335,693   |  |
| Foreign investments – incoming | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | not recorded | not recorded | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: chemicals and various industrial products.

Principal import commodities of the Czech Republic: electronic devices and computer components, banana chips and textile products.

In 2001, the Czech Republic provided governmental development assistance to the Philippines in the amount of CZK 18 million for the construction of a water treatment plant at Baguio. The construction was completed in November 2002 but has not yet been commissioned for operation as the related project of a large water reservoir (implemented within the framework of Australian assistance) is still in process. INKOS drew the total of CZK 17 million in stages 1 and 2 under ODA assistance, with CZK 1 million remaining for completion of the project in 2003.

### *Cultural relations*

The main cultural event of the year 2002 was the October mini-festival of Czech films by director J. Svěrák, organised on the occasion of celebrations of a national holiday of the Czech Republic and the NATO/EAPC Summit in Prague. The films “Dark Blue World” and “Kolya” were screened in Cebu, Davao and Manila.

The Manila-based student choir Singing Ambassadors of University of Philippines participated in the summer of 2002 in a competition in Pardubice and gave a concert in Prague in the Old Town Square.

In 2002, the Czech Republic granted one governmental scholarship to the Philippines.

## REPUBLIC OF TUNISIA

The Republic of Tunisia is a traditional partner of the Czech Republic in the Mediterranean region. The year 2002 witnessed the continuation of the political dialogue focussing on a general development of bilateral co-operation and consultations on the international situation.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 579,635      | 672,900      | 1,015,479    | 0.0394                                 |
|                              | year-on-year index   | 100.5        | 116.1        | 150.9        |  |
| Exports                      | '000 CZK             | 273,098      | 330,243      | 351,354      | 0.0281                                 |
|                              | year-on-year index   | 98.0         | 120.9        | 106.4        |  |
| Imports                      | '000 CZK             | 306,537      | 342,657      | 664,125      | 0.0501                                 |
|                              | year-on-year index   | 103.0        | 111.8        | 193.8        |  |
| Balance                      | '000 CZK             | -33,439      | -12,414      | -312,771     |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: construction steel, glass, crystal, food products, cotton and viscose fabrics, construction timber and consumer goods.

Principal import commodities of the Czech Republic: clothing, electrical equipment, fruit and vegetables.

### *Cultural relations*

The "Week of Czech Films" dedicated to J. Menzel's films was held in October 2002 in co-operation with Dar Ibn Khaldun Cultural Centre and the Tunisian Cinematographic Association. A concert of the guitar player L. Brabec was organised as part of the annual festival "Carthage Musical October". Five students of the University of Western Bohemia in Pilsen attended in July and August 2002 the summer Arabic language course at the Bourguiba Institute of Living Languages in Tunis. Tunisian children participated in the international fine arts contest "Lidice 2002".

## REPUBLIC OF TURKEY

Turkey, as a member state of NATO and an EU candidate, played a stabilising role in the region.

The involvement of the Czech Republic in NATO structures opened new possibilities of the development of relations with Turkey not only in the military and political areas, but also in the economic and trade sphere. An active political dialogue took place between the two countries.

### *Visits by representatives of the Republic of Turkey:*

- 24 - 25 January 2002 - official visit by the State Minister Ş. S. Gürel;
- 6 - 8 March 2002 - state visit by President of Turkey A. N. Sezer;
- 20 - 22 November 2002 – participation of a delegation of Turkey headed by President A. N. Sezer in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 10,509,269   | 11,392,724   | 16,556,754   | 0.6422                                 |
|                              | year-on-year index   | 189.0        | 108.4        | 145.3        |  |
| Exports                      | '000 CZK             | 6,217,809    | 4,866,274    | 8,911,966    | 0.7119                                 |
|                              | year-on-year index   | 269.0        | 78.3         | 183.1        |  |
| Imports                      | '000 CZK             | 4,291,460    | 6,526,450    | 7,644,788    | 0.5764                                 |
|                              | year-on-year index   | 132.0        | 152.1        | 117.1        |  |
| Balance                      | '000 CZK             | 1,926,349    | -1,660,176   | 1,267,178    |  |
| Foreign investments incoming | direct ('000 CZK)    | not recorded | 30,700       | 200          |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | not recorded | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 164,900      |  |

Principal export commodities of the Czech Republic: boilers, mechanical instruments, electronic recording and audio reproduction instruments, motor vehicles, iron and steel products, rayon silk, cotton.



Principal import commodities of the Czech Republic: motor vehicles, electronic recording instruments, fruit, clothes and clothing accessories, tobacco and tobacco substitute, rayon silk.

*Bilateral agreements concluded in 2002:*

- Decision No. 1/2001 of the Joint Committee of the Free Trade Agreement between the Czech Republic and the Republic of Turkey on Its Rules of Procedure, Prague, 8 March 2002;
- Decision No. 2/2001 of the Joint Committee of the Free Trade Agreement between the Czech Republic and the Republic of Turkey, Prague, 21 May 2002.

*Cultural relations*

A number of Czech artistic groups staged their performances in Turkey. For instance, the State Opera Prague performed on the “International Festival of Opera and Ballet” in Aspendos, the Prague Chamber Orchestra on the “International Musical Festival” in Ankara and the Black Theatre Image in Istanbul. The Czech films “Tmavomodrý svět” (Dark Blue World) and “Babí léto” (Indian Summer) were granted awards at the European Films Festival. The Czech Republic granted to Turkey one postgraduate government scholarship. Student exchanges took place between the Forestry University in Artvin and the Faculty of Forestry of the Czech Agricultural University in Prague and between the Middle East Technical University and the Department of Architecture of the Czech Technical University (ČVUT) in Prague.

## **REPUBLIC OF UZBEKISTAN**

Uzbekistan is an important partner of the Czech Republic in the region of Central Asia. The year 2002 witnessed an activation of mutual political dialogue. The co-operation has been developed namely in economy and the trade exchange has been gradually growing.

The Czech Republic has been providing for several years aid in the form of bottled drinking water and waterworks pumps to the westernmost region of the country –

Karakalpakstan, which is on the brink of an environmental disaster due to the drying up of the Aral Sea.

*Visits by representatives of the Czech Republic:*

- 3 October 2002 – negotiations of Prime Minister V. Špidla in Termez.

*Visits by representatives of the Republic of Uzbekistan:*

- 21. - 22 November 2002 – participation of a delegation of Uzbekistan headed by President I. Karimov in the NATO/EAPC Summit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 812,252      | 1,852,574    | 2,135,071    | 0.0828                                 |
|                              | year-on-year index   | 116.9        | 228.1        | 115.2        |  |
| Exports                      | '000 CZK             | 9,518        | 750,702      | 1,168,082    | 0.0933                                 |
|                              | year-on-year index   | 123.5        | 7,887.2      | 155.6        |  |
| Imports                      | '000 CZK             | 802,734      | 1,101,872    | 966,989      | 0.0729                                 |
|                              | year-on-year index   | 112.4        | 137.3        | 87.8         |  |
| Balance                      | '000 CZK             | -793,216     | -351,170     | 201,093      |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, transport means, pharmaceutical products.

Principal import commodities of the Czech Republic: cotton, zinc and zinc products.

*Cultural relations*

Cultural co-operation is reflected particularly in the area of education – the Czech Republic granted to Uzbekistan in the academic year 2002/03 11 scholarships.

## REPUBLIC OF YEMEN

Czech-Yemeni relations have been traditional and further developed successfully in 2002, in particular in the area of economy.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 235,575      | 201,054      | 393,942      | 0.0153                                 |
|                                | year-on-year index   | 45.0         | 85.3         | 195.9        |  |
| Exports                        | '000 CZK             | 233,327      | 190,361      | 388,049      | 0.0310                                 |
|                                | year-on-year index   | 45.0         | 81.6         | 203.8        |  |
| Imports                        | '000 CZK             | 2,248        | 10,693       | 5,893        | 0.0004                                 |
|                                | year-on-year index   | 222.0        | 475.7        | 55.1         |  |
| Trade balance                  | '000 CZK             | 231,079      | 179,668      | 382,156      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities: tyres, medicaments and pharmaceuticals, fertilisers, paper, timber, construction steel, medical apparatuses and instruments, medical material, textile goods, footwear, agricultural machines, spare parts for automotive industry, Diesel aggregates, pumps, crystal, glass products, pressed glass, equipment for electrical installation, pumps.

Principal import commodities: sheepskins.

Examples of successful Czech exports in 2002 include the export of passenger cars. A significant portion of mutual trade was effected as part of Yemeni governmental acquisitions, with training airplanes having been supplied to Yemen.

The Czech Republic also participates to a significant extent in the development assistance project “Creating an Ecological Network on the Socotra Island”.

### *Cultural relations*

One governmental scholarship for M.A. studies and five postgraduate scholarships were offered to Yemen for the academic year of 2002/2003.

## REPUBLIC OF ZIMBABWE

Relations between the Republic of Zimbabwe and the Czech Republic are focussed on trade and have been adversely affected lately by serious internal political problems in Zimbabwe.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 341,103      | 215,673      | 198,614      | 0.0077                                 |
|                              | year-on-year index   | 84.0         | 63.2         | 92.1         |  |
| Exports                      | '000 CZK             | 56,386       | 2,461        | 36,300       | 0.0029                                 |
|                              | year-on-year index   | 405.0        | 4.4          | 1,475.0      |  |
| Imports                      | '000 CZK             | 284,717      | 213,212      | 162,314      | 0.0122                                 |
|                              | year-on-year index   | 72.0         | 74.9         | 76.1         |  |
| Balance                      | '000 CZK             | -228,331     | -210,751     | -126,014     |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: transmission equipment with receivers, paper.

Principal import commodities of the Czech Republic: tobacco, nickel, fresh flowers, vegetables and fruit.

### *Cultural relations*

The book of Czech stories for children and youth *Ziyajuluka*, which was issued with the contribution of the Embassy of the Czech Republic, was awarded at the beginning of 2002 the prize of the National Artistic Council of Zimbabwe and in August a prize of the Union of Publishers of Zimbabwe as the best book for adolescents.

A number of cultural events was organised under the auspices of the Embassy of the Czech Republic in connection with the 75<sup>th</sup> anniversary of the appointment of the first Czechoslovak residential consul in former Rhodesia. The "Days of Czech and Slovak Culture" were held in the second largest city Bulawayo in April 2002. Exhibitions named "Africa in the Eyes of Czech Travellers", "650 Years of Charles University" and "Ten Personalities of Czech Graphic Art" were held in the capital city of Harare at the end of October and the beginning of November 2002. An international film festival "Contemporary

Czech Film” was held in 30 October - 3 November 2002, showing films “Musíme si pomáhat” (Divided We Fall), “Pelišky” (Cosy Nests), “Zapomenuté světlo” (Forgotten Light), “Ene bene” a “O princezně Jasněnce a létajícím ševci” (Princess Jasněnka and the Flying Cobbler).

With the traditional support of the Union of Publishers and Booksellers of the Czech Republic and its subsidiary World of the Book (organiser of the Prague Book Fair), the Czech Republic participated in the largest African book fair in Harare. The general manager of the subsidiary D. Kalinová attended both the fair and an accompanying conference on African literature “Indaba 2002”, where she presented the Prague project for the year 2003 with Africa as the central topic.

In 2002, the Government of the Czech Republic offered to the Government of Zimbabwe one government scholarship.

## **ROMANIA**

Romania has been a traditional partner of the Czech Republic in south-eastern Europe. The contacts between the two countries remained very intensive in 2002, particularly in connection with the invitation of Romania to join NATO. The ties between Czech Republic and Romania were further enhanced by the preparation for EU membership and by the co-operation in international and regional groupings.

### *Visits by representatives of the Czech Republic:*

- 1 - 4 April 2002 – visit by a delegation of the Committee for Social Policy and Health Care of the Chamber of Deputies of the Parliament of the Czech Republic;
- 11 – 14 April 2002 – visit by Minister of Education, Youth and Sports E. Zeman;
- 21.–24 October 2002 – visit by a delegation of the Committee for Defence and Security of the Chamber of Deputies of the Parliament of the Czech Republic.

### *Visits by representatives of Romania:*

- 4 – 5 March 2002 – visit by Minister of Foreign Affairs M. Geoana;

- 15 – 17 April 2002 – visit by delegation of the Foreign Affairs Committee of the Senate and of the Committee for Defence, Public Order and Security of the Senate;

- 20 - 22 November – participation of a delegation of Romania headed by Prime Minister A. Nastase in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 7,747,753    | 11,045,253   | 11,803,639   | 0.4578                                 |
|                              | year-on-year index   | 138.0        | 142.6        | 106.9        |  |
| Exports                      | '000 CZK             | 6,403,503    | 8,890,569    | 9,293,560    | 0.7424                                 |
|                              | year-on-year index   | 134.0        | 138.8        | 104.5        |  |
| Imports                      | '000 CZK             | 1,344,250    | 2,154,684    | 2,510,0079   | 0.1892                                 |
|                              | year-on-year index   | 162.0        | 160.3        | 116.5        |  |
| Balance                      | '000 CZK             | 5,059,253    | 6,735,885    | 6,783,481    |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 2,900        |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -299,100     | 1,600        | -900         |  |
|                              | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: motor vehicles, iron and steel products, reactors, boilers, wood and wooden products, electronic recording devices, paper industry materials and products, detergents, lubricants, polishing agents, plastics and plastic products.

Principal import commodities of the Czech Republic: electronic recording and audio reproduction devices, boilers, mechanical instruments, furniture, bedding, clothes and accessories, shoes, wood and wooden products, rubber, spirits.

### *Bilateral agreements concluded in 2002:*

- Accord of the Ministry of Education, Youth and Sports of the Czech Republic and the Ministry of Education and Research of Romania on Co-operation in Education for the Year 2002 – 2005, Bucharest, 12 April 2002;

- Agreement between the Czech Republic and Romania on Social Security, Bucharest, 24 September 2002.

### *Cultural relations*

The most successful event in 2002, which attracted the most media attention, was the exhibition of V. Havel's photographs by T. Němec, the opening of which coincided with the premiere of Havel's play "The Memorandum" in the National Theatre in Bucharest.

The contemporary Czech fine arts were presented by spouses Müller at the festival "COOP 02". The most prominent musical event was J. Stivín's concert at the jazz and alternative music festival in Bucharest. The film "Otesánek" (Little Otik) became a focus of attention at the "Transylvanian Film Festival" and the Czech film "Victims and Murderers" was awarded a prize at the film festival in Cluj. There also appeared translations of works of M. Kundera, B. Hrabal and J. Durych.

The Czech Republic granted to Romania three government scholarships and there occurred reciprocal exchanges of teachers and students of summer language schools.

An Accord on Scientific Co-operation between the Academy of Science of the Czech Republic and the Romanian Academy of Science was signed during the visit of the Chairperson of the Academy of Science of the Czech Republic H. Illnerová in Romania in June 2002.

## **RUSSIAN FEDERATION**

In 2002, relations between the Czech Republic and the Russian Federation witnessed an intensification of the political dialogue, which made room for bilateral contacts in other fields of the relations between the two countries. Both parties paid special attention to the expansion of trade and economic relations.

A major success was achieved in the resolution of the debt issue, in the development of trade exchange and in the activation of military co-operation. A significant step forward was also taken in culture and education, where both parties managed to satisfy to a greater extent the interest of the Czech and the Russian public in the culture of the other country. The Czech-Russian co-ordination has been bringing more trust into the relations between the two countries.

The prestige and international authority of the Russian Federation have been growing. Russia is understood as an important member of the international antiterrorist coalition and one of the important business partners of the member and candidate countries of the EU.

The material aid provided by the Russian Federation in September 2002 to the Czech Republic in connection with the removal of effects of the destructive floods in the Czech Republic was the largest material aid provided to the Czech Republic from abroad.

*Visits by representatives of the Czech Republic:*

- 23. - 24 January 2002 – visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan;
- 25. - 28 March 2002 – visit of a delegation of the Committee for Science, Education, Culture and Sports of the Chamber of Deputies of the Parliament of the Czech Republic;
- 14. - 17 April 2002 - visit by Prime Minister M. Zeman;
- 9. - 10 June 2002 – attendance of the 1<sup>st</sup> Deputy Chairman of the Senate of the Parliament of the Czech Republic P. Sobotka at the official opening of the General Consulate of the Czech Republic in Ekaterinburg;
- 18. - 20 June 2002 – participation of Prime Minister the Czech Republic M. Zeman in the 6<sup>th</sup> session of the Economic Forum in St. Petersburg;
- 4. - 5 September 2002 – visit by Minister of Culture P. Dostál;
- 21. – 22 December 2002 – visit by Minister of Culture P. Dostál.

*Visits by representatives of the Russian Federation:*

- 5. - 6 November 2002 – visit by Government Minister – Head of the Government Office and chairman of the Russian part of the Inter-governmental Commission for Trade and Economic Co-operation between the Czech Republic and the Russian Federation I. I. Šuvalov;
- 20. - 23 November 2002 – participation of a delegation of the Russian Federation headed by Minister of Foreign Affairs I. S. Ivanov in the NATO/EAPC Summit;
- 18. – 20 December 2002 – visit of a delegation of the State Duma of the Russian Federation headed by its Deputy Chairperson I. M. Chakamada.



### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 95,151,395   | 94,500,917   | 77,004,480   | 2.9867                                 |
|                              | year-on-year index   | 155.0        | 99.3         | 81.5         |  |
| Exports                      | '000 CZK             | 14,914,730   | 18,535,050   | 16,884,231   | 1.3487                                 |
|                              | year-on-year index   | 112.0        | 124.3        | 91.1         |  |
| Imports                      | '000 CZK             | 80,236,665   | 75,965,867   | 60,120,249   | 4.5328                                 |
|                              | year-on-year index   | 166.9        | 94.7         | 79.1         |  |
| Balance                      | '000 CZK             | -65,321,935  | -57,430,817  | -43,236,018  |  |
| Foreign investments incoming | direct ('000 CZK)    | -102,900     | 8,300        | 67,200       |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -6,500       | 30,600       | 15,900       |  |
|                              | portfolio ('000 CZK) | not recorded | 485,00       | 18,000       |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, chemicals, pharmaceutical products, means of transport, iron and steel products, glass, paper, plastics.

Principal import commodities of the Czech Republic: mineral fuels, lubricants and related materials, chemicals, fertilisers, iron and steel, non-ferrous metals, wood, rubber and rubber products.

#### *Bilateral agreements concluded in 2002:*

- Accord on Co-operation between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Russian Federation, Moscow, 16 April 2002;
- Co-operation Programme between the Ministry of Culture of the Czech Republic and the Ministry of Culture of the Russian Federation for the Years 2002 - 2004, Moscow, 16 April 2002;
- Agreement between the Government of the Czech Republic and the Government of the Russian Federation on Supply of Products of Military Designation as partial repayment of indebtedness the former Soviet Union and the Russian Federation toward the Czech Republic, Moscow 16 April 2002.

### *Cultural relations*

The Co-operation Programme between the Ministries of Culture of the Czech Republic and of the Russian Federation for the Years 2002 – 2004 was signed in 2002. The Russian party appreciated the ongoing co-operation in the field of audio visual works and theatre and underlined the necessity to develop contacts of museums and galleries.

The “Days of the Czech Literature 2002” and the “Days of Czech Culture” were organised in Moscow in 2002. The “Stars Concert” held in September 2002 (with the participation of K. Gott, H. Vondráčková, E. Urbanová and L. M. Vodička) packed the large hall of the State Kremlin Palace. A Russian culture week was organised in Brno.

## **SLOVAK REPUBLIC**

The Czech-Slovak relations have permanently shown an above-standard level. Their scope and intensity were characterised again in 2002 by frequent meetings between top government officials and by the large quantity of bilateral agreements concluded between the countries in the period under review.

The fact that the Slovak Republic, whose membership of NATO had been supported for a long time by the Czech Republic, was invited to join NATO at the Prague summit of the Alliance, and the decision of the Copenhagen summit of the European Council to admit the Czech Republic and the Slovak Republic to the European Union provided new opportunities for the development of mutual co-operation. Even though they themselves were affected by floods, the Slovak Republic and its citizens provided major humanitarian aid to the Czech Republic in connection with the destructive floods in August 2002. In 2002 the Slovak Republic remained the second leading foreign trade partner of the Czech Republic.

### *Visits by representatives of the Czech Republic:*

- 4 September 2002 - visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 29 – 30 October 2002 - visit by Chairman of the Chamber of Deputies of the Parliament of the Czech Republic L. Zaorálek;

- 30 November 2002 - visit by Prime Minister V. Špidla.

*Visits by representatives of the Slovak Republic:*

- 25 January 2002 – visit of President R. Schuster in v Český Krumlov on the occasion of the award of the combat standard to the Czech-Slovak battalion in the KFOR mission;

- 12 April 2002 - working visit by Minister of Foreign Affairs E. Kukan;

- 16 April 2002 – visit by Chairman of the Foreign Affairs Committee of the National Council of the Slovak Republic P. Weiss;

- 23 April 2002 - visit of a delegation of the Committee for Defence and Security of the National Council of the Slovak Republic headed by Chairman V. Palko;

- 19 - 20 May 2002 - visit by Prime Minister M. Dzurinda;

- 28 May 2002 - working visit by Prime Minister M. Dzurinda;

- 1 August 2002 - visit by Chairman of the Foreign Affairs Committee of the National Council of the Slovak Republic P. Weiss;

- 22 October 2002 – participation of Minister of Foreign Affairs E. Kukan in the meeting of ministers of foreign affairs of the Laeken 10 in Prague;

- 25 October 2002 - visit by Minister of Foreign Affairs E. Kukan;

- 20 – 22 November 2002 - participation of a delegation of the Slovak Republic headed by President R. Schuster in the NATO/EAPC Summit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 160,367,566  | 176,494,573  | 165,934,370  | 6.4360                                 |
|                              | year-on-year index   | 118.1        | 109.9        | 94.0         |  |
| Exports                      | '000 CZK             | 86,055,585   | 101,925,896  | 96,705,804   | 7.7248                                 |
|                              | year-on-year index   | 114.3        | 118.4        | 94.9         |  |
| Imports                      | '000 CZK             | 74,581,981   | 74,568,677   | 69,228,566   | 5.2195                                 |
|                              | year-on-year index   | 122.7        | 100.0        | 92.8         |  |
| Balance                      | '000 CZK             | 11,473,604   | 27,357,219   | 27,477,238   |  |
| Foreign investments incoming | direct ('000 CZK)    | 1,537,400    | 255,900      | 5,136,600    |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 885,900      | 961,000      | 3,102,500    |  |
|                              | portfolio ('000 CZK) | not recorded | 3,169,000    | 16,302,600   |  |

Principal export commodities of the Czech Republic: transport means, iron and steel products, coal, coke, tobacco products, medications, wires and cables.

Principal import commodities of the Czech Republic: iron and steel products, refinery products, motor vehicle accessories, medications, synthetic yarn, paper, cardboard, paperboard, ethylene polymers, Portland cement, ferrous alloys.

Despite the existence of a customs union between the Czech Republic and the Slovak Republic, which definitely facilitated Czech-Slovak trade after the split of the joint state, the economic relations between the two countries lost its privileged position over the last 10 years. The volume of trade between the two countries declined in 2002 in comparison with 2001. Thus, the share of the Slovak Republic in the total turnover of the Czech Republic reached only 6.4 % (in comparison with 18.9% in 1993).

The trade between the Czech Republic and Slovakia may be activated by an agreement on the removal of mutual trade barriers, which was concluded at the meeting of the Council of the Customs Union held on 13 December 2002 in Bratislava. In the course of 2002, the parties concluded an agreement on the removal of protective measures preventing mutual trade. Thus, the only products that are subject to restrictions are sugar and isoglucose.

*Bilateral agreements concluded in 2002:*

- Protocol between the Ministries of Defence of the Czech Republic and of the Slovak Republic on Co-operation in Exchange of Translation of Standardisation Documents of the North Atlantic Treaty Organisation, Prague 7 February 2002, Bratislava 19 February 2002;
- Treaty between the Czech Republic and the Slovak Republic on the Avoidance of Double Taxation and Prevention of Tax Evasion in the Area of Income and Property Taxes, Bratislava, 26 March 2002;
- Protocol between The Ministries of Defence of the Czech Republic and the Slovak Republic on the Use of Part of Documentation Originating before the Dissolution of the Czech and Slovak Federal Republic, Bratislava, 21 April 2002;
- Protocol between the Ministries of Defence of the Czech Republic and of the Slovak Republic on Mutual Use of Land Transport of People, Technology and Material, Bratislava, 21 April 2002;

- Agreement between the Governments of the Czech Republic and of the Slovak Republic on Timely Notification of Nuclear Accidents, Prague, 28 June 2002;
- Agreement between the Governments of the Czech Republic and of the Slovak Republic on Handing and Taking Over Persons at the Common State Borders, Bratislava 2. 7. 2002;
- Protocol between the Ministry of Interior the Czech Republic and the Ministry of Internal Affairs of the Slovak Republic on the Implementation of the Agreement between the Governments of the Czech Republic and of the Slovak Republic on Handing and Taking Over Persons at the Common State Borders, Bratislava, 2 July 2002;
- Agreement between the Ministry of Industry and Trade of the Czech Republic and the Ministry of Construction and Regional Development of the Slovak Republic on Methods and Conditions of Use of Documents of Assessment of Conformity of Construction Products and on Recognition of Results of Tests of Construction Products Traded between Businesses in the Czech Republic and the Slovak Republic, Prague, 6 September 2002;
- First Supplement to the Accord between the Ministries of Defence of the Czech Republic and of the Slovak Republic on Formation and Operation of the Joint Czech and Slovak Unit in the JOINT GUARDIAN (KFOR) Operation, Prague, 18 September 2002, Bratislava, 2 October 2002;
- Agreement between the Governments of the Czech Republic and of the Slovak Republic on Joint Property, Management and Use of the Exhibition Pavilion in Venice, Prague, 31 October 2002;
- Treaty between the Czech Republic and the Slovak Republic on the Amendment of Article 38 of the Treaty on the Establishment of Customs Union between the Czech Republic and the Slovak Republic, executed in Prague on 29 October 1992, Bratislava, 30 November 2002;
- Agreement between the Governments of the Czech Republic and of the Slovak Republic on Mutual Recognition of Results of Laboratory Tests of Agricultural and Food Products, Bratislava, 13 December 2002.

### *Cultural relations*

An exceptionally extensive cultural exchange is an integral part of the special relations between the two countries. The cultural events organised in 2002 included a number of

exhibitions of prominent artists, theatre group performances, concerts by musical bodies of both countries and film festivals. The most important cultural events organised within the framework of the Co-operation Programme of the Ministries of Culture of the Czech Republic and of the Slovak Republic for the years 2001 – 2003 included the seventh annual festival “The Slovak Theatre in Prague”, which was held on 18 – 24 February 2002 and the ninth annual festival “The Czech Theatre in Bratislava”, which was held on 10 – 22 November 2002. The month of October was proclaimed for the second time the Month of Czech and Slovak Cultural Reciprocity with the aim of acquainting the citizens of both countries with contemporary trends in Czech and the Slovak cultural life. The seventh annual theatre festival “Setkání – Stretnutie” (Meeting) in Zlín also received a very good response.

## SOCIALIST REPUBLIC OF VIETNAM

The Socialist Republic of Vietnam is a traditional partner of the Czech Republic in Southeast Asia. The focus of the relations between the two countries lay in trade and economic co-operation.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | ‘000 CZK             | 2,525,356    | 2,478,111    | 2,170,250    | 0.0842                                 |
|                              | year-on-year index   | 126.0        | 98.1         | 87.6         |  |
| Exports                      | ‘000 CZK             | 407,328      | 572,415      | 497,267      | 0.0397                                 |
|                              | year-on-year index   | 73.0         | 140.5        | 86.9         |  |
| Imports                      | ‘000 CZK             | 2,118,028    | 1,905,696    | 1,672,983    | 0.1261                                 |
|                              | year-on-year index   | 147.0        | 90.0         | 87.8         |  |
| Balance                      | ‘000 CZK             | -1,710,700   | -1,333,281   | -,1,175,716  |  |
| Foreign investments incoming | direct (‘000 CZK)    | 11,300       | 10,800       | 4,700        |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct (‘000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio (‘000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: machinery and transport equipment, metal products, pipes, glassware, tools and instruments, chemicals and plastic products, measuring and controlling devices, lighting, clothing accessories.

Principal import commodities: textile, rattan furniture, tropical fruit, rice, coffee, tea, spices and food industry products.

The positive trend in the growth of trade exchange which appeared in the last year has been overshadowed by an adverse development of the Czech exports and the related growth of the trade deficit of the Czech Republic.

#### *Cultural relations*

Czech culture was presented on the usual very good level. In 2002 the Embassy of the Czech Republic organised several musical performances and exhibitions.

The Government of the Czech Republic granted in the period under review seven scholarships for graduate and postgraduate studies in the Czech Republic.

## **STATE OF ISRAEL**

Relations between the Czech Republic and the State of Israel are very good. Both countries closely co-operate in the economic and political sphere.

The long-term stable policy of the Czech Republic in relation to the Middle East peace process emphasises the termination of violence on both sides and a political dialogue aiming at the establishment of an independent Palestinian state, capable of ensuring security to Israel.

#### *Visits by representatives of the Czech Republic:*

- 16 - 18 February 2002 - visit by Prime Minister M. Zeman;

- 24 - 26 May 2002 – visit by Deputy Prime Minister and Minister of Foreign Affairs of the Czech Republic J. Kavan.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 4,512,900    | 4,784,022    | 4,328,934    | 0.1679                                 |
|                              | year-on-year index   | 126.0        | 106.0        | 90.5         |  |
| Exports                      | '000 CZK             | 2,155,528    | 2,805,321    | 2,406,827    | 0.1923                                 |
|                              | year-on-year index   | 128.0        | 130.1        | 85.8         |  |
| Imports                      | '000 CZK             | 2,357,372    | 1,978,701    | 1,922,107    | 0.1449                                 |
|                              | year-on-year index   | 123.0        | 83.9         | 97.1         |  |
| Balance                      | '000 CZK             | -201,844     | 826,620      | 484,720      |  |
| Foreign investments incoming | direct ('000 CZK)    | -24,400      | 7,900        | 7,800        |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 200          |  |

Principal export commodities of the Czech Republic: automobiles, industrial and metallurgical products and chemicals.

Principal import commodities of the Czech Republic: machinery and equipment, telecommunications technology, metallurgical industry products and chemicals.

### *Cultural relations*

The Embassy of the Czech Republic organised in 2002 in co-operation with the local Cinemathèque a number of shows of new Czech films. The Czech Republic was represented by six films at the prestigious "Jerusalem Film Festival" in July 2002. Commemorating events on the occasion of the 75<sup>th</sup> anniversary of the visit of T. G. Masaryk in Palestine were held in March 2002. On this occasion, a commemorative tablet for T.G. Masaryk was unveiled in Tel Aviv on 28 October 2002. An exhibition of the photographer E. Sobek under the name "Ecce Homo" was held in Tel Aviv in April 2002. Based on the executive programme to the cultural agreement, the director of the Israeli theatre Givatayim Y. Alfí visited the Czech Republic in June 2002 to establish contacts with Czech puppet theatres and with Czech jazz musicians. A specific result of this visit was the first "Czech-Israeli Puppet Festival" held in December 2002 in the Givatayim theatre. The festival week included performances of the "Drak" puppet theatre (a total of fifteen performances) and two puppet workshops led by the artistic director of "Drak" J. Krofta. The festival also included an exhibition of puppets from the collection of the Puppet Museum in Chrudim "Czech Puppet Theatre – Its History and Present" and an exhibition of prominent Czech photographers "2002 Floods". Another learning course of the Czech language for beginners was opened at the Tel Aviv University in the academic year 2002/03 in co-operation with the Ministry of Education, Youth and Sports of the Czech



Republic. Student exchanges, scientific stays and participation in language courses take place on the basis of the Implementing Protocol. Czech students attended again in 2002 post-graduate courses organised by the Israeli Ministry of Foreign Affairs. Israeli children participated in the international fine arts contest "Lidice 2002".

## **STATE OF KUWAIT**

The traditional friendly relations between the Czech Republic and Kuwait were enhanced in 2002 by the intensifying military co-operation, particularly by the operation of the unit of the Army of the Czech Republic as part of the operation "Permanent Freedom". The friendship and solidarity between the two countries were manifested by a generous financial donation of the Kuwaiti government designated for the removal of damage caused by floods in the Czech Republic in August 2002.

### *Visits by representatives of the Czech Republic:*

- 27 - 28 April 2002 – official visit by Deputy Prime Minister and Minister of Foreign Affairs J. Kavan and Minister of Defence J. Tvrdík;
- 7 - 10 July 2002 – visit by Chief of Staff of the Army of the Czech Republic General J. Šedivý.

### *Visits by representatives of Kuwait:*

- 10 - 13 March 2002 - working visit by Chief of Staff of the Armed Forces of Kuwait Lieutenant-General Ali Al-Mumin.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 264,340      | 271,225      | 332,624      | 0.0129                                 |
|                              | year-on-year index   | 116.0        | 102.6        | 122.6        |  |
| Exports                      | '000 CZK             | 260,800      | 267,730      | 332,031      | 0.0265                                 |
|                              | year-on-year index   | 115.0        | 102.7        | 124.0        |  |
| Imports                      | '000 CZK             | 3,540        | 3,495        | 593          | 0.0000                                 |
|                              | year-on-year index   | 318.0        | 98.7         | 17.0         |  |
| Balance                      | '000 CZK             | 257,260      | 264,235      | 331,438      |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: food products, machinery, petroleum industry equipment.

Principal import commodities of the Czech Republic: petroleum products.

The commodity structure of the Czech exports slightly declined in favour of the growth of consumer goods and machinery exports. The co-operation with major travel agencies that have been dispatching Kuwaiti patients to Czech spa resorts has been going on.

#### *Bilateral agreements concluded in 2002:*

- Memorandum of Understanding between the Ministries of Defence of the Czech Republic and of the State of Kuwait, Kuwait, 6 November 2002.

### *Cultural relations*

The Czech party offered two nine-month study stays for Kuwaiti students for the academic year 2002/2003; the Kuwaiti party granted to the Czech party two nine-month scholarships for Arabic language studies.

## **SWISS CONFEDERATION**

The political dialogue with Switzerland continued in the spirit of traditional good bilateral relations. The topics of the exchange of opinions and experience included, in

particular, matters of global importance – security and political situation in Europe, relations of both countries to the European Union and central European problems.

Inter-parliamentary contacts are carried out particularly on the level of parliamentary committees and are focussed on obtaining knowledge in specified areas (legislation, public administration, transport, social policy, ecology).

Bilateral relations are accompanied by direct co-operation of political sub-divisions of the Czech Republic with Swiss cantons, cities and municipalities. Switzerland is a traditional trade and economic partner of the Czech Republic.

*Visits by representatives of the Czech Republic:*

- 16 - 19 April 2002 – visit of a delegation of the Committee on Defence and Security of the Chamber of Deputies of the Parliament of the Czech Republic;
- 5 - 6 September 2002 - participation of Chairman of the Senate of the Parliament of the Czech Republic P. Pithart in the “European Days” at the national exhibition “Expo 2002”;
- 22 October 2002 - participation of Minister of Education, Youth and Sports P. Buzková in the unveiling of a statute of E. Zátopek in the Olympic Museum in Lausanne.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 34,200,092   | 39,375,163   | 40,366,064   | 1.5657                                 |
|                              | year-on-year index   | 114.5        | 115.1        | 102.5        |  |
| Exports                      | '000 CZK             | 14,933,070   | 17,478,470   | 19,533,981   | 1.5604                                 |
|                              | year-on-year index   | 120.9        | 117.0        | 111.8        |  |
| Imports                      | '000 CZK             | 19,267,022   | 21,896,693   | 20,832,083   | 1.5706                                 |
|                              | year-on-year index   | 110.0        | 113.6        | 95.1         |  |
| Balance                      | '000 CZK             | -4,333,952   | -4,418,223   | -1,298,102   |  |
| Foreign investments incoming | direct ('000 CZK)    | 8,813,200    | 5,255,800    | -3,471,200   |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -40,900      | 500          | -338,000     |  |
|                              | portfolio ('000 CZK) | not recorded | 389,000      | 353,100      |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, automobiles, textile and leather processing machinery, power generation machinery and equipment, metal-working machinery, ball bearings, electrical machines, consumer goods, industrial products, chemicals, iron, steel, aluminium and other non-ferrous

metals and products thereof, mineral fuels, clothes and clothing accessories, electrical energy and furniture.

Principal import commodities of the Czech Republic: machinery and transportation equipment, office automaton and data processing equipment, chemicals, pharmaceutical products and medicines, organic chemistry products, dyes, pigments, essential oils, plastics and plastic products, electrical energy, clothing, paper, paperboard, textile yarn and fabrics, precise engineering products, orthopaedic instruments and aids, jewellery, golden products.

Due to gradual increase of the Czech exports and the increasing trade volume, the year 2002 may be evaluated positively as regards foreign trade between the Czech Republic and Switzerland. Despite that, the trade potential between the two countries has not yet been fully utilised.

#### *Cultural relations*

Cultural, educational and scientific relations are not regulated by any agreement and the cultural exchange is carried out mostly on the commercial basis.

The most important Swiss institution that operated in 2002 also in the Czech Republic as a mediator of the Czech-Swiss cultural exchange was the Prague branch of Pro Helvetia. Important subjects in the Czech-Swiss cultural co-operation include some endowments and associations, which are mostly operated as part of compatriot activities. The focus of scientific and educational co-operation lies in direct contacts of research institutes, universities and secondary schools.

## **SYRIAN ARAB REPUBLIC**

Syria has been a traditional trade partner of the Czech Republic in the region. A principal breakthrough was achieved in the last years in the negotiations on succession of treaties and de-blocking of Czech receivables. The efforts of the Czech party in the negotiations about methods of de-blocking of those receivables continued in 2002.

Another promise of further co-operation is the increase of the level of mutual representation. Ambassador of the Czech Republic assumed his office in Damascus in 2002.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 890,311      | 2,023,838    | 4,835,711    | 0.1876                                 |
|                              | year-on-year index   | 88.0         | 227.3        | 238.9        |  |
| Exports                      | '000 CZK             | 768,078      | 1,488,226    | 1,440,663    | 0.1151                                 |
|                              | year-on-year index   | 84.0         | 193.8        | 96.8         |  |
| Imports                      | '000 CZK             | 122,233      | 535,612      | 3,395,048    | 0.2560                                 |
|                              | year-on-year index   | 137.0        | 438.2        | 633.9        |  |
| Balance                      | '000 CZK             | 645,845      | 952,614      | -1,954,385   |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: automobiles, spare parts, machinery, textile yarn and fabrics.

Principal import commodities of the Czech Republic: raw materials and fuels.

The commodity structure did not witness any significant change since mid-1990s and is rather unbalanced, with automobiles representing nearly one half of the total exports.

### *Cultural relations*

The Czech String Duo had two concerts in Syria in May 2002. A major cultural event "The 6th International Photo Gathering" was held in September 2002 in Aleppo with the participation of the Czech photographer V. Zapletalová. Two PhD scholarships were offered to Syria out of the quota of government scholarships for the year 2002. Syrian children participated in the international fine arts contest "Lidice 2002".

## **THE ARGENTINE REPUBLIC**

Argentina is one of the Czech Republic's important partners in Latin America. Mutual Czech-Argentinean relations have been traditionally friendly and sincere. Argentina's approaches to the principal issues of global developments are identical with Czech Republic's position; Argentina is an active member of the UN and traditionally participates in its peace operations.

The Czech Republic provided material humanitarian assistance in the area of health care to the country affected by a profound economic and social crisis.

In 2002, new honorary consulate for the northern provinces of Chaco and Formosa was opened in Presidencia Roque Saenz Peña.

### *Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 806,208      | 1,709,715    | 1,259,635    | 0.0489                                 |
|                                | year-on-year index   | 76.0         | 212.1        | 73.7         |  |
| Exports                        | '000 CZK             | 406,798      | 380,160      | 216,902      | 0.0173                                 |
|                                | year-on-year index   | 105.0        | 93.5         | 57.1         |  |
| Imports                        | '000 CZK             | 399,410      | 1,329,555    | 1,042,733    | 0.0786                                 |
|                                | year-on-year index   | 60.0         | 332.9        | 78.4         |  |
| Trade balance                  | '000 CZK             | 7,388        | -949,395     | -825,831     |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 4,600        | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: iron and steel, machinery and equipment, bearings and glass.

Principal import commodities of the Czech Republic: aluminium, parts for automotive industry, feedstuffs, meat and meat products, fish, wool, hides and leather products.

Argentina's economic situation in 2002 adversely affected the performance of Czech businesses in the local market. In particular problems with the making of foreign payments were the principal reason why Czech entities were uninterested in potential exports to Argentina.

Czech imports from Argentina increased dramatically in the past two years, which was due to the change of their structure, with raw aluminium, aluminium semi-finished products and parts for automotive industry utterly prevailing.

### *Cultural relations*

Several locations hosted photographic exhibitions covering the Czech Republic – “UNESCO Cities”, exhibitions of documentary photographs by the Czech Press Agency “1990's in the Czech Republic”, and art photographs of Prague “Praga Classica”. The Municipal Gallery in Mendoza hosted an exhibition called “Ten personalities of Czech

graphic art”, which subsequently became the Czech exposition as part of the “Biennale of arts” in the De Bellas Artes museum in Buenos Aires. In co-operation with Fernández Blanco museum, an exhibition of photographs of G. Boggiani from the collections of the famous Czech traveller A. V. Frič was opened in November, which was extended by two additional months due to extraordinary success.

Czech music traditionally enjoys extraordinary popularity in Argentina. Virtuosi di Praga gave concerts in Buenos Aires, music by Czech Baroque masters was performed at the lute recital of I. Herzog, and the Philharmonic Orchestra of the City of Buenos Aires, on the occasion of a national holiday of the Czech Republic, gave a concert of the work of A. Dvořák. Škampa Quartet introduced itself to the Argentinean public in May at the invitation of the Festivales Musicales foundation, and its performance was referred to by the expert critics as one of the highlights of the concert season.

The large Czech expatriate community in Argentina has recently remarkably revived its club activities. Compatriot rallies take place on a regular basis, and several new clubs were established. Activities in Buenos Aires are concentrated in particular around the Czech House club, which periodically informs about its activities by means of its web site. The Czech embassy responded to the general interest in learning the Czech language by organising Czech courses, attended by more than 60 persons.

## **THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA**

The internal political development was marked by stabilisation of the security situation and gradual implementation of the Ohrid Peace Agreement.

The country continued in its efforts towards as prompt an integration into NATO and EU as possible. OSCE, NATO and EU international missions operated in the country, helping to carry out vast reforms within the society.

The Czech Republic expressed its support to the efforts of the FYROM government to reconstruct the country, and its aspirations concerning membership in NATO.

*Visits by representatives of the Czech Republic:*

- 9-12 April 2002 – visit by the Permanent Delegation of the Chamber of Deputies of the Parliament of the Czech Republic to the NATO Parliamentary Assembly.

*Visits by representatives of FYROM:*

- 21-22 November 2002 – participation of FYROM delegation, headed by President B. Trajkovski, in the NATO/EAPC Summit.

*Economic relations*

|                                |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|--------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                       | '000 CZK             | 595,749      | 575,512      | 394,227      | 0.0153                                 |
|                                | year-on-year index   | 99.9         | 96.6         | 68.5         |  |
| Exports                        | '000 CZK             | 481,616      | 452,942      | 292,079      | 0.0233                                 |
|                                | year-on-year index   | 124.0        | 94.0         | 64.5         |  |
| Imports                        | '000 CZK             | 114,133      | 122,570      | 102,148      | 0.0077                                 |
|                                | year-on-year index   | 73.0         | 107.4        | 83.3         |  |
| Trade balance                  | '000 CZK             | 367,483      | 330,372      | 189,931      |  |
| Foreign investments – incoming | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments – outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                                | portfolio ('000 CZK) | not recorded | 0            | 0            |  |

Principal export commodities of the Czech Republic: detergents, paper, cardboard, pasteboard, motor vehicles, tractors, foodstuffs of animal origin, clothes and accessories, reactors, boilers, mechanical tools.

Principal import commodities of the Czech Republic: beverages, spirits, vinegar, tobacco and tobacco products, vegetables, fruit, clothes and accessories, skins and leather products, transportation facilities.

*Cultural relations*

A Czech language lecturer lectured at Skopje University in the academic year of 2001/2002. Two governmental scholarships were offered to Macedonia for studies in the Czech Republic. Students were exchanged for summer language courses. Co-operation continued between Masaryk University in Brno and Skopje University.



## UKRAINE

The Czech Republic is interested in further development of its relations with Ukraine, thus contributing to the involvement of this country into European and Euro-Atlantic structures.

The Czech party emphasises namely the development of trade and economic relations. Both countries are interested in the development of contacts in the military sphere and in other areas of mutual co-ordination. The contract basis of the relations between the two countries has been gradually expanding, particularly as regards legal aid and social security..

The Czech Republic provided further development and humanitarian aid to Ukraine. The development aid contributes to the modernisation of the nuclear energy sector, to retraining and professional preparation, renovation of compatriot facilities, etc.

Ukraine provided to the Czech Republic material humanitarian help in connection with the summer floods.

### *Visits by representatives of Ukraine:*

-21 - 22 November 2002 – participation of a delegation of Ukraine headed by President L. Kuchma in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 14,732,570   | 16,815,842   | 16,320,377   | 0.6330                                 |
|                              | year-on-year index   | 144.8        | 114.1        | 97.1         |  |
| Exports                      | '000 CZK             | 5,602,194    | 7,046,114    | 6,875,109    | 0.5492                                 |
|                              | year-on-year index   | 134.5        | 125.8        | 97.6         |  |
| Imports                      | '000 CZK             | 9,130,376    | 9,769,728    | 9,445,268    | 0.7121                                 |
|                              | year-on-year index   | 152.0        | 107.1        | 96.7         |  |
| Balance                      | '000 CZK             | -3,528,182   | -2,723,614   | -2,570,159   |  |
| Foreign investments incoming | direct ('000 CZK)    | 1,100        | 37,800       | 659,300      |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 21,900       |  |
| Foreign investments outgoing | direct ('000 CZK)    | 7,900        | 27,600       | 22,100       |  |
|                              | portfolio ('000 CZK) | not recorded | 11,000       | not recorded |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, iron and steel products, furniture, transport means, plastics, paper, glass.

Principal import commodities of the Czech Republic: iron and steel, mineral fuels and lubricants, non-ferrous metals, chemicals, machinery and transportation equipment.

The Czech Republic strives to increase its exports to Ukraine. A positive role in this respect is played by the Inter-governmental Czech–Ukrainian Commission for Trade, Economic, Scientific and Technical Co-operation, which meets regularly every year (the last meeting was held in December 2002 in Prague); however, the issue of Czech receivables from Ukraine has not yet been resolved.

*Bilateral agreements concluded in 2002:*

- Accord between the Ministries of Defence of the Czech Republic and of Ukraine on Co-operation in Military Education, Kiev, 16 April 2002;
- Agreement between the Government of the Czech Republic and Cabinet of Ministers of Ukraine on Trade in Certain Steel Products, Prague, 20 December 2002.

*Cultural relations*

The main cultural events in 2002 were the exhibitions of photographs and paintings of contemporary Czech artists. A concert of spiritual music was held in Kiev on 27 October 2002 on the occasion of the state holiday of the Czech Republic.

The co-operation between the Embassy of the Czech Republic in Kiev with compatriots living in Ukraine was focussed in 2002 on maintaining and development of knowledge of the Czech language and facts about the Czech Republic. One- and two-semester stays at the universities in the Czech Republic were used in the academic year 2001/2002 by nine Ukrainian students.

## **UNITED ARAB EMIRATES**

The relations between the Czech Republic and the United Arab Emirates have been gradually developing. Particularly the development of economic relations has been very dynamic.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 5,374,751    | 5,968,699    | 8,010,160    | 0.3107                                 |
|                              | year-on-year index   | 180.0        | 111.1        | 134.2        |  |
| Exports                      | '000 CZK             | 4,699,795    | 5,539,756    | 7,190,558    | 0.5744                                 |
|                              | year-on-year index   | 168.0        | 117.9        | 129.8        |  |
| Imports                      | '000 CZK             | 674,956      | 428,943      | 819,602      | 0.0618                                 |
|                              | year-on-year index   | 366.0        | 63.6         | 191.1        |  |
| Balance                      | '000 CZK             | 4,024,839    | 5,110,813    | 6,370,956    |  |
| Foreign investments incoming | direct ('000 CZK)    | 0            | 0            | 2,800        |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 10,200       | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | 0            |  |

Principal export commodities of the Czech Republic: trucks, machinery, food products.

Principal import commodities of the Czech Republic: petroleum products, namely lubricants, food products and chemicals.

#### *Bilateral agreements concluded in 2002:*

- Agreement between the Governments of the Czech Republic and of the United Arab Emirates on Air Transport, Abu Dhabi, 15 December 2002.

#### *Cultural relations*

Based on the invitation of a UAE organiser, J. Svěcený and Apollon Quarter performed in Dubai in March 2002 and Adamus Trio in April 2002. Based on the invitation of the Children's String Orchestra led by a graduate of the Musical Academy of Performing Arts in Prague, the Children's String Orchestra of the Elementary Art School of Antonín Dvořák in Karlovy Vary visited UAE in April 2002 and performed on several concerts. A successful event "Czech Week in Abu Dhabi" was held in October 2002 in co-operation with the Cultural Foundation Abu Dhabi. The event included an exhibition of the works of J. Úprka and a show of Czech films for children. Children from UAE participated in the international fine arts contest "Lidice 2002".

## **UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND**

The United Kingdom represented in 2002 one of the most important political and economic partners of the Czech Republic, which was reflected in the frequency of visits of representatives of both countries and in the development and intensity of relations between the two countries.

Major stimuli for further development of the co-operation between the two countries were represented in 2002 by a working visit of Prime Minister T. Blair to the Czech Republic and by a visit by Prime Minister V. Špidla to the United Kingdom. The most discussed issues included matters relating to international security and to the final phase of the negotiations concerning the membership of the Czech Republic in the EU, the future shape of Europe and further development of the co-operation between the two countries namely in military and economic spheres.

In 2002 the United Kingdom became the 6<sup>th</sup> leading trade partner of the Czech Republic and occupied as of 30 September 2002 the 8<sup>th</sup> place among direct foreign investors in the Czech Republic.

The Czech-British relations continued to suffer in 2002 from the problem of numerous applications of Czech citizens for asylum in the United Kingdom. The situation improved with the new asylum and immigration legislation adopted by the British Parliament at the beginning of November 2002.

### *Visits by representatives of the Czech Republic:*

- 24 - 26 January 2002 - participation of Deputy Prime Minister and Minister of Foreign Affairs J. Kavan in the "Czech Studies Day" at the University College London;
- 4 - 5 March 2002 - visit by Minister of Defence J. Tvrđík;
- 18 - 22 March 2002 - visit by a delegation of the Committee on Legal and Constitutional Affairs of the Chamber of Deputies of the Parliament of the Czech Republic;
- 15 - 18 April 2002 - visit by a delegation of the Committee for Science, Education, Culture, Youth and Sports of the Chamber of Deputies of the Parliament of the Czech Republic;

- 23 July 2002 - participation of Minister of Industry and Trade J. Rusnok and Minister of Defence J. Tvrđík in the Farnborough International Airshow;
- 22 October 2002 - visit by First Deputy Prime Minister and Minister of Interior S. Gross;
- 28 - 29 October 2002 - visit by Prime Minister V. Špidla;
- 1 - 3 November 2002 – visit of a delegation of the Foreign Affairs Committee of the Chamber of Deputies of the Parliament of the Czech Republic;
- 10 - 12 December 2002 - visit by Minister of Labour and Social Affairs Z. Škromach.

*Visits by representatives of the United Kingdom:*

- 8 April 2002 - visit by Prime Minister T. Blair;
- 9 - 11 September 2002 - visit by Lord Chancellor, Lord Irvin of Lairg;
- 25 - 27 September 2002 - visit by the Scottish Minister of Finance and Public Services A. Kerr;
- 28 September - 1 October 2002 - visit by a delegation of Members of Parliament of Scotland
- 20 - 22 November 2002 - participation of a delegation of the United Kingdom headed by Prime Minister T. Blair in the NATO/EAPC Summit.

*Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 99,435,152   | 124,746,217  | 113,642,516  | 4.4078                                 |
|                              | year-on-year index   | 145.7        | 125.5        | 91.1         |  |
| Exports                      | '000 CZK             | 48,096,186   | 69,358,550   | 72,055,856   | 5.7558                                 |
|                              | year-on-year index   | 157.7        | 144.2        | 103.9        |  |
| Imports                      | '000 CZK             | 51,338,966   | 55,387,667   | 41,586,660   | 3.1354                                 |
|                              | year-on-year index   | 136.0        | 107.9        | 75.1         |  |
| Balance                      | '000 CZK             | -3,242,780   | 13,970,883   | 30,469,196   |  |
| Foreign investments incoming | direct ('000 CZK)    | 6,085,300    | 2,436,200    | 8,937,600    |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | -60,800      | 2,200        | 87,200       |  |
|                              | portfolio ('000 CZK) | not recorded | 6,517,000    | 10,236,800   |  |

Principal export commodities of the Czech Republic: machinery and transportation equipment, industrial products, telecommunications and audio recording instruments and equipment, electrical machines, instruments and equipment, chemicals.

Principal import commodities of the Czech Republic: machinery and transportation equipment, chemicals, industrial products, telecommunication and audio recording instruments and equipment, electrical machines, instruments and equipment, office and computer technology.

### *Cultural relations*

The year 2002 was very successful as regards the presentation of Czech culture, namely music and film, in the United Kingdom. Traditionally dominant was the classical music, represented by a concert tour of the Martinů Quartet, a concert of the Czech Philharmonic at Barbican and the participation of Czech performing artists in festivals in Edinburgh, Leamington and Liverpool. The tour of V. Bílá and Kale Band also had a very good response. The Czech film was represented by a number of movies at film festivals and shows, namely those organised by the Riverside Studios in London.

Other significant cultural events included an exhibition on the history of the Czech Air Force, organised by the Union of Pilots of the Czech Republic, which was installed from June until November 2002 at the former air force base in Duxford, which has been since the seventies a part of the Imperial War Museum.

A permanent ascending tendency was reflected in the contacts with compatriot organisations, which contribute, in addition to the Czech Centre and the Embassy of the Czech Republic in London, to the cultural presentation of the Czech Republic in the United Kingdom. For instance, the British Czech and Slovak Association contributed, in addition to traditional organising of lectures, to the organisation of aid provided after the August 2002 floods. Similarly, Dvořák's Society organised fundraising concerts and collections.

## **UNITED STATES OF AMERICA**

The United States of America is one of the most important partners of the Czech Republic in the political, economic and military sphere. The alliance with the USA as the strongest NATO nation is a principal priority of the foreign policy of the Czech Republic and a firm guarantee of the Czech national security.

The intensity of relations between the two countries increased after the events of September 11, 2001, when the Czech Republic joined the world-wide struggle against terrorism and demonstrated its support to the USA not only by political proclamations but also by its participation in military mission in crisis regions. Following the catastrophic August floods in the Czech Republic, the US Government and a number of non-governmental organizations, including Czech-American associations, provided significant humanitarian aid.

The importance of the Czech-US relations is demonstrated by the frequency and level of visits of representatives of the two countries. US President G. Bush met with Czech top representatives in Prague in November 2002 before the NATO Summit. President V. Havel made an official visit to the United States of America, visiting Washington, New York and Miami, Florida.

In 2002 the United States was among the top ten foreign trade partners of the Czech Republic and the fourth largest foreign investor in the Czech Republic.

The Czech-American community played an important role in the development and broadening of the relations between the two countries. The most active organisation was the association of Americans of Czech origin and friends of the Czech Republic “American Friends of the Czech Republic (AFoCR)”.

*Visits by representatives of the Czech Republic:*

- 17. - 25 February 2002 - visit of Minister of Education E. Zeman to the Winter Olympic Games in Salt Lake City;
- 6. - 8 March 2002 – working visit by the 1<sup>st</sup> Deputy Prime Minister and Minister of Labour and Social Affairs V. Špidla;
- 17 – 25 March – working visit by Minister of Culture P. Dostál;
- 31 March- 6 April 2002 - working visit by Prime Minister M. Zeman;
- 15 - 18 September 2002 - working visit by Minister of Defence J. Tvrdík;
- 17 - 23 September 2002 – official visit by President V. Havel;
- 19 - 22 September 2002 - working visit of a delegation of the Senate of the Parliament of the Czech Republic.

### *Visits by representatives of the USA:*

- 20 - 22 November 2002 – participation of a US delegation headed by President G. Bush in the NATO/EAPC Summit.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 84,118,094   | 93,212,556   | 79,031,986   | 3.0654                                 |
|                              | year-on-year index   | 141.0        | 110.8        | 84.8         |  |
| Exports                      | '000 CZK             | 31,577,538   | 38,016,369   | 35,613,035   | 2.8448                                 |
|                              | year-on-year index   | 147.0        | 120.4        | 93.7         |  |
| Imports                      | '000 CZK             | 52,540,556   | 55,196,187   | 43,418,951   | 3.2736                                 |
|                              | year-on-year index   | 137.0        | 105.1        | 78.7         |  |
| Balance                      | '000 CZK             | -20,963,018  | -17,179,818  | -7,805,916   |  |
| Foreign investments incoming | direct ('000 CZK)    | 11,675,500   | 9,144,600    | 4,549,300    |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 296,300      | 727,60       | 388,100      |  |
|                              | portfolio ('000 CZK) | not recorded | 20,958,00    | 27,105,800   |  |

Principal export commodities of the Czech Republic: machinery and equipment, electrical machines and instruments, iron, steel, iron and steel products, organic and inorganic chemicals, glass and glass products, road and rail vehicles, optical instruments and health care products.

Principal import commodities of the Czech Republic: machinery and equipment, aircraft and aviation technology, electrical machines and instruments, optical instruments and road vehicles.

The share of industrial investments of US firms in the Czech Republic in the trade between the two countries has been increasing not only with respect to US exports but also with respect to Czech exports into the US.

### *Cultural relations*

Productions by Czech artists, namely in the music and film sphere, has been a stable and important presentation means of the Czech Republic in the United States. The films “Musíme si pomáhat” (Divided We Fall) and “Tmavomodrý svět” (Dark Blue World) which were shown in the US in 2002, attracted public attention. The exhibition “Central European Avantgarde 1910-1930” in Los Angeles, which included a number of Czech authors, had a good response.



Other important events of the year 2002 included the opening of the Czech and Slovak Cultural Centre in Minnesota in November. The concert of the Prague Artistic Society in Carnegie Hall in New York and of the children's choir Bambini di Praga were very successful.

As regards compatriot activities, the co-operation with American Friends of the Czech Republic (AFoCR) developed intensively in 2002 as well. The project of location of a statue of T.G. Masaryk in Washington was successfully completed on 19 September 2002 by the official unveiling of the statue with the participation of President V. Havel. The activities of member organisations of the Czech Charitable and Learning Society were limited by the developments around the renovation of the Bohemian Hall in New York.

A number of cultural events were held at the Embassy of the Czech Republic (like the concert of the boy choir Boni Pueri or of S. Karásek or the theatrical performance of the actress V. Chramostová). The very successful "Czech Music Series", organised in co-operation with the local band Musica Viva, and English staging of Czech dramas by the Washington group Scena Theatre also continued in 2002.

## **UNITED STATES OF MEXICO**

The Czech Republic maintained long-term friendly relations with Mexico, which developed dynamically last year in all areas.

### *Visits by representatives of the Czech Republic:*

- 14 - 15 February 2002 - working visit by Deputy Minister of Foreign Affairs P. Vošalík;
- 18 - 22 March 2002 - visit by Deputy Prime Minister and Minister of Foreign Affairs of the Czech Republic J. Kavan in connection with the U.N. Conference on Financing for Development in Monterrey;
- 3 - 6 April 2002 - official visit by Prime Minister M. Zeman.

### *Economic relations*

|                              |                      | 2000         | 2001         | 2002         | Share in total indicators for 2002 (%) |
|------------------------------|----------------------|--------------|--------------|--------------|--|
| Turnover                     | '000 CZK             | 2,811,399    | 3,017,211    | 2,584,976    | 0.1003                                 |
|                              | year-on-year index   | 158.0        | 107.3        | 85.7         |  |
| Exports                      | '000 CZK             | 958,570      | 1,106,786    | 943,025      | 0.0753                                 |
|                              | year-on-year index   | 139.0        | 115.5        | 85.2         |  |
| Imports                      | '000 CZK             | 1,852,829    | 1,910,428    | 1,641,951    | 0.1238                                 |
|                              | year-on-year index   | 171.0        | 103.1        | 85.9         |  |
| Balance                      | '000 CZK             | -894,259     | -803,645     | -698,926     |  |
| Foreign investments incoming | direct ('000 CZK)    | 34,400       | 200,000      | 29,500       |  |
|                              | portfolio ('000 CZK) | not recorded | not recorded | not recorded |  |
| Foreign investments outgoing | direct ('000 CZK)    | 0            | 0            | 0            |  |
|                              | portfolio ('000 CZK) | not recorded | 130,000      | 398,600      |  |

Principal export commodities of the Czech Republic: textile, shoe and Leith processing machinery, machine tools, glass and metal jewellery, chemical and pharmaceutical products, printing machines, artistic and utility glass and ball bearings.

Principal import commodities of the Czech Republic: automobile engine components, modems, chemical materials, canned fruit, plastic products, sheeting products, air conditioners.

#### *Bilateral agreements concluded in 2002:*

- Agreement on Mutual Protection and Support of Investments between the Czech Republic and Mexico, Mexico City, 4 April 2002.

#### *Cultural relations*

The Agreement on Cultural and Educational Co-operation executed between the two countries in October 2001 became effective in May 2002. An exhibition of photographs of J. Reich "Magic Prague" took place in Cuernavaca. An exhibition of photographs of M. Mancová "Stories of Light and Darkness" was presented in Mexico City. A publication named "Reflections of Europe in Mexico" was published in co-operation with the Standing Mission of the European Commission. A ceremony was held in the district of San Jerónimo de Lidice on the occasion of the 60<sup>th</sup> anniversary of the Lidice tragedy, accompanied by unveiling of a commemorative mural painting. An exhibition "Czech Republic on the Turn of the Millennium" was organised on the occasion of the 80th anniversary of the establishment of diplomatic relations between the Czech Republic and Mexico.

The student exchange between the countries proceeded as well. Based on the co-operation between Charles University and the Technological Institute in Monterrey, more than 70 students were on a one-month study stay in the Czech Republic. Based on a government offer, 4 Mexican students attended a one-month course of the Czech language. The Honorary Consul in Monterrey R. Tichavský was awarded by the Minister of Foreign Affairs of the Czech Republic the prize “Gratias Agit” in recognition of his contribution to the spreading of the good name of the Czech Republic in the world.

### **III. ECONOMIC DIMENSION OF THE FOREIGN POLICY OF THE CZECH REPUBLIC**

#### **1. Economic diplomacy and pro-export activities of the Ministry of Foreign Affairs of the Czech Republic**

Economic diplomacy is one of the fundamental tools of external economic relations. Therefore, the Ministry of Foreign Affairs considered the protection and promotion of Czech economic interests abroad, including provision of direct and indirect support to Czech companies on foreign markets to be an important task also in the year 2002. s. The Ministry of Foreign Affairs focussed in particular on the improvement of the quality of work of the economic diplomats and raising the effectiveness of its co-ordinating role in their guidance. In this respect, the Ministry of Foreign Affairs relied on the co-operation with the other ministries, particularly with the Ministry of Industry and Trade of the Czech Republic (MIT).

The trade and economic sections operate at the embassies in 66 countries – important or potential trade partners of the Czech Republic – and more than one hundred diplomats are involved solely in these activities. The trade and economic activities in other countries are covered by diplomats who are also in charge of further tasks in other areas, like the visa, consular, political or cultural tasks.

The year 2002 was the fourth year of the implementation of the Agreement on Co-operation between the Ministry of Foreign Affairs and the MIT in matters concerning foreign trade policy, foreign trade and promotion of exports in the activities of Czech foreign service , concluded in 1998 and amended in 2000. The diplomatic missions perceived the promotion of Czech exports as a priority and promoted an effective synthesis and co-ordination of all dimensions of the activities of diplomatic missions of the Czech Republic, including the operation of foreign offices of government trade promotion organisations. In this respect, the Ministry of Foreign Affairs of the Czech Republic supports systematic and intensive use of representations and searching synergies in the promotion of exports, which arise from practical assessment of the effectiveness of further intended increase of the number of staff of the trade and economic sections and of the expansion and concurrent increase of the effectiveness of the activities of foreign representations of all the agencies involved in export promotion.

## *Embassies*

The common goal of contact, information and promotional activities of embassies concerning export promotion is the support of Czech economic interests and dissemination of general knowledge about Czech economy, production potential and import possibilities from the Czech Republic.

The establishment and consolidation of personal contacts at ministries, economic institutions and important firms remained the principal task of the embassies in the area of liaison. The embassies have conducted talks about new opportunities of mutual co-operation with representatives of economic chambers, professional associations and other business organisations in the countries of their operation, focussing particularly on better dissemination of information about business opportunities and increase of the general knowledge about the Czech Republic.

In the course of the development of their own contacts, the embassies co-operated with other representations of Czech trade promotion organisations in the countries of their operation (particularly with Czech Centres, CzechTrade representations and representatives of Czech companies ). The embassies played an important role in the clarification of impacts on mutual agreement relations resulting from the approximation of Czech law with the law of the European Communities and the entry of the Czech Republic into the EU.

The embassies provided to the competent state administration authorities as well as to the Czech business community the basic information about the trade and political system of the relevant countries, investment opportunities, customs rules, export possibilities and conditions, possible changes in the economic environment, public tenders and trade and other business opportunities. At the same time, the embassies have responded to specific requests of Czech firms that sought new business partners or offered their products or services. The embassies also supervised the performance of the existing bilateral agreements or obligations arising from multilateral agreements, monitored information concerning standards and certification of local products and informed about new export- or import-related legal, tax or customs issues. Last but not least, the embassies also searched for and recommended appropriate international exhibitions and fairs for Czech exporters to participate in.

The principal objective of the promotional aspect of pro-export activities of the embassies was represented by the dissemination of information about a high standard of the Czech economy, the diversity, manufacturing and export potential of the Czech companies. The prevailing form was the organisation of acquisition events, industry seminars and “Czech Days” in the country of operation. At the same time, the embassies also participated in the organisation of trade missions in the Czech Republic and in the country of operation.

Another important aspect was the co-operation with local economic media. The embassies succeeded in ensuring adequate publicity to their activities, particularly in connection with the participation of firms in trade fairs and exhibitions, visits from the Czech Republic and important anniversaries.

#### *Trade and economic sections of the embassies*

Trade and economic sections are integral parts of the embassies in countries that are important or potential trade partners of the Czech Republic. The principal tasks of the activities of the trade and economic sections included:

- monitoring, informing about and analysing the economic development of the relevant country and of bilateral trade and economic relations with the Czech Republic;
- support and promotion of interests of Czech enterprises on local markets and consulting activities concerning establishment of contacts and export promotion;
- maintaining contacts with foreign partners directed at the expansion of bilateral relations;
- presentation of the Czech Republic as a reliable business partner with good prospects for investors;
- preparation of concepts of bilateral trade and economic activities;
- performance of tasks assigned by Czech administration authorities.

The Ministry of Foreign Affairs of the Czech Republic provided out of its budget funds the contributions to a total of thirty embassies for their export promotional activities in the total amount of 580,000 CZK in 2002. These contributions were designated namely to activities relating to presentation of products, lease of booths, seminars, catalogue exhibitions, etc. Other funds from the budget of the Ministry of Foreign Affairs of the Czech Republic amounting to

1,425,000 CZK were transferred to embassies for purchase of technical literature, company directories, CDs with economic databases, etc.

### *Consulates general*

Part of the network of official representations of the Czech Republic are consulates general. Even though their activities are focussed primarily on the visa and consular sphere, their tasks included also the promotion of trade and economic interests of the Czech Republic in the relevant region. Consulates general assisted in the development of bilateral relations particularly with the relevant regions with an emphasis on their trade and economic aspect.

### *Honorary consulates*

Honorary consulates are established to promote the interests of the Czech Republic in regions where the Czech Republic does not have any other diplomatic representation. The offices of honorary consular officers were held, with certain exceptions, by citizens of the host countries who have extensive experience in industry and trade of the host country. Unfortunately, the potential of honorary consular officers has not been systematically used for Czech export objectives.

### *Permanent missions to international organisations*

The Czech Republic promotes its political, economic and (subject to the character of the relevant organisation) trade interests also on the platform of international organisations. The Czech Republic operates in more than 100 international organisations, in 56 of which on the governmental level (WTO, OECD, IMF, etc.). Permanent missions of the Czech Republic are established with the most important organisations. Through those missions, the Czech Republic expresses its attitudes to issues resolved in such organisations and presents and defends the

relevant policies of the Government of the Czech Republic, thus assisting in the creation of a positive image of the economic and political environment in the Czech Republic abroad.

With the assistance of the Ministry of Foreign Affairs, the Czech business community managed to actively promote Czech companies as suppliers of goods and services through the programmes of international organisations. More than 20 Czech firms acquired in 2002 the appropriate certification and are now included in the broader lists of suppliers to these programmes with the right of access to UN tender databases. Czech enterprises won a number of tenders and managed to market their supplies. In 2002, these firms supplied goods in the total value of more than 80 million CZK.

Permanent joint tasks of embassies to international organisations and the Ministry of Foreign Affairs of the Czech Republic include efforts to ensure better representation of Czech experts in secretariats of those organisations or in their missions, projects and programmes. The task of the Czech diplomacy to enhance the representation of the Czech Republic in secretariats or technical sections of these organisations, which is one of the most effective forms of influence on an important sector of creation of good international reputation of the Czech Republic, should be understood as a comprehensive and long-term one.

### *Czech Centres*

As regards export promotion activities, the Czech Centres were focussed mostly on company presentation or provision of general trade and economic information.

The activities of the Czech Centres promoting regions of the Czech Republic and mediating the relevant contacts, which are carried out within the scope of the project named “Regions”, proceeded in 2002 with major success. A total of ten presentations were held in six countries and most of them were focussed on the promotion of trade interests of the Czech Republic. At the same time, the Czech Centres became principal partners of the project “Czech Republic – Treasury in the Heart of Europe”, whose aim is the direct presentation of individual regions of the Czech Republic to foreign journalists and businessmen in the area of tourism. The Czech Centres also proceeded in the implementation of long-term projects, like the presentation of Czech and Moravian wine production and vineyards.



The Administration of Czech Centres contributed to the publication *Doing Business in the Czech Republic* and to other publications and participated in the distribution of those publications at the places of their representations abroad.

The Internet server [www.export.cz](http://www.export.cz), operated by the Administration of Czech Centres, offered updated database of inquiries of foreign businessmen interested in co-operation with Czech firms as well as the territorial information mediated by Czech embassies and represented an important contribution to the promotion of economic interests of the Czech Republic abroad. The number of its visitors grew on the year-to-year basis by more than 26 per cent.

### *Scientific research*

The Ministry of Foreign Affairs of the Czech Republic have promoted the scientific research on the field of the world economy, including certain historical aspects. Based on public tenders, the scientific council of the Ministry of Foreign Affairs of the Czech Republic awarded grants to the following scientific projects with economic topics in 2002:

- The boom in the world economy
- Foreign aid of the Czech Republic in connection with the entry into EU
- Marketing Czech Republic – challenges and tasks of the Czech economic diplomacy
- Debate on the future of Europe and the Czech Republic
- Expected impacts of the entry into the EU on the living standard of the Czech population
- Analysis of cross-border co-operation with the neighbouring countries
- Impacts of the entry of the Czech Republic into the EU on Czech foreign trade with developing countries with a special focus on countries of sub-Saharan Africa
- International sanctions (UN, EU, OSCE, unilateral sanctions) as a tool of coercion in the resolution of disputes in the international relations and their place, role and impact on the Czech foreign policy
- Migration from Asian countries to the Czech Republic
- Compensation negotiations of former Czechoslovakia with the USA, the United Kingdom, France, the Netherlands, Belgium, Switzerland and Austria in the years 1945 - 1982 and their impact on the property matters of the post-war period

- Arisation and Germanisation of securities as an instrument of suppression of the Jewish and Czech element in the large-scale business management of the Protectorate of Bohemia and Moravia and Sudeten German Region
- The role of banks in the process of arisation and confiscation of property of the opposition during the years 1938 – 1945.

*National co-ordination of external economic relations and foreign trade*

The Ministry of Foreign Affairs of the Czech Republic uses a number of inter-ministerial platforms to fulfil its co-ordinating task in external economic relations. Such platform for the implementation of the Agreement on Co-operation between the Ministry of Foreign Affairs and the MIT in ensuring foreign trade policy and promotion of exports in the activities of foreign service is the Permanent Working Group of the Ministry of Foreign Affairs and MIT, acting on the level of Deputy Ministers of both ministries particularly in matters relating to the duties of the economic sections of the embassies. The Ministry of Foreign Affairs is also a member of the Czech Council for the Promotion of Business and Exports, which is an inter-ministerial co-ordinating and consultative body for governmental promotion of business and exports. This body analyses the situation in individual sectors of state assistance and issues the recommendations to competent bodies and institutions. Within the framework of this council, the Ministry of Foreign Affairs also contributes to the Integrated Information System (ISI) for Czech businessmen.

The Ministry of Foreign Affairs of the Czech Republic exercised in 2002 its shareholder rights in the Export Guarantee and Insurance Corporation (EGAP) and the Czech Export Bank (CEB) and, using suggestions and information of the embassies, expressed its opinion on all major export events. The Ministry of Foreign Affairs was also a member of the inter-ministerial offset commission, headed by the Ministry of Industry and Trade of the Czech Republic. The Ministry of Foreign Affairs closely co-operated with the Economic Chamber of the Czech Republic, with mixed economic chambers and industry associations in the field of the organisation of trade missions on the occasion of visits of the Minister of Foreign Affairs and in organising of Czech participation in exhibitions and fairs. The representatives of the Ministry of Foreign Affairs participated in tenders for organisation of official participation of the Czech Republic in international trade fairs and exhibitions (under MIT's supervision).

## **2. Economic development of the Czech Republic in 2002**

In 2002, the world economy was going through a long-term recession, characterised by uneven economic growth in the US depending largely on an expansive monetary and fiscal policy. There have been long-term problems of transition to economic growth in Japan and the growth of our leading trade partner – Europe and particularly the Federal Republic of Germany – has also been suffering from long-term stagnation. These problems have affected the dynamics of the economic growth in the Czech Republic in mid-2001 and lasted until the end of 2002. The growth of GDP, which reached 2.6% in the first quarter of 2001, fell in the last quarter of 2002 to mere 1.5%. The total growth of GDP in the Czech Republic for the year 2002 reached 2%, which was by 1.3% less than in 2001. It may be expected that the situation of the external economic environment will begin to slightly improve after the lapse of the current volatility factors. According to the most recent projections, the Euro zone economy should grow this year by approximately 1%. The US economy, which grew in 2002 by 2.2%, is expected to grow in 2003 by 2.7%. Following a decline in GDP that has lasted several years (-0.7% in 2002), Japan should witness in 2003 a slight growth of up to 0.8%. The economy of Germany, which is our most important business partner, is stagnating and faces serious structural problems. The current situation of the world economy is directly connected namely with the completion of structural reforms in the economies that have the major impact upon the global economic climate (i.e., with the restoration of investor trust in the accounting system and quality of audit not only in the USA, but also in Europe and Japan, with the completion of reforms of banking system and restructuring of bad loan portfolios of banks, mainly in Japan, and with labour market reforms in a number of EU member countries). The economies (particularly in the US and Japan) have already received from their governments and parliaments the necessary monetary and fiscal incentives, verging on the problems of public finance sustainability or transparency of international economic competition. Nevertheless, a broader world-wide recovery cannot be expected before 2004. Another important factor in this respect is the influence of the international political environment, whose risks increased significantly on the turn of the years 2002 / 2003.

All these essential factors of the international economic and political development have had an immediate impact on the development of last year's economic indicators in the Czech Republic. The annual growth of the Czech GDP of 2%, which means a slowdown of the dynamic of the growth of GDP by 1.3%, still represents, in the international comparison, a satisfactory overall result. The growth of industrial production decreased from 6.5% in 2001 to 4.8% in 2002. Due to lower investment activities in the business sector, the dynamic of growth of

construction works in 2002 have declined in comparison with 2001 by 7.1% to 2.5%. The added value in agriculture, forestry and fishery grew in fixed prices in comparison with 2001 by 4.4% and in trade, hospitality and transport by 9.6%. On the other hand, the added value in industry fell by 0.4%, in construction by 8.2% and in other services by 3.6%. In comparison with other EU candidates, the Czech Republic managed to keep low inflation rate in 2002. The improvement of the structure of the Czech economy and, therefore, of its competitiveness, was positively affected by the continuing influx of direct foreign investments, whose volume grew in comparison with 2001 by 28.7%, i.e., by 276.1 billion CZK, and by their placement in prospective manufacturing sectors (privatisation of Transgas for approximately 125 billion CZK) as well as in the innovative transport and telecommunications industries. The generation of gross fixed capital in research and development, health care and social services have also witnessed a growth. On the contrary, gross tangible investments in industry calculated in fixed prices fell on the annual basis by 18% in comparison with 2001, the construction investments fell by 24.8% and investments into machinery and equipment by 15.2%. Other investments fell by 23.9%. A positive fact was the reduction of the trade deficit and, consequently, the rate of the current account deficit on the GDP (from -5.7 % to -5.2 % of the GDP), and of the rate of foreign debt on the GDP (from 37.3 % to 34.8 % of GDP). Positive exchange rates reaching 102.0 percentage points were achieved in foreign trade, which was due to faster decline in prices of imported raw materials rather than to increase of prices of exported finished products. The preliminary calculation of the impact of exchange rates on the trade balance, which amounts to approximately 32 billion CZK, may be considered as an important and positive factor of the economic development of the Czech Republic in 2002.

The list of negative factors of the economic development in the Czech Republic in 2002 should include the growth of unemployment, which was close to 10% towards the end of the year, the stagnation of consumer demand for consumer durables and stagnation of revenue from services, influenced by the floods in August 2002.

The *industrial sectors* that witnessed high growth included the production of electrical and optical instruments and rubber, plastics and wood processing industry. The highest production decline was recorded in the leather processing industry, mineral fuels mining and textile industry. *Construction works* grew in comparison with 2001 by 2.5% and the productivity of construction works grew by 0.7%.

*Retail sales* grew in current prices by 1.2% on the annual basis, which was by 6.1% less than in 2001. The considerable slowdown of the growth of sales reflects mainly the stagnation

and decline in retail prices. On the other hand, a dynamic growth of sales was recorded *namely in the telecommunications services*.

The *sale of equity interests of the state* in strategic organisations continued also in 2002, including the privatisation of the energy sector - ČEZ and the distribution companies, which has not been completed yet. Deutsche Bank AG won the tender for the sale of the majority share of the state in the Czech Telecom. The first (unsuccessful) round of privatisation of Unipetrol took place in 2002 and the National Property Fund announced a tender for a new advisor in the second round of Unipetrol's privatisation. The majority share held by the National Property Fund in the company Nová hut' has been sold and the privatisation of the Czech gas sector was completed. A supplier for the liquidation of environmental burden (dioxin contamination) in Spolana Neratovice was selected.

*Foreign direct investments* in the Czech Republic continued to represent an important development factor in 2002. In comparison with 2001, their volume increased by 28.7% to 276,1 billion CZK. A total of 1,214 billion CZK of foreign investments flew to the Czech Republic in the years 1993 – 2002, 31.6% of which came from the Federal Republic of Germany. A positive role in this respect has been played by the activities of CzechInvest and, undoubtedly, by appropriately set government investment incentives, that comply with international standards. List of the other significant foreign investors in the Czech Republic include Austria with 10.2% share in the value of foreign direct investments, The Netherlands with a 16.5% share, France with a 7.9% share and the USA with a 7% share. As regards the industrial structure, the major share of the value of foreign direct investments – approximately 50% - was in 2002 directed to transport and telecommunications, approximately 15% to the banking and insurance sector and roughly 9.5% to trade and repairs. Only 22% of foreign direct investments went into manufacturing and processing sectors. The confidence of foreign investors in the Czech Republic may be demonstrated by the 10-year average of per capita foreign investments, which amounts to 2,432 US\$ and in which the Czech Republic surpassed all other transforming countries.

The development of the *balance of payments* in 2002 may be considered as satisfactory, despite the deficit in the trade balance that has decreased to the level of 74.5 billion CZK in 2002. The deficit of the current account of the balance of payments reached 121.4 billion CZK. This deficit was caused by the decline of the active balance of foreign trade in services, which decreased in 2002 by 35.1 billion CZK in comparison with the year 2001 due to a significant decline in incoming tourism caused by the terrorist attacks in September 2001 and by the floods in August 2002. Despite the foregoing, the overall balance of payments in the year 2002 was in

surplus thanks to a major influx of foreign capital. The financial account of the balance of payments amounted in 2002 to 340.3 billion CZK, thus offsetting the current account deficit of the balance of payments and contributing to an addition to the Czech National Bank (CNB) reserves in the amount of 196 billion CZK. The strong capital inflow has, however, a problematic aspect, represented by the ongoing pressure on the strengthening of the Czech currency and consequential difficulties faced by Czech exporters. Moreover, it increased CNB's costs of the currency sterilization of excess capital inflow and required close co-ordination of the government and CNB in the release of investment income into fiscal circulation. The strong Czech crown had, on the other hand, the effect of cheaper imports.

Foreign *debt of the Czech Republic* fell from 36.2% of the GDP in 2001 to 35.7% of the GDP in 2002 and amounted to 792.1 billion CZK.

The situation in the *public finance sector* remained tense. The government started in 2002 a discussion about major factors of the public finance reform, which should affect the pension system and a number of other “mandatory expenditures” of the state budget. At the same time, the reform should reflect the changes in the public administration structure and adjust the allocation of tax receipts to new local and regional competencies. Consolidated receipts of the government sector reached 906 billion CZK in 2002, increase of 6.4% in comparison to the year 2001. Total estimated tax receipts reached 833 billion CZK, 6.5% more than in 2001. Consolidated expenditures of the government sector accounted for 917.8 billion CZK in 2002.

The total *receipts of the state budget* grew in comparison with 2001 by 9.4% to 659.5 billion CZK. *Expenditures of the state budget* amounted to 705.5 billion CZK. The *state budget deficit* amounted to 45.9 billion CZK in 2002, which is by approximately 21 billion CZK less than in 2001.

Due to the broad openness of the Czech economy, the *foreign trade* has remained a permanent factor of the balance of economic relations and an indicator of the capability of the economy to adapt itself to the challenging conditions of progressing globalisation. The importance of foreign trade will grow even more after the completion of the privatisation process, when the receipts of the financial account of the balance of payments will no longer compensate for the deficit of the trade balance. The requirements of the economy for imported inputs were reduced in 2002. Czech exports in current prices fell in 2002 by 1.4% in comparison with 2001 and reached 1,251.9 billion CZK, while the imports fell by 4.3% to 1,326.3 billion CZK. The development of foreign trade deteriorated in the course of 2002. While the deficit in

the first quarter of 2002 was by 27.2 billion CZK less than in 2001, in the fourth quarter of 2002 this reduction accounted only for 3 billion CZK. Nevertheless The total deficit of the foreign trade balance on goods, which reached 74.5 billion CZK, was by 42.2 billion CZK less than in 2001.

As regards the *commodity structure* of foreign trade, the balance of trade improved in machinery and means of transport with the surplus growing by 42.4 billion CZK, and in raw materials, semi-finished products and chemical products, where the deficit fell by 8.6 billion CZK. On the other hand, the balance of trade in industrial consumer goods had worsened, and its surplus fell by 5,1 billion CZK, as well as in agricultural and foods products, whose deficit increased by 3.8 billion CZK to 29.6 billion CZK. The improvement of the trade balance was caused namely by rising exports of computer technology, where the trade surplus grew by 31.2 billion CZK and the decline of the deficit in oil and natural gas imports by 24.4 billion CZK. Adverse development appeared namely in the trade with road motor vehicles, where the surplus fell by 7.6 billion CZK in comparison with 2001, and trade in metal products, where the surplus fell by 6.5 billion CZK. Exports after *inward processing* were by 7.1% less than in 2001. The active balance from inward processing reached 98.9 billion CZK (of which 62.4 billion CZK with the Federal Republic of Germany). Similar to the previous years, the active balance from the inward processing compensated for the deficit of the balance of trade in finished products, which would otherwise reach 173.4 billion CZK in 2002.

The balance of foreign trade *on goods and services* worsened by 26.2 billion CZK in 2002 in compare to the year 2001. Individual components of the balance had developed in a totally different way. While the trade balance grew by 11.3 billion CZK, the balance on services fell by 37.5 billion CZK, which was due to a significant decline of the inbound tourism.

As regards the *territorial structure*, a surplus amounting to 58.1 billion CZK was reached in 2002 with EU countries. An active balance in the amount of 47.1 billion CZK was also achieved with member countries of the Central European Free Trade Agreement. The trade deficit with developing countries increased by approximately 30 billion CZK and the deficit with countries with state trading system by approximately 19.2 billion CZK. An improvement occurred namely in the trade balance with the United Kingdom, The Netherlands, Russia, USA, France and Hungary. On the other hand, the trade balance with the People's Republic of China, Poland, Belgium, Republic of Korea, Taiwan and Germany deteriorated.

The overall economic development in the Czech Republic was positive in year 2002 and established prerequisites for the continuation of economic growth in the coming period. The growth of the economy was one of the factors that contributed to the improvement of the international position of the Czech Republic.



## **IV. HUMAN RIGHTS IN FOREIGN POLICY OF THE CZECH REPUBLIC**

The human right issue continued to be in 2002 among the priorities of the Czech foreign policy, which was implemented in this respect in 2002 on the platform of international organisations, particularly the United Nations, Council of Europe and OSCE, and at international conferences. The focus of attention in the human rights area was on the rights of national minorities (including the Roma issue), rights of women and children and problems of refugees. Increased efforts were devoted in 2002 to the campaign for approval of the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. Another important activities included the internal activities carried out in co-operation with the Commissioner of the Government of the Czech Republic for Human Rights, the Human Rights Council and the Council for National Minorities.

### **The United Nations Organisation**

*58<sup>th</sup> session of the UN Human Rights Commission in Geneva - 18 March – 26 April 2002*

The Czech Republic ended in 2002 its six years (two election periods) of operation in the Human Rights Commission of the UN (the Commission). The Czech Republic was one of the most active countries of the regional group of the central and eastern Europe. The most significant manifestations of the activity of the Czech Republic was the submission of the resolution on the situation of human rights in Cuba in the years 1999 to 2001 and regular submission of a resolution on human rights and thematic procedures.

The delegation of the Czech Republic at the 58<sup>th</sup> session of the Commission was headed by the minister of foreign affairs, who delivered at the session a speech dealing with a number of problems concerning human rights protection (situation of human rights in individual countries of the world, the death penalty, torture, human rights defenders). Other speeches delivered by the Czech Republic focussed on topics like racism, the optional protocol to the International Covenant on Economic, Social and Cultural Rights and national human rights institutions. At the same time, the Czech Republic was actively involved in the introduction of a resolution on

human rights and thematic procedures. Based on the relevant calls, the Czech Republic joined all EU speeches.

The delegation of the Czech Republic participated in the negotiations about wording of the resolutions dealing with torture and other cruel, inhuman or degrading treatment or punishment, immunity, human rights defenders, the death penalty, freedom of opinion and speech, situation of human rights in Cuba and Zimbabwe, draft dodgers, the world-wide exercise of economic, social and cultural rights and violence against women. The Czech Republic was a member of the working group dealing with cases of mass breach of human rights and was involved in the review of the resolution on the draft Optional Protocol to the Convention Against Torture and a resolution on racism.

The Czech Republic was again the principal author of the resolution on “Human Rights and Thematic Procedures”. The updated drafts was based on the wording adopted in 2000. The most essential addition to the new wording was a call addressed to member countries to issue a permanent invitation to the mechanisms of the Commission, which allows to those mechanisms (special reporters, independent experts, etc.) to visit the given country without going through the procedures of application for an invitation. After complicated negotiations, the resolution was adopted unanimously with the help of sponsors of this Czech draft.

The complicated character of the negotiations of the Commission was a direct impulse in the beginning of the process of increase of effectiveness of the working methods used by the Commission. The Czech Republic submitted to the High Commissioner of the UN for Human Rights its national opinion emphasising the increase of effectiveness of the special procedures applied by the Commission.

### *57<sup>th</sup> session of the 3<sup>rd</sup> Committee of the UN General Assembly*

The session of the Social, Humanitarian and Cultural Committee was held from 26 September until 20 November 2002 in New York within the framework of the 57<sup>th</sup> session of the UN General Assembly.

The delegation of the Czech Republic was involved in the discussion about resolutions concerning civil and political rights and rights of refugees, women, and children. Special

attention was paid to the resolution on out-of-court executions and the resolution on human rights and terrorism. The delegation of the Czech Republic delivered speeches in support of the Optional Protocol to the Convention Against Torture and of rights of the handicapped persons.

*Campaign in support of the approval of the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment*

The purpose of the Optional Protocol is to establish a system of preventive controlling visits of the subcommittee of the Committee Against Torture at all places of detention of persons deprived of personal freedom or whose personal freedom has been restricted. In the course of the year 2002, the Czech Republic conducted an active campaign for support of the approval of the draft optional protocol by the Economic and Social Council and by the UN General Assembly. The Optional Protocol was approved by the plenary session of the General Assembly in the form of resolution A/RES/57/199 and submitted for signing on 1 January 2003.

*Review of the initial report of the Czech Republic on the implementation of the International Covenant on Economic, Social and Cultural Rights (30 April – 1 May 2002)*

The review of the initial report before the Committee for Economic, Social and Cultural Rights resulted in the adoption of final recommendations of the Committee, which focussed on measures aiming to ensure economic, social and cultural rights of the Roma, women and the handicapped and the protection from domestic violence, trafficking in women, sexual abuse of children, etc.

*Review of the 2nd periodic report on the execution of the UN Convention for Elimination of All Forms of Discrimination of Women (CEDAW)*

The Czech Republic presented on 8 August 2002 the 2<sup>nd</sup> periodic report on the Convention, covering the years of 1995 - 1999. The Committee considering the implementation of CEDAW referred in its recommendations to an evident shift in the direction of elimination of

discrimination and barriers towards opportunities of equal position of men and women in the legislation (namely labour and family law), in administration and inter-ministerial Co-operation. The conclusions of the review indicated that the Czech Republic must provide to the public much more information about all opportunities granted by Czech law for elimination of discrimination and ensuring equal opportunities.

*Presentation of the 3<sup>rd</sup> periodic report on the execution of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment*

The Government of the Czech Republic approved by its resolution no. 88/2002 the 3<sup>rd</sup> periodical report of the Czech Republic on the fulfilment of its obligations under the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. The report was delivered in March 2002 to the Committee Against Torture. The date of review before the Committee has been determined in November 2003.

*Co-operation with the Office of the UN High Commissioner for Refugees (UNHCR)*

The co-operation with UNHCR as an international organisation involved in protection of refugees was carried out via the Permanent Mission in Geneva and the UNHCR office in Prague, which prepared in 2002 a number of projects assisting in the dissemination of information relating to refugee problems among the public in the Czech Republic. A Czech delegation participated on 30 September – 4 October 2002 in the 53rd session of the executive committee of UNHCR in Geneva. The session resulted in the adoption of the “Protection Agenda”, which represents together with the declaration of the conference of ministers of the parties of the Convention Relating to the Status of Refugees of 2001 the peak of the process of “global consultations” on international protection. The Czech Republic was granted the status of observer on sessions of the Standing UNHCR Committee for the year 2003.

### *Complaints against the Czech Republic to the UN Human Rights Committee*

Complaints filed against the Czech Republic with the UN Human Rights Committee mostly concerned the restitution legislation or procedure applied by state authorities in ruling on restitution claims. In this respect, the Committee and the Czech state authorities differ in their opinions on the nature of the prerequisite of Czech citizenship for the assertion of a restitution claim, which is stipulated by the law. While the Committee considers such a condition as discriminatory, the government and the Constitutional Court consider it as one of the reasonable objective criteria defining the scope of the restitution process in Czech Republic.

### **OSCE**

The human rights agenda is one of the three basic operating spheres of OSCE (the “human dimension”). The Czech Republic is involved in activities that are mostly managed and co-ordinated by the Office for Democratic Institutions and Human Rights (ODIHR). The interested of the Czech Republic in the activities of this important institution was manifested, among others, by the nomination of J. Dienstbier to the office of ODIHR director.

The Czech Republic supported in 2002 the activities of the contact points of ODIHR for the Roma and Sin and granted again a voluntary financial contribution in the amount of 10,000 US\$, which was allocated on the basis of a specification to projects connected with political emancipation of the Roma and to the start-up of the project of methodology of pre-school preparation of Roma children, which summarises experience of all OSCE member states.

The representative of OSCE for media freedom F. Duve appreciated very positively the repeated contribution of the Czech Republic amounting to 10,000 EUR for the cultural project of preventive influence over youth of various ethnic backgrounds in south-eastern Europe.

As in the previous years, the most important OSCE session concerning human rights was the Implementation Meeting of the Human Dimension of OSCE, which was held in Warsaw on 9 – 19 September 2002. Based on the successful implementation of its obligations in the human rights sphere, the Czech Republic was not a subject of specific criticism by the participating states and non-governmental organisations. A marginal reference was only made to it in connection with the implementation of the Act on Churches and with the situation of the Roma

in the Czech Republic. The contribution of the Czech Republic to the session was represented by the speech of J. Dienstbier on the problems of freedom of the media and expression.

The Czech Republic also participated in the session of the council of ministers of OSCE held in Porto on 6 – 7 December 2002, whose significant results included a declaration on trafficking in humans, a declaration on the fulfilment of electoral commitments and a declaration on tolerance and non-discrimination.

The Czech Republic participated in 2002 as an observer in elections held in OSCE member states. A total of 30 short- and long-term observers from the Czech Republic participated in these activities and a number of electoral acts were also observed by members of the Czech parliamentary delegation.

In the end of 2002, the Czech Republic provided a financial contribution to the activities of the “task force” of the Stability Pact, sponsored by an amount of 15,000 EUR the construction of an asylum shelter for victims of trafficking in Moldavia, built in co.-operation with the International Organisation for Migration, and contributed an amount of 10,000 EUR to the prevention of trafficking in humans in Bosnia and Herzegovina (the partnership organisation in the implementation of this project is the Czech branch of La Strada).

### *The Roma issue*

The concept of the Ministry of Foreign Affairs of the Czech Republic concerning the Roma problems, which was issued on 23 January 2001, emphasises sufficient informing of foreign partners about the policy of the Czech Republic towards the Roma, the resolution of this issue on the European level and helping the emancipation of the Roma.

The preparation of the attitudes of the Ministry of Foreign Affairs of the Czech Republic to the resolution of the Roma issue on multilateral forums (UN, OSCE, Council of Europe and EU) was boosted significantly by expert co-operation with the co-ordinator of the Roma problems working with the Ministry of Foreign Affairs. Representatives on the International Romani Union were presented in 2002 a proposal of specific measures concerning the implementation of the Memorandum of Co-operation between the Ministry of Foreign Affairs and IRU, focussing mostly on mutual consultations and exchange of information.

The concept of “europeisation” of the Roma problems was promoted by the Czech Republic in 2002 also within the framework of its negotiations with the EU. This concept was based on the principle of intensive co-operation of member and candidate countries in individual problematic issues, like racial discrimination, housing, education or political participation of the Roma.

## **V. FOREIGN CULTURAL POLICY OF THE CZECH REPUBLIC**

### **1. Presentation of the Czech Republic and its culture abroad**

Presentation of Czech culture abroad is an integral part of the foreign policy of the Czech Republic. By its history and current wealth, Czech culture is an inseparable part of the European cultural heritage.

Successful cultural events are among the basic reflections of a positive image of the Czech Republic and an important export commodity. Culture as an important part of diplomacy has always been a very welcome platform for political negotiations. With respect to ongoing integration of the Czech Republic into European structures, the presentation of the Czech culture in member countries of the European Union and in neighbouring countries has become a priority. The Czech Republic participated in 2002 in the negotiations of the Central European Cultural Platform in Warsaw and Ljubljana and got also involved in the common cultural presentation of EU candidate countries held in Copenhagen. A significant cultural dimension is also a part of the Visegrád co-operation as a representative of the European cultural heritage, thus confirming the universal significance of national cultures.

The most extensive cultural activity of the Ministry of Foreign Affairs of the Czech Republic is represented by exhibitions. The Ministry of Foreign Affairs had in 2002 nearly thirty exhibitions of various sizes and language versions, which were touring around the world.

An important position in the presentation of Czech culture is held by cinematography. Films were shown either in the premises of Czech diplomatic missions or Czech Centres or in other facilities. Like in the previous years, most of the films that were presented abroad in 2002 in co-operation with the National Film Archive and various producers were produced within the last 5 years or in the 1960s.

Frequent methods of promotion include concerts and presentations of Czech literature, either in the form of exhibition or author readings.

An important support of the promotion of Czech culture abroad is represented by concluded cultural co-operation agreements. None of those agreements was executed in 2002,



but intensive preparations were carried on for the execution of cultural agreements with Estonia, Hungary, Poland and Turkey.

## **2. Media and information**

Information about the Czech Republic published in 2002 in foreign mass media was mostly positive and objective.

Foreign media dealt particularly with the following topics or events: final preparations of the Czech Republic for its entry into EU, parliamentary elections, August floods, the North Atlantic Treaty Alliance Summit in Prague and the expiry of the mandate of V. Havel. Foreign media were further interested in the issue of Beneš decrees, the problems of Temelín nuclear power plant, asylum and immigration policy and other topics. The Czech Republic was presented as a future relatively problem-free member state of the European Union and a full-fledged NATO member. The Czech Republic and namely its capital Prague was recommended traditionally as an attractive destination.

Increased publicity of the Czech Republic is undoubtedly enhanced by bilateral visits and related information about the opinion of the Czech Republic on various international policy issues.

The creation of a positive image of the Czech Republic abroad is enhanced by the incentives of its diplomatic missions, which contribute by organising events of various nature and focus to the formation of a positive image of the Czech Republic in the relevant territory. Another positive contribution was represented by working stays of foreign journalists in the Czech Republic, organised with the participation of the Ministry of Foreign Affairs, which frequently resulted in very specific and objective articles and reports on various topics.

Like in the previous years, the Czech Republic enjoyed the major publicity in Europe, namely as regards the growing intensity of news. Austrian media presented the Czech Republic with a certain portion of traditional mistrust, but even there appeared in 2002 a positive shift.

As regards our other neighbour, Germany, the year 2002 may be characterised as a year of elections and of the Czech-German media dispute about the Decrees of the President of the Republic dr. E. Beneš. Nevertheless, the German media informed correctly about the

preparedness of the Czech Republic in connection with the EU enlargement process; objective reporting was also registered in connection with the NATO Summit.

Increased interest in the Czech Republic was also witnessed in Italy, The Netherlands, Finland or Greece. Increased interest of the media appeared in the second half of the year in connection with the necessity to acquaint the public with future EU member states.

A significant and permanent attention focussed on the Czech Republic was registered in other EU candidate countries, particularly in the neighbouring countries of Slovakia, Hungary and Poland. Slovak media traditionally dedicated more space to the Czech Republic than to any other state. The image of the Czech Republic in Slovakia is also formed with a substantial assistance of Czech media available in Slovakia. Due to common traditions, the proximity of the Czech Republic and frequent travels of Slovak citizens to the Czech Republic, the Slovak media do not play such dominant role in the forming of the image of the Czech Republic as the media in other states.

Apart from various news about the Czech Republic, the Hungarian media also published extensive informative or analytic articles. The perception of the unity of the central European region is more apparent in Hungary than in the Czech Republic, which was also confirmed by the permanent interest of the media in Visegrád co-operation projects.

Thanks to the neighbourliness, close relations, alliance and common efforts for admission to the EU, the news published by the Polish media were very frequent and mostly correct and objective. In contrast with the previous year, the Czech Republic were presented in 2002 as a reliable partner and a standard democratic country with a similar economic level as Poland, with which it is connected by numerous ties.

The south-eastern Europe paid to the Czech Republic a rather random and sporadic attention. The only exception was the NATO Summit, the information on which was published by all media in the region. The other publicity included information or comments taken from world press agencies. Most attention to the Czech Republic was paid traditionally by Croatia, particularly as regards the cultural co-operation of the two countries, which had an extraordinary response in the media.

Considerable attention to Czech personalities and events in the Czech Republic was also paid by the media of the Baltic states, which perceived the Czech Republic as a reliable partner in the political, military, economic and cultural sphere.

Mass media in the Russian Federation pay a very detailed attention to all developments in the Czech Republic. The increase of the interest of the media was considerably boosted by the activation of bilateral contacts on various levels and the related visits of Czech state representatives and politicians. The Czech Republic was perceived as a full-fledged NATO member and one of the principal EU candidates and also as an important partner in the central European region, with which the Russian Federation is ready to develop bilateral contacts based on good relations and mutual respect.

The image of the Czech Republic on the American continent differs by countries and regions. As regards the USA, the number of very negative reports decreased in comparison with the past, while the number of neutral or positive news has increased. The two most important media events were the visit of President V. Havel in September 2002 and the NATO Summit in Prague. Thanks to the presence of many foreign (including US) journalists at the summit, the Czech Republic appeared not only in all leading US dailies but also in the TV, radio and Internet news, which are usually “reserved” to domestic rather to foreign news. The publicity relating to the NATO Summit was totally positive and the news were focussed on further extension of the Alliance and on its new abilities.

The local media in Central and South America paid only minimum attention to the developments in the Czech Republic and in all other countries of central and eastern Europe and followed them only marginally based on information taken from international press agencies. The Czech Republic was presented as a developed country with high level of democracy, industrial development and culture.

News about the Czech Republic were mostly irregular in Asian countries, were either neutral or positive and mostly presented the Czech Republic as a part of a larger entity. The image of the Czech Republic has gradually changed from an eastern European country coping with the “communist heritage” to a standard European democracy in the wake of entry into the EU.

Like in the previous years, the Czech Republic and other central European countries were not the focus of attention of African media in 2002. Even in the most remote countries, there appeared some news, particularly in relation to Czech sports success, culture or industry. The final preparations for the entry of the Czech Republic into the EU or the NATO Summit in Prague were also noted by the media.

### *Provision of information*

Like the other state administration authorities, the Ministry of Foreign Affairs of the Czech Republic and the embassies of the Czech Republic abroad also provide information to the public in accordance with Act No. 106/1999 Coll. on Provision of Public Information.

In comparison with 2001, the number of written requests for information recorded by the Public Information Department of the Ministry of Foreign Affairs of the Czech Republic (OVI) grew in 2002 by approximately 11 % and reached 3,021.

The number of written requests for information recorded on embassies of the Czech Republic grew by 9 % to 125,354. The establishment of web pages of individual embassies of the Czech Republic through which the information is being provided proved as a positive step.

The Ministry of Foreign Affairs of the Czech Republic issued three decisions not to provide information to applicants. The applicants did not ask for a decision on the rejection of the application that is subject to court review. The embassies of the Czech Republic do not record decisions on rejection to provide information to applicants. No proceeding on sanction for the failure to comply with Act No. 106/1999 Coll. was conducted. A fee was charged for the provision of information in accordance with Act No. 106/1999 Coll. and the Tariff of the Ministry of Foreign Affairs of the Czech Republic.

In addition to registered written information, the employees of the Ministry of Foreign Affairs and the embassies provide much more frequently non-recorded information, particularly over the telephone and in person and also by way of promotional materials and through web pages of the embassies.

The thematic structure of inquiries addressed to the Ministry of Foreign Affairs and the embassies is similar and covers a large scale of political, trade, economic, cultural, educational and compatriot issues, matters relating to co-ordination of relations between the Czech Republic and the EU, communication strategies of the Czech Republic before the entry into the EU, human rights, status of national minorities, refugees, granting asylum, including consular and visa issues, implementation of international treaties and provision of foreign development and humanitarian aid by the Czech Republic, or organisation of the NATO Summit.

### **3. Web sites of the Ministry of Foreign Affairs**

The web presentation of the Ministry of Foreign Affairs of the Czech Republic takes place on two levels – on the web pages of the Ministry of Foreign Affairs and on the official web page that presents the Czech Republic as a whole abroad.

The Czech version of the web page of the Ministry of Foreign Affairs ([www.mzv.cz](http://www.mzv.cz)) offers a large scale of updated information about the foreign policy of the Czech Republic, bilateral relations and conditions of travel abroad, which are designated to a large target group of citizens of the Czech Republic. The English version [www.mfa.cz](http://www.mfa.cz) contains abridged principal information on the Czech foreign policy designated to a foreign visitor. Web pages of the Ministry of Foreign Affairs were in 2002 among the most visited web pages of state administration authorities with an average daily number of entries reaching 1497. The most sought chapters were “Current information”, “Foreign Relations” and “Job Offers in International organisation”. 63% of visits take place between 8:00 a.m. and 4:00 p.m.

The web page system of the Ministry of Foreign Affairs includes web pages on individual diplomatic missions of the Czech Republic abroad with the address [www.mzv/missionseatinEnglish/](http://www.mzv/missionseatinEnglish/), which inform the public about the activities of the diplomatic mission and about the situation in the relevant territory and ensure timely publication of trade and economic information designated to the business sphere. At the same time, their foreign language versions provide to foreign visitors practical information about the Czech Republic. The average number of visitors of the web pages of the embassies ranged in 2002 between 2 – 3 thousand, except for large missions where it was several times higher.

The Ministry of Foreign Affairs of the Czech Republic introduced in May 2002 an official website of the Czech Republic in English language for abroad [www.czech.cz](http://www.czech.cz). The portal divides into most frequently searched topics about the Czech Republic and includes chapters about travel, tourism and stay in the Czech Republic, conditions of doing business, presentation of basic information about the Czech Republic, varieties, education and job opportunities. The average number of visitors of the portal was growing from its opening date in 2002 and reached 1514 single visitors per one day.

#### **4. International broadcasting service of the Czech Radio**

The international broadcasting service (Český rozhlas 7 – Radio Prague) is one of the forms of presentation of the Czech Republic in accordance with the concept of the Czech foreign policy. The broadcasting service is operated by the Czech Radio based on a government assignment, which is realised through the Ministry of Foreign Affairs of the Czech Republic.

The principal objective of the international broadcasting service is to provide qualified and objective information about political, economic, cultural and social developments in the Czech Republic. The basic information instruments of Radio Prague are 30-minute programmes, broadcast on short waves in six languages: in Czech (12 programmes daily), in English (13), in German (5), in French (5), in Spanish (8) and in Russian (4). Every half-hour programme includes a news bulletin, an outline of current events with a more detailed analysis, including interviews, an overview of Czech press and an approximately 10-minute series focussed on economy, culture, sports, etc. These programmes are broadcast at various times and on various short-wave frequencies to cover the principal target areas, i.e., Europe, the European part of Russia, the eastern part of North and South America and Middle East.

To improve the receipt of its programmes, Radio Prague uses rebroadcasting, i.e., broadcasts its programmes through foreign radio stations and transmitters. For instance, Radio Miami in Florida is used for better covering of the US Midwest. In 2002 Radio Prague got another rebroadcaster – the Mexican Radio Universidad de Oaxaca. Radio Prague attaches great hopes to the digitalisation of broadcasting, which will resolve all problems of bad quality receipt. In addition to rebroadcasting, some radio stations take parts of programmes of Radio Prague. Thus, Radio Prague supplies programmes to two Spanish stations, three stations in Russia and one station in Mexico.

The topics that proved to be the most attractive for listeners and website visitors in 2002 were the catastrophic summer floods, the NATO Summit in Prague, information about negotiations on accession to the EU, elections to the Parliament of the Czech Republic and participation of Czechs living abroad in these elections, the 10<sup>th</sup> anniversary of the split of Czechoslovakia, the upcoming end of the office term of President V. Havel, discussion about the Decrees of the President of the Republic dr. E. Beneš, questions and events relating to safe operation of the Temelín nuclear plant and problems of migration of Czech citizens into western

Europe. At the same time, there appeared the traditional interest in the knowledge of historical facts about the Czech lands, tourist information requests, etc.

The Czech language broadcasting of Radio Prague is designated namely for Czech citizens living abroad and for compatriots. The Czech section of Radio Prague supplies programmes ordered by foreign radio stations broadcasting in Czech for compatriots. These are Radio Daruvar in Croatia, Radio Timisoara in Romania, Radio SBS, Radio 4EB, broadcasting of the Czechoslovak Club in Australia and Radio WCEV in Chicago. The programmes produced for those stations include weekly news surveys, series and programmes dedicated to various anniversaries and events. Radio Prague dispatched to these stations in 2002 a total of 90 hours of programmes via the Internet or tapes.

Radio Prague also produces programmes with various focus for Czech diplomatic missions. The French section produced in 2002 a one-hour programme for the Czech Embassy in Senegal. In the previous year, the Iberoamerican section of Radio Prague produced several programmes on Czech historical personalities for the Czech Embassy in Peru.

Based on the proximity of their focus, Radio Prague co-operates with Czech Centres (CC) and the Czech Tourism Central (CTC). The co-operation with Czech Centres lies in the promotion of their programme in the broadcasting, in interviews with artists performing in the centres, etc. Radio Prague organised in 2002 a successful presentation and meeting with listeners in CC Paris. As regards the CTC, Radio Prague informs about the events of this organisation in its broadcasting and acquaints listeners in its traveller series with Czech regions. Together with the Central, Radio Prague organises a contest for Russian listeners. Radio Prague also promotes the Czech Republic by organising major annual contests for its listeners. The winner of the contest wins a visit to the Czech Republic, paid by the sponsor.

A special attention is paid in the programmes of Radio Prague to the process of accession of the Czech Republic into the EU. This topic is dealt with in commentaries and series and on a special website "The Czech Republic and the European Union". Radio Prague is involved in several radio projects supported by the European Union, like "Radio E". Within this project, Radio Prague participates in the production of programmes about European issues, which are produced by BBC World Service, RFI and Deutsche Welle with funding contributions from the European Union.

Radio Prague does not broadcast only on short waves. The broadcasting may also be received in Europe (all broadcasting languages) and in North America (in Czech and Spanish) also over the satellite. Another used medium is the Internet. The broadcasting in all languages may be currently listened via the Internet at the website of Radio Prague [www.radio.cz](http://www.radio.cz), in both the RealAudio and MP3 formats. The web pages also include the text version of the programmes, most important tourist information and useful links to Czech institutions. Two to three text pages of news in all broadcasting languages are dispatched by Radio Prague every day by e-mail free of charge to all interested parties. The numbers of users of this service exceeded 10,000 in 2002. The number of visitors of Radio Prague's website reached approximately 80,000 individual visitors per month in 2002 and increased after the August floods to 180,000.

Radio Prague belongs to those international radio stations that broadcast not only abroad but also inside their home countries. In May 2002 Radio Prague started broadcasting a news service for foreigners in the Czech Republic. The news bulletin is broadcast in six languages daily from 12:00 p.m. to 2:00 p.m. and Monday to Friday also from 7:30 p.m. to 8:30 p.m., and on week-ends from 8:00 p.m. to 9:00 p.m. at Czech Radio 6, 1233 kHz and 1287 kHz frequencies.

## **5. Czech Centres**

The Administration of Czech Centres (ACC) is a contributory organisation of the Ministry of Foreign Affairs of the Czech Republic, whose mission is to create through the network of Czech Centres (CC) a good name and positive image of the Czech Republic abroad in accordance with the foreign policy priorities of the state. Based in a statute approved on 28 December 2000, the principal task of the organisation is the presentation of the Czech Republic abroad, namely as regards culture, trade and tourism. In 2002 there were 17 Czech Centres managed by ACC in 15 countries of the world, plus the Commercial and Technical Centre Čertanovo and since April also the Czech Centre – Czech House in Moscow.

The programmes of the CC included events presenting the Czech Republic as a developed democratic and creative country, its best cultural and social values and its will to share and further develop this wealth. By their support provided to Czech exporters and promotion of



the Czech Republic as an attractive tourist destination, CC assisted in the development of external economic relations.

ACC started in 2002 the second phase of a large-scale programme of support of the Czech presentation abroad, Czech\*Idea, which consists of several separate projects namely the pilot survey of the image of the Czech Republic abroad, which was implemented under the name Czech\*Image in co-operation with The Gallup Organisation in the form of a web opinion poll and interviews with opinion leaders held at CC Munich, Paris London, New York, Berlin and Bratislava. The survey lasted from July until October and its results will be published at the beginning of 2003. Another project organised within the Czech\*Idea was the commenced project Czech\*Design, whose aim is to compare the view of our state through the eyes of the young generation from the Czech Republic and from abroad.

ACC also proceeded in the implementation of combined projects, which are important due to the scope of its presentation. In this area, ACC carried on the project “Regions”, which plays an important role in the promotion of regions of the Czech Republic within the framework of the unifying Europe. A total of ten events were held within this project until the end of 2002. The offer included a new possibility of participation in the organisation of visits of foreign experts to individual regions of the Czech Republic. In this way, the regions concentrate mostly on the presentation of their business and investment opportunities and increase of tourism.

Beside a number of cultural programmes in the sphere of fine arts, film, theatre, music, literature, architecture, design and other art disciplines, the programme of the CC also included educational programmes focussing on history, science, current political reality and promotion of the Czech language. With respect to those activities, CC played not only a role of independent organisers, but also a role of initiators and co-organisers with the involvement of a number of other partners – local institutions, professional and cultural subjects, and provided other services for applicants in the Czech Republic and abroad, namely the support and background for the establishment of contacts, expansion of co-operation and provision of information service and logistic and administrative support. In 2002, CC prepared or participated in the organisation of a number of large-scale events and presentations of Czech culture abroad. A major and unique event was the Czech Cultural Season 2002 in France, for which the CC Paris prepared in co-operation with other partners dozens of various events. The Czech Days in Dresden included

nearly one hundred various events and similar presentations of Czech culture took place in other countries (like Bulgaria, Russia and Hungary).

Shows focussing on various cultural disciplines presented to the foreign public and professionals:

- the Czech film (including Days of New Czech Film at the Sofia Film Festival, the London show in Riverside Studios: Czech Avant-garde, Prohibited Film, FebioFest in Slovakia, Week of Czech Films in Munich, participation in festivals in Rotterdam and Stockholm, New Czech Films in New York, touring retrospective show of F. Vlácil in the USA, etc.);
- literature (like the Czech Literature Week in The Hague, participation of J. Topol at a festival in Warsaw, B. Hrabal in Budapest);
- fine arts (e.g., F. Skála in Brussels, K. Pacovská in New York, a number of contemporary art exhibits in Bratislava and Berlin);
- theatre and dance (Divadlo v Řeznické in Kiev, Tineola in Berlin, Buchty a loutky in Dresden, Tros Sketos in New York and other);
- photographs (participation in Photo Biennale in Moscow, series of exhibitions “Czech Documentary Photography in Leica Gallery in New York, participation of J. Štreit, K. Cudlín and T. Stano in the Month of Photography in Bratislava, etc.);
- alternative music (like the performances of Čechomor, Mig 21, Kale, –123 minut, Už jsme doma, Boo and Tara Fuki in Poland, United Kingdom, Romania, USA, Sweden, Ukraine and Russia, at Euro Jazz 2002 in Sofia and the jazz festival in Sibiu);
- design (Prague Session and Blok miluje design in London, B. Šípek in Sweden) and architecture (Otisky pražské architektury v módě a designu (Impressions of Prague Architecture in Fashion and Design) in Berlin, Šumná města, Současná česká architektura (Contemporary Czech Architecture) – in co-operation with the publishing house Prostor, Český funkcionalismus (Czech Functionalism) in Stockholm).

The preparation of the Czech Republic for the entry into EU was a topic of a number of seminars and lectures prepared by the CC abroad (German, Ukraine), together with current issues of bilateral relations, which were the focus of attention of the CC in Munich, Vienna and Paris. A unique project was the 5<sup>th</sup> year of uninterrupted reading under the name “Nonstop of the Czech and Slovak Literature in the World”, which was organised by ACC and Jazzová sekce (Jazz Section) - Artforum, and which took place in Prague, in all CC and also in Los Angeles.

Nearly 800 readers participated in this reading marathon, which lasted nearly 200 hours and which was transmitted during the entire period by the Internet. The CC responded to the 2002 floods by a touring exhibition of photographs *The Flood*, which promoted humanitarian help for victims in 16 countries of Europe and in the USA. Another successful touring project is the creation and exhibition of a never-ending painting, promoting the idea of united Europe under the name *Orbis Pictus*, which was held in 2002 in Vienna, Bucharest, Bratislava and Kiev. Czech language courses organised by CC were attended in 2002 by more than 1000 students. The CC organised or participated in the organisation of more than 1600 events in 2002, which were visited by more than 600,000 viewers.

As regards support of external economic relations, namely Czech exports and tourism, CC co-operate with the contributory organisation of the MIT (CzechTrade - CT, CzechInvest - CI) and of the Ministry for Regional Development of the Czech Republic (Czech Tourism Central - CTC), with economic chambers, Union of Industry and Transport of the Czech Republic and with professional unions and associations.

Applicants from the Czech Republic are offered by CC assistance in export promotion in the form of organising company presentation abroad (like organisation or press conferences, provision of representation premises or interpretation services). 291 company presentations were organised by the CC in 2002 and the CC organised publication of more than 1000 ads of domestic exporters in printed periodicals and on websites.

At the same time, ACC/CC processed nearly 3,000 offers and inquiries of Czech companies and more than 4,000 offers and inquiries of foreign companies. The CC provided to foreign applicants in 2002 general economic and trade information about the Czech Republic, including contacts to institutions and organisations in the Czech Republic. Parties interested in trade co-operation with Russian could also use the service of the Czech Centre –Czech House. Apart from hotel and restaurant service, the Czech House offered in 2002 also a possibility to rent residential and office space and garages, business centre services and sports and leisure services. At the same time, it offered assistance in the organisation of business meetings and company presentation and a large-scale information service. ACC supervised in 2002 also the Trade and Technical Centre (OTS) Čertanovo in Moscow, which offered office, conference, exhibition and storage space. OTS further organised accommodation, transport and other services.

ACC got also involved in important projects promoting trade interests of the Czech Republic abroad and participated in the implementation of the project of Integrated System for Business and Export (ISI), which is a part of the Action Plan of the State Information police.

As regards Internet communication, all CC presented on its websites not only its programmes, but also provided information service about the Czech Republic in the language of the relevant territory. The ACC's website [www.czechcentres.cz](http://www.czechcentres.cz) was upgraded to such level that all CC programmes together with the evaluation of the events (like number of media responses or visitors) work as a database and are available to any Internet user. ACC newly introduced its electronic newsletter, which informed about the activities and news of the organisation and may be ordered online.

CC offered the publication of foreign inquiries and tenders on a free website [www.export.cz](http://www.export.cz). The website also includes information on individual countries provided by the trade and economic sections of the embassies. The number of visitors of the website, whose technical aspect is arranged for by ACC, reached in 2002 566,000 and was the highest in 2002 of the entire existence (for comparison: 2001 – 448 000, 2000 – 408 000 visitors). The longest internet broadcast took place in 2002 within the framework of the event “Non-stop to Czech and Slovak Literature in the World, which was transmitted on the ACC's domain [www.nonstopczech.cz](http://www.nonstopczech.cz).

## VI. COMPATRIOTS

According to available information, there are currently nearly two million Czechs living outside the territory of the Czech Republic, including also their descendants who recognise their Czech origin. Many of them contributed significantly to the political changes that led to the formation of the independent Czech Republic, and still participate in its development and involvement in the international community of democratic states and in the promotion of the good name of the Czech Republic in the world. The Czech Republic appreciates their help and strives to carry on a dialogue with those members of Czech communities who are interested in it.

The general principles of approach to the compatriots and friends of the Czech Republic abroad were defined for the first time in 1992 and were stipulated in the resolution of the Government of the Czech and Slovak Federal Republic No. 375/1992.

These principles may be summarised in the following four points:

- maintenance of permanent information contacts and relations of the Czech Republic with compatriots abroad (for instance, through register of compatriot clubs, promotion of mutual contacts in the non-profit sector, awarding Gratias Agit to prominent personalities);
- provision of assistance to interested compatriots in the maintenance of their cultural, language and historical links with the Czech Republic (through scholarships, language courses, secondment of teachers to compatriot communities);
- appropriate acceptance of other expectations of individual compatriot communities in relation to the Czech Republic (financial contributions to clubs for projects focussing on the promotion of the Czech Republic and contributions for promotion of the compatriot life, e.g. for the development of compatriot press);
- maintenance of the Czech national and cultural heritage abroad (assistance in the repairs of compatriot schools and cultural facilities, in the search for new forms of activities of the compatriot communities, e.g. in regions with high unemployment – a pilot project of this type is currently implemented in Romania).

The Ministry of Foreign Affairs of the Czech Republic co-operates in the implementation of these principles with parliamentary bodies focussing on compatriots (The Subcommittee for Contacts with Compatriots of the Chamber of Deputies of the Parliament of the Czech Republic, and the Standing Commission of the Senate of the Parliament of the Czech Republic for

Compatriots Living Abroad) and with state administration bodies concerned with compatriot issues. A significant role is also played by the co-operation with a number of civic associations and friends' societies in the Czech Republic, which are focussing on co-operation with foreign countries and the co-operation with the foreign broadcasting service of the Czech Radio and ethnographic institutes.

The project of providing assistance to the compatriots in the maintenance of their knowledge of the Czech language and cultural awareness in the form of study stays, and secondment of teachers to compatriot communities, which completed in 2002 the second year of its existence, had a very good response. This project represents a continuation of the previous five-year programme of the same content (1995 - 2000), for implementation of which the Government of the Czech Republic released an amount of 50 million CZK. The new five-year programme was supported by a total amount of nearly 80 million CZK. The first year took place in 2001. An amount of 8 million CZK of the total allocation was released for the second year of the programme. The language course for compatriots in Dobruška was attended by 62 compatriots from nearly 30 countries (57 of them on the basis of a scholarship and 5 private payers). A total 9 compatriot students from Argentine, Yugoslavia, New Zealand, Russia and Ukraine attended the one-semester study stays. Nine Czech teachers worked in the school year of 2002 in five countries (1 in Croatia, 1 in Poland, 3 in Ukraine, 3 in Romania, 1 in Yugoslavia). The mission does not lie only in teaching, but also in education – the teachers help the compatriot clubs with the revival of folk, musical and theatrical activities, hobbies for children, assist in the work of the local compatriot press, etc.

The Ministry of Foreign Affairs of the Czech Republic carries on its co-operation with the publishers of the compatriot magazine *České listy*, which was started in 2000. The board of editors of this monthly is headed by the Deputy Minister of Foreign Affairs of the Czech Republic. The Ministry of Foreign Affairs of the Czech Republic provided an amount of 1,6 million CZK to cover the annual costs of free distribution of the magazine to compatriot associations (more than 2100 issues distributed every month to approximately 320 addressees). The Ministry of Foreign Affairs also contributed to the distribution of another Czech compatriot monthly *Český dialog* and in future intends to establish the co-operation between the two monthlies, each of which has a different readership (*Český dialog* appears partly in English with respect to the fact that the later compatriot generations have a better knowledge of this language).

An important place was occupied in 2002 also by the financial support of projects of individual compatriot associations, societies of friends of the Czech Republic abroad and of Czech civic associations co-operating with foreign countries. Applicable by-laws of the Ministry of Foreign Affairs stipulate that until 30 April of the relevant year the applicant should submit their projects with requests for the next year. Projects from abroad that are submitted to the Embassy of the Czech Republic until 30 March, should include its opinion and should be sent to the headquarters until the end of April. The contribution is not granted automatically and depends on the quality of the project, on the number of projects and on the overall amount of financial means allocated for the current year. There were 123 compatriot associations and associations of friends of the Czech Republic throughout the world that applied in 2002 for support of the Ministry of Foreign Affairs of the Czech Republic and approximately 5 million CZK were divided among 118 approved applicants. A major part of these funds consisted of contributions for the publication of compatriot magazines, information bulletins and other club publications. The Ministry of Foreign Affairs also contributed to other compatriot projects, like events organised on the occasion of the 110<sup>th</sup> anniversary of the first Czech compatriot association in Bulgaria, the Czech Days held in October in Eastern Slovakia, the World Youth Day in Toronto, Canada, the exhibition of traditional Czech folk crafts in Sarajevo organised by the compatriot association, etc. The Ministry of Foreign Affairs of the Czech Republic also provided more than 650,000 CZK to Czech civic associations organising summer camps for compatriot children in the Czech Republic.

Contributions were also provided in 2002 to the projects of 56 Czech civic associations co-operating with foreign countries.

Towards the end of 2002, the Ministry of Foreign Affairs of the Czech Republic became involved in the preparation of the Week of Czechs Abroad, which shall take place in Vienna and Prague at the end of September and beginning of October 2003.

Beside financial contributions, the compatriot communities receive through the embassies and consulates of the Czech Republic – particularly for their schools and courses – shipments of Czech textbooks and other publications (song books, tutorial aids for learning the Czech language, historical and geographic publications, etc.), audio- and video carriers and others. Children's magazines, books and teaching aids are addressed to compatriot kindergartens. This form of assistance to the compatriots was supported in 2002 by an amount of approximately 800

000 CZK. Moreover, some diplomatic missions maintain local compatriot libraries or video libraries, allow holding regular meetings of compatriots, assist in the teaching of the Czech language, etc. Inviting compatriots to the cultural and social events and attendance of Czech diplomats in important events of the compatriot communities has become a matter of course.

An important manifestation of the interest in compatriots abroad is the help of the Czech Republic in the repairs of compatriot schools and cultural facilities, which has been carried out since 1996 and which had been provided in 1996 - 2001 within the framework of foreign aid provided by the Government of the Czech Republic to the developing and other needy countries. Due to a reduction of the amount allocated to foreign development aid and to administrative measures arising from OECD, the funding was limited in 2002 to the minimum necessary for the continuation of long-term projects in progress (9.4 million CZK) and no new projects were started.

Since 1997, the Ministry of Foreign Affairs of the Czech Republic has had a possibility to express its gratitude to dedicated compatriots or their clubs or other civic associations abroad and the Czech Republic by granting the statutory ministerial award GRATIAS AGIT, which is granted every year by the Minister of Foreign Affairs of the Czech Republic at a ceremony in the Černín Palace. The 2002 laureates included ten individuals and three organisations. The award for the promotion of the good name of the Czech Republic abroad was given to Prof. K. Čížek (translator, Greece), JUDr. M. Kantor (founder of compatriot foundations, Australia), Prof. F. Kinský (expert on international relations, France), V. Mašek (Czech catholic priest, Romania), Prof. B. Med (Chairman of the Brazilian-Czech Cultural Society, Brazil), Ing. V. Pavelka (organiser of compatriot clubs, Canada), Prof. Ing. Arch. J. H. Pokorný (compatriot architect and representative of compatriot clubs, USA), Prof. J. Rubeš (promoter of Czech culture, Belgium), Mgr. R. Tichavský (Honorary consulate officer of the Czech Republic, Mexico) and R. Vogel (honorary consul general of the Czech Republic in Hamburg, FRG). The award was further granted to representatives of three organisations: one Czech civic association (Carolinum – association of graduates and friends of Charles University in Prague) and two compatriot associations: Regional Organisation of the Czech Association in Slovakia in Košice and the Union of Czechs in Croatia.

One of the principal permanent tasks of the Ministry of Foreign Affairs in its care for the compatriots is the maintenance of records on compatriot associations, societies of friends of the



Czech Republic and similar organisations abroad – economic chambers, honorary consulates headed by compatriots, Czech bookstores, museums and other cultural institutions, publishers of the compatriot press, compatriot schools or education centres. By the end of 2002 the Ministry requested from the embassies and consulates materials for the preparation of an updated directory of those institutions, which will be issued in 2003.

## **VII. INTERNATIONAL LEGAL AND CONSULAR DIMENSION OF THE FOREIGN POLICY OF THE CZECH REPUBLIC**

### **1. International legal dimension of the Czech Republic's foreign policy**

In 2002, too, the Czech Republic based its foreign policy practice on the compliance with its international obligations ensuing either from the general international law or from bilateral or multilateral agreements. The international legal obligations defined the limits of action for the Czech foreign policy.

The continuing and intensifying fight against the global threat of terrorism ensued in 2002 into the adoption of the International Convention on Suppressing the Financing of Terrorism, which entered into force on 10 April 2002. The Czech Republic has not yet ratified this international legal document due to obstacles in its internal legislation; these obstacles were identified in 2002. At the same time, a proposal of legislative measures was prepared concerning the detection of financial resources related to terrorism, which should partially eliminate the inconsistency, or rather allow as broad implementation of some of the undertakings contained in the Convention as practicable.

The international legal dimension of the Czech Republic's foreign policy in the field of fight against terrorism was also reflected in respect of the sanction regimes and measures issued by the UN Security Council or the EU Council in respect of persons connected with terrorist activities. The proposals regarding modification of the domestic law should become known in the course of 2003 and should represent the fundamental, principal, high-quality and sufficient provision governing the fight against terrorism by international sanctions and for the fulfilment by the Czech Republic of its obligations in this area.

In 2002, too, the Czech Republic reflected the dynamic development of international judiciary. The milestone was 1 July 2002, when the Rome Statute of the International Criminal Court entered into force. Co-operation between the Czech Republic and the International Criminal Tribunal for the Former Yugoslavia further intensified (ICTY). In May 2002, the final round of expert meeting on the agreement on relocation of witnesses took place. In the course of December 2002, negotiations began between the Prison Service of the Czech Republic and the

UN regarding the seconding of qualified prison staff to the ICTY UNDUS detention facility in The Hague.

On the other hand, the Czech Republic failed in 2002 to become one of the states parties to the Rome Statute of the International Criminal Court. As a result, the Czech Republic, for the time being, will not be able to participate in providing for the operations of the institution from the outset or exercise the right to nominate and elect judges. The Government of the Czech Republic nevertheless expressed its support to the International Criminal Court, e.g. by joining the Joint Positions of the EU Council related to this issue.

The Czech Republic made progress in 2002 in drafting the Act on Antarctic, which is expected to allow the implementation of the Protocol on the Protection of Environment to the Antarctic Treaty, which is being prepared for ratification. An active involvement of the Czech Republic in the applicable Antarctic regime will be further enhanced by the construction of a Czech scientific station in Antarctic. These steps should make it possible for the Czech Republic to become a consultant party to the Antarctic Treaty and a full-fledged co-drafter of its legal regime.

In the field of humanitarian law, the Ministry of Foreign Affairs of the Czech Republic had an analyses prepared regarding the internal legal arrangement in terms of its capability to perform the obligations ensuing from this international legal branch. The analysis will become the fundamental document for the work of the inter-ministerial commission on implementation of the Czech Republic's obligations in this area.

Within the framework of the system of multilateral international agreements, the Czech Republic further acceded to those contractual documents that were adopted by the UN or the Council of Europe, or which allow the Czech Republic's participation in activities of the EU and mutual co-operation prior to the accession to the EU. The Czech Republic signed on 10 December 2002 the Protocol on Preventing, Suppressing and Penalising the Trade in Humans, in Particular Women and Children, and also the Protocol against the Smuggling of Migrants by Land, Sea and Air, both of which are additional protocols to the UN Convention against Transnational Organised Crime. Within the system of the Council of Europe, the Czech Republic acceded in 2002 to the European Patent Convention, representing an important instrument in the field of protection of intellectual property (1 July 2002). Another important codification agreement is the Agreement of the World Intellectual Property Organisation (WIPO) on

Copyright, to which the Czech Republic acceded on 6 March 2002. As regards multilateral agreements concerning social security, the Czech Republic signed among others the European Convention on Social Security and the Additional Agreement and Protocol on its implementation (21 June 2002) or the Additional Protocol to the European Social Charter establishing the system of collective complaints (26 February 2002). A number of meetings continued or were initiated with respect to co-operation in the area of environmental protection within the framework of the Council of Europe. These resulted among others in the execution of the European Landscape Convention on 28 November 2002. Also the Agreement between the Czech Republic and the EU on the Czech Republic's involvement in the European Environmental Agency and in the European Information and Monitoring Network entered into force in 2002.

The most important events in the area of bilateral international agreements include the completion of expert negotiations of the Agreement between the Czech Republic and the Holy See on regulation of mutual relations. The Agreement was executed in 25 July 2002 by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda and Apostolic Nuncio in the Czech Republic E. J. Ender.

Agreements continued to be negotiated with neighbouring countries, especially concerning closer forms of co-operation related to the regime on common borders, in military area or in transport or social security. As regards relations with Slovakia, the Intergovernmental Agreement on Extradition of Persons on the Common State Border was signed on 2 July 2002. Numerous agreements with Poland entered into force: e.g., the Agreement amending the Agreement on Limited Border Contacts of 17 January 1995 (30 June 2002), Agreement on Co-operation in Border Clearance (1 November 2001) and Agreement on Co-operation in Border Matters (1 August 2002). On 20 May 2002, the Agreement between the Governments of the Czech Republic and Poland on Interconnection with the Czech Motor Way D 47 and Polish Motor Way A 1 on the Czech-Polish State Border was executed in Prague. In the area of military co-operation, two trilateral intergovernmental agreements between the Czech Republic, Poland and Hungary were signed on co-operation in the manufacture of helicopters Mi-24 and between the Czech Republic, Poland and Slovakia on the creation of a multinational brigade. In relation to Germany, the most important agreements in 2002 included the Agreement on Co-operation of Police Authorities Operating in Protection of State Borders in Border Areas, which entered into force on 1 August 2002, and the Agreement on Social Security, which entered into force on 1

September 2002. Agreements on social security were also signed in 2002 with Yugoslavia, Luxembourg, Spain, Romania and Israel.

In the field of judicial co-operation, a very important agreement with Thailand entered into force, concerning extradition of perpetrators and co-operation in execution of court verdicts. In the field of finance, the Agreement on Prevention of Double Taxation was executed with Canada and entered into force.

As regards international treaties, two treaties on co-operation are of special significance: one between the Government of the Czech Republic of the one part and the Government of the French Commonwealth of Belgium and the Government of the Walloon Region of the other part (entered into force on 22 July 2002), and the other between the Government of the Czech Republic and the Flemish Government (signed on 12 February 2002).

As regards co-operation with the EU, it is necessary to mention the Agreement on Co-operation between the Czech Republic and the European Police Authority of 5 March 2002 and its amendment effected in the form of exchange of notes, which entered into force on 16 August 2002 and which permit mutual exchange of information between the Czech Republic and Europol. The Czech police and customs authorities have, on the basis of this agreement, access to information necessary to detect criminal offences.

Another important agreement is the Agreement between the EU and the Czech Republic on Participation of the Czech Republic in the EU Police Mission (EUPM) in Bosnia and Herzegovina of 11 December 2002, on the basis of which the Czech Republic sent 6 police officers to the EU Police Mission in Bosnia and Herzegovina.

In the area of culture, it is worthwhile to mention the entry into force of the Agreement between the Czech Republic and the USA on the J. W. Fulbright Commission (28 February 2002), providing for the functions of the Commission and for the granting of scholarships to Czech students in the Czech Republic.

As regards the contractual basis of the Czech Republic, negotiations concerning the legal succession of the Czech Republic into agreements (in the form of correspondence) entered into the final stage, and harmonisation is being undertaken of agreements with the obligations under the *acquis communautaire*. As of the date of entry of the Czech Republic into the EU, the obligations ensuing from international agreements binding on the Czech Republic must be consistent and compatible with the EC law. In 2002, an initial screening of all bilateral

international agreement was commenced with the objective of assessing which can be kept in force and which need to be either re-negotiated or terminated on the grounds of incompatibility with the *acquis*.

## **2. Consular dimension of the foreign policy of the Czech Republic**

The consular dimension was in 2002 an integral part of the foreign policy of the Czech Republic. The Ministry of Foreign Affairs of the Czech Republic co-operated in this sphere with other state administration bodies and ensures the exercise of the consular agenda through the consular sections of the embassies of the Czech Republic abroad. Increased attention was paid in the course of 2002 to tasks arising for the Czech Republic in the consular sphere from its anticipated integration into the European Union.

The principal task of the Czech Republic in this respect is the harmonisation of the migration and visa policy with the policy of member states of the European Union. The intergovernmental conference of the member states of the European Union held in 1997 set forth principal amendments to the Maastricht Agreement, which affected the external border controls, migration, asylum and visa policy. The Treaty of Amsterdam includes in the Treaty on the European Union also the Schengen Agreement of 14 June 1985 on the Gradual Abolition of Checks at Common Borders and the Implementing Convention of 19 June 1990. At the same time, it is necessary to note that the EC Council is authorised to determine, within five years after the effective date of the Treaty of Amsterdam, new standards and procedures concerning controls on the external borders and the rules for granting short-term visa and procedures applied in the issue of visa, and to determine a list of third party states, whose citizens must be furnished with a visa when crossing the external borders of the European Union.

The Ministry of Foreign Affairs of the Czech Republic paid in 2002 maximum attention to the preparation of the involvement of the Czech Republic into the Schengen co-operation, which interferes in many state administration areas. A significant progress was achieved in 2002 in this preparation, particularly in the legislation, which is essential for the implementation of tasks in this area in the current period. Attention was focussed namely in the assumption of obligations concerning the control of external borders, visa policy, co-operation of the police and

courts, the problems of narcotics and psychotropic substances, firearms and ammunition, the Schengen Information System and personal data protection.

The Ministry of Foreign Affairs of the Czech Republic co-operated in the foregoing tasks namely with the Ministry of Interior of the Czech Republic, which is responsible for the preparation and participation of the Czech Republic in the Schengen system. Based on this co-operation, the Parliament of the Czech Republic approved several bills or amendments to existing acts with the aim of creating legislative conditions necessary for the implementation of the Schengen acquis in the Czech Republic. The harmonisation of the legislation is to be finalised as of the date of entry of the Czech Republic into the European Union.

Another task connected with the entry into the European Union is the harmonisation of the visa policy of the Czech Republic with the visa policy of the European Union. The essence of the harmonisation lies in the harmonisation of visa-free relations of the Czech Republic with EC Regulation No. 539/2001 of 15 March 2001, as amended, listing third countries whose nationals must be in possession of visas when crossing the external borders of the EU and third countries whose nationals are exempt from this duty. The Ministry of Foreign Affairs of the Czech Republic reviewed the compliance of the contract basis with future obligations of the Czech Republic following its entry into the European Union. This review indicated the necessity to conclude new agreements on abolition of visas or the renegotiations of the existing agreements with certain states.

The agreements on the abolition of visas have not yet been harmonised with the list of third countries whose nationals are exempt from the duty to possess the visa of a member state of the European Union (the "White List"). The visas were abolished with respect to most countries included in the list and all types of travel documents, or the Czech Republic is currently negotiating such abolition. There are, however, several countries that have not yet shown any interest in the abolition of visas.

As early as in 1999, the Government of the Czech Republic adopted Resolution No. 54 on Concept of Modernisation on Control of Persons on State Borders. This resolution was adopted with the aim to ensure protection of the state borders in accordance with the standards of the European Union. By its Resolution No. 748 of 18 November 1998, the Government adopted a Concept of Modernisation of Processing of Visas. The adoption of the modernised visa processing system by individual embassies of the Czech Republic continued in 2002. Granting

visas under this system substantially increases the quality of verification of the applicant and allows the use of updated databases of the Police of the Czech Republic. The Ministry of Foreign Affairs also co-operated on the programme “Edison-Travel Documents Verification”, which contains databases of travel documents of individual states.

The struggle against international terrorism and with illegal migration is considered as one of the priorities of the security policy of the Czech Republic. The Ministry of Foreign Affairs participated in the implementation of the National Action Plan of Struggle of the Czech Republic Against Terrorism, which imposes long-term tasks in the consular sphere in relation with granting visas of the Czech Republic.

One of the chief tasks of the Ministry of Foreign Affairs of the Czech Republic in 2002 was the organisation and material arrangements relating to the preparation, course and completion of elections to the Chamber of Deputies of the Parliament of the Czech Republic abroad. Those were historically the first elections allowing voting at the embassies of the Czech Republic. The Ministry of Foreign Affairs provided methodical guidance of the diplomatic missions and ensured co-ordination of activities with the Ministry of Interior of the Czech Republic and the Czech Statistical Office. A total of 3763 voters participated in the elections abroad. At the same time, the Ministry of Foreign Affairs also fulfilled tasks arising from the Act on Elections to the Senate of the Parliament of the Czech Republic.

The consular agenda of the embassies of the Czech Republic includes the care for Czech citizens abroad. Consular services are provided to persons on short-term stays in the country, like tourists, students or representatives of businesses and to persons who stay in the country for a long time or reside there. The embassies of the Czech Republic also provide their services to compatriots and persons of Czech origin living abroad (personal contacts, consulting, mediating information about the life in the former homeland. and emergency material assistance).

Czech citizens staying abroad on short-term visits, particularly tourists, contribute to a great extent to the good reputation of the Czech Republic abroad. The image of the Czech Republic is formed, on the one hand, by their behaviour abroad, and on the other hand by the care provided to them by the embassies the Czech Republic in situation that they are unable to resolve by themselves. The most frequent cases of this type include theft, loss of documents or shortage of funds, injury, sudden illness or death or a conflict with the laws of the host country. The number of applications for assistance has been increasing in the long-term perspective. At



the same time, the number of persons who have gone missing in certain countries that are less frequented by tourists has also grown. The embassies of the Czech Republic also resolved cases of repatriation of people who were injured, affected by sudden illness or died. The number of persons who asked for assistance due to criminal prosecution in the host country or who were serving a prison sentence abroad also increased in 2002.

In connection with the consular service of the Czech Republic, it is also necessary to refer to the irreplaceable role of honorary consulates of the Czech Republic, the number of which increased again in the last year. In 2002, there was a total of 110 honorary consulates of the Czech Republic operating in various countries of the world. In the second half of 2002, the Ministry of Foreign Affairs of the Czech Republic began the preparation of a restated concept of the Czech honorary consulates so that the exercise of this service corresponds to the new tasks with which the consular service will have to cope after the entry of the Czech Republic into the European Union.

## **VIII. CZECH FOREIGN SERVICE**

### **1. Staffing**

In 2002, high standards were maintained in hiring new employees, and considerable attention was paid to training of employees at all levels in order to ensure that all tasks of the Ministry of Foreign Affairs of the Czech Republic are being accomplished with a special emphasis on membership in NATO and a successful implementation of the process of accession of the Czech Republic to the EU.

In addition to preparations for the upcoming effectiveness of the Act on Civil Service, the Ministry of Foreign Affairs of the Czech Republic also performed tasks such as increasing the quality of staffing at the headquarters and at embassies, maintaining a high qualification level in hiring new employees, and providing for the career growth of employees of the Ministry of Foreign Affairs.

The Ministry of Foreign Affairs continued to place demands on the language skills of its employees. In this context, the internal regulation concerning language skills and training of employees of the Ministry of Foreign Affairs was amended and measures were taken to facilitate its prompt application.

More than 900 applicants attended the demanding admission competition in 2002, out of which approximately 50 new employees were selected by the Ministry of Foreign Affairs.

The career rules became the basis for the career growth of employees; its consistent application increased the certainty concerning their professional promotion in the diplomatic service.

The employee circulation plan became the basis for a quality regular circulation of employees at the headquarters as well as at the Embassies of the Czech Republic in foreign countries, including the Czech Centres. Co-operation between the headquarters and embassies in adopting the plan as well as its timely implementation by means of competitions enabled the fluent operation of individual departments and a sufficient space for preparation of employees. The obligation to pass a security clearance of the National Security Agency before departure to a

foreign country has limited the possibility to search for suitable employees outside the Ministry of Foreign Affairs.

Securing the commercial and economic interests of the Czech Republic abroad has been a special issue. Satisfactory co-operation continued in this area with the Ministry of Industry and Trade in finding experts for work abroad. Candidates from the Ministry of Foreign Affairs, the Ministry of Industry and Trade and from external resources took part in the competition.

A National Contact Point operates within the Ministry of Foreign Affairs as a body entrusted with creating and maintaining an information database supporting the seconding of Czech citizens to international organisations and institutions, in particular the EU and OSCE, and being responsible for the presence of Czech citizens – volunteers in OSCE missions.

## **2. The Diplomatic Academy**

The Diplomatic academy serves the Ministry of Foreign Affairs of the Czech Republic as a training institution systematically providing basic and higher professional diplomatic training to employees of the Ministry of Foreign Affairs in the entire spectrum of the foreign service.

### **A. BASIC TRAINING MODULES**

In 2002, the Diplomatic Academy organised five training modules:

- I. basic diplomatic training (DA1);
- II. higher diplomatic training (DA2);
- III. individual course for junior diplomats (DA IN);
- IV. training on the EU issues pursuant to Resolution of the Government of the Czech Republic No. 841/1999;
- V. training in computing technology.

#### *I. BASIC DIPLOMATIC TRAINING (DA1)*

Basic diplomatic training in course DA1/2001 and DA1/2002 was provided in 2002. Under DA1/2001, 17 trainees completed their internships in individual departments of the Ministry of Foreign Affairs and embassies. Sixteen students were admitted for DA1/2002 based

on admission competition. Theoretical training of those trainees commenced in September 2002. In November, trainees in both courses participated in preparation and organisation of the NATO Prague Summit in the capacity of “liaison officers” of delegations.

## *II. HIGHER DIPLOMATIC TRAINING (DA2)*

The fourth year of DA2 was opened in January 2002. Based on applications, 26 diplomats of the Ministry of Foreign Affairs were newly scheduled for DA2/2002 in 2002. Beside for mandatory seminars, the trainees were also interested in three optional seminars – international law, security policy and world economy. Economic and pro-export issues were part of all training modules of the Diplomatic Academy. Twenty trainees completed the higher diplomatic training in 2002. From the launch of higher diplomatic training in 1999, the course was successfully completed by 138 diplomatic employees.

## *III. DIPLOMATIC TRAINING OF JUNIOR DIPLOMATS (DA IN)*

In autumn 2002, the Diplomatic Academy newly introduced the DA IN course. The course meets the training needs of junior diplomats who did not acquire the necessary specialisation, whether under DA1 or by acknowledgement of their postgraduate study. Twenty-seven junior diplomats signed up for the course. The first DA IN course, scheduled for completion in spring 2003, consisted of 7 seminars and lectures.

## *IV. TRAINING ON THE EU ISSUES*

This type of training was introduced on the basis of Resolution of the Government of the Czech Republic No. 841/1999 and based on Ministerial Decision No. 6/2000 of 28 April 2000. In 2002, the Diplomatic Academy offered European training to new officials, trainees under DA 2, DA 1 and DA IN. Within the framework of the grant of the Office of the Government of the Czech Republic, the Diplomatic Academy also provided for the training of senior officials of other ministries.

The courses were organised in co-operation with the International European Training Centre in Nice under the methodological guidance of its Vice-president, professor F. Kinsky. Seventy senior officials of individual ministries and 55 employees of the Ministry of Foreign Affairs were provided training in both courses.

The Diplomatic Academy also organised, using the grant of the Office of the Government of the Czech Republic and with methodological assistance of the International European Training Centre in Nice, an intensive inter-ministerial EU module for senior officials in the form of the summer school of European studies. This intensive course was held on 19-23 August 2002 in Horažďovice. European Training Certificates were issued to 35 ministerial officials, out of which 3 from the Ministry of Foreign Affairs.

Furthermore, the Diplomatic Academy offers employees of the Ministry of Foreign Affairs the possibility of extramural studies of EU issues in order to complete the required professional qualification in this respect.

#### *V. TRAINING IN COMPUTING TECHNOLOGY*

In 2002, 276 computer courses were organised for 722 employees of the Ministry of Foreign Affairs. In addition, 48 individual consultations were provided.

### **B. OTHER TRAINING ACTIVITIES OF THE DIPLOMATIC ACADEMY**

#### *I. PREPARATORY COURSE FOR PARTICIPANTS IN PEACE MISSION*

In May 2002, the Diplomatic Academy organised, in accordance with the schedule of events approved by the State Security Council and in co-operation with the National Contact Centre, a pilot course for participants in peace missions. The course was attended by 55 representatives of individual ministries and representatives of non-governmental organisations engaging in despatching volunteers to peace and humanitarian missions abroad.

#### *II. COURSE FOR EMPLOYEES WHO WILL REPRESENT THE CZECH REPUBLIC IN EU COMMITTEES*

In autumn 2002, the Diplomatic Academy organised for the Ministry of Interior of the Czech Republic a pilot preparatory course for employees who will work in any of the EU committees. The course was attended by 15 senior officials.

## C. OTHER ACTIVITIES OF THE DIPLOMATIC ACADEMY

### *I. ASSISTANCE IN ORGANISING IMPORTANT CONFERENCES*

Trainees under DA1 assisted in organising and providing the background for important and, in terms of organisation, demanding international conferences and events of the Ministry of Foreign Affairs. In the first place, they participated in the preparations and organisation of the NATO Prague Summit. All trainees under DA1/2001 and DA1/2002 together with a number of senior colleagues worked as “liaison officers” of the delegations attending the Summit. Trainees under DA1/2002 also participated in organising a conference of FORUM 2000 called “Bridging Global Gaps” that was held in Prague. President V. Havel appreciated the assistance of the Diplomatic Academy by a letter of thankfulness. The trainees also contributed to the organisation of the International Conference on Development Assistance, and co-operated with the Analyses and Planning Department of the Ministry of Foreign Affairs in securing the agenda for the International Youth Leadership Conference.

### *II. PROMOTING THE DIPLOMATIC PROFESSION*

The Diplomatic Academy organised on 13 November 2002 an “open house” day for university students who contemplated engaging in diplomatic career, and also organised a series of lectures on the profession of diplomat at universities throughout the Czech Republic.

## D. INTERNATIONAL ACTIVITIES OF THE DIPLOMATIC ACADEMY

The Diplomatic Academy organised on 8 June 2002 a series of lectures for the Vienna Diplomatic Academy. On a reciprocal basis, the Vienna Diplomatic Academy organised a “Czech Day” for trainees under DA1. In late January 2002, students of the DA1/2001 course spent a study stay in Berlin at the invitation of the European Diplomatic Academy. In addition, the Diplomatic Academy continued to develop contacts with partner institutions around the world and organisations associating junior diplomats.

### **3. Budget and operations of the Ministry of Foreign Affairs**

On 18 December 2001, the Chamber of Deputies of the Parliament of the Czech Republic adopted Act No. 490/2001 Coll. on the State Budget of the Czech Republic for 2002. Pursuant to that Act, the principal binding indicators were set for the chapter of the Ministry of Foreign Affairs of the Czech Republic for 2002 as follows:

|                    |                   |
|--------------------|-------------------|
| Total revenues     | CZK 197,940,000   |
| Total expenditures | CZK 4,592,825,000 |

The economic activities of the Ministry of Foreign Affairs served to accomplishing the tasks and objectives relating to international relations of the Czech Republic. Most expenses under this chapter were incurred in foreign currencies, and thus the total drawdowns depended to a great extent on the developments of the Czech crown exchange rate. Other significant factors affecting the disbursements from the budget included:

- the ongoing preparations of the Czech Republic for the entry into the European Union;
- the expanding scope of work of diplomatic missions in connection with the Czech Republic's membership in NATO;
- organisation of the NATO Summit in Prague;
- support of the pro-export policy of the state in combination with the enlargement of commercial and economic divisions of the diplomatic missions;
- increase in the consular scope of work and the related expenses, as well as the ongoing modernisation of the visa process and the introduction of visa regime with respect to certain Eastern European countries and Canada;
- necessary refurbishment of real properties;
- provision of foreign humanitarian assistance;
- implementation of foreign development assistance projects;
- budgetary measures in connection with the liquidation of the consequences of floods.

#### *Revenues of the state's organisational units and contributory organisations*

The amount of revenues generated in the chapter of the Ministry of Foreign Affairs of the Czech Republic in 2002 reached CZK 214,554,000, i.e. the revenues were exceeded by an

amount of CZK 16,614,000 originating from the lease of a part of the real properties of certain offices abroad and from the tax on the sale of state property paid to the state budget.

Apart from the budgeted revenues, the Ministry of Foreign Affairs transferred directly to the state budget administrative fees for official acts in the amount of CZK 575,030,000.

#### *Non-investment expenses*

The total amount of common expenses of the state budget in 2002 reached CZK 4,781,695,000. The financial resources so expended included the purchase of services (the cost of lease of buildings and apartments of employees living abroad, expenses incurred in connection with organisation of the NATO Summit in Prague, expenses incurred in connection with top level visits, the communication strategy related to the entry into the EU, and others, in the total amount of CZK 1,368,217,000), material (purchase of small items and material by diplomatic missions and the headquarters, in the total amount of CZK 263,635,000), purchase of water, fuels and energy (CZK 81,345,000), payroll expenses including the wages of employees of the Ministry of Foreign Affairs of the Czech Republic (CZK 629,499,000), reimbursements (reimbursement for the increased cost of living of employees working abroad payable pursuant to Decree of the Government of the Czech Republic No. 62/1994 Coll., in the amount of CZK 1,104,135,000), other acquisitions (the cost of local workforce in embassies, repairs and maintenance of own or rented real properties, travel expenses etc., in the amount of CZK 420,180,000) and other non-investment acquisitions (including transfers to international organisations, contributions to contributory organisations etc., in the amount of CZK 914,968,000).

#### *Investment expenses*

Investment funds were disbursed in particular for reconstructions of existing real properties abroad, for increasing the security of diplomatic missions abroad, and to modernise the visa process, in combination with the pilot project of the information system of the Ministry of Foreign Affairs. Additional funds were used to furnish embassies with movable property and



for acquisition of vehicles and communication and computation technologies. Investment funds disbursed in 2002 amounted to CZK 889,826,000.

#### *Subordinated contributory organisations*

Five contributory organisations operated under the Ministry of Foreign Affairs of the Czech Republic in 2002, for whose activities both investment and non-investment contributions are provided. The Ministry of Foreign Affairs provided in 2002 to its subordinated contributory organisations a contribution for operations in the amount of CZK 180,750,000 and CZK 3,084,000 in the form of system investment subsidy.

#### *Administration of Czech Centres*

This organisation provides for the activities of the Czech Centres in foreign countries, whose responsibilities include promoting the Czech Republic and developing cultural and commercial relations. The contribution for the work of the Administration of Czech Centres amounted in 2002 to CZK 135,130,000.

#### *Institute of International Relations*

The Institute is a contributory organisation engaging in the study of international relations. Its component is the Diplomatic Academy responsible for organising basic and higher diplomatic training. The contribution for the work of the Institute of International Relations amounted in 2002 to CZK 32,694,000.

#### *Office of the Commissioner General of the EXPO 2005*

The Office is an organisation preparing the Czech Republic's participation in the EXPO 2005 World Exposition in Aichi, Japan. The Office was established in the middle of 2002 by

transformation of the former office responsible for the preparations for the EXPO 2000 in Hanover, Germany. The contribution for the work of the Office of the Commissioner General amounted in 2002 to CZK 4,000,000.

#### *Diplomatic Service*

The contributory organisation Diplomatic Service is financed pursuant to Act No. 1/1992 Coll., and no contribution for its work was provided in 2002. Its operating expenses were prevalingly covered from the proceeds from lease of state-owned property in the territory of the Czech Republic for the needs of foreign diplomatic missions in the Czech Republic.

#### *Štěrín Conference Centre*

The Centre provides conference, congress and public relations services to the Ministry of Foreign Affairs of the Czech Republic as well as to other central governmental authorities of the Czech Republic. It also provides commercial accommodation, restaurant and congress services. The total amount of the contribution for operations was CZK 8,926,000.

#### *Support of research and development*

Within the framework of the budget chapter of the Ministry of Foreign Affairs of the Czech Republic, purpose-bound funds are allocated annually for the support of research and development. In 2002, disbursements from the so allocated special-purpose funds were as follows: CZK 2,797,000 to the Institute of International Relations and CZK 4,908,000 to the Ministry of Foreign Affairs of the Czech Republic.

The Institute of International Relations, a contributory organisation of the Ministry of Foreign Affairs, drew down the institutional resources for research and development in the full amount of CZK 8,850,000.

### *Humanitarian assistance expenditure*

In 2002, financial or material humanitarian assistance was provided from the chapter of the Ministry of Foreign Affairs in 31 instances to 16 affected countries of Latin America, Africa, Asia and Europe in the aggregate amount of CZK 20,327,000. The material assistance included in particular foodstuffs, health aids, pharmaceuticals and teaching aids.

In 2002, the Ministry of Foreign Affairs also provided humanitarian assistance to settle the consequences of the Kosovo crisis, in the amount of CZK 9,447,000, in particular by means of non-governmental or international organisations.

### *Foreign development assistance expenditure*

In 2002, foreign development assistance was provided from the chapter of the Ministry of Foreign Affairs in the amount of CZK 16,948,000.

The objectives of the Czech Republic in the area of foreign development assistance include the efforts to contribute to eradication of poverty, promotion of democracy, human rights, social justice and involvement of less developed parts of the world in the world economy.

### *Transfers to foreign countries*

Transfers to foreign countries include contributions to international organisations, of which the Czech Republic is member, and payments to the societies of friends (expatriate societies).

For the year 2002, the total of CZK 712,881,000 was released to the budget of the Ministry of Foreign Affairs. CZK 622,095,000 was drawn in 2002. Lower transfers to foreign countries were due to the stronger exchange rate of the CZK in 2002 and to the fact that some international organisations set the actual amounts of contributions only in the course of 2002.

### *Non-investment subsidies to civic associations*

In 2002, the Ministry of Foreign Affairs provided non-investment subsidies to civic associations in the total amount of CZK 4,986,000. All such funds were expended for the benefit of civic associations in the Czech Republic and to support their expatriate activities abroad (printing and distributing bulletins and books, organising cultural events attended by Czech artists etc.).

### *Non-investment subsidies to business entities*

In 2002, the Ministry of Foreign Affairs drew funds in the amount of CZK 4,908,000 for projects related to research and development.

### *Visegrád Fund*

The contribution to the International Visegrád Fund in 2002 amounted to CZK 15,949,000.

### *Foreign radio broadcasting*

The Government of the Czech Republic, by its Resolution No. 573 of 10 September 1997, gave its consent to the financing of foreign radio broadcasting from the budget of the Ministry of Foreign Affairs. In 2002, the funds used for the foreign radio broadcasting amounted to CZK 62,000,000.

### *Top level visits*

The funds required to cover foreign visits by the Czech Republic's top representatives and top level visits to the Czech Republic amounted in total to CZK 64,165,000.

### *NATO Summit in Prague*

Based on Resolution of the Government of the Czech Republic No. 676 of 2 July 2001, financial resources were provided to the Ministry of Foreign Affairs from the state budget for 2002 in the amount of CZK 337,620,000 for the purpose of financing the preparation of the NATO/EAPC Summit in Prague held on 21-22 November 2002.

The above amount was reduced by CZK 435,000 that was transferred by a budgetary measure to the budget of the chapter of the Ministry of Interior for the manufacture and distribution of identification vests for journalists.

The resources required to prepare and organise the NATO Summit in 2002 were drawn down in the total amount of CZK 304,859,000; thus, there was a saving of financial resources in the amount of CZK 32,326,000, especially in view of the fact that the principle of tender procedure was to the maximum extent possible applied to the selection of contractors, although the financing of the Summit was not, based on a statement in writing of the Supreme Control Authority, subject to the obligation under Act No. 199/1994 Coll.

### *Organisation of elections abroad*

The cost of organising elections abroad to the Chamber of Deputies of the Parliament of the Czech Republic in 2002 amounted in total to CZK 18,612,000.

### *National programme of preparation of the Czech Republic for membership in the European Union*

Under this programme, the Ministry of Foreign Affairs deals with co-ordination and implementation of the communications strategy supporting the integration of the Czech Republic into the EU. IN 2002, an amount of CZK 39,600,000 was allocated for this programme, and CZK 35,518,000 was drawn down.

*Final evaluation of fulfilment of the budget by the Ministry of Foreign Affairs*

The principal binding indicators of budget expenditure of the Ministry of Foreign Affairs for 2002 have not been exceeded. The revenue increased by 8.39 %, i.e. CZK o 16,614,000, against the plan.

Developments in individual calendar quarters of 2002 were consistent with the specifics and needs of the work of the Ministry of Foreign Affairs, including its obligations towards international organisations in connection with the tasks and objectives of the Czech Republic's foreign policy.

## APPENDIX

### Summary of diplomatic relations of the Czech Republic

| Country                   | Establishment of diplomatic relations with former Czechoslovakia | Establishment of diplomatic relations with the Czech Republic | Seat of the competent embassy of the Czech Republic | Seat of the competent embassy of the given state for the Czech Republic |
|---------------------------|--|---|---|---|
| Afghanistan               | 1937   | 1993  | Islamabad   | Prague  |
| Albania                   | 1927   | 1993  | Tirana  | Prague  |
| Algeria                   | 1962   | 1993  | Algiers   | Prague  |
| Andorra                   | no diplomatic relations existed                                  | 1996  | Madrid  | not designated  |
| Angola                    | 1975   | 1993  | Luanda  | Berlin  |
| Antigua and Barbuda       | no diplomatic relations existed                                  | 1993  | Caracas   | London (working)  |
| Argentina                 | 1924   | 1993  | Buenos Aires  | Prague  |
| Armenia                   | 1992   | 1993  | Tbilisi   | Vienna  |
| Australia                 | 1972   | 1993  | Canberra  | Warsaw (HC Prague)  |
| Azerbaijan                | 1992   | 1993  | Ankara  | not designated  |
| Bahrain                   | no diplomatic relations existed                                  | 1993  | Riyadh  | not designated  |
| Bangladesh                | 1972   | 1993  | Delhi (HC Dhaka)                                    | Berlin  |
| Barbados                  | 1977   | 1996  | Caracas   | London (working)  |
| Belgium                   | 1919   | 1993  | Brussels  | Prague  |
| Belize                    | no diplomatic relations existed                                  | 1996  | San Jose (HC Orange Walk Town)                      | not designated  |
| Belarus                   | 1992   | 1993  | Minsk   | Prague  |
| Benin                     | 1962   | 1993  | Abuja   | Moscow  |
| Bolivia                   | 1935   | 1993  | Lima (HC La Paz)                                    | Vienna  |
| Bosnia and Herzegovina    | no diplomatic relations existed                                  | 1993  | Sarajevo  | Vienna  |
| Botswana                  | 1968   | 1997  | Pretoria  | London  |
| Brazil                    | 1920   | 1993  | Brasilia  | Prague  |
| Brunei                    | 1992   | 1995  | Jakarta   | not designated  |
| Bulgaria                  | 1920   | 1993  | Sofia   | Prague  |
| Burkina Faso              | 1968   | 1993  | Abidjan   | Vienna  |
| Burundi                   | 1963   | 1993  | Nairobi   | Bonn  |
| Chad                      | 1967   | 1994  | Abuja   | Moscow  |
| Peoples Republic of China | 1949   | 1993  | Beijing   | Prague  |

|                    |                                 |                               |   |                    |
|--------------------|---------------------------------|-------------------------------|---|--------------------|
| Denmark            | 1920                            | 1993                          | Copenhagen                                      | Prague             |
| Dominican Republic | no diplomatic relations existed | 1996                          | Caracas   | not designated     |
| Dominican Republic | 1942                            | 1993                          | Caracas (HC Santo Domingo)                      | Berlin (CG Prague) |
| Djibouti           | 1977                            | 1997                          | Addis Ababa (HC Djibouti)                       | not designated     |
| Egypt              | 1922                            | 1993                          | Cairo   | Prague             |
| Ecuador            | 1935                            | 1993                          | Bogota (HC Guayaquil)                           | Warsaw (HC Prague) |
| Eritrea            | no diplomatic relations existed | 1993                          | Addis Ababa                                     | Berlin             |
| Estonia            | 1928                            | 1993                          | Tallinn   | Prague             |
| Ethiopia           | 1944                            | 1993                          | Addis Ababa                                     | Vienna             |
| Fiji               | 1970                            | 1996                          | Canberra  | not designated     |
| Philippines        | 1973                            | 1993                          | Manila  | Prague             |
| Finland            | 1921                            | 1993                          | Helsinki  | Prague             |
| France             | 1918                            | 1993                          | Paris   | Prague             |
| Gabon              | 1976                            | 1993                          | Abuja   | Libreville         |
| Gambia             | 1972                            | 1993                          | Dakar   | Brussels           |
| Ghana              | 1959                            | 1993                          | Accra   | Prague             |
| Grenada            | 1979                            | 1993                          | Caracas   | not designated     |
| Georgia            | 1992                            | 1993                          | Tbilisi   | Vienna             |
| Guatemala          | 1927                            | 1993                          | Mexico (HC Guatemala City – temporarily closed) | Vienna (HC Prague) |
| Guyana             | 1976                            | 1993                          | Caracas   | London             |
| Guinea             | 1959                            | 1993                          | Dakar (HC Conakry)                              | Bonn               |
| Guinea - Bissau    | 1973                            | 1994                          | Dakar   | Brussels           |
| Haiti              | 1943                            | no diplomatic relations exist | Caracas (consular)                              | not designated     |
| Honduras           | 1930                            | 1993                          | San Jose (HCG Tegucigalpa)                      | Berlin             |
| Chile              | 1924                            | 1993                          | Santiago de Chile                               | Prague             |
| Croatia            | 1992                            | 1993                          | Zagreb  | Prague             |
| India              | 1947                            | 1993                          | Delhi   | Prague             |
| Indonesia          | 1955                            | 1993                          | Jakarta   | Prague             |
| Iraq               | 1933                            | 1993                          | Baghdad   | Prague             |
| Iran               | 1925                            | 1993                          | Tehran  | Prague             |
| Ireland            | 1947                            | 1993                          | Dublin  | Prague             |
| Iceland            | 1921                            | 1993                          | Oslo (HC Reykjavik)                             | Oslo (HCG Prague)  |
| Italy              | 1918                            | 1993                          | Rome  | Prague             |
| Israel             | 1948                            | 1993                          | Tel Aviv  | Prague             |



|   |  |      |                        |                |
|---|--|------|------------------------|----------------|
| Jamaica                                     | 1975                                     | 1993 | Caracas                | Berlin         |
| Japan                                       | 1920                                     | 1993 | Tokyo                  | Prague         |
| Yemen                                       | PDRY 1956<br>Yemen Arab<br>Republic 1968 | 1993 | Sanaa                  | Prague         |
| South Africa                                | 1991                                     | 1993 | Pretoria               | Prague         |
| Jordan                                      | 1964                                     | 1993 | Amman                  | Vienna         |
| Yugoslavia                                  | 1919                                     | 1993 | Belgrade               | Prague         |
| Cambodia                                    | 1956                                     | 1993 | Bangkok                | Berlin         |
| Cameroon                                    | 1990                                     | 1993 | Abuja                  | Moscow         |
| Canada                                      | 1942                                     | 1993 | Ottawa                 | Prague         |
| Cape Verde                                  | 1975                                     | 1993 | Dakar                  | Berlin         |
| Qatar                                       | no diplomatic<br>relations existed       | 1993 | Kuwait City            | Bonn           |
| Kazakhstan                                  | 1992                                     | 1993 | Alma Ata               | Prague         |
| Kenya                                       | 1964                                     | 1993 | Nairobi                | The Hague      |
| Peoples'<br>Democratic<br>Republic of Korea | 1948                                     | 1993 | Beijing                | Prague         |
| Colombia                                    | 1934                                     | 1993 | Bogota                 | Prague         |
| Comoros                                     | 1977                                     | 1995 | Nairobi                | Moroni         |
| Democratic<br>Republic of<br>Congo          | 1960                                     | 1993 | Kinshasa               | Prague         |
| Republic of Kong                            | 1964                                     | 1995 | Kinshasa               | Bonn           |
| Republic of Korea                           | 1990                                     | 1993 | Seoul                  | Prague         |
| Costa Rica                                  | 1935                                     | 1993 | San José               | Warsaw         |
| Cuba  | 1920                                     | 1993 | Havana                 | Prague         |
| Kuwait                                      | 1963                                     | 1993 | Kuwait City            | Prague         |
| Cyprus                                      | 1960                                     | 1993 | Nicosia                | Prague         |
| Kyrgyzstan                                  | 1992                                     | 1993 | Alma Ata               | Vienna         |
| Laos  | 1962                                     | 1993 | Bangkok                | Warsaw         |
| Lesotho                                     | 1982                                     | 1994 | Pretoria               | Rome           |
| Lebanon                                     | 1946                                     | 1993 | Beirut                 | Prague         |
| Liberia                                     | 1972                                     | 1993 | Accra<br>(HC Monrovia) | not designated |
| Libya                                       | 1960                                     | 1993 | Tripoli                | Prague         |
| Lithuania                                   | 1927                                     | 1993 | Vilnius                | Prague         |
| Latvia                                      | 1927                                     | 1993 | Riga                   | Prague         |
| Luxembourg                                  | 1922                                     | 1993 | Luxembourg             | Prague         |
| Madagascar                                  | 1976                                     | 1993 | Addis Ababa            | Moscow         |
| Hungary                                     | 1922                                     | 1993 | Budapest               | Prague         |
| Macedonia<br>(FYROM)                        | no diplomatic<br>relations existed       | 1994 | Belgrade               | Vienna         |
| Malaysia                                    | 1971                                     | 1993 | Kuala Lumpur           | Prague         |

|             |                                    |      |   |                       |
|-------------|------------------------------------|------|---|-----------------------|
| Malawi      | 1991                               | 1993 | Harare  | Bonn                  |
| Maldives    | 1975                               | 1993 | Delhi   | Male                  |
| Mali        | 1960                               | 1993 | Dakar   | Moscow                |
| Malta       | 1968                               | 1993 | Rome<br>(HC Naxxar)   | Berlin<br>(HC Prague) |
| Morocco     | 1959                               | 1993 | Rabat   | Prague                |
| Mauritania  | 1965                               | 1993 | Rabat   | Moscow                |
| Mauritius   | 1976                               | 1993 | Pretoria<br>(HC Port Louis)   | Berlin<br>(HC Prague) |
| Mexico      | 1922                               | 1993 | Mexico  | Prague                |
| Moldova     | 1992                               | 1993 | Bucharest   | Budapest              |
| Monaco      | no diplomatic<br>relations existed | 1993 | Paris<br>(HC Monte Carlo)   | not designated        |
| Mongolia    | 1950                               | 1993 | Ulanbatar   | Prague                |
| Mozambique  | 1975                               | 1993 | Harare  | Berlin                |
| Myanmar     | 1955                               | 1993 | Bangkok   | Berlin (working)      |
| Namibia     | 1990                               | 1993 | Pretoria<br>(HC Windhoek)   | Moscow                |
| Germany     | GDR 1949<br>FRG 1973               | 1993 | Berlin  | Prague                |
| Nepal       | 1959                               | 1993 | Delhi<br>(HC Kathmandu)   | Berlin                |
| Niger       | 1975                               | 1995 | Abuja<br>(HC Niamey)  | Bonn                  |
| Nigeria     | 1961                               | 1993 | Abuja   | Prague                |
| Nicaragua   | 1930                               | 1993 | San José<br>(HC Managua)  | Vienna<br>(HC Prague) |
| Netherlands | 1919                               | 1993 | The Hague   | Prague                |
| Norway      | 1921                               | 1993 | Oslo  | Prague                |
| New Zealand | 1958                               | 1993 | Canberra<br>(HC Auckland)<br>(HC Wellington –<br>provisionally closed)                        | Berlin<br>(HC Prague) |
| Oman        | no diplomatic<br>relations existed | 1993 | Riyadh  | Vienna                |
| Pakistan    | 1950                               | 1993 | Islamabad   | Warsaw                |
| Palestine   | 1983                               | 1993 | Ramallah<br>(contact office with<br>competencies on<br>Palestinian autonomous<br>territories) | Prague                |
| Panama      | 1929                               | 1993 | San José<br>(HC Panama)   | Vienna<br>(HC Prague) |

|   |                                 |                    |                            |                       |
|---|---------------------------------|--------------------|----------------------------|-----------------------|
| Papua - New Guinea                            | 1988                            | 1995               | Jakarta (HC Boroco)        | not designated        |
| Paraguay                                      | 1936                            | 1993               | Buenos Aires               | Berlin (HC Prague)    |
| Peru  | 1922                            | 1993               | Lima                       | Prague                |
| Cote d'Ivoire                                 | 1984                            | 1993               | Abidjan                    | Bonn                  |
| Poland  | 1919                            | 1993               | Warsaw                     | Prague                |
| Portugal                                      | 1920                            | 1993               | Lisbon                     | Prague                |
| Austria                                       | 1920                            | 1993               | Vienna                     | Prague                |
| Equatorial Guinea                             | 1970                            | 1993               | Abuja                      | not designated        |
| Romania                                       | 1919                            | 1993               | Bucharest                  | Prague                |
| Russia  | 1934                            | 1993               | Moscow                     | Prague                |
| Rwanda  | 1965                            | 2002               | Nairobi                    | Bonn                  |
| Greece  | 1920                            | 1993               | Athens                     | Prague                |
| Salvador                                      | 1930                            | 1994               | San José (HC San Salvador) | Berlin                |
| Samoa   | no diplomatic relations existed | 1995               | Canberra                   | not designated        |
| San Marino                                    | 1991                            | 1993               | Vatican                    | San Marino            |
| Saudi Arabia                                  | no diplomatic relations existed | 1995               | Riyadh                     | Prague                |
| Senegal                                       | 1967                            | 1993               | Dakar                      | Bonn (HC Prague)      |
| Seychelles                                    | 1976                            | 1993               | Nairobi (HC Victoria)      | Victoria (HC Prague)  |
| Sierra Leone                                  | 1963                            | 1993               | Accra                      | Moscow                |
| Singapore                                     | 1973                            | 1993               | Singapore                  | Singapore (HC Prague) |
| Slovakia                                      |                                 | 1993               | Bratislava                 | Prague                |
| Slovenia                                      | 1992                            | 1993               | Ljubljana                  | Prague                |
| Somalia                                       | 1960                            | 2002               | Nairobi                    | not designated        |
| United Arab Emirates                          | 1988                            | 1993               | Abu Dhabi                  | Vienna                |
| Sri Lanka                                     | 1957                            | 1993               | Delhi (HC Colombo)         | Vienna (HC Prague)    |
| Central African Republic                      | 1970                            | under negotiations | Kinshasa                   | not designated        |
| Sudan   | 1956                            | 1993               | Cairo (HC Khartoum)        | Vienna                |
| Surinam                                       | 1976                            | 1996               | Caracas                    | not designated        |
| Sovereign Military Hospitaller Order of Malta | 1990                            | 1993               | Vatican City               | Prague                |
| St. Lucia                                     | no diplomatic                   | 1996               | Caracas                    | not designated        |

|                                |                                 |      |                               |                    |
|--------------------------------|---------------------------------|------|-------------------------------|--------------------|
|                                | relations existed               |      |                               |                    |
| St. Christopher and Nevis      | no diplomatic relations existed | 1993 | Caracas                       | not designated     |
| Sao Tome and Principe          | 1975                            | 1993 | Luanda                        | not designated     |
| St. Vincent and the Grenadines | no diplomatic relations existed | 1995 | Caracas                       | not designated     |
| Swaziland                      | 1991                            | 1993 | Pretoria                      | Copenhagen         |
| Syria                          | 1946                            | 1993 | Damascus                      | Prague             |
| Solomon Islands                | no diplomatic relations existed | 1996 | Canberra                      | Brussels (working) |
| Spain                          | 1919                            | 1993 | Madrid                        | Prague             |
| Sweden                         | 1920                            | 1993 | Stockholm                     | Prague             |
| Switzerland                    | 1919                            | 1993 | Bern                          | Prague             |
| Tajikistan                     | 1992                            | 1993 | Tashkent                      | Prague             |
| Tanzania                       | 1961                            | 1993 | Nairobi                       | Bonn               |
| Thailand                       | 1974                            | 1993 | Bangkok                       | Prague             |
| Togo                           | 1960                            | 1993 | Accra                         | not designated     |
| Trinidad and Tobago            | 1979                            | 1997 | Caracas<br>(HC Port of Spain) | not designated     |
| Tunisia                        | 1959                            | 1993 | Tunis                         | Prague             |
| Turkey                         | 1924                            | 1993 | Ankara                        | Prague             |
| Turkmenistan                   | 1992                            | 1993 | Moscow                        | Vienna             |
| Uganda                         | 1962                            | 1993 | Nairobi                       | Copenhagen         |
| Ukraine                        | 1992                            | 1993 | Kiev                          | Prague             |
| Uruguay                        | 1921                            | 1993 | Montevideo                    | Prague             |
| USA                            | 1919                            | 1993 | Washington                    | Prague             |
| Uzbekistan                     | 1992                            | 1993 | Tashkent                      | not designated     |
| Vanuatu                        | no diplomatic relations existed | 2002 | Canberra                      | not designated     |
| Holy See                       | 1920                            | 1993 | City of Vatican               | Prague             |
| United Kingdom                 | 1918                            | 1993 | London                        | Prague             |
| Venezuela                      | 1929                            | 1993 | Caracas                       | Prague             |
| Vietnam                        | 1950                            | 1993 | Hanoi                         | Prague             |
| East Timor                     | no diplomatic relations existed | 2002 | Jakarta                       | not designated     |
| Zambia                         | 1965                            | 1993 | Harare                        | Berlin             |
| Zimbabwe                       | 1981                            | 1993 | Harare                        | Vienna             |

Notes:

1) The table does not include information on periods during which the diplomatic relations were cut.  
2) The highest level residential offices are states as competent offices. Residential offices headed by honorary officers are stated in brackets and the competent non-residential office accredited for the relevant country or the Czech Republic is stated on the line above them. Accordingly, the non-residential embassy and the residential consulate is stated with respect to the Dominican Republic. Abbreviations used for offices headed by honorary officers are as follows: HC – consulate headed by a honorary officer, HCG- consulate general headed by a honorary officer.

3) The status as of the end of December 2002.

## Ambassadors of the Czech Republic (as of 31 December 2002)

| Name                | Country  | Seat         |
|---------------------|--|--------------|
| BAŠTA, Jaroslav     | Russian Federation<br>Republic of Belarus<br>Turkmenistan<br>Republic of Kazakhstan<br>Republic of Kyrgyzstan  | Moscow       |
| BLAŽEK, Antonín     | Bolivar Republic of Venezuela<br>Dominican Republic<br>Grenada<br>Barbados<br>Cooperative Republic of Guyana<br>Jamaica<br>Republic of Trinidad and Tobago<br>Republic of Surinam<br>Antigua and Barbuda<br>Commonwealth of Dominica<br>St. Lucia<br>St. Christopher and Nevis<br>St. Vincent and the Grenadines | Caracas      |
| BRAUN, Jozef        | Republic of Turkey<br>Republic of Azerbaijan   | Ankara       |
| BUCHTA, Alois       | Bosnia and Herzegovina   | Sarajevo     |
| BULENOVÁ, Jana      | Hellenic Republic  | Athens       |
| DOKLÁDAL, Petr      | Republic of Bulgaria   | Sofia        |
| EISENBRUK, Vladimír | Republic of Costa Rica<br>Republic of Panama<br>Republic of Nicaragua<br>Republic of Salvador<br>Republic of Honduras<br>Belize  | San José     |
| GREPL, Vítězslav    | Malaysia   | Kuala Lumpur |
| GRUŠA, Jiří         | Republic of Austria  | Vienna       |

|                   |  |              |
|-------------------|--|--------------|
| HAVLÍK, Jiří      | Kingdom of Belgium   | Brussels     |
| HOTĚK, Ivan       | Republic of Korea  | Seoul        |
| HRDÁ, Edita       | Republic of Argentina<br>Republic of Paraguay  | Buenos Aires |
| HUBÁČKOVÁ, Hana   | Republic of Hungary  | Budapest     |
| HUBINGER, Václav  | Republic of Kenya<br>Republic of Burundi<br>Union of Comores<br>Republic of Rwanda<br>Republic of Seychelles<br>United Republic of Tanzania<br>Republic of Somalia<br>Republic of Uganda | Nairobi      |
| HYBÁŠKOVÁ, Jana   | State of Kuwait<br>State of Qatar  | Kuwait City  |
| CHATARDOVÁ, Marie | Sweden   | Stockholm    |
| CHMIEL, Juraj     | Federative Republic of Nigeria<br>Republic of Benin<br>Republic of Chad<br>Republic of Cameroon<br>Republic of Niger<br>Republic of Equatorial Guinea<br>Republic of Gabon               | Abuja        |
| JAJTNER, Pavel    | Kingdom of Morocco<br>Islamic Republic of Mauritania   | Rabat        |
| JANYŠKA, Petr     | Republic of France   | Paris        |
| JUNEK, Jindřich   | Republic of Ghana<br>Republic of Liberia<br>Republic of Togo<br>Republic of Sierra Leone   | Accra        |
| KARFÍK, Jakub     | Arab Republic of Egypt<br>Republic of Sudan  | Cairo        |
| KMONÍČEK, Hynek   | Permanent Mission of the Czech<br>Republic to the UN in New York   | New York     |

|                    |  |             |
|--------------------|--|-------------|
| KOLÁŘ, Petr        | Ireland  | Dublin      |
| KOPECKÝ, Bedřich   | Republic of Poland   | Warsaw      |
| KOPECKÝ, Jan       | Republic of Peru<br>Republic of Bolivia  | Lima        |
| KOŠŤÁLOVÁ, Marie   | Kingdom of Denmark   | Copenhagen  |
| KOTZY, Vladimír    | Canada   | Ottawa      |
| KOUTSKÝ, Josef     | Arab Republic of Syria   | Damascus    |
| KOVANDA, Karel     | Permanent delegation of the Czech<br>republic to NATO and EU   | Brussels    |
| KREUTER, Josef     | Swiss Confederation  | Bern        |
| KŘENEK, Miroslav   | Federative Democratic Republic of Ethiopia<br>Republic of Djibouti<br>State of Eritrea<br>Republic of Madagascar | Addis Ababa |
| KUBERNÁT, Petr     | Kingdom of the Netherlands   | The Hague   |
| KUBÍČEK, Jiří      | Republic of Latvia   | Riga        |
| KUMERMANN, Daniel  | State of Israel  | Tel Aviv    |
| KVAPIL, Jaromír    | Republic of Portugal   | Lisbon      |
| KYPR, Petr         | Kingdom of Norway<br>Republic of Iceland   | Oslo        |
| LABUDEK, Vladislav | Republic of Estonia  | Tallinn     |
| LANĚ, Tomáš        | The Hashemite Kingdom of Jordan  | Amman       |
| LAZAR, Boris       | Federal Republic of Germany  | Berlin      |
| LESZCZYNSKI, Roman | United Arab Emirates   | Abu Dhabi   |
| LOM, Petr          | Cote d'Ivoire<br>Burkina Faso  | Abidjan     |
| LORENC, Viktor     | Republic of Tunisia  | Tunis       |

|                  |  |            |
|------------------|--|------------|
| LUDVA, Jaroslav  | Republic of Uzbekistan<br>Republic of Tadjikistan  | Tashkent   |
| MACEŠKA, Jiří    | Permanent mission of the Czech Republic<br>to OECD in Paris  | Paris      |
| MAREK, Jaromír   | Democratic and People's Republic<br>of Algeria   | Algiers    |
| NEKVASIL, Jiří   | Georgia<br>Republic of Armenia   | Tbilisi    |
| NOVOTNÝ, Jaromír | Republic of India<br>Kingdom of Nepal<br>Democratic Socialist Republic of Sri Lanka<br>Republic of Maldives<br>People's' Republic of Bangladesh                  | Delhi      |
| NOVÝ, Luboš      | Socialist Republic of Vietnam  | Hanoi      |
| OLŠA, Jaroslav   | Republic of Zimbabwe<br>Republic of Malawi<br>Republic of Mozambique<br>Republic of Zambia<br>Democratic Republic of Sao Tome and Principe<br>Republic of Angola | Harare     |
| PALOUŠ, Martin   | United States of America   | Washington |
| PECH, Radek      | Romania<br>Republic of Moldova   | Bucharest  |
| POLÁČEK, Zdeněk  | Kingdom of Saudi Arabia<br>Kingdom of Bahrain<br>Oman  | Riyadh     |
| POVEJŠIL, Martin | Spain<br>Principality of Andorra   | Madrid     |
| PROUZOVÁ, Alena  | Republic of Finland  | Helsinki   |
| PŘIBÍK, Petr     | Islamic Republic of Pakistan<br>Islamic State of Afghanistan   | Islamabad  |
| RYCHTAR, Josef   | Republic of Colombia   | Bogotá     |



|                     |  |            |
|---------------------|--|------------|
|                     | Republic of Ecuador  |            |
| ŘEZÁČ, Pavel        | Great Libyan People's Arab Socialist Jamahiriya  | Tripolis   |
| SEČKA, Libor        | Republic of Italy<br>Republic of Malta   | Rome       |
| SEIFTER, Pavel      | United Kingdom of Great Britain and Northern Ireland   | London     |
| SIRO, Jaroslav      | Republic of South Africa<br>Republic of Botswana<br>Kingdom of Lesotho<br>Republic of Mauritius<br>Republic of Namibia<br>Kingdom of Swaziland | Pretoria   |
| SKOLIL, Marek       | Republic of Lebanon  | Beirut     |
| SLABÝ, Alexander    | Permanent Mission to the Office of the UN and other international organisations residing in Geneva   | Geneva     |
| SLÁDEK, Josef       | Commonwealth of Australia<br>New Zealand   | Canberra   |
| SLÁNSKÝ, Rudolf     | Slovak Republic  | Bratislava |
| SLAVICKÝ, Stanislav | Republic of Philippines  | Manila     |
| SMETÁNKA, Tomáš     | People's Republic of China<br>People's Democratic Republic of Korea  | Beijing    |
| SZUNYOG, Tomáš      | Republic of Slovenia   | Ljubljana  |
| ŠEPELÁK, Pavol      | Grand Duchy of Luxembourg  | Luxembourg |
| ŠINDELÁŘ, Miroslav  | Republic of Albania  | Tirana     |
| ŠITLER, Jiří        | Kingdom of Thailand<br>People's Democratic Republic of Laos<br>Kingdom of Cambodia<br>Union of Myanmar   | Bangkok    |
| ŠTĚPOVÁ, Vlasta     | Permanent Mission of the Czech Republic to the Council of Europe   | Strasbourg |

|                    |  |             |
|--------------------|--|-------------|
|                    | in Strasbourg  |             |
| ŠTINDL, Karel      | Ukraine  | Kiev        |
| ŠTOURAČOVÁ, Judita | Federal Republic of Yugoslavia<br>Republic of Macedonia  | Belgrade    |
| VACEK, Pavel       | Permanent Mission of the Czech<br>Republic to the UN, OSCE<br>and other international<br>organisations in Vienna | Vienna      |
| VÁVRA, Martin      | Republic of Cyprus   | Nicosia     |
| VESELÝ, Jaroslav   | Republic of Indonesia<br>Brunei Darussalam<br>The Independent State of Papua- New Guinea                         | Jakarta     |
| VOZNICA, Petr      | Republic of Lithuania  | Vilnius     |
| ZEMANOVÁ, Věra     | United States of Mexico<br>Republic of Guatemala   | Mexico City |
| ZRŮST, Pavel       | Eastern Republic of Uruguay  | Montevideo  |
| ŽEBRAKOVSKÝ, Karel | Japan  | Tokyo       |