

## Opening Message

*Dear Readers,*

*You have in your hands the fifth Report on the Foreign Policy of the Czech Republic, which was prepared by the Ministry of Foreign Affairs of the Czech Republic and summarises the Czech foreign policy in 2003. You can see how the Czech diplomacy put into practice the Concept of Foreign Policy of the Czech Republic for 2003 – 2006, which the government approved in March 2003, and how it conducted itself in the overall context of international affairs.*

*On 17 April 2003 the Czech Republic signed the Treaty of Accession to the European Union. In the following referendum, the majority of citizens of the country supported EU accession. One of the priority tasks of Czech foreign policy since the 1989 revolution is thus nearing fruition. Our active participation in sessions of the Council of the European Union and in the preparation of the European Union's Constitutional Treaty and our constructive work at sessions of the Intergovernmental Conference in 2003 have already demonstrated that we would be a worthy member of the EU.*

*We have also been working on two other foreign policy priorities: strengthening Euro-Atlantic ties and furthering friendly relations with our neighbours; these relations are indeed very positive and friendly. The Czech Republic honoured its commitments stemming from NATO membership and put great effort into the war the international community is waging on international terrorism. On the multilateral forum, the Czech Republic successfully completed its presidency of the 57<sup>th</sup> General Assembly of the United Nations. This publication brings information on these and many other aspects of Czech foreign policy during 2003.*

*Cyril Svoboda  
Deputy Prime Minister  
and Minister of Foreign Affairs  
of the Czech Republic*

## **INTRODUCTION**

2003 was a highly specific year for the Czech Republic and its foreign service. The country was well aware of the increased responsibility it would have to shoulder as it took the final steps before joining the EU and as the fight against international terrorism intensified.

These expectations soon became reality. The international campaign in Iraq and Afghanistan and other threats linked to the war on terror, as well as the final negotiations with European authorities and preparation of the referendum, presented a number of challenges to Czech foreign policy, challenges that required appropriate responses.

The fact that the Czech Republic's internal political scene was stable helped achieve the goals set. The government coalition continued in its work, albeit with the backing of a very small parliamentary majority.

Václav Havel's departure from the office of President of the Republic in February heralded a major change for Czech foreign policy. V. Havel played a crucial role in the establishment of a free and democratic Czechoslovakia and Czech Republic and in the country's return to the fold of developed European democracies. V. Havel's contribution to the Czech state and its foreign policy ranks him among the most important figures in Czech history.

In March, Václav Klaus took up the office of President and the foreign policy tasks stemming from this function.

Foreign policy activities in Czech Parliament were very extensive. Serious debates conducted in Parliament on a wide variety of foreign policy topics made clear its profound interest in the state's foreign policy.

The role of the Ministry of Foreign Affairs was to make the best possible use of all this foreign policy potential in order to present positively and assert the interests of the republic in accordance with the Euro-Atlantic alliance and European integration.

The Czech Republic continued to stabilise its position on the international scene in 2003, chiefly in the process of European integration and Euro-Atlantic co-operation.

The government concentrated on pursuing an active foreign policy designed to strengthen further the international standing of the Czech Republic. The main principles of Czech foreign policy continue to be asserting and defending the Czech Republic's vital interests, with the emphasis on the broadest possible consensus among domestic political

factions. The Czech Republic's foreign policy was based on the Government Policy Statement of August 2002 and the Concept of the Foreign Policy of the Czech Republic for 2003-2007, which was defined in March 2003. The main focus of attention was developing bilateral relations, as well as participation in multilateral activities as part of international organizations, conferences and other multilateral meetings. Another focus was the assertion of Czech national interests in other areas – economic, cultural and public interests, including relations at non-governmental level. Czech foreign policy ensured that measures and sanctions approved by the United Nations Security Council were implemented and that Czech law conformed to the law of the European Communities. The Czech Republic also played an active role in the war on international terrorism.

In December 2003 the government amended the Security Strategy of the Czech Republic. Security strategy was updated in response to the changes in the international security environment and in line with the integration processes taking place in the Euro-Atlantic zone. The new strategy is fully compatible with the Security Strategy of the European Union, which was also adopted in December 2003.

The signing of the Treaty of Accession of the Czech Republic to the European Union was a historical moment in the European integration process, in Czech foreign policy and in the history of Czech statehood. The signing took place at an extraordinary session of the European Council in Athens on 16 April 2003. In a referendum held on 13 June 2003 and 14 June 2003, Czech citizens supported their country's accession to the European Union on the terms negotiated in the Accession Treaty. 77.3% of the 55.2% of the population that took part in the referendum voted in favour of accession. The Accession Treaty was subsequently ratified by the President of the Republic on 30 September 2003.

2003 also saw the start of negotiations on enlargement of the European Economic Area (EEA), which culminated in the signing of the Agreement on the Participation of the Czech Republic in the European Economic Area in November 2003.

The Czech Republic's preparations for EU entry continued throughout 2003, touching on all areas of state administration. From April 2003 onwards, Czech representatives took part in the work of EU institutions at all levels as observers. In its monitoring report from the start of November 2003 the European Commission declared that the Czech Republic was ready to join and identified certain problem areas where it demanded that reforms be accelerated.

The fundamental debate on the future of the European Union continued with the active involvement of the Czech Republic. In the first half of the year the debate took place in the Convention and from October 2003 in the Intergovernmental Conference.

The Convention, and the ensuing Intergovernmental Conference, became the first forums in the EU in which Czech representatives could take full part and present the Czech Republic's vision of the future of European integration. The Convention formulated the Draft Treaty Establishing a European Constitution. The Intergovernmental Conference on the Future Arrangement of the EU debated the draft and other instruments designed to simplify the array of European treaties and make the arrangement of powers within the EU more transparent. Given the persisting differences in opinions on the institutional arrangement of the EU, the Intergovernmental Conference was not closed at the Brussels summit in December 2003; it was decided that it would continue in 2004.

The successful culmination of the Czech Republic's accession talks with the European Union and the signing of the Accession Treaty intensified parliamentary co-operation between the CR and the EU. The EU-Czech Republic Joint Parliamentary Committee continued its dialogue with deputies of the European Parliament; and once the Accession Treaty was signed, Czech deputies and senators started to operate as observers in the European Parliament.

In 2003 the Czech Republic also took part in preparing the new financial outlook of the European Union, supported the European Pro-Growth Initiative and was actively involved in the process of reforming the Common Agricultural Policy of the EU.

The Czech Republic also played a role in preparing a number of key EU positions and standpoints in the human rights working group of the Council of the European Union and in formulating principles of foreign development co-operation as one of the priorities of the EU's external relations. The Czech Republic is gradually increasing its development aid and bringing its mechanisms and magnitude closer to the systems that operate in developed donor countries.

EU countries continued to be the Czech Republic's key trading partners in 2003. Czech exports to EU countries rose by 1.5% over 2002 levels, reaching CZK 957.6 billion (69.8% of total exports); imports from EU countries were worth CZK 854.2 billion (59.2% of total imports). This represented a continuation of the Czech Republic's traditional balance of trade surplus, which amounted to CZK 103.3 billion in 2003. As in previous years, Germany remained the Czech Republic's biggest trading partner: 37% of all Czech exports headed to and one-third of all Czech imports came from Germany. Austria, Italy and France continued to be the next most important partners of the Czech economy.

Accession to the European Union, the referendum and related campaign presented a fundamental challenge to the government's communication strategy. In the first half of 2003, that strategy focused on the internal communication strategy, whose aim was to ensure that the referendum on the Czech Republic's accession to the European Union was successful. The strategy sought to ensure that the entire Czech public was given relevant information through educational courses, projects and programmes, in the media, on the Internet and also through direct contact in dozens of regional and municipal information centres.

The Czech Republic's external communication strategy sought to present the country as a reliable, responsible and trustworthy partner capable of honouring all its commitments and bearing its portion of responsibility for the future development of Europe.

2003 brought progress in the harmonisation of Czech foreign policy with the Common Foreign and Security Policy of the European Union. This resulted from the fact that from April 2003 onwards the Czech Republic was able to participate in the formation and implementation of the EU's foreign policy as an observer. It took part in sessions of working groups of the 2<sup>nd</sup> pillar of the EU, the Political and Security Committee of the EU (COPS), the Committee of Permanent Representatives (COREPER) and the Council for General Affairs and External Relations (GAERC), and attended certain meetings between the EU and third countries. This gave the Czech Republic the opportunity to try out in practice the mechanisms by which the Common Foreign and Security Policy operates and acquaint itself in real time with emerging positions and standpoints in this area and influence these positions and standpoints.

The Czech Republic was involved in implementing the EU's common strategies regarding Russia, Ukraine and the Mediterranean and in preparing the European Security Strategy as a key EU document in the area of the Common Foreign and Security Policy.

One dynamically developing component of this Policy is the European Security and Defence Policy (ESDP). During 2003 important policy decisions and decisions regarding the building of military capacities were made. The EU demonstrated its ability to conduct its own operations, both military and civilian in nature. One important step was the signing of the Framework Agreement between NATO and the EU, which makes it possible to conduct operations drawing on NATO resources and capabilities. The Czech Republic was actively involved in developing the ESDP. The standpoints it formulated were based on the country's foreign and security policy priorities. The Czech Republic's approach to developing the ESDP was based on emphasising its efficacy and complementarity with other actors in the European security architecture, most notably NATO. The Czech Republic is convinced that strengthening the ESDP will also contribute to making NATO more effective and will result in stronger

transatlantic ties. Following the first stabilisation operations by the EU in southeast Europe (the EUPM police operation in Bosnia and Herzegovina and CONCORDIA military operation in the Former Yugoslav Republic of Macedonia), the Czech Republic despatched its representatives to these operations.

The intergovernmental conference on the Draft Treaty Establishing a Constitution for Europe proposed that co-operation be substantially intensified. After the member states' comments and suggestions regarding the submitted proposal were worked into the Draft, the Czech Republic supported the passages concerning the ESDP.

One of the Czech Republic's main activities in NATO in 2003 was implementing the conclusions of the Prague summit. In line with NATO policy, which continued to strengthen its capabilities to react to the current security threats (terrorism, weapons of mass destruction), the Czech Republic implemented its goals and commitments in developing the new military capabilities, in particular the NATO Response Force (NRF) and Prague Capabilities Commitment (PCC). One of the most significant Czech activities in this area was its leading role in developing a multinational NATO battalion for protecting against weapons of mass destruction. The Czech Republic also continued to take part in military operations conducted by the Alliance, chiefly in Kosovo.

Besides broadening and developing new relations with NATO partners, the Czech Republic was also one of the most active countries in the process of preparing and implementing further NATO expansion. This expansion is one of the Czech Republic's foreign policy and security policy priorities. Moreover, the Czech Republic was one of the first countries to ratify the accession of invited countries to the North Atlantic Treaty. The Czech Republic was among those allies which formulated NATO policy regarding Serbia and Montenegro, in supporting the defence capabilities of Turkey during the Iraq crisis and in co-operation with Russia.

The Czech Republic supported the completion of negotiations on the Framework Agreement between NATO and the EU, which marks a fundamental qualitative change in relations between the two organizations and made it possible, among other things, for the European Union to take over NATO's ALLIED HARMONY operation in the former Yugoslav Republic of Macedonia.

One integral part of the Czech Republic's international security activities was its work in the Organization for Security and Co-operation in Europe (OSCE). With the participation of

the Czech Republic, the first OSCE Annual Security Review Conference took place in June 2003. Yet again, the Czech Republic hosted the Economic Forum of OSCE. In the OSCE Human Dimension the issues of human trafficking, improving the position of Roma citizens, non-discrimination and freedom of speech and of the media were at the forefront of the Czech Republic's attention.

During the year, the Czech Republic took part in drawing up important new OSCE documents, which were adopted at the December OSCE Foreign Ministers' Meeting in Maastricht.

The Czech Republic continued to take part in monitoring election processes in OSCE countries and continued to send its experts to OSCE missions in the field.

Prague remains the headquarters of the office of the OSCE Secretariat and the Czech Republic wishes to intensify the Secretariat's work to the benefit of the entire organization.

The 57<sup>th</sup> Session of the General Assembly of the United Nations (UNGA) continued in 2003. UNGA was chaired by the Czech Republic's former foreign affairs minister Jan Kavan. The Czech presidency of UNGA has been without doubt one of the most important presentations of the Czech Republic in multilateral diplomacy in recent years. Sessions held during 2003 dealt with, among other things, questions related to the endeavour to define the UN's role in the changing world, making UN activities more effective and reforming its key bodies. In this context, resolutions to prevent armed conflicts or to integrate and co-ordinate the implementation of conclusions of UN conferences and summits were debated and subsequently adopted. The Czech presidency was also actively involved in the reform drive within the UN, intended to strengthen the UN and make its work more effective, to revitalise the General Assembly and reform the Security Council.

The key components of the Czech Republic's work at the 58<sup>th</sup> UNGA in autumn 2003 were the speech by Minister Cyril Svoboda in the general debate, the Czech Republic's intensive involvement in EU co-ordination mechanisms in the UN and chairmanship of the Czech Republic's permanent representative at the UN Hynek Kmoníček in the administrative and budget committee of UNGA. The Czech Republic also took part in the work of a number of other UN bodies and specialised agencies in the UN system. At the same time, in line with its security interests and commitments, it took part in work under all the relevant international treaties in the areas of nuclear safety, non-proliferation of WMD, arms control and disarmament.

In 2003 the Czech Republic continued to be an active member of all existing international control systems, whose significance lay in their tightened export policy regarding armaments, facilities and technologies for direct use and dual-use items, which has helped prevent proliferation of WMD and their means of delivery and the excessive stockpiling of conventional weapons in certain countries and regions.

Multilateral co-operation also proceeded successfully in other international organizations. Representatives of the Czech Republic presented and clarified the relevant government policies within the UN system and outside it and were actively involved in political and economic dialogue with partner member states in the global arena (OECD, WTO, Bretton Wood institutions) and in the regional arena (CEFTA, SEI). The Czech Republic was also involved in more than forty other international organizations. The Czech Republic's multilateral economic diplomacy thus continued to develop in line with the significance attributed to it in the country.

The first phase of the World Summit on the Information Society (WSIS) was held in Geneva on 10.-12 December 2003. The Czech Republic took an active part in preparations and in the summit itself. The results of the summit were summarised in the adopted documents – the Declaration of Principles and the Action Plan.

One consequence of the Czech Republic's entry to the European Union is the country's adoption of the EU's common policies regarding third countries, in respect of trade or visa requirements, for example. The requirement for the legal framework regarding third countries to comply with the *acquis communautaire* made it necessary to revise and adjust the Czech Republic's treaties. That meant modifying or denouncing certain bilateral treaties, but this has not constituted any weakening of or qualitative change in the Czech Republic's relations with these countries.

The Czech Republic accented the need to maintain good neighbourly relations. The agenda associated with the integration of the Czech Republic and other candidate states into the European Union formed the core of a number of negotiations on this plane. Besides co-operation in the political sphere, interdepartmental co-operation also grew, trade exchange was broadened and new contacts were established between cities, municipalities and regions; intensive cross-border co-operation and cultural exchange were expanded. Co-operation between regions within the European Union was an important aspect of the Czech Republic's foreign policy.



The Czech Republic's and other candidate states' accession to the European Economic Area brought the issue of the Czech Republic's bilateral relations with the Principality of Liechtenstein back into the spotlight. The Principality made signing the agreement on the participation of the Czech Republic in the European Economic Area conditional on a solution to its property demands in respect of the Czech Republic. After a number of meetings at international level the Agreement was signed, without the aforementioned demands being accepted.

In 2003 the Czech Republic continued to take part in the political and economic stabilisation and renewal of southeast Europe through the Stability Pact, where it chiefly concentrated on passing on its experiences with transformation processes.

In Eastern Europe, the Czech Republic continued in its endeavour to develop relations with the Russian Federation and Ukraine. Political dialogue at top level was intensified. Considerable attention was paid to boosting economic and trade ties.

The Czech Republic did not focus its attention entirely on Europe. It continued to stress transatlantic ties and paid particular attention to furthering relations with the United States of America and Canada. Close co-operation with these allies remained a foreign policy priority in 2003.

In the Middle East, the Czech Republic actively supported the drive to find a solution to the Iraq problem and the conflict between Palestinian National Authority and Israel. Its balanced approach helped reduce tensions and ensure security, stability and economic prosperity in this region. The Czech Republic supported the coalition intervention against Saddam Hussein's regime in Iraq, where it later engaged in humanitarian aid and the comprehensive renewal of the country.

The Czech Republic sought to deepen all aspects of co-operation with Asian, Latin American and African countries, paying considerable attention to developing economic and trade ties. It successfully established and strengthened advantageous economic ties with Central Asian states. The Czech Republic pursued bilateral negotiations to achieve better conditions for placing Czech products on the market in other countries. The spread of the SARS epidemic had an unfavourable impact on the Czech Republic's economic ties with the countries of Southeast and East Asia. In September 2003, the Republic of Palau became the latest country to establish diplomatic relations with the Czech Republic.

Relations with the Czech Republic's neighbours are a particularly important aspect of its foreign policy. Intensive political dialogue with the Slovak Republic continued, reflecting the superior standard of relations between the two states. A decision was made to prepare a

political memorandum declaring the two countries' common interest in maintaining the existing standard of mutual relations after accession to the European Union. Top-level representatives of the Czech and Slovak republics met several times in 2003 to discuss matters of mutual and multilateral relations. The process associated with integrating the Czech Republic and other candidate countries into the European Union formed the main agenda for a number of meetings. Besides co-operation in the political sphere, interdepartmental co-operation also expanded; there was also increased trade and new contacts were established between towns, municipalities and regions. Intensive cross-border co-operation and cultural exchange in 2003 continued to serve to demonstrate the countries' shared interest in good neighbourly relations.

Relations with Poland remained at an exceptionally high level. Bilateral relations were furthered in the context of the process of European integration and NATO. Cross-border co-operation designed to resolve specific problems encountered by citizens on both sides of the frontier also continued successfully.

A factor behind the further deepening of bilateral ties with Hungary in 2003 was the meeting between senior representatives of the Czech Republic and Republic of Hungary. Co-operation at regional level also developed successfully.

Relations with Germany and Austria in 2003 were affected by the differing views on certain issues. Whilst it is fair to describe developments in economic and trade relations as successful, contentious issues associated with past history endure and serve as political instruments in both the Czech Republic's German-speaking neighbours. This chiefly involves the debate linked with the initiative in certain circles of German society to set up a "Centre against Expulsions".

Czech diplomacy can also be thanked for the successful overcoming of the negative impacts of the proposal by certain German and Austrian MEPs to link the Czech Republic's accession talks with the EU to a demand that those norms of Czechoslovak post-war legislation which concerned the transfer of German citizens and confiscation of German property be rescinded.

In this context, in its declaration on the results of the referendum on the Czech Republic's accession to the EU the Government of the Czech Republic aligned itself with the Czech-German Declaration of January 1997 and the declaration of President V. Klaus of March 2003, stating that the events that took place on Czech territory directly after the end of the war were unacceptable from today's point of view. On the occasion of his visit to Austria on 26 September 2003, Prime Minister V. Špidla added to these arguments the concept of "moral

responsibility“ and extended the Czech side’s regret to those who were transferred and later became Austrian citizens.

Bilateral dialogue with the Federal Republic of Germany involved a number of summit-level meetings, at which the European dimension of Czech-German relations was given greater space. Politicians in both countries made several conciliatory declarations regarding our shared past.

Relations with the Republic of Austria were strengthened, as borne out by the high frequency of visits made by political representatives and the intensity of co-operation in all areas. Consistent implementation of the Brussels Agreement made it possible to create an atmosphere of mutual trust in the area of nuclear power, and open political dialogue also made it possible to suppress the negative features of the debate over certain historical issues.

Co-operation between Visegrad Group countries continued successfully at all levels. The main issue in 2003 was the fate of V4 after its members joined the European Union. In June 2003 the Czech Republic took over the presidency of the Visegrad Group; it adopted “continuity” and “the future” as its watchwords. That reflected its interest in making use of and further expanding the network of established contacts and in performing specific projects, so that the debate on the future of Visegrad Group co-operation could be closed by the end of the Czech presidency, including a new document defining the goals of V4 within the EU. The V4+ format, in which interdepartmental contacts are established with other countries (such as Austria and Slovenia), proved successful. Contacts were successfully established with equivalent regional formations in Europe whose experiences could be very valuable for the work of V4. The work of the International Visegrad Fund was very positive in 2003. The Fund again proved that it is a good platform on which to expand Visegrad co-operation at non-governmental level. In this context a programme of Visegrad scholarships for postgraduate students from V4 countries was launched, among other things.

The United States of America remained a strategic partner for the Czech Republic in the political, economic and security fields. The development of good relations and close co-operation between the Czech Republic and the USA and the EU and the USA is one of the Czech Republic’s foreign policy priorities. The United States continues to be the most important member of NATO, which is the main guarantor of the Czech Republic’s security. The Czech Republic is regarded as a reliable ally in the USA and engaged in missions in crisis areas as part of the worldwide war on terrorism.

The culmination of bilateral relations in 2003 was the official visit to the USA by Prime Minister V. Špidla, accompanied by the ministers for foreign affairs, defence, and industry and trade, during which the Czech Prime Minister was received by President G. W. Bush.

The Czech Republic continued to take part in the work of the Organization for Economic Co-operation and Development (OECD) in 2003. It participated in some horizontal projects (mainly in the area of sustainable development) and in co-operation with OECD non-members. Numerous working visits and meetings at executive and parliamentary levels were linked with the Czech Republic's engagement in OECD.

The Czech Republic was actively involved in sessions of the World Trade Organization (WTO), where it worked closely with the EU and its existing and future members. The Czech Republic again featured in the elected structures of the WTO: its representative was made head of one of the Organization's supreme bodies.

The Czech Republic was similarly active at sessions of other international organizations, chiefly the IMF, the World Bank and others.

The Stability Pact for South Eastern Europe (SESP) remained at the centre of attention of Czech diplomacy. The Czech Republic took part in the work of all three SESP working tables, with special emphasis on the second (for economic co-operation, renewal and development) and third (defence and security). Czech projects helped achieve the goals of SESP and reinforced the position of Czech diplomacy in an area of primary interest. 2003 brought a workshop on energy issues in Prague as part of the second working table; later in the year a Czech project for managing an important information base of the common market in electricity in southeast Europe was presented.

Over the ten years of its existence, the Central European Free Trade Association (CEFTA) has fully proved its worth. Given the approaching EU entry of some CEFTA members, a Supplementary Agreement amending the Central European Free Trade Agreement relating to amendments on validity and withdrawal from the Agreement was signed in 2003, when Slovenia held the presidency. The Supplementary Agreement makes it possible for the agreement to cease to apply to individual members on the day on which they join the European Union.

Another form of regional co-operation, the Central Europe Initiative (CEI), also registered discussions on its future in 2003. Poland, which holds the presidency of the CEI, set out the following key priorities: strengthening ties between the CEI and the EU, boosting the economic dimension and striving to make the working of the CEI more rational and more effective.

These priorities were consistent with the European Commission's "New Neighbours" and "Wider Europe" initiatives, which extended the spectrum of EU activities to include co-operation with countries outside talks on EU accession. The EU's Athens and later Thessaloniki summits were further impulses for broadening EU co-operation with CEI member countries.

The Ministry of Foreign Affairs of the Czech Republic continued to regard actively safeguarding and asserting Czech economic interests abroad, including direct and indirect support for Czech firms on foreign markets, as one of its priorities in 2003. The Ministry focused chiefly on improving the work of its diplomats in economic sections and making the co-ordination of its work in managing these diplomats more effective; it did so in collaboration with the Ministry of Industry and Trade of the Czech Republic. One new element in 2003 was the integration of the foreign offices of state pro-export and foreign investment agencies into the structures of the Czech Republic's embassies.

As part of the support for science and research, the Ministry of Foreign Affairs paid attention to trends in the world economy, including certain historical aspects of the world economy, and political and historical projects. The projects were drawn up in partnership with eminent research institutes, universities and various associations. Projects analysing cross-border co-operation with neighbouring countries, migration to the Czech Republic from Asian countries, the history of Czech-German relations, the consequences of World War II, etc. continued in 2003.

Consular activities were an integral part of the practice of Czech foreign policy. The consular service, assistance to Czech citizens abroad and visa issues were handled in collaboration with the headquarters of the Ministry of Foreign Affairs, other state authorities and the consular network of the Czech Republic's embassies abroad. Preparing this area for the new problems and tasks associated with the Czech Republic's accession to the EU was prioritised, focusing on the further harmonisation of the Czech Republic's visa policy with that of EU members, primarily in implementing the Schengen system. Intensive preparations were

also made for implementing the institute of consular protection and assistance for EU citizens in 2003.

The Czech Republic has for long been aware of the significance of foreign development and humanitarian co-operation (FDC), whose principles are a logical extension of the founding ideas of European integration. FDC has for that reason become an integral part of Czech foreign policy; its significance was confirmed in the Concept of Foreign Development Aid for 2002-2007. Besides reducing poverty and promoting sustainable socio-economic development, the main goals of Czech FDC are supporting the development and reinforcement of democracy and human rights, good governance and post-war renewal.

In 2003 the Czech Republic spent CZK 2,720 million on foreign development co-operation, most of it in connection with the massive assistance for Iraq (worth CZK 1,133 million). In addition to this, the Czech Republic channelled more than CZK 40 million into specific humanitarian aid projects for 11 countries afflicted by natural disasters or armed conflict (Iraq, Turkey etc.).

The Ministry of Foreign Affairs of the Czech Republic initiated a number of measures designed to make the system by which development aid is provided more effective.

Communication with and support of Czechs abroad was another key aspect of Czech foreign policy in 2003. Work in this area concentrated on financial and material aid for Czechs abroad.

Broadcasts by Czech Radio 7 – Radio Prague represented one important link between the Czech Republic and Czech compatriots and friends of our country abroad. Czech foreign broadcasts, in six languages, focused mainly on providing universal and qualified information on life in the Czech Republic. Radio Prague also made it possible to maintain contacts with important Czech communities around the world; the significance of the Internet has also grown.

One integral part of the presentation of the Czech Republic abroad was the work of Czech Centres (CCs), which concentrate on promoting the country in the areas of culture, trade and tourism. There were 19 CCs operating around the world in 2003. Czech Centres conducted a large number of presentations, seminars, exhibitions and lectures and became a forum for broad and lively debate on the Czech Republic and its image in the world.

In their pro-export activities, CCs concentrated on corporate presentations or providing general business and economic information. In 2003 CCs continued to promote the Czech Republic's regions and to broker appropriate contacts.

Besides CCs, Czech embassies also helped present the Czech Republic abroad and its culture and life. A number of film screenings, cultural seasons, festivals, exhibitions, authors' readings, theatre performances, concerts etc. showed that culture is not just an integrating factor in international dialogue: it is also an important way of promoting the Czech Republic.

The constantly improving website of the Ministry of Foreign Affairs forms an integrated information system that is the calling card of the Czech foreign service. This system has proved to be a very effective tool for keeping the general public informed. Besides the central site [www.mzv.cz](http://www.mzv.cz), the greatest interest was registered by [www.euroskop.cz](http://www.euroskop.cz), especially in the context of the referendum on the Czech Republic's accession to the EU.

The Ministry of Foreign Affairs of the Czech Republic has on no account neglected the future staffing of the Czech foreign service. Part of this endeavour can be seen in the Diplomatic Academy (DA) of the Ministry of Foreign Affairs of the Czech Republic. Besides courses in basic and advanced diplomatic training, which are compulsory, DA also responded to the Czech foreign service's needs by putting on special courses for junior diplomats and economic section staff. In view of the approaching date of the Czech Republic's accession to the EU, DA expanded its range of courses covering EU issues.

The Diplomatic Academy organised a total of six education modules in 2003. DA students worked in sections of the Ministry of Foreign Affairs and at its embassies.

The DA worked very closely with its partners abroad. Close co-operation with equivalent institutions in France, Austria, Germany and Belgium continued; contacts with other countries were established.

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

### **1. Czech Republic and the European Union**

The signing of the Treaty of Accession to the European Union by the Czech Republic and nine other states was a historical moment in the process of European integration. The signing took place at an extraordinary session of the European Council in Athens on 16 April 2003. Six months later (14 October 2003), the Czech Republic signed the Agreement on Participation in the European Economic Area.

Under the constitutional act on a referendum on the Czech Republic's accession to the EU the referendum on this question was successfully held on 13 June and 14 June 2003. The Accession Treaty was ratified by the President of the Czech Republic on 30 September 2003.

Upon signing the Treaty of Accession to the European Union the Czech Republic gained the status of an observer in Union institutions. In the course of 2003 preparations of the Czech Republic for the accession to the EU were forcefully carried out. In its November 2003 monitoring report, the European Commission drew attention to certain areas where shortcomings needed to be remedied.

During 2003 the Czech Republic was actively involved in the fundamental debate on the future of the European Union, in the first half of the year in the Convention and from October 2003 in the Intergovernmental Conference.

#### **The Signing of the Accession Treaty**

On 16 April 2003 the leading representatives of the Czech Republic, along with representatives from EU member states and the nine other acceding states (Estonia, Lithuania, Latvia, Hungary, Malta, Cyprus, Poland, Slovakia and Slovenia), signed the Treaty of Accession to the European Union in Athens. This is the key international treaty in the history of the independent Czech Republic. The signing marked the start of the ratification process that was successfully completed in eleven member and nine acceding states by the end of 2003. The Treaty contained all the agreements (including transition periods) that were negotiated during the preceding political talks.

A referendum and ratification of the Treaty by the president followed. On 3 November 2003 the ratification deeds were placed in the custody of the Treaty's depositary, the



government of the Republic of Italy, marking completion of the ratification process on the part of the Czech Republic.

### **Observer Status**

Starting on the date on which the Treaty of Accession was signed, representatives of the Czech Republic, as well as those of the other nine acceding countries, gained the status of observers at all working and political levels of EU institutions. Acceding countries had an advisory voice, without voting rights, at sessions until the date of accession. This afforded the Czech Republic's representatives in the EU valuable experience: they started to define national policy priorities within the EU, to gain partners from other countries for political co-operation and to assert the interests of citizens of the Czech Republic in the context of the Union.

### **European Commission Monitoring Report**

On 5 November 2003 the European Commission published monitoring reports on the ten acceding countries, including the Czech Republic. The monitoring report on the Czech Republic focused chiefly on evaluating the progress that had been achieved by the end of September 2003 in implementing the necessary reforms and carrying out the assumed commitments.

The report essentially identified three main problem areas where the Czech Republic was urged to remedy shortcomings. These were the absence of legislation regarding mutual recognition of professional qualifications, road transport (technical inspections for road vehicles, supervision of State Technical Inspection, monitoring dangerous loads) and legislation related to implementing EU standards in food processing plants.

The Commission identified certain other areas as partially problematic, such as the free movement of services (insurance, information society services, settlement rights, freedom of provision of financial services); competition policy (rules governing provision of state aid); regional policy and co-ordination of structural instruments; and the environment (Natura 2000). Based on the Monitoring Report, the Commission proposed that no protection measures be adopted against the Czech Republic; the overall assessment of the Czech Republic was positive.

## **Czech Republic Demands for Transitional Periods or Exemptions**

The Czech Republic requested a transitional period until the end of 2012 to attain the targets prescribed for recycling and re-use of packaging waste. The Czech Republic also requested that the deadlines for implementing the duty for electrical and electronic appliances to be taken back by their manufacturers and importers to the market in the Czech Republic and for the re-use and recycling of components of these products to be deferred until the end of 2008.

The Czech Republic also sought an exemption from implementation of the regulation on substances harmful to the ozone layer, namely the use of halon 2402, which is used as an extinguishing substance by the army. The Czech Republic also requested transitional periods for implementation of the directive on taxing interest and licence fees and for implementing the Directive of the Council of the European Union regarding changes in the system for taxing energy products and electricity at the level of the European Community for electricity, solid fuels, natural gas for heat generation and diesels for motor propulsion for business purposes.

## **Use of Pre-accession Aid from EU Funds and Preparing for Use of the Structural Funds and Cohesion Fund**

During 2003 the Czech Republic made substantial progress in the final phases of preparations for use of the Structural Funds and Cohesion Fund. It was one of the few countries that were rated positively in the report on progress in performing the commitments stemming from the regional policy chapter and co-ordination of structural instruments. In its Resolution no. 985 of 1 October 2003 the Czech government approved the Memorandum of the Czech Republic on the Future of Regional Policy. This document will serve as the official position of the Czech Republic in the debate on the future and reform of European regional policy.

The decisive factor for structural policies in 2003 was the preparation and negotiation of programme documents for the 2004-2006 period. A key document in this context is the National Development Plan (a general document analysing the Czech Republic's position, national priorities and the distribution of resources among individual development areas).

Based on this document the Czech Republic negotiated the Community Support Framework with the European Commission.

Furthermore, the Czech Republic completed its negotiations with the European Commission on five operations programmes (OPs): the Joint Regional OP (JROP), Industry and Trade, Infrastructure, Human Resources Development and Countryside Development and Multifunctional Agriculture. Negotiations with the European Commission regarding the possibility of drawing funds from the Community's EQUAL and INTERREG initiatives were also completed.

The Czech Republic drew down a total of CZK 35.75 billion from EU funds (ISPA, PHARE, SAPARD, Solidarity Fund) by the end of 2003.

### **Institution Building and Organization of the Czech Republic's Internal Preparations for EU Membership**

The Committee for the European Union formed the basis of the new structure preparing the Czech Republic's positions on individual questions in the Union's agenda, as well as conceptual documents concerning the Czech Republic's working in the EU. In 2003 this Committee met once a week at the level of deputy ministers or other senior officials at the ministries and other bodies of state administration. The Committee discussed and approved position papers regarding the Czech Republic's work in the Committee of Permanent Representatives to the EU (COREPER I and II) and also discussed mandates for negotiations within the Council of the European Union. The important documents were then passed on to the Government of the Czech Republic.

After the signing of the Treaty of Accession, co-ordination groups were set up in the ministries to work alongside the existing European sections or departments. These co-ordination groups clarified positions on EU issues discussed in working groups of the Council of the European Union. A mechanism for distributing documents from European bodies to co-ordinating bodies in the Czech Republic was gradually formed in the course of 2003.

The Czech Republic sought to ensure that it was adequately represented in EU institutions and was involved in searching out and promoting qualified candidates from the Czech Republic.

### **The Czech Republic in the Debate on the Future of Europe**

Intensive debate on the future arrangement of the European Union continued in 2003. The debate took place in the Convention, culminating in what was called the formulation phase in the middle of 2003. The result was a Draft Treaty Establishing a Constitution for Europe, also called the Draft European Constitutional Treaty. The Draft's purpose was to simplify the EU's treaty base, clarify the definition and distribution of powers among the EU and member states and propose ways and means to reinforce the role of national parliaments in European affairs and to incorporate the Charter of Fundamental Rights of the EU into its primary legislation.

The Czech Republic was represented in the Convention by one governmental and two parliamentary representatives and their alternates. That made the Convention the first EU forum the Czech Republic could take full part in. Czech representatives in the Convention were active in the plenum and in working groups – they took part in preparing the draft of the European constitutional treaty and were actively involved in the related discussions.

The Convention was followed up by the Intergovernmental Conference on the Future of the EU, which was initiated during the Italian presidency of the EU at an extraordinary session of the European Council in Rome on 4 October 2003. The Czech Republic and other acceding countries enjoyed the same status as member countries in the Intergovernmental Conference. The draft constitutional treaty presented by the Convention formed the basis of the Intergovernmental Conference's work. A total of six Intergovernmental Conference sessions at the level of foreign ministers and three at the level of heads of state and government took place by the end of 2003. With the support of other countries, Italy strove to complete the work of the Intergovernmental Conference by the end of its presidency. However, persisting differences of opinion, most notably regarding the future form of voting in EU bodies and institutional arrangement of the EU, meant that the European Council in Brussels on 12 December and 13 December 2003 decided that the Intergovernmental Conference would continue its work in 2004 under the Irish presidency.

## **Parliamentary Co-operation**

Completion of the Czech Republic's accession talks with the EU and intensification of the process of EU reforms also influenced the forms of parliamentary co-operation between the Czech Republic and the EU.

On 19 May and 20 May the Parliamentary Association Committee, a platform for regular dialogue between members of the Czech Parliament and members of the European Parliament, met for its 17<sup>th</sup> and penultimate session in České Budějovice. The participants focused on evaluating the Czech Republic's readiness to join the EU, especially in the area of regional policy and preparation of the conditions for implementing development projects with financial support from European funds. The meeting also paid attention to the role of observers from the Czech Parliament in the European Parliament during the period between the signing of the Treaty of Accession and the Czech Republic's entry to the European Union and to questions related to ratification of the Treaty of Accession (the referendum) and the work of the Convention.

Once the Treaty of Accession was signed, 24 deputies and senators from the Parliament of the Czech Republic started operating as observers in the European Parliament. This broadening of the observer status (which had otherwise only applied to the Council of the European Union) gave acceding countries the opportunity to familiarise themselves with the everyday working of the European Parliament before the first elections to this body were held in the Czech Republic.

Co-operation between Czech deputies and senators and European parliamentarians also grew in the Convention, in which parliamentary representatives from the Czech Republic worked with representatives of the corresponding factions in the European Parliament.

Co-operation between the European committees of national parliaments of member and candidate countries on the COSAC platform (Conference of Community and European Affairs Committees of Parliaments of the EU) also continued in 2003.

### *Selected visits by Czech Republic representatives to EU bodies:*

- 3 April 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 16 April 2003 – President V. Klaus, Prime Minister V. Špidla and Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attend an extraordinary session of

the European Council in Athens at which the Treaty of Accession to the European Union was signed by the Czech Republic and nine other countries;

- Prime Minister V. Špidla attends sessions of the European Council in Brussels (19 June – 20 June , 16 October – 17 October and 12 December – 13 December ) and in Rome (4 October – inauguration of the Intergovernmental Conference);
- Minister of Foreign Affairs C. Svoboda attends sessions of the Council for General Affairs and External Relations in Brussels (May, July, September, November, December), in Luxembourg (June and October) and in Naples (the conclave as part of the Intergovernmental Conference on 28 November – 29 November 2003);
- 10 December 2003 – working visit to Brussels by Prime Minister V. Špidla.

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

- 9 January – 10 January 2003 – visit by President of the Convention Valéry Giscard d'Estaing;
- 24 February 2003 – visit by representative of the President of the European Commission W. Kok;
- 27 March 2003 – visit by Secretary General of the European Commission D. O'Sullivan;
- 10 May 2003 – visit by President of the European Council, Greek Prime Minister C. Simitis;
- 29 May – 31 May 2003 – visit by President of the European Parliament P. Cox;
- 5 June – 6 June 2003 – visit by Commissioner for Enlargement G. Verheugen;
- 15 December – 16 December 2003 – visit by Commissioner for Enlargement G. Verheugen and Commissioner for the Environment M. Wallström.

## **Activities of the Czech Republic in Selected Areas of the European Union**

*Preparation of the European Union's New Financial Perspective*

In the course of 2003 the Czech Republic was actively involved in the preparatory talks on the new financial perspective of the EU, which should start to apply on 1 January 2007. The most important points are the reform of fundamental Community policies (regional policy), the budget expenditure framework and reform of the EU's own resources. In September 2003 the Czech Republic signed a memorandum on the upcoming financial perspective with Slovenia,

Slovakia, Hungary and Austria – the memorandum set out the shared priorities of these countries for the upcoming negotiations.

#### *European Pro-Growth Initiative*

In the second half of 2003 the Czech Republic supported a new EU action, the European Pro-Growth Initiative, whose main goal is to stimulate economic growth and create jobs through investments in various areas. Part of this initiative is the Quick Start Programme, under which the European Commission proposed a list of priority projects prepared for immediate implementation. In response to the publication of this list the Czech Republic requested that one railway and two road projects be added to the list.

#### *Agriculture*

The Czech Republic was actively involved in the process of Common Agricultural Policy (CAP) reform in 2003. Adjustment of the CAP will be reflected in changes in the Treaty of Accession. The proposed adjustment ensures that the accession conditions agreed at the Copenhagen Summit will be preserved.

#### *Human Rights*

From May 2003 onwards the Czech Republic was a regular participant at sessions of the EU Human Rights Working Group (COHOM), which is the key body for formulating the EU's human rights policy. In 2003 it prepared the EU's position for sessions of the Human Rights Commission and General Assembly of the United Nations on human rights in Iran and China, implementation of the EU directive against torture and capital punishment and approval of the EU directive on the issue of child soldiers.

The Czech Republic was very active in COHOM in 2003: for example, it took part in the EU working group preparing a draft international convention on protection of the human rights of the disabled.

#### *Foreign Development Co-operation*

Along with security and trade policy, foreign development co-operation (FDC) is one of the priorities of the EU's external relations. The EU's commitment to finance foreign development aid is closely linked with other areas of the Lisbon Strategy (dealing mainly with co-ordinating macroeconomic policies, environmental issues and sustainable development, supporting small and medium-sized enterprise etc.). Under a resolution of the European

Council of March 2003, adopted in Barcelona, member states undertook to release finances worth at least 0.33% of gross national product for foreign development aid.

The Czech Republic spent CZK 2.72 billion on foreign development aid in 2003; CZK 1.133 billion of that was earmarked for Iraq. The expenditure represented 0.11% of gross national product.

In 2003 the Ministry of Foreign Affairs of the Czech Republic established a Development Co-operation and Humanitarian Aid Department, which is the first step in implementing a foreign development co-operation system that is standard in developed donor countries.

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

Talks on enlarging the European Economic Area (EEA) to take in the Czech Republic and the other countries joining the European Union commenced in Brussels in January 2003. The Agreement on Participation in the EEA was signed by all EU member states with the exception of Italy (which was due to sign it last as the country holding the presidency of the EU) and all acceding states on 13 October 2003 in Brussels. The Agreement was subsequently signed in November 2003 by Liechtenstein, Norway, Iceland, Italy and the European Commission (these countries signed later because of Liechtenstein's original refusal to sign the Agreement on the grounds of the non-existent diplomatic relations between the Grand Duchy and the Czech Republic and Slovakia and Liechtenstein's attempt to link the Agreement with a solution to allegedly open legal questions concerning property). The original date of 14 October 2003 is treated as the Agreement's signing date, however. The Agreement was put before both chambers of Parliament of the Czech Republic.

### **Trade Relations between the Czech Republic and the European Union**

The group of European Union states constitutes the Czech Republic's biggest trading partner. Total imports from EU countries to the Czech Republic were worth CZK 854,243 million in 2003, which represents 59.2% of total imports to the Czech Republic for the year. Exports from the Czech Republic to EU countries amounted to CZK 957,558 million, 69.8% of the Czech Republic's total exports. The trade balance between the Czech Republic and the EU



for 2003 thus ended in a surplus of CZK 103,315 million, which was a continuation of the positive trend of 2002 (CZK 58.1 billion) and 2001 (CZK 18.5 billion).

The biggest single trading partner among EU countries in 2003 was Germany, where a third of goods imported to the Czech Republic originated from and where 37% of Czech exports headed to. The Czech Republic also achieved mutual trade exchange worth over CZK 120,000 million with Austria, Italy and France.

As usual, machinery and transportation equipment accounted for the biggest share of imports from the EU with 44.84% (CZK 383,049 million), followed by market products with 23.31% (CZK 199,084 million), chemicals with 13.87% (CZK 118,464 million) and industrial consumables with 10.79% (CZK 92,211 million). The biggest export items from the Czech Republic to the EU were machinery and transportation equipment with 54.73% (CZK 524,099 million), market products with 21.02% (CZK 201,389 million) and industrial consumables with 12.86% (CZK 123,190 million). For example, road vehicles exported to the EU alone account for as much as 11.6% of Czech exports worldwide.

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

The EIB is an autonomous body within the EU structure, and membership is confined to EU states. The EIB's objective is the medium-term and long-term financing of capital investments that assist balanced growth in the European Communities and achieve the goals of EU policies.

The EIB has operated in the Czech Republic since 1992. Between then and the end of 2003 the EIB has concluded credit contracts in the Czech Republic worth approx. EUR 4.9 billion (i.e. approx. CZK 147 billion); approx. 50% of this went towards execution of the state's functions. Additionally, the EIB provides credits to private companies, banks and local government.

The Czech Republic did not take out any new loans from the EIB in 2003 owing to the fiscal reform that has been launched to cut public budget deficits. Direct credit from agreements signed in 2001 and 2002 continued to be drawn down successfully. In 2003 the EIB was also active in the private sector, where it provided a loan for construction of an automobile plant in Kolín, for example.

The EIB works closely with the European Commission in preparing for the use of structural funds and the Cohesion Fund.

## **The Czech Republic's Communication Strategy**

In the first half of 2003 the priority of the inward communication strategy targeted at the Czech general public was the successful referendum on joining the EU.

The core of the communication strategy was an endeavour to provide as comprehensible information as possible to the public through the media. The free information line 800 200 200 aroused great public interest, registering calls from almost 250,000 citizens during the campaign, as did the [www.euroskop.cz](http://www.euroskop.cz) Internet server, which clocked up almost three million hits. 20 regional and dozens of municipal European information centres provided direct contact with the public in the regions. These centres concentrated on organising discussions with the public and providing information on the issue of accession to the EU.

The Ministry of Foreign Affairs of the Czech Republic organised a number of educational courses for secondary-school teachers and representatives of federations and associations, which were attended by more than a thousand people. 17 different leaflets and 14 different brochures were prepared for various special-interest and social groups, with more than 10 million units printed in total. Over 600 stands with information materials were placed in municipalities around the Czech Republic. 19 supplements in national dailies and three thematic supplements in trade monthlies were designed to reach the broadest possible public. Grants intended for non-governmental non-profit organizations supported 29 projects. In order to provide maximum information, the leading associations and professional federations, such as the Economic Chamber, the Agrarian Chamber, the Czech-Moravian Chamber of Trade Unions, churches and special-interest groups, were also contacted.

An intensive media campaign ran in three phases from the start of May 2003 to the referendum date. It comprised 671 television spots, 128 radio spots, 3750 billboard spaces and 36 press advertisements. The Ministry of the Foreign Affairs issued a CD-ROM containing the full wording of the Treaty of Accession of the Czech Republic to the European Union, which was distributed to all municipal authorities operating a registry, all information centres and to any citizen who so requested.

The success of the communication strategy was confirmed by the relatively high turnout in the referendum and its outcome – 77.3% voted in favour of joining the EU.

The communication strategy in 2003 did not focus solely on the Czech society: it also presented the Czech Republic as a country capable of honouring all the commitments associated with EU membership.

Key resources used by this part of the campaign included activities performed by the Czech Republic's embassies in EU countries, exhibitions giving basic information about the Czech Republic, publications and printed materials, information materials, co-ordinating the participation of Czech representatives at public events and the media and communication training of Czech staff who will work in EU structures.

A total of CZK 200 million of the Ministry's budget was earmarked for the communication strategy.

### **The European Union's Common Foreign and Security Policy**

The Czech Republic sees its involvement in the EU's common foreign and security policy (CFSP) as an integral part of the accession process as a whole. That is why it continued to harmonise the basis of its foreign policy with the EU's CFSP principles in 2003 and, from April 2003, took active part in forming and performing the EU's foreign policy as an observer.

In its 2003 Monitoring Report the European Commission evaluated the degree to which Czech national legislation is aligned with the *acquis communautaire* on the CFSP as entirely satisfactory and commended the progress made in this area since 1997. It also confirmed that the Ministry of Foreign Affairs of the Czech Republic was ready to fulfil its role in the CFSP after the Czech Republic joined the EU (decision-making processes, communications systems and secure technical systems for distributing EU documents via the COREU network).

After signing the Treaty of Accession in April 2003 the Czech Republic was fully and actively represented in the Council of the European Union's preparatory bodies regarding the CFSP, at the level of working groups, in the EU's Political and Security Committee (COPS), in the Committee of Permanent Representatives (COREPER) and at sessions of political directors and European correspondents. The Czech Republic took part in sessions of the General Affairs and External Relations Council (GAERC), represented at the foreign minister level, informal meetings between foreign ministers (Gymnich) and certain EU meetings with third countries, e.g. the Russian Federation, the USA or under the Euro-Mediterranean Partnership.

The Czech Republic tried to make full and constructive use of its observer status in all the said forums. In working groups the Czech Republic took part in preparing materials for the

Council of the European Union and in exchanging information on current foreign policy issues. In COPS, which is the main committee for the CFSP, the Czech Republic's representative actively contributed to the formation of the CFSP. The Czech Republic also took part in the preparation and subsequent implementation of CFSP instruments, namely declarations and demarches of the presidency and common positions and actions of the Council of the European Union. The Czech Republic was regularly involved in debates on the work of EU special representatives for various territories and mechanisms for replacing them. It participated in implementing the existing common EU strategies in respect of Russia, Ukraine and the Mediterranean. The Czech Republic's embassies abroad were involved in EU member states' co-operation in third countries in the form of co-ordination and consultative meetings organised by the presiding countries in 2003 – Greece and Italy. The Czech Republic thus took part in drawing up review, situation and recommendation reports regarding third parties. Intensive political dialogue also took place in international organizations. The Czech Republic systematically brought its activities and standpoints in international organizations (chiefly the UN and OSCE) into line with those of other EU member and acceding states in order to assert EU policies.

In December 2003 the European Council approved a key EU document on the CFSP, the European Security Strategy (ESS), which formulates the EU's ideas about security challenges and how to tackle them. The Czech Republic was actively involved in preparing the ESS in the second half of 2003 and strove to ensure that the main principles of the amended Security Strategy of the Czech Republic, approved by the Czech government shortly before the ESS was approved, were taken into consideration in the Strategy. In the coming period, the ESS will form one of the fundamental elements of the EU's CFSP; in the first phase the ESS will be elaborated in four areas (effective multilateralism, the fight against terrorism, policy on Bosnia and Herzegovina and strategy for the Middle East).

The European Union's common foreign and security policy in 2003 focused mainly on the fight against terrorism, non-proliferation of weapons of mass destruction, multilateralism, conflict prevention, the further development of the European Security and Defence Policy, relations with NATO, relations with the UN, the Wider Europe concept and human rights. In territorial terms, the EU devoted most of its attention to the political and security situation in the West Balkans, the Middle East (Iraq, Iran, Middle East peace process), in Afghanistan and the South Caucasus and Central Asia. The EU also expanded its dialogue with its partners – the USA, Russia, Mediterranean countries and other states.

One of the priority areas in 2003 was non-proliferation of weapons of mass destruction. In June 2003 the European Council adopted its Declaration on Non-proliferation of Weapons of Mass Destruction and Action Plan for the Implementation of the Basic Principles for an EU Strategy against Proliferation of Weapons of Mass Destruction. In December 2003 the European Council adopted the actual EU strategy against proliferation of weapons of mass destruction.

One of the important instruments for asserting the EU's foreign policy is restrictive measures (sanctions) against third countries or legal entities or individuals. In December 2003 a conceptual document defining the strategic and practical (legal) framework for using restrictive measures was adopted. It concentrates on questions of the implementation of sanctions and their efficacy. The Czech Republic was a constant participant at the meetings focusing on EU's restrictive measures.

In May 2003 the Czech Republic organised the fourth informal meeting at expert level on the EU's control policies for conventional weapon exports.

## **European Security and Defence Policy**

European Security and Defence Policy (ESDP) is a logical part of European integration. The attitude of the Czech Republic towards it is based on the assumption that a functioning ESDP boosts the effectiveness of the Common Foreign and Security Policy. ESDP also bolsters the role of the European Union in international politics. As far as main priorities of the Czech Republic are concerned, the Czech Republic continues to stress the enhancement of further co-operation between the EU and NATO and compatibility of both organisations as fundamental preconditions.

In 2003, the EU dynamically expanded the ESDP in the political and military spheres. At the same time, its ties with NATO and other international organizations such as the UN and OSCE became much firmer. After lengthy negotiations, the Framework Agreement between NATO and the EU was signed in March 2003. The Agreement, also known as "Berlin Plus", forms the basics for partnership between the two organizations. It enables the EU to conduct operations making use of the Alliance's resources and capabilities, thus preventing the creation of unnecessary duplications and structures.

There also was a significant progress in deployment of the EU capabilities. The ESDP conducted two military and two police operations in 2003. The police mission in Bosnia and

Herzegovina (EUPM) was the EU's first ever operation in civilian crisis management. It was commenced in January 2003 and is expected to last until 2005. Its role is to monitor, assist and scrutinise operations of the local police in Bosnia and Herzegovina. Six Czech police officers participated in the mission.

The CONCORDIA mission in the Former Yugoslav Republic of Macedonia, which followed up NATO's ALLIED HARMONY operation and lasted from March to December 2003, was on the other hand the EU's first military operation using the Berlin Plus mechanism. The Czech Republic contributed two officers, who worked in the information section of the operation headquarters. Subsequently, the EU launched a second police mission in Macedonia named PROXIMA, with the Czech Republic deploying four police officers. These operations formed part of the EU's activity in support of the rule of law and the formation of democratic structures in the Western Balkans region.

ARTEMIS was the first solely EU military operation. It ran from June to September 2003 and its mission was, in co-ordination with the UN, to help to stabilise the security conditions and to improve the humanitarian situation in the Democratic Republic of Congo. A limited number of states – the Czech Republic not among them – took part in this operation.

Progress was achieved in building of military capabilities of the ESDP, laid down by European Headline Goal 1999. A meeting of the European Council in June 2003 confirmed the EU's operational capability in the full scale of the Petersberg Tasks (humanitarian and rescue missions, peacekeeping missions and peace enforcement, and armed forces missions in crisis control area), although certain shortcomings still persist. Elimination of these shortfalls is the subject of the European Capability Action Plan (ECAP). The EU also made progress in forming its Rapid Response Force. As of 1<sup>st</sup> April 2003, the Czech Republic was actively involved in four specialised ECAP groups.

Agreement on the creation of a Defence Capabilities Development, Research, Acquisition and Armaments Agency represented a major step towards improving the EU's military capabilities. The Agency's goal is to co-ordinate the efforts of member states in this area and to guarantee that these efforts are compatible with the needs of the EU. The talks were concluded in November 2003 and the new structure called the "European Defence Agency" shall be created in 2004.

The EU also discussed ways and means to create a permanent mechanism for financing the shared costs of EU operations that have military or defence implications. This mechanism, called ATHENA, should start to apply in March 2004. As a part of the fight against terrorism, a

database of the EU's resources for protection against terrorist attacks and weapons of mass destruction was established under the ESDP.

The first joint exercises by the EU and NATO took place in November 2003 under the designation CME/CMX 03. These exercises successfully verified the working of EU and NATO co-operation and the use of the Berlin Plus mechanism on the political and procedural planes.

In the area of civilian crisis control the ESDP concentrated on its priorities, which concern the working of the police, protection for civilians, strengthening the rule of law and civilian administration. It continued to pay attention to implementation of the violent conflicts prevention programme. Its monitoring mission (EUMM) went ahead in Bosnia and Herzegovina, Croatia, Serbia and Montenegro, Albania and the Former Yugoslav Republic of Macedonia.

September 2003 brought a joint declaration by the EU and UN on co-operation in crisis control. Intensive co-operation between the ESDP and OSCE continued, leading to the adoption of common principles of co-operation in conflict prevention, crisis control and resolving post-conflict situations. The ESDP also became an active component in the co-operation already taking place between the EU and the Mediterranean.

In December 2003 the European Council adopted an agreement concerning the EU's operational planning capacities. The agreement is to be elaborated on and finalised on the basis of proposals from the High Representative for Common Foreign and Security Policy J. Solana. This will pave the way for EU operations where the Berlin Plus mechanism is not used. In this case the EU can plan operations either making use of one of the national commands or involving a future civilian/military planning cell that will operate as part of the existing EU Operational Command. The Czech Republic regards this agreement as an acceptable solution that lays down the basic procedural framework for EU operations without NATO involvement.

Talks on the future of the ESDP also took place as part of the Intergovernmental Conference on the Draft Treaty Establishing a Constitution for Europe. Preliminary consensus was achieved in respect of the form of certain articles on the ESDP. The search for consensus on "structured co-operation" was particularly successful. Structured co-operation would enable, under pre-approved rules, those states that wish to proceed further in certain parts of the ESDP. The adjournment of the Intergovernmental Conference meant that the submitted compromise was not adopted, however. The Czech Republic was ready to support the compromise.

In 2003 the ESDP made substantial progress in many fundamental areas of its work. One part of these activities was the endeavour for close co-ordination with its most important

partners. The Czech Republic supported this development, because it was in line with the fundamental principles of its own foreign policy.

## **2. The Czech Republic and the North Atlantic Treaty Organization (NATO)**

In 2003 the Czech Republic continued to play an active role in shaping NATO policy in a whole series of areas in line with its political and security priorities and objectives. The Alliance concentrated on two sets of questions: implementing the conclusions of the November 2002 NATO Prague Summit and military operations. The Czech Republic's position was strengthened by its major contribution to the shaping of NATO policy in certain fields.

The key to making the working of NATO more effective is implementing the decisions of the Prague summit regarding the organization's transformation. Even though the core of its main initiatives can be found in the military province, these decisions also hold considerable significance for foreign policy. The Czech Republic continued to work towards its goals and commitments in respect of building new military capacities for the Alliance, primarily the NATO Response Force (NRF) and the Prague Capabilities Commitment (PCC). Besides carrying out military preparations for engagement in the NRF, NATO members are also discussing the need for greater flexibility in national legislative and legal processes when despatching units to operations abroad.

This is linked to boosting NATO's ability to respond to current security threats, to wipe out terrorism and to protect territory and population of its member states against weapons of mass destruction (WMD). The Czech Republic specialises in protection against WMD and for that reason contributes to all the main components of the Prague initiatives in protection against WMD. In addition, the Czech Republic is in charge of developing a multinational NATO battalion for protection against WMD (inaugurated in December 2003) and is building a Centre of Excellence for protection against WMD in Vyškov.

The degree to which the Czech Republic was involved in NATO-led military operations (Bosnia and Herzegovina, Kosovo, Afghanistan) depended on political and security priorities and available resources.

The Czech Republic's contribution towards stabilisation in Kosovo takes place on the foreign policy level in discussions in NATO committees and in military terms with its biggest contingent abroad (400 soldiers in KFOR).



In SFOR in Bosnia and Herzegovina the Czech Republic has several soldiers at operations headquarters. In autumn 2003 NATO started to discuss Bosnia and Herzegovina's membership of the Euro-Atlantic Partnership Council/Partnership for Peace (EAPC/PfP). The Czech Republic's stance on this question was that it would agree with Bosnia and Herzegovina's membership provided the country satisfied the terms laid down, including convincing implementation of defence reform legislation and surrendering R. Karadzic to the International Criminal Tribunal for the former Yugoslavia in The Hague. At the same time the Czech Republic insisted that Bosnia and Herzegovina should be treated in the same way as Serbia and Montenegro.

The successful NATO mission in the Former Yugoslav Republic of Macedonia (FYROM) was followed by the European Union's military mission (CONCORDIA). This mission operated in FYROM from April 2003 until the end of the year and included two Czech soldiers in its press and information centre. The Czech Republic was involved in preparations for the adjusted NATO engagement in FYROM after its operational presence in the country ended.

NATO's relations with Serbia and Montenegro are at the forefront of Czech attention. The Czech Republic remained a frontrunner among the countries pushing for the fastest possible normalisation of relations between NATO and Serbia and Montenegro. In 2003 the Czech Republic stepped up its activity, particularly in talks on NATO assistance for Serbia and Montenegro following the murder of Prime Minister of Serbia Z. Djindjic and in bilateral relations. The issue of Serbia and Montenegro's co-operation with the International Criminal Tribunal for the former Yugoslavia in The Hague, and in particular the surrender of R. Mladic, remained the main obstacle preventing the country being invited to EAPC/PfP.

In the interest of eliminating new security threats the Alliance also devoted its attention to areas outside its traditional Euro-Atlantic arena.

Afghanistan formed the core of NATO operations during 2003. In August 2003 the Alliance took charge of the ISAF operation. The Czech Republic was not engaged in this new NATO operation at first (besides the five specialists working at ISAF headquarters). At the December session of NATO defence ministers the Czech Republic declared its objective to supply up to 150 soldiers to the operations in Afghanistan, with up to 120 joining Operation Enduring Freedom and up to 30 joining ISAF.

The Czech Republic was very active in advocating that assistance be given to Turkey in connection with the planned international operation in Iraq and also supported the Polish demand for NATO assistance for its sector in Iraq.

The Czech Republic was very actively involved in preparing and implementing NATO enlargement. As well as engaging in the work of NATO forums and processes, it supplied candidate countries, and Slovakia in particular, with bilateral consultation and support. The Czech Republic ratified the protocols on the accession of seven new countries in August 2003. At the December 2003 meeting of NATO foreign ministers the Czech Republic pushed through a demand that the invited countries be accepted into NATO as soon as possible after the ratification process is completed.

NATO/EU relations registered fundamental qualitative changes. With active support from the Czech Republic, intensive talks on the Framework Agreement between the two organizations were completed in March 2003.

The two organizations stepped up their co-operation in eliminating shortcomings in military capacities during 2003. The Czech Republic backs this co-operation and is actively involved in it, including in the area of protecting against the consequences of the use of WMD.

The new dynamic in relations was also reflected in the intensification and deepening of dialogue and the attitude taken by NATO and the EU on matters of common interest, including the future of the Western Balkans countries, security in the Mediterranean, the fight against terrorism and non-proliferation of WMD. The Czech Republic placed great emphasis on expanding this dialogue.

The Czech Republic was actively involved in reviewing relations with NATO partners (in particular the merging of EAPC and PfP) and helped the entire discussion move forwards on several occasions. Work started on drawing up an EAPC/PfP Revision Document and a Partnership Action Plan against Terrorism. Other suggestions for ways to strengthen the Partnership were discussed, including suggestions for groups of countries (Central Asia, Caucasus, Eastern Europe, neutral states and the Western Balkans).

As regards co-operation with Russia, 2003 was a year of patient implementation of the conclusions of the NATO-Russia Rome Summit of the previous year. Joint projects produced results in certain areas. The Czech Republic was actively involved in discussions on co-operation in the Balkan: specifically a conference on questions of frontier-region security held in Ohrid, the Declaration of the NATO-Russian Council (NRC) on Bosnia and Herzegovina and the involvement of Russian units in the NATO-led SFOR and KFOR. At the same time, however, NATO, with the active participation of the Czech Republic, dealt with the issue of the content and efficacy of the work of NRC working groups. The Czech Republic wishes to step up political dialogue in the NRC, including topics on which NATO member countries and the Russian Federation have different views and attitudes.

In co-operation with Ukraine, NATO focused on implementing the Action Plan and Annual Target Plan from the Prague summit and co-operation in defence reform.

The Czech Republic played an active and successful role in formulating the principles of NATO's public diplomacy. The Czech delegation to NATO continued in its intensive contacts with the Czech and foreign public (public speeches, discussions, answering questions, articles, interviews; the website was in its second year). The Czech Republic's embassy in Vienna continued to work as the NATO Contact Point Embassy in Austria, the main task of which is to inform about the work of NATO (working with the public, putting on seminars on NATO and military issues).

In 2003 the Czech Republic's Security Intelligence Service (BIS) presided over the NATO Special Committee. BIS's representative in the Czech Republic's permanent delegation to NATO generated support for the Czech role in the Special Committee.

The Czech foreign service was also involved in defence and military affairs. One major success was the NATO infrastructure committee's authorisation for nine projects implemented in the Czech Republic, due to receive EUR 17.6 million from joint funds. The projects concern the modernisation of Czech military airports at Náměšť nad Oslavou and Čáslav. On the other hand, a Czech firm was successful in NATO tenders, winning four orders worth a total of approximately CZK 6 million.

In September 2003, the Czech Republic's Permanent representative to the North Atlantic Council, Ambassador K. Kovanda, became the longest-serving Permanent representative, and thus the doyen of the diplomatic corps in NATO; in this capacity he has, among other issues, co-ordinated the selection of the new NATO Secretary General and chaired talks on adjustment of the system of ministerial meetings and discussions on the adjustment of the contribution structure in NATO's joint budgets.

### **3. The Czech Republic and Regional Co-operation**

## **Visegrad Co-operation**

In 2003 the Visegrad Group (V4) countries, i.e. the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic, successfully completed one of the main themes of the co-operation enshrined in the 1991 Visegrad Declaration. Slovakia's invitation to join NATO and the successful completion of negotiations on entry to the European Union realised the integration ambitions of the Visegrad countries. This gave rise to the question of the further existence and direction of VF. All participant countries declared their desire to continue with joint activities in the tried-and-tested format and debate on the future of co-operation was launched during the Czech presidency. This debate was based on the conceptual document titled Guidelines on the Future of Visegrad Co-operation, adopted by the summit of V4 Prime Ministers at Tále in the Low Tatras, Slovakia (24 June – 25 June 2003) at the end of the Slovak presidency.

When the Czech Republic took over the V4 presidency in June 2003 it presented its programme called "Continuity and the Future". Continuity here means carrying on all the activities that have proved worthwhile and have potential for the future. Emphasis is placed on deepening cross-border co-operation based on specific civic activities and developing the programmes of the International Visegrad Fund. The ongoing debate on the substance of Visegrad co-operation looks to the future and will lead to a new document defining the working and goals of the Visegrad countries after they join the European Union.

In 2003 there was a meeting of top-level representatives of V4, which concentrated on the agenda associated with the completion of negotiations on accession to the European Union and with the issue of the Intergovernmental Conference (extraordinary summit of Prime Ministers of V4 countries in Dobříš, 1 October 2003).

Besides general political activities, co-operation between ministries of the V4 countries also developed successfully. Projects in the areas of culture, defence, cross-border co-operation, internal security, justice, science and education and the environment were also carried out. Moreover, 2003 saw the start of co-operation in the areas of tourism, transport, energy, information technology, healthcare and agriculture.

The efforts to make Visegrad co-operation more profound and effective led to contacts being established with certain equivalent regional groupings in Europe. Talks were held with the Nordic Council (December 2003) and a similar meeting was initiated at the start of 2004 with the Benelux countries.

The V4+ format was mainly used to develop co-operation with Austria (in matters of internal security) and Slovenia (science and research); new partners also expressed an interest in co-operation. At the start of the V4 summit in June 2003 the Prime Ministers of V4 countries met with the Ukrainian Prime Minister V. Yanukovich. Areas of potential co-operation with Japan were also discussed at expert level.

#### *International Visegrad Fund (IVF)*

The International Visegrad Fund is the main instrument for developing Visegrad co-operation at non-governmental level. Its results in 2003 again proved its worth and practical utility. 639 projects were submitted to IVF in 2003, with 203 of these chosen for support worth a total of EUR 2,081,917.

A programme of “Visegrad scholarships” awarded to postgraduate students from V4 countries was successfully launched. In the programme’s first year, 61 students applied for financial support and 27 applicants received a total of EUR 246,000 for the 2003/2004 academic year.

As part of the said scholarship programme, talks on setting up Visegrad scholarships for students from certain eastern and south-western European countries were successfully completed.

#### *Meetings of representatives of Visegrad states in 2003:*

- 12 January – 13 January 2003 – meeting of heads of parliaments in Budapest;
- 7 February 2003 – 9<sup>th</sup> meeting of culture ministers in Levoča;
- 3 April 2003 – meeting of transport ministers in Bratislava;
- 23 April – 25 April 2003 – meeting of agriculture ministers in Budapest;
- 24 April – 25 April 2003 – meeting of environment ministers in Košice;
- 24 June – 25 June 2003 – summit of prime ministers in Tále, joint luncheon with the Ukrainian Prime Minister V. Yanukovich;
- 8 September – 11 September 2003 – meeting of health ministers as part of the 53<sup>rd</sup> session of Regional Committees of the World Health Organization in Vienna;
- 11 September 2003 – meeting of interior ministers in Prague;
- 1 October 2003 – summit of prime ministers in Dobříš;
- 2 October – 3 October 2003 – 10<sup>th</sup> meeting of environment ministers in Čejkovice;
- 28 October – 30 October 2003 – meeting of justice ministers in Mojmírovce;
- 13 October – 14 October 2003 – 10<sup>th</sup> meeting of culture ministers in Olomouc;

- 3 November 2003 – meeting of presidents in Budapest;
- 21 November 2003 – meeting of prime ministers during the CEI session in Warsaw.

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

The Central European Free Trade Agreement was preliminarily implemented from 1 March 1993 before actually starting to apply on 1 July 1994. The Agreement governs the liberalisation of mutual trade in industrial and agricultural products and the rules of trade between its signatories; it does not cover trade in services.

Slovenia held the presidency of the CEFTA Joint Committee in 2003. The Joint Committee met on 4 July 2003 in Bled, Slovenia. Here, the leaders of the delegations exchanged information on their countries' foreign trade results for 2002, primarily in terms of trade turnover achieved among CEFTA states. The meeting consisted of, among other things, a detailed discussion of the issue of mutual trade in agricultural products and foodstuffs products. In the question of protective measures in agriculture it was stated that more protective measures were in place than at the time of the Joint Committee's previous session and that most protective measures applied by individual CEFTA states affected agricultural products. A CEFTA Supplementary Agreement was signed at the meeting of the Joint Committee. This Agreement contains a clause on withdrawal from CEFTA, enabling CEFTA to cease applying to members on the day on which they join the European Union. Also signed was Additional Protocol no. 14, which deals with the further liberalisation of mutual trade in agriculture between the Czech Republic, Slovak Republic and Republic of Hungary and which was implemented from 15 July 2003. A method for using quotas in 2004 in the light of the five countries' expected accession to the EU was also agreed.

On 26 September 2003, the Slovenian town of Portoroz hosted a meeting of agricultural ministers regarding developments in the agricultural sector in member states, strategy and national policies for its future development, the current state of negotiations with the EU on accession and the further liberalisation of mutual trade in agricultural produce and foodstuffs products.

On 6 November – 7 November 2003 Brdo Castle near Kranj in Slovenia was the scene of the regular annual meeting of CEFTA country Prime Ministers. The Czech Republic's delegation was led by Deputy Prime Minister for Science and Development, Human Rights and Human Resources P. Mareš. At this meeting CEFTA officially celebrated the 10<sup>th</sup> anniversary

of its successful existence. The meeting marked Croatia's first ever participation as a fully-fledged member.

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

The Central European Initiative seeks to boost co-operation in the Central Europe region and helps the integration processes taking place here. In 2003 Poland held the presidency, identifying the following priorities: strengthening relations between the CEI and the EU, boosting the economic dimension of the CEI and striving for further rationalisation and increased efficiency in the working of the CEI.

CEI member countries are seeking to step up their co-operation with the European Union, and that is why they welcomed the European Commission's initiatives that widened the range of EU activities to include co-operation with countries not involved in talks specifically on accession to the EU.

The boosting of the CEI's economic dimension was reflected in co-financed projects, in the work of working groups, in greater co-operation between the CEI and the Central European Chambers of Commerce Initiative (CECCI) and with the European Bank for Renewal and Development (EBRD), and in the increased emphasis placed on the significance and benefits of the CEI Economic Forum.

Another priority of the Polish presidency was to make progress in making the CEI and its working bodies function more rationally and effectively. The number of top-level CEI sessions was reduced and debate centred on possible forms of cross-border and regional co-operation between member states and the issue of the information society.

A meeting of foreign ministers was held in Wroclaw on 13 June 2003. Here the ministers stressed the historical changes taking place on the continent and in CEI member countries, especially the expected EU enlargement in 2004, when nine candidate countries would join, and in 2007 when other CEI region countries would accede.

The most important CEI event was the annual meeting of prime ministers, held in Warsaw on 19 November – 21 November 2003. This meeting categorically confirmed the enduring importance of the CEI for economic, scientific and cultural co-operation between economies in transition and European Union member states. The Prime Ministers spoke in favour of strengthening European standards in the region and further rationalisation of the

CEI's work, focusing on priorities such as developing transport infrastructure, education and cross-border co-operation.

The meeting of Prime Ministers also featured an Economic Forum, which is an opportunity for exchanging information on investment and business opportunities in CEI member countries and for establishing business contacts. The parliamentary dimension of the CEI dealt mainly with support for small and medium-sized enterprise in 2003. Besides top-level meetings, the CEI's work was carried out at the level of working groups dealing with long-term problems of development in the region's transport, agriculture, small and medium-sized enterprise, education, the fight against organised crime, civil defence, tourism and other areas of common interest.

The Czech Republic put on three specialised CEI seminars on migration and its consequences for the labour market, the Lisbon Process and lifelong learning.

## **Regional Partnership**

The Regional Partnership, which seeks to create a basis for co-operation between six Central European states (the Czech Republic, Hungary, Poland, Austria, Slovakia and Slovenia), was formed as an Austrian initiative in 2001, with its declared goal being to help develop regional co-operation in Central Europe. The Czech Republic participates in this initiative, but its regional priority remains Visegrad co-operation in the V4 or V4+ format; it sees the Regional Partnership more as a complement to Visegrad co-operation.

The 4<sup>th</sup> Conference of Foreign Ministers of Regional Partnership Countries was held on 4 June 2003 in Buchlovice and was devoted to the informal exchange of opinions between the foreign ministers on current topics, and in particular on the results of the EU summit in Thessaloniki. The draft European Constitution was also discussed, with emphasis placed on the need for co-operation between small and medium-sized countries with similar interests.

Interior ministers of Regional Partnership countries met in Salzburg on 17 July – 19 July 2003. With the participation of the Italian home affairs minister they discussed shared concepts of national security, illegal migration, asylum, security investments on state frontiers and the expansion of the Schengen security system.

The 3<sup>rd</sup> meeting of economy ministers was held in Salzburg on 19 August 2003 and dealt with assessing the economic situation in member countries, EU enlargement and preparations for the WTO conference in Cancun.



From 9 December to 12 December 2003 the Central European Cultural Platform, which operates in the Regional Partnership format, put on the “Festival Jazz Mitteleuropeo” in Rome.

### **Stability Pact for Southeastern Europe (SP)**

In 2003 the Stability Pact for Southeastern Europe strengthened its role as a complementary instrument to the Stabilisation and Association Process (SAP), which is applied by the European Union towards West Balkan states. In line with the conclusions of the European Union summit with West Balkan states (June 2003, Thessaloniki), the SP’s task was to initiate and support projects, mostly on a regional scale, in all three working tables (democratisation and human rights; economic co-operation, renewal and development; defence and security). This goal is reflected in the following key areas of the SP identified for 2003: boosting local democracy and cross-border co-operation; support for the mass media; energy and other regional infrastructure projects; trade and investment; the fight against organised crime; stabilisation of population movements (the return of refugees); and regional activities in defence and security.

The growing significance of the SP in the Southeastern Europe region is borne out by the fact that its Special Co-ordinator E. Busek was integrated into European Commission structures as its High Representative in December 2003.

In the first working table for democratisation and human rights, progress was made in 2003 in the preparations for legislation on the media, as well as in a number of projects designed to boost local democracy and cross-border co-operation. The SP supported the making of television programmes and a system for training journalists.

In the second working table for economic co-operation, renewal and development, the process of negotiating agreements on free trade between states in the region was successfully completed. One strategic area is the building of infrastructure on the regional scale, where energy takes centre stage. In this area the SP proceeds in close co-ordination with the European Commission (with the European Commission’s Directorate-General Energy and Transport and Conventional Energy Directorate). The key element of co-operation here is the process of forming a common market in electricity in the region (South East Europe Electricity Regulatory Forum /SEERF/) and Regional Electricity Market (REM) – this is called the Athens Process, which was broadened in 2003 to include the natural gas supply sector.

In the third working table for defence and security, most attention was devoted to the fight against organised crime. The main task of the SP in this area is to build up an effective judicial system and institutions to boost the rule of law, as well as promoting co-ordination between the security forces in the region and co-operation with Interpol and Europol.

The Czech Republic continued to play an active part in all the working tables of the SP in 2003. In the first working table, its main activity was a project to pass on its experience in public administration reform. The Ministry of the Interior of the Czech Republic channelled CZK 700,000 into the project in 2003. The power sector continued to be the Czech Republic's priority in the second working table in 2003, where, as part of the donor group, it took part in the process of forming a common electricity market (SEEERF/REM). As part of the Athens Process, the Czech Republic organised a round table/workshop on the reconstruction, building and financing of energy infrastructure in the South East Europe region in February 2003. The workshop was attended by the SP Special Co-ordinator E. Busek, representatives of leading corporations, firms and companies, as well as by representatives of international financial and other institutions.

The Czech Republic spent CZK 2,299,231 of the total CZK 9.5 million devoted to the Energy Programme for South East Europe and CZK 25 million earmarked for project documentation on organising workshops to accompany this programme in 2002/2003. The European Commission charged the Czech Republic, as a member of the donor group, with establishing and running a "Multinational Web for the Athens Process". This project ([seenergy.org](http://seenergy.org)) was successfully presented at the South East Europe Energy Week in Sofia in October 2003. The project had hitherto been financed out of the South East Europe Energy Programme, with CZK 2 million provided. Another important project is to develop energy management in Kosovo (the project should serve as the basis of the future Kosovo energy ministry). The Czech Republic will put a total of CZK 1,600,000 into the project up to the end of 2004, with CZK 400,000 provided in 2003.

In 2003 the Ministry of Industry and Trade of the Czech Republic gave CZK 20.177 million to renewal projects as part of the Czech Republic's involvement in the process of resolving the consequences of the Kosovo crisis and economic stabilisation and renewal in South East Europe, thus exhausting the CZK 500 million that had been allocated to this department by the Czech government. Similarly, the Ministry of Agriculture of the Czech Republic channelled CZK 21,820,000 into projects from the second stage of the renewal of South East Europe, thus using up the CZK 150 million it was allocated by the said government resolution.

The key project for the Czech Republic in the third working table of the SP was construction of an asylum facility in Bosnia and Herzegovina. The project falls under the Ministry of the Interior of the Czech Republic and was financed with a sum of CZK 718,000 last year. Since 1999 the Czech Republic has also contributed financially to the International Trust Fund for Demining and Mine Victims Assistance, based in Ljubljana. In 2003 the Czech Republic contributed CZK 1,398,700 to this fund. The Czech Republic's representative continued to be engaged in the Office of the Special Co-ordinator of the SP in Brussels in 2003.

Under the SP, support was given to the sharing of Central European countries' experience of the transformation process with South East European countries in 2003, covering the work of government agencies promoting small and medium-sized enterprise, the influx of foreign investments and improving export performance, as well as ecology.

#### **4. The Czech Republic and Other European Forums**

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

The Czech Republic's participation in and support for the OSCE is one of the Czech government's foreign policy priorities. It is in the Czech Republic's permanent interest that the OSCE ensure that all participating countries heed the adopted standards and strengthen their ability to monitor cases of violations and help implement redress.

The Czech Republic systematically strives to make the OSCE capable of flexibly responding to old and new security risks and threats and adapting its instruments accordingly, primarily in the fight against terrorism, in resolving prolonged conflicts and in post-conflict renewal. The Czech Republic works on the basis of the assumption that enlargement of NATO and the EU will strengthen the OSCE.

The Czech Republic was fully involved in OSCE co-operation and co-ordination with the EU in 2003, where EU member and associated states account for more than half its members and contribute two-thirds of the OSCE's resources. The Czech Republic was actively involved in formulating EU stances on general matters and specific issues.

In its military and security dimension, the OSCE pays constant attention to the implementation of existing measures to boost trust and security as contained in the 1999 Vienna document; it also deals with the conduct of armed forces, implementing the OSCE

Document on Small Arms and Light Weapons and other documents adopted in the OSCE (Code of Conduct, Conventional Arms Transfers, Global Exchange of Military Information, support for implementation of the Anti-Personnel Land Mines Ban Treaty etc.) and other commitments associated with the continuing withdrawal of Russian armed forces from the territories of Moldova and Georgia, for example.

One significant step by the OSCE Forum for Security Co-operation in 2003 was adoption of the Document on Stockpiles of Conventional Ammunition. This put in place a mechanism enabling OSCE participant countries to ask for international assistance in destroying or managing stockpiles of munitions, explosives and detonators.

On 25 June – 26 June 2003 Vienna hosted the first ever OSCE Annual Security Review Conference, which is intended to make it possible to evaluate the OSCE's work. The conference touched on current topics of the OSCE's security policy dimension. The Czech Republic delivered a speech on conventional arms control at the conference.

The Joint Consultative Group dealt with implementation of the Treaty on Conventional Armed Forces in Europe (CFE). The Agreement on Adaptation of CFE (A-CFE) in order to eliminate the bloc-based character of the original CFE has still not taken force four years after it was signed in Istanbul in 1999, owing to Russia's failure to observe part of its political commitments in respect of Georgia and Moldova. Honouring these commitments is one of the conditions for ratifying A-CFE, for NATO states in particular.

The OSCE Volunteer Fund, which the Czech Republic contributes to, continued to support Russian military withdrawal from Moldova. In 2003 the Czech Republic supported the removal and destruction of Russian munitions by despatching military experts to the OSCE mission in Moldova and, at the request of the Moldovan government, contributed financially to the destruction of part of Moldovan materiel in the Transdnistria region.

In co-ordination with like-minded countries, the Czech Republic insisted that all the terms of the 1999 Istanbul Agreement necessary for the Adapted CFE to be ratified must be satisfied; the Czech Republic has already accomplished its commitment to reduce the state of three land-based categories of military technology.

2003 marked the first effective year of the Open Skies Treaty (OST). The body set up by the Treaty, the Open Skies Consultative Commission (OSCC), devoted most of its work to the performance of observation flights.

Fighting all forms of discrimination, election standards, freedom of speech and of the media, human trafficking and improving the position of Roma citizens were at the forefront of the OSCE's human dimension.

One important event was the start of Austrian C. Strohal's term of office as the new director of the Warsaw Office of the OSCE for Democratic Institutions and Human Rights (ODIHR), a key institution in OSCE's human dimension.

Intensive talks on a replacement for the incumbent OSCE Representative for Freedom of the Media (F. Duve), whose mandate ended on 31 December 2003, started in the middle of 2003. OSCE countries could not reach consensus, however, so the decision on the choice of new Representative was deferred until 2004.

On 6 October – 17 October 2003 Warsaw was the scene of the OSCE Human Dimension Annual Implementation Meeting, which emphasis on boosting the interaction among OSCE states and between these states and the non-governmental sphere.

In 2003 the Czech Republic continued to take part in the work of the OSCE joint group for formulating an Action Plan for the Fight against Trafficking in Human Beings, providing both finances and expertise, and contributed to the subsequent decision on a special mechanism for its implementation, which was adopted by the OSCE Council of Ministers in December 2003.

The Czech Republic continued to provide financial and staffing support for the ODIHR Contact Point for Roma and Sinti and was involved in finalising an Action Plan for Improving the Situation of Roma and Sinti, which was adopted by the OSCE Council of Ministers in December 2003.

One key aspect of the human dimension was the fight against all forms of discrimination. Two conferences were organised on this theme: the Conference on Anti-Semitism (Vienna, 19 June – 20 June 2003) and the Conference on Racism, Xenophobia and Other Forms of Intolerance (Vienna, 4 September – 5 September 2003).

Monitoring election processes remained an important part of the OSCE's work in the human dimension. In 2003 the ODIHR sent election observer missions to South East Europe and Russian Federation states, and also to Great Britain and Ireland, among other countries. The Czech Republic was actively involved in monitoring elections in OSCE participant states; several dozen short-term and long-term observers from the Czech Republic worked on these elections; and members of the Czech delegation to the OSCE Parliamentary Assembly monitored a number of ballots. The Czech Republic sent twelve observers to the extraordinary presidential elections in Georgia, held at the turn of 2003/2004.

The OSCE registered positive results from its field missions in 2003, especially in South East Europe (among other things, it continued to help install basic democratic standards in Kosovo and fostered statehood and the rule of law in Bosnia and Herzegovina). In total, the

OSCE has a network of 18 long-term missions in the Balkans and Russian Federation states. Almost 4000 international and local civilian experts worked in OSCE missions in 2003. The Czech Republic continued to actively send its experts to these missions (approximately 25 people in total).

The OSCE had to face a number of problems in its fieldwork. These are caused partly by existing drawn-out conflicts and a general lack of democracy and partly by the attitude of the host countries, whose ideas about the purpose and work of missions differ from the generally held view. After initial problems with establishing an OSCE mission in Belarus, which culminated at the end of 2002, the OSCE finally managed to open its OSCE Office in Belarus on 1 January 2003, with the agreement of the local authorities and with a new mandate. Talks with Russia on the OSCE's further engagement in Chechnya foundered in 2003, however. The OSCE merely provided expertise for the preparation of the referendum in Chechnya, in collaboration with the Council of Europe.

2003 only brought partial progress in settling the Transdniestria region problem in Moldova. In the OSCE the Czech Republic spoke out in favour of stepping up international involvement in resolving the Transdniestria problem, with an active role for the EU, including securing a future international presence. In the Czech Republic's opinion, Russian will to complete its military withdrawal from the country and compel the Transdniestria-based regime to adopt a constructive approach remain the key factor for success. These questions were also at the centre of attention at the OSCE Council of Ministers' session in Maastricht.

There were no fundamental developments in the OSCE-sponsored talks on Nagorno-Karabakh between Armenia and Azerbaijan in 2003. The Czech Republic again declared its readiness to host talks between the personal envoys of the two countries' presidents in Prague.

In the OSCE's economic and environmental dimension (EED), the Czech Republic's annual hosting of the OSCE Economic Forum (EF), a key summit-level event, remained important for the country. The 11<sup>th</sup> OSCE EF, devoted to "Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact", was held in Prague from 20 May to 23 May 2003. The Czech Republic actively contributed its experience to all three working groups, which dealt with the separate topics of the impact of the illegal trade in people, drugs and small arms and light weapons.

In line with a 2002 decision by the OSCE Council of Ministers, a new OSCE document supplementing economic and environmental commitments was prepared in 2003. In this context, the options for improving the form and content of economic forums were also discussed, including the possibility of adding a review meeting to the EF in Prague that would

look at the implementation of the OSCE's commitments in the EED. The Czech Republic advocated the organization of review meetings at the EF in Prague. It also sought to ensure that any new OSCE commitments in this dimension have a direct connection to security and stability and do not do the same work as other international forums.

One specific event in the EED was the OSCE's globalisation conference (Vienna, 3 July – 4 July 2003), which dealt with the impacts of globalisation and ways in which the OSCE and its participant countries can respond to them.

The Netherlands held the presidency of the OSCE in 2003. The culmination of its presidency was the 11<sup>th</sup> session of the Council of Ministers in Maastricht (1 December – 2 December 2003). The Czech Republic delegation was led by Deputy Minister of Foreign Affairs J. Winkler. The toughest negotiations concerned the evaluation of the Russian Federation's honouring of its Istanbul commitments in respect of Georgia and Moldova and the overall situation in these countries. Insufficient consensus on these questions meant that agreement could not be reached on the content of the ministerial communiqué that has traditionally been issued or on the content of regional declarations on these areas. The main document adopted at the ministerial meeting was the Strategy on Threats to Stability and Security in the 21<sup>st</sup> Century. This document deals with the main kinds of threat, evaluates the OSCE's existing capability to respond to these threats and puts forward possible ways to improve and expand this capability. The Strategic Document on the Economic and Environmental Dimension, which complements the OSCE's 1990 Bonn Document (which defines member states' economic commitments in general terms) was another important material. Among other things, it sets out the main goals, principles and methods of co-operation, based on an assessment of the current state of affairs and existing economic and environmental threats to security and stability in the OSCE region. It also recommends ways to resolve such problems. It stresses co-operation between OSCE countries, good governance methods, the fight against corruption, public finances management, creating a pro-enterprise environment, supporting small and medium-sized enterprise, corporate management and governance, human resources development, improving social conditions and protecting the environment. According to the document, the annual Economic Forum, held in Prague, and the OSCE Sub-committee for Economic and Environmental Affairs remain the main forums for opinion exchange.

It continues to be important to the Czech Republic that the OSCE Secretariat is based in Prague. The Czech Republic wishes to increase the scope of its work to the benefit of the entire

organization, both by strengthening its function as an archival and conference service, and through its information role relative to the expert and lay public.

## **The Council of Europe**

### *Political Agenda Activities*

In May and November 2003 the Czech Republic took part in both sessions of the Council of Europe's supreme executive body, the Committee of Ministers (CM).

The 112<sup>th</sup> session of the Committee of Ministers took place in Strasbourg on 14 May – 15 May 2003. The Czech delegation was headed by deputy foreign minister P. Vošalík. The main points on the agenda were reform of the European Court of Human Rights, human trafficking, the fight against terrorism, the free movement of persons and the agenda and date of the 3<sup>rd</sup> Council of Europe summit.

The Czech Republic backed Poland's initiative for the 3<sup>rd</sup> summit to be held in Warsaw and the proposed timing for May 2005. On this occasion the General Secretary repeated his proposal to create a special membership status for the European Union in the Council of Europe. In his opinion, the EU enlargement and adoption of the European constitution were reasons for a new formal affirmation of co-operation between the two organizations. "Associate Partner status" should serve this end, enabling the EU to take part in decision-making by the Council of Europe and its intergovernmental programmes, including voting rights.

The 113<sup>th</sup> session of the Committee of Ministers was held in Chishinau on 5 November – 6 November 2003. Co-operation between the Council of Europe and the European Union was once again a topic of discussion. In this context, the Czech Republic stressed the need for internal changes in the Council of Europe in order to concentrate on traditional priorities. Other subjects of debate were reform of the European Court of Human Rights, the fight against terrorism and human trafficking.

During the 113<sup>th</sup> session the head of the Czech delegation gave a speech on the relationship between the Council of Europe and the European Union. In his speech he supported the opinion that there is no need to fear the enlargement of the European Union, for the simple reason that current relations between the Council of Europe and the EU work very well. He said that the area that needs formalising was the Convention on Human Rights and Fundamental Freedoms.



### *Monitoring and Activities in the Council of Europe's Bodies*

During 2003 the Czech Republic took part in the continuing preparations for the amending protocol to the Convention on Human Rights and Fundamental Freedoms. This protocol should implement the reform of the European Court of Human Rights, which is necessitated by the growing number of lodged complaints that is jeopardising the Court's ability to deal with complaints sufficiently quickly. The Czech Republic supported a proposal saying that individual member countries of the Council of Europe should help alleviate the burden on the Court by adjusting their own legislation.

At the end of 2003 the Czech Republic organised a seminar on implementation of the Framework Convention for the Protection of National Minorities, which was attended by representatives of the Council of Europe, government, the expert public, non-governmental organizations and national minorities. Among other things, the seminar evaluated the measures the Czech Republic took in response to the resolution the Committee of Ministers issued in 2002 at the close of their debate on the first report on implementation of the Framework Convention in the Czech Republic. Another goal of the seminar was to collect information that could be used in preparing the next report on implementation of the Convention, which the Czech Republic will submit in 2004.

The Czech Republic was again represented in many specialist working bodies of the Council of Europe in 2003.

Besides the Council of Europe's Human Rights Commissioner, who visited the Czech Republic in February 2003, the situation in the Czech Republic was also monitored in 2003 by a group of states involved in the fight against corruption (GRECO). In its report on the implementation of the Council of Europe's anti-corruption standards in the Czech Republic, GRECO commended the Czech government for making anti-corruption policy a priority that has become part of a general national anti-corruption strategy. GRECO acknowledged that a number of set tasks had been carried out, largely thanks to changes in material and procedural criminal law. At the same time it recommended that the Czech Republic improve its training of experts in the fight against corruption, simplify and clarify the structures of authorities dealing with corruption and consider modifying parliamentary deputies' immunity. The Czech Republic should submit a report on implementation of these priorities by the end of September 2004.

The Czech Republic also provided the Council of Europe with materials related to the Committee of Ministers' regular monitoring of freedom of conscience and religion and sexual equality.

The 2<sup>nd</sup> visit to the Czech Republic by the European Committee for Prevention of Torture and Inhuman and Degrading Treatment or Punishment (CPT) took place in April 2003. The CPT summarised the results of its visit in its Report for the Czech Republic Government, which contains a description of the identified circumstances and recommendations as to how the Czech Republic should improve the position of persons in detention. In December 2003 a material evaluating how the Czech Republic implemented the Committee's recommendations was put before the Czech government.

#### *Visits by representatives of the Council of Europe*

- 24 February – 26 February 2003 – visit by A. Gil-Robles, the Council of Europe's Human Rights Commissioner;
- 1 September – 2 September 2003 – visit by the Secretary General of the Council of Europe W. Schwimmer.

#### *Treaty Activities*

One important step in the Czech Republic's adoption of all the Council of Europe's conventions was the signing of the Convention on Contact Concerning Children. This Convention emerged out of the growing difficulties with ensuring that both parents (or other relatives) have contact with their children in the case of cross-border contacts.

On 24 September 2003 the Czech Republic ratified two more Council of Europe conventions: the Civil Law Convention on Corruption and the Additional Protocol to the Convention on the Protection of Individuals with Regard to Automatic Processing of Personal Data concerning Supervisory Authorities and Cross-frontier Data Flows.

The European Convention on Cross-border Television was ratified on 17 November 2003. The Convention deals with programme services that are part of broadcasting and make it easier for signatories to receive broadcasts across state borders.

On 18 November 2003 the Czech Republic signed the Second Protocol to the European Convention on Mutual Assistance in Criminal Matters, which will help improve states' ability to react to cross-frontier crime.

Also ratified were the European Convention on the Protection of Animals for Slaughter (20 March 2003); the European Convention on the Protection of Vertebrate Animals Used for

Experimental and Other Scientific Purposes (20 March 2003); and the Protocol Amending the European Convention on the Protection of Vertebrate Animals Used for Experimental and Other Scientific Purposes (20 March 2003).

## **5. The Czech Republic and International Organizations**

### **The United Nations**

#### *Principal United Nations Bodies*

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

The 57<sup>th</sup> session of the UN General Assembly (UNGA) continued in 2003. It was chaired by former Czech foreign minister J. Kavan and thus constituted one of the most visible presentations of the Czech Republic in multilateral diplomacy in recent years. During 2003 the 57<sup>th</sup> UNGA dealt with questions like the financing of UN peace missions, defining the UN's role in the changing world, make UN activities more effective and reforming key UN bodies.

A resolution on prevention of armed conflicts was negotiated and adopted by the UNGA under active guidance by the Czech presidency. The resolution stresses the interconnectedness of the causes of conflicts and the need for co-operation between all the actors involved in preventing armed conflicts, in particular the UN, its specialised agencies and civil society. At the initiative of the president of UNGA, a panel discussion was subsequently organised on the topic of "The Role of the Civil Society in Conflict Prevention".

J. Kavan also led a working group that negotiated a resolution on the integrated and co-ordinated implementation of the conclusions of UN summits and conferences. The resolution contains a number of important decisions designed to divide work among individual bodies more effectively and to enable a more practical evaluation of the implementation of UN conference's conclusions.

The Czech presidency was also actively involved in the three main areas of UN reform: making the work of the UN system more effective; revitalising the General Assembly; and reforming the Security Council. It also devoted considerable attention to improving co-operation inside the UN system and outside.

From the Czech Republic's point of view, one important reform issue was regionalisation and rationalisation of the UN's information centres network. The 57<sup>th</sup> session of UNGA and its successful Czech presidency ended on 15 September 2003.

#### *58<sup>th</sup> Session of the UN General Assembly*

The main (autumn) part of the 58<sup>th</sup> session of the UNGA took place from 16 September to 23 December 2003 under the presidency of the foreign minister of Saint Lucia J. Hunte. The Czech Republic's delegation was led by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda. The session's attention was dominated by matters of international security, particularly in the context of the situation in Iraq, the Middle East and the fight against terrorism; other matters of interest were disarmament and non-proliferation of WMD, international economic co-operation and sustainable development, human rights and international law, and, last but not least, reform of the UN and financing of the UN.

The 58<sup>th</sup> session of UNGA was special for the Czech Republic because it was the first session at which its delegation was part of the EU co-ordination mechanisms and could actively participate in preparing joint statements and negotiating positions of the EU. In the autumn part of the 58<sup>th</sup> UNGA (September – December 2003) alone, there were more than a thousand meetings under EU co-ordinating mechanisms, at which the Czech Republic was often actively involved, primarily during debates on economic issues, humanitarian and social matters, disarmament and the Palestinian question.

The first major event of the 58<sup>th</sup> UNGA was a one-day high-level meeting on HIV/AIDS, held on 22 September 2003. Deputy Foreign Minister and Chief Hygienist of the Czech Republic M. Vít addressed the session on behalf of the Czech Republic. The session first and foremost appealed for increased political will to tackle the epidemic, and most importantly for increased contributions to the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria.

The Czech Republic's foreign minister C. Svoboda addressed the meeting during the general debate, which took place from 23 September – 2 October 2003. In his speech on 29 September 2003 he confirmed the continuity of the Czech Republic's foreign policy, emphasising the Czech Republic's involvement in Euro-Atlantic structures and multilateral co-operation, its determination to remain actively engaged in the fight against terrorism and the significance the Czech Republic places on disarmament and non-proliferation of WMD. He referred to the Czech Republic's participation in the liberation of Iraq and spelt out the Czech Republic's stance on international affairs and the issue of the UN. In the context of human rights, he advocated the release of political prisoners in Cuba, which drew a reaction from the

Cuban delegation. The minister also informed about the Czech Republic's decision to apply for membership in the UN Security Council in 2008-2009. In the subsequent course of the 58<sup>th</sup> UNGA the Czech delegation, in line with the Czech Republic's foreign policy and in close coordination with the EU, supported measures to strengthen international peace and security, including the fight against international terrorism, conflict prevention and post-conflict renewal. In its only national address in the General Assembly plenum the Czech Republic focused on the report of the International Atomic Energy Agency. Of great significance was the fact that Ambassador H. Kmoníček, the Czech Republic's permanent representative at the UN, held the presidency of the 5<sup>th</sup> (administrative and budget) UN committee.

Besides the general debate, another important event at the 58<sup>th</sup> UNGA was the two-day "High-level Dialogue on Financing for Development" on 29 October and 30 October 2003. This dialogue followed up the UN Conference on Financing for Development held in Monterrey, Mexico, in spring 2002. The speech by the Czech Republic's representative, Deputy Minister of Foreign Affairs J. Winkler, drew attention to the role played by his country as a donor and stressed the attention the Czech Republic pays to good governance in development aid beneficiary countries.

The atmosphere of the autumn session of the 58<sup>th</sup> UNGA was predetermined by the developments in Iraq, the rising tension in the Middle East, the continuing war on terrorism and the unsuccessful WTO talks in Cancun. The Iraq question instigated broader considerations about the UN's role in today's world. Discussions on numerous "Palestinian" resolutions were tenser than in previous years and were dominated by the construction of the wall between Israel and the West Bank, the worsening economic situation and humanitarian situation of Palestinians in the occupied territories and the Road Map.

The above mentioned tension on the other hand generated some additional pressure on UN reform. That led to the adoption of a resolution on the revitalisation of the UNGA, containing measures to boost the UNGA's authority and role, particularly in relation to the Security Council.

#### *United Nations Security Council*

At the centre of attention of the United Nations Security Council (SC) in 2003 were the situation in Iraq, the situation in the Middle East and the situation in African conflict zones (western Africa, the Democratic Republic of Congo, Western Sahara and others). One of the most important SC resolutions was evidently Resolution 1483 on Iraq, which deals with the situation after the military intervention by international forces. Under Resolution 1483, the

Czech Republic sent a field hospital to Iraq, which operated in Basra from April to December 2003. Resolution 1506, which ended 10 years of UN sanctions against Libya, was also important.

The Security Council continued to focus on the terrorism threat to international peace and security. In addition to the Counter-Terrorism Committee (CTC), which is an auxiliary body of the International Co-ordinating Council for the Fight against Terrorism, 5 SC sanctions committees continued their work concerning Iraq, Somalia, Rwanda, Sierra Leone and Liberia respectively. The Libya sanctions committee was wound up after sanctions were ended. The Afghanistan sanctions committee was renamed the Al-Qaeda and Taleban sanctions committee. The Czech Republic submitted to the CTC its third report on implementation of Resolution 1373 in February 2003 and a report on implementation of sanctions stemming from Resolution 1455 of the Al-Qaeda and Taleban committee in July 2003.

#### *United Nations Economic and Social Council*

At the meetings at the Economic and Social Council (ECOSOC) in 2003 the intensive debate on the strengthening its co-ordination and management role in relation to UN commissions, funds and programmes and as a starting-point for a debate on including new issues on the UN's agenda had continued. The Czech Republic was not a member of this body in 2003.

The culmination of ECOSOC's work in 2003 was its substantive session, held in Geneva from 30 June to 25 July 2003). The theme of the high-level segment was "Promoting an Integrated Approach to Rural Development in Developing Countries for Poverty Eradication and Sustainable Development". The Czech Republic's delegation, in the position of an observer, supported the EU in negotiations on the Ministerial Declaration on this topic.

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

The resumed 10<sup>th</sup> emergency special session of UNGA on the Middle East was convened a total of three times during the 58<sup>th</sup> session of UNGA in 2003. The first session took place after the resolution proposed by Arab countries condemning the Israeli government's decision to deport Y. Arafat was not adopted in the SC on 16 September 2003. The Czech Republic, along with unanimous EU, voted in favour of this resolution in UNGA.

On 20 October 2003 this session was convened again, this time on the matter of the barrier being built between Israel and Palestinian territories. This session was also a reaction to the United States veto of a resolution in the Security Council. Here, the Arab group put forward

two resolutions for discussion, one of which demanded an immediate stop to construction of the barrier and qualified its construction as illegal and a contravention of international law, while the other demanded that the International Court of Justice (ICJ) in The Hague issue an opinion on the legal consequences if Israel did not stop building the barrier, did not remove the parts already built and did not fulfil the Security Council and United Nations resolutions. After the submitting countries and the EU came to an agreement, this second resolution was changed into a demand that the UN General Secretary draws up a report on the continuing construction of the barrier. The resolution was passed by 144 votes; the EU presented this resolution.

Following the General Secretary's report on Israel's failure to carry out the demand of the last resumed 10<sup>th</sup> emergency special session of UNGA, a third session was convened on 8 December 2003. The Palestinians' main aim at this session was to obtain a resolution demanding the opinion of the ICJ on the legal consequences of the continuing construction of the barrier, having regard to the rules and principles of international law, the Fourth Geneva Convention and corresponding Security Council and UNGA resolutions. The resolution demanding the ICJ's opinion was supported by 90 member states; 8 voted against; 74 (including a unanimous EU and candidate countries, bar Cyprus) abstained.

### ***United Nations International Conferences***

#### *World Summit on the Information Society*

The first phase of the World Summit on the Information Society (WSIS) was held in Geneva on 10 – 12 December 2003. The main organiser behind the event was the International Telecommunications Union (ITU), in close co-operation with the UN and other organizations of the UN system. The Summit was the first world conference dealing with the complex issue of the information society at global level. Its aim was to establish a dialogue between governments, representatives of the private sector, non-governmental and international organizations in order to ensure that information and communications technology serves every individual and to jointly overcome the digital divide.

Summit identified a common vision of the information society. Its technological potential should serve to promote the development objectives of the Millennium Declaration, primarily to eliminate poverty and hunger, achieve universal elementary education, equality between men and women, sustainable development and improved health. Creating an information society for all requires, among other things, non-discriminatory access to

information, strengthening of democracy and reinforcement of human rights, building of capacities, confidence in the security of the used technologies and respect for cultural and linguistic differences and ethical dimensions.

Czech Republic actively participated in the preparatory process as well as at the high-level discussions. The summit was attended by a Czech delegation headed by Deputy Prime Minister P. Mareš, who presented a statement summarizing the situation in Czech Republic. The delegation also participated in EU co-ordinating negotiations. The results of the summit, affirming the international community's determination to make use of the potential of existing technologies for the benefit of everyone and for the development of society worldwide, are summarised in the adopted documents – the Declaration of Principles and the Action Plan. The second phase of WSIS will take place in 2005 in Tunisia, where implementation of the two documents will be evaluated.

#### *Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC)*

The 9<sup>th</sup> Conference of the Parties to the Framework Convention on Climate Change was held in Milan on 1 – 12 December 2003. The Framework Convention and subsequent Kyoto Protocol are two of the most important documents in environmental protection. They form the legal basis for reducing emissions of greenhouse gases to a level that would not endanger the future development of the planet in terms of their mutual interaction with Earth's climate system. That is why considerable attention has been paid to the issue of the Protocol's application (and particularly the question of the protocol's ratification by the Russian Federation).

The Czech Republic's representative made the opening speech in the third panel, which was devoted to the evaluation of progress at national, local and international level in achieving the goals stemming from the adopted agreements on climate protection.

#### *United Nations Programmes, Funds and Other Specialised Bodies*

*United Nations Development Programme (UNDP) and United Nations Population Fund (UNFPA)*



Under its membership in the Executive Council of UNDP/UNFPA in 2002-2004 the Czech Republic, as vice-president (in 2002 and again in 2003), took part in the preparations for both the regular and annual sessions and in the sessions themselves; it chaired a number of informal consultations and negotiations and, in the intervals between sessions, took part in work in the bureau of the Executive Council. The Czech Republic also headed the mission of the Executive Council of UNDP/UNFPA that was part of the joint UNDP/UNFPA, UNICEF and World Food Programme mission in Mozambique in March 2003.

Through the Czech UNDP Trust Fund the Czech Republic was involved in implementing UNDP regional programmes and projects, and organising training courses and study courses in the Czech Republic. Co-operation with the UNDP Regional Office in Bratislava and the use of Global Environment Fund (GEF) financing in the area of nature conservation in the Czech Republic continued. At the end of the year the Czech Republic signed a co-financing agreement with the Regional Office, whereby the Czech Republic undertook to provide a voluntary contribution of CZK 10 million that will be spent on UNDP regional programmes involving Czech experts.

#### *United Nations Conference on Trade and Development (UNCTAD)*

In 2003 UNCTAD continued to provide technical assistance and to conduct analyses in the area of trade and development. At the 50<sup>th</sup> session of the main body of UNCTAD, the Trade and Development Council, the preparatory committee for the 11<sup>th</sup> session of the conference (UNCTAD XI) was formed. UNCTAD XI will be held in Sao Paulo, Brazil, on 13 – 18 June 2004. Preparations for UNCTAD XI formed the main part of the organization's work at the end of 2003. As regards technical assistance, the Czech Republic successfully applied to organise a regional seminar on trade policy; the seminar will take place in Prague in July 2004.

#### *The Fight against Drugs in the United Nations*

One part of the 46<sup>th</sup> annual session of the Commission on Narcotic Drugs (CND) in 2003 was a ministerial segment. That showed that, despite some progress, there is a long way to go before the ten-year objectives identified in 1998 are achieved. It is clear that states applying a liberal drugs policy are under growing international pressure, as their approach jeopardises the integrity of the entire system of international treaties on narcotics. The Meeting of Ministers of the 46<sup>th</sup> CND was attended by Deputy Prime Minister P. Mareš, who also chaired one of the four round tables. The Czech Republic also hosted a working mission of the International Narcotics Control Board (INCB) in 2003. Members of the mission held talks with

most of the Czech counter-narcotics authorities; and in its assessment report, INCB then stated that the Czech Republic's anti-narcotics policy is consistent with the commitments enshrined in international anti-narcotics treaties.

#### *The United Nations Fight against Transnational Organised Crime and Corruption*

The Convention against Transnational Organised Crime (the TOC Convention, Palermo 2000) entered into force 2003. One specialised seminar devoted to implementation of the TOC Convention and its protocols was organised in the Czech Republic, which has not yet ratified the Convention. The completion of the first global UN Convention against Corruption was another important step in 2003. During the high-level conference convened to sign this Convention in Merida, Mexico, in December 2003, 95 signatures and one ratification were assembled. The Czech Republic was actively involved in negotiating the text and is currently completing internal negotiations on signing the Convention.

The Czech-Polish-Slovak project to fight the illegal trafficking in women in regions bordering on Germany continued very successfully. The project is performed under the aegis of the UN Office on Drugs and Crime (UNODC). The foundations were laid for a follow-up UNODC project to combat the trafficking in women in Moldova, a country on the future external frontier of the EU. The project will be financed by Sweden and the Czech Republic, with the Czech Republic to be the main implementer of the project.

#### *United Nations Committee on the Peaceful Uses of Outer Space*

In 2003 the work of the UN Committee on the Peaceful Uses of Outer Space (COPUOS) focused mainly on the implementation of the UNISPACE III conclusions. Additionally, the issue of "space debris" and the concept of "launch-state responsibility" were also discussed. A new agenda item dealt with issues related to private enterprise in space activities. As a country with its own space programme (the Czech Mimoso satellite was launched in June 2003) and as a participant in joint space exploration projects, the Czech Republic remained an active member of COPUOS in 2003. The Czech Republic is regularly represented at COPUOS sessions in Vienna.

#### *United Nations Volunteers Programme (UNV)*

The main manifestation of the Czech Republic's support for volunteer activities in the UN system was its financing of five Czech volunteers in UN programmes and projects through the UNV and the funding of a National Contact Point for UN volunteers in the Czech Republic. The National Contact Point regularly identifies and, in close co-operation with UNV, organises

the constantly increasing involvement of Czech volunteers in UN missions. There are presently 17 active volunteers.

#### *United Nations Commission for Sustainable Development (CSD)*

On 28 April – 9 May 2003 the 11<sup>th</sup> session of the CSD was held in New York, providing an opportunity for reflection on the results of the Johannesburg Summit on Sustainable Development and dealing mainly with partnership initiatives and organizational aspects of the commission's work in the future. The Czech delegation, headed by Deputy Prime Minister P. Mareš, was actively involved in the session and addressed the plenum and interactive panel discussions.

#### *United Nations Forum on Forests (UNFF)*

The 3<sup>rd</sup> session of UNFF, attended by Czech representatives, was held on 26 May – 6 June 2003 in Geneva. The following topics were on the agenda: economic aspects of forests, the health and productivity of forests, maintaining forest cover for the needs of present and future generations, strengthening co-operation and co-ordination in programmes and policies and dialogue with special-interest groups. Three ad hoc expert groups were established – these will deal with specific questions in the intervals between UNFF sessions. The Czech Republic's representative was appointed to the expert group for monitoring, assessment and reporting.

#### *United Nations Statistical Commission*

In 2003 the Czech Republic, through the membership in the UNSC of the Czech Statistical Office, was substantially involved in the activities of the Commission. The Commission discussed strategic objectives for the further development of statistics on a global scale, focusing mainly on the issues of population censuses and social and economic statistics. Preparations for the revision of classifications, the issue of dissemination, evaluating the implementation of the Fundamental Principles of Official Statistics and discussion of other planning documents with a substantial impact on statistical support for UN activities were also on the agenda. The Czech delegation's statements focused especially on the issue of censuses and dissemination of statistics, as well as on the issue of national accounts and science and technology statistics.

Based on these negotiations, the Czech Republic supplied the UN's statistics division with materials on the implementation of the Fundamental Principles of Official Statistics, on

preparations for the revision of classifications etc. Part of these activities is performed in co-operation with international organizations (UN, EU, OECD, ILO etc.). In line with the timetable for presenting data to international organizations, data were also passed on according to the UN's methodological standards for further publication and use.

#### *United Nations Economic Commission for Europe*

The 58<sup>th</sup> plenary session of the Economic Commission for Europe, attended by a Czech delegation, was held in Geneva on 4 March – 6 March 2003.

The Commission's main activities in 2003 were preparing the 5<sup>th</sup> ministerial conference on "Environment for Europe", which was held on 21 May – 23 May 2003 in Kiev; co-ordinating with other regional commissions in preparing the first phase of the World Summit on the Information Society (Geneva, December 2003); the International Ministerial Conference of Landlocked and Transit Developing Countries on Transit Transport Co-operation (Almaty, August 2003); and preparing for follow-up events regarding other world summits and international conferences.

One important aspect influencing the Commission's work in 2003 was the preparation for EU enlargement. The Commission organised several workshops on this theme. The Commission continued to work with the OSCE, particularly in the economic and environmental dimension of security. In connection with the UN reform, the internal reform process in the Commission also intensified – its goal is to make its work more effective and adapt its activities to accommodate member countries' needs.

During 2003 the Czech Republic was actively involved in the Commission's work, with Czech experts attending sessions of its working bodies, particularly in the areas of the environment, human settlements, technical harmonisation and standardisation, transport, statistics, customs issues and forestry.

#### *Miscellaneous*

In the course of the past year the Czech Republic was also active in the steering bodies of the UN Human Settlements Programme (UN – HABITAT), the UN Environmental Programme (UNEP) and the UN Institute for Training and Research (UNITAR). In May 2003 the Czech Republic was appointed to the Co-ordination Council of the Joint UN Programme on HIV/AIDS (UNAIDS) for 2004 – 2006. The Czech Republic also volunteered a CZK 1,077,000 contribution to the UN Children's Fund project (UNICEF) for building water mains

and hygiene facilities for an elementary school in Rwanda. A similar amount was collected from the Czech public by the Czech Committee for UNICEF for this project.

### ***Specialized Organizations in the United Nations System***

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

UNIDO became a full member of the United Nations Development Group in 2003. Providing development assistance, chiefly technical in nature, is the main function of this organization. As a future EU member and development aid donor, the Czech Republic uses UNIDO to transfer its foreign aid to areas of Czech geographical and political interest.

As part of this co-operation, a pilot project for the collection of communal waste in the Tanzanian capital of Dar es Salaam was completed in 2003. Another project to develop capacities in cleaner production in Macedonia also moved forward. The Czech Republic also joined the TEST project, which deals with implementing ecological technologies in the Danube basin. Prague hosted a successful UNIDO seminar/training course, which was Czech-financed and tailored for technological development forecasting specialists.

#### *United Nations Organization for Food and Agriculture (FAO)*

The Czech Republic's three-year membership in the FAO Council ended at the 32<sup>nd</sup> FAO Conference (29 November – 10 December 2003). However, the Czech Republic continued to be represented in FAO's management bodies: at the end of the year it was elected to the FAO Committee on Constitutional and Legal Affairs (for a two-year term of 2004-2005).

Co-operation with the FAO through a trust fund using voluntary contributions from the budget of the Czech Ministry of Agriculture continued as part of the Czech Republic's development aid policy (CZK 4 million was allocated to organising training courses and seminars in the Czech Republic for East European experts in 2003). An agreement was also signed on continuing with a joint Czech Republic and FAO project for sustainable game management for better protection and increasing the value of natural resources in Morocco (the Czech Republic's contribution in 2003 was CZK 1.5 million). Additionally, two projects of technical co-operation between the FAO and the Czech Republic started. These were financed out of the regular FAO budget and dealt with forestry and the environment. The Czech Republic's representation in the FAO secretariat grew in number.

### *World Health Organization (WHO)*

The 56<sup>th</sup> session of the World Health Organization was held in Geneva on 19 May – 28 May 2003, attended by a Czech delegation led by the Minister for Health M. Součková. The most important item was the approval of the wording of the Framework Convention on Tobacco Control. The convention was subsequently signed at a ceremony in Geneva in June, with the Czech Republic among the first signatories. The internal ratification process took place in 2003.

At the end of her mandate, the Director General of WHO Gro Harlem Brundtland was awarded a Gold Medal by Charles University in Prague. Korean diplomat Jong Wook Lee took over as Director General.

### *International Labour Organization (ILO)*

The 91<sup>st</sup> International Labour Conference took place in Geneva in June 2003, attended by a tripartite Czech delegation. The session was devoted mainly to eliminating discrimination in employment and occupation. The Czech Republic's representative addressed the meeting on the importance of this session's agenda for the Czech Republic and for the international debate on labour relations and discrimination in employment and occupation. The Czech representative also informed about the adopted national strategy for human resources development and declared the Czech Republic's interest in continuing co-operation with the ILO.

### *World Meteorological Organization (WMO)*

The 14<sup>th</sup> World Meteorological Congress was held in Geneva on 5 May – 24 May 2003. The congress evaluated the past four-year period of the WMO's work and approved a work plan and budget for the coming four years. The Czech Republic co-operates with the WMO through the Czech Hydrometeorological Institute.

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

The three-year mandate of the Czech Republic's representative in the ICAO Council continued in 2003. At a time of severe crisis in the air transport sector, which has a negative impact on all 188 ICAO member states, the Council discussed matters concerning technical and security co-operation between member states.

*International Maritime Organization (IMO)*

The 23<sup>rd</sup> Assembly of IMO was held in London on 24 November – 5 December 2003. The Assembly meets once every two years. The session was attended by a Czech delegation, which did not deliver an address but did take part in all co-ordinating meetings of EU member states.

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

The Czech Republic's co-operation with UNESCO was traditionally intensive in 2003. The Minister of Education, Youth and Sport of the Czech Republic P. Buzková headed the Czech delegation at the 32<sup>nd</sup> session of the UNESCO General Conference, held in Paris on 29 September – 17 October 2003. The General Conference approved the adoption of the Convention on the Preservation of Intangible Cultural Heritage, the Recommendation on the Promotion and Use of Multilingualism and Universal Access to Cyberspace, the Digital Heritage Preservation Charter, the Declaration on the Deliberate Destruction of Cultural Heritage and the International Declaration on Human Genetic Data. These documents were prepared with the active involvement of Czech experts. The General Conference approved the UNESCO Programme and Budget for 2004 – 2005, which the Czech Republic also helped prepare.

The Czech Republic was elected to the UNESCO Executive Council, the Intergovernmental Council of the Man and the Biosphere Programme, the Governing Board of the UNESCO Institute for Statistics, the Intergovernmental Council of the Management of Social Transformations Programme and the Pensions Committee and Legal Committee for the 2003-2007 period. Czech representatives took part in a number of conferences and expert talks on education, science, the environment, protection of cultural monuments and statistics in 2003. The head of the Czech Committee for UNESCO J. Moserová sat in the World Commission for Ethics of Scientific Knowledge and Technology. The Czech representative took part in the Information Ministers Round Table on "Towards Knowledge Societies", which was an UNESCO activity forming part of the preparations for the World Summit on the Information Society.

In 2002-2003 the UNESCO Secretariat provided a sum of USD 119,000 towards seven projects in the Czech Republic in connection with implementation of the UNESCO Regular Programme.

In 2003 the Czech Commission for UNESCO, composed of representatives of central organs and important scientific, cultural and educational institutions, took charge of around thirty events organised in the Czech Republic and related to implementation of the UNESCO Regular Programme. The Czech Republic took part in implementing projects related to the International Year of Freshwater declared by the UN.

A session of the World Heritage Committee in July 2003 approved including the Jewish Quarter and St. Procopius' Basilica in Třebíč on the UNESCO World Heritage List, the twelfth Czech item on the list. Assessment of an application for a thirteenth heritage site, Skalní města (the Cliff Towns) in Český ráj, started in 2003. At the end of the year two more heritage sites were nominated for the World Heritage Centre: the Třeboň fishponds complex and Renaissance houses in Slavonice.

## **The Czech Republic and International Organizations**

### ***The Czech Republic and the World Economy***

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

In 2003 Czech state authorities and the Czech National Bank (CNB) were again involved in all aspects of the OECD's working programme. The Czech Republic's participated in OECD co-operation with non-members, both in the form of voluntary financial contributions worth a total of CZK 7 million and in organising specific events. On 12 June – 13 June 2003 the OECD put on a seminar called "Building Independent Regulators in Key Economic Sectors" in co-operation with the Ministry of Foreign Affairs of the Czech Republic and the Czech Government Office. The seminar was designed for experts from South European states. The Czech Republic also actively participated in preparing the In-depth Assessment of Regulatory Mechanisms in the Russian Federation.

In January 2003 the Economic Policy Committee discussed the Czech Republic's 2003 Economic Survey. The OECD's main recommendations addressed to the Czech Republic concerned the sustainability of public finances, pension reform, dualisms between foreign-owned enterprises and Czech firms, the labour market, workforce mobility and boosting market mechanisms in healthcare.



Under the OECD's sustainable growth project, a mission of experts was performed in April 2003 to prepare the Czech Republic's appraisal in this area, focusing on greenhouse gas emissions, air pollution and the sustainability of pension incomes.

The Czech Republic's Regional Policy Overview was discussed in the Territorial Development Policy Committee in November 2003. It provided an up-to-date look at regional development in the Czech Republic and offered individual and systemic recommendations for areas of administration and regional policy management.

The Ministry of Foreign Affairs of the Czech Republic, in collaboration with other central organs of state administration, prepared a "Report on the Czech Republic's Co-operation with the OECD From the Point of View of Preparations for EU Membership", which was put before the Czech government in December 2003.

*Visits by Czech representatives to OECD bodies:*

- 16 July 2003 – President of the Czech Republic V. Klaus visits the OECD on the occasion of a working visit to France;
- 29 April – 30 April 2003 – the Czech delegation attends the regular meeting of ministers of the OECD Council;
- 29 September – 30 September 2003 – the Minister of Labour and Social Affairs of the Czech Republic J. Škromach attends a meeting of ministers of the OECD Committee for Employment and Social Affairs;
- 4 November 2003 – working meeting between the delegation of the Committee for Economics of the Chamber of Deputies and OECD representatives;
- 20 November 2003 – working meeting between the delegation of the Senate Committee on National Economy, Agriculture and Transport of the Parliament of the Czech Republic and OECD representatives.

*Visits by OECD representatives to the Czech Republic:*

- 25.5 – 27 May 2003 – visit by OECD Secretary General D. J. Johnston.

*The World Trade Organization (WTO)*

The 5<sup>th</sup> Conference of Ministers of WTO Member Countries was held in Cancun on 10 September – 14 September 2003. This conference was supposed to be an important stage in the ongoing multilateral trade talks commenced at the previous conference of ministers in

Doha, Qatar. The Cancun conference ended in failure, however. No fundamental decision was adopted that would make it possible to implement the Doha Development Programme.

The Czech Republic was actively involved in talks in the WTO. It worked closely with the EU and its existing and future members. The Czech Republic again featured in the WTO's elected structures, with its representative heading one of the supreme bodies.

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

The Czech Republic has been a member of the IMF since 1 January 1993 and forms part of a constituency comprising Belgium, Austria, Turkey, Hungary, the Czech Republic, Belarus, Slovakia, Kazakhstan, Luxembourg and Slovenia. The constituency agreement was renewed for another ten years in Brussels on 8 December 2003, taking effect from 1 November 2004.

The Czech Republic's membership quota amounts to 819.3 million special drawing rights (SDR), which represents 0.39% of voting rights. The IMF's supreme body is the Council of Governors; the Czech Republic's IMF governor is Governor of the Czech National Bank Z. Tůma. The Council of Governors meets once a week jointly with World Bank governors at the IMF/WB annual sessions. The last annual session was held in Dubai in September 2003.

In 2003 the Czech Republic continued to help generate funds for the IMF's Enhanced Structural Adjustment Facility (ESAF II; since September 1999 the name has been changed to PRGF – Poverty Reduction and Growth Facility), through which the IMF provides aid to the poorest developing countries. The Czech Republic's overall contribution amounts to 10 million SDR. The contribution was paid in from 1994 at annual instalments of 1 million SDR, i.e. approx. CZK 38 million (rate: 38 CZK/SDR); the last instalment was paid in 2003.

Co-operation currently concentrates on regular IMF visits to the Czech Republic, which lead to recommendations for economic policy, especially in the monetary, fiscal and wage areas.

#### *The World Bank (WB)*

The Czech Republic has been a member of the WB ever since the country attained its independence, i.e. since 1 January 1993. The WB's supreme body is the Council of Governors. The WB Governor for the Czech Republic is Minister of Finance and Deputy Prime Minister B. Sobotka; his alternate is Czech National Bank Vice-governor O. Dědek. The Czech Republic's voting rights are derived from the size of its capital input and amount to 0.41%. In

September 2003 there was a joint annual session of the IMF and WB in Dubai, attended by a Czech delegation.

For several years now the WB has provided the Czech Republic with consultancy services in the areas of co-operation between the private and public sectors, pension reform, systems for tackling insolvency and creditors' rights, supervision of the insurance market, assessment of corporate governance and management, the knowledge economy (national forum on the knowledge economy) and healthcare reform.

The successful co-operation between the Czech Republic and the WB on environmental issues continued in 2003. The Czech Republic is a contributor to the Global Environment Facility; at the same time, it draws environmental protection grant funds. The Czech Republic accepted a grant from the Japan Climate Initiative Grant Programme in 2003, which is intended to support implementation of the Framework Agreement between the Czech Republic and the IBRD on Co-operation to Reduce Greenhouse Gases.

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

Most Council of Europe member countries are CEB shareholders; the Bank answers to the Council of Europe. The Czech Republic has been a member since 12 February 1999.

CEB's top priority is helping resolve social problems in member countries, primarily in aiding refugees, immigrants and victims of natural or ecological disasters. The bank also supplies credit for economic, cultural and environmental projects.

So far the Czech Republic has not asked for a loan directly for the needs of the state. After the Czech Republic joins the EU, CEB funds could be used to co-finance projects for which the Czech Republic will draw from the EU's Cohesion Fund and structural funds.

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

The ICEB was established by the Agreement on the Establishment and Work of an International Bank for Economic Co-operation from 22 October 1963 and the IIB by the Agreement Establishing an International Investment Bank from 10 July 1970, as instruments to support trade co-operation under the former Council for Mutual Economic Aid (COMECON). The former Czechoslovakia was a founder member of both banks; the Czech Republic's membership was established in consequence of its succession to international treaties.

There were two key problems in 2003: settling the Russian debt to both banks, which is a fundamental condition for repayment of the bank's debt to western creditors and for the

banks' financial consolidation and revitalisation; and the question of the bank's ownership of the buildings of its headquarters in the Russian Federation. Substantial progress was made in both issues in 2003.

### ***The Czech Republic's Membership of Certain Other International Organizations***

The Czech Republic was involved in roughly forty more international economic organizations, in line with its economic interests. The most important organizations included the following:

*World Tourism Organization (WTO/OMT)*. This organization's work is extremely important for the Czech Republic, considering tourism's key role in the country's economy. The Czech Republic makes use of analytical information and forecasts provided by WTO/OMT for the formulation of the relevant policies. On 17 September – 24 September 2003 WTO/OMT held the 15<sup>th</sup> session of its General Assembly in Beijing, where the transformation of this organization into a specialised UN agency was approved. This transformation was confirmed at the 57<sup>th</sup> General Assembly of the UN on 7 November 2003. The Czech Republic completed its four-year term in the organization's Executive Council in 2003.

The main task of the *European and Mediterranean Plant Protection Organization (EPPO)* is to draw up plant quarantine control and pesticide assessment procedures. In 2003 the Czech Republic made use of EPPO information, recommendations and documents for work on quarantine, plant protection and registration of plant protection products.

In co-operation with the appropriate authorities in the Czech Republic, the *International Office of Epizootics (OIE)* helped formulate and apply recommended veterinary principles for the international trade in animals and animal products so that requirements are harmonised among member countries.

The *International Exhibitions Bureau (BIE)* regulates the conditions for organising World Fairs, or "EXPOs". The Czech Republic was re-elected to another two-year term in the Administration and Budget Committee in 2003.

The *International Office of Vine and Wine (OIV)* safeguards vintners' interests, regulates the international wine market, draws up standards and distributes information. The Czech Republic was active in its expert commissions and was mainly involved in the international harmonisation of standards, designed to improve conditions for the production and marketing of vine-based products with regard to consumers' interests.

The *International Permanent Commission for Firearms Proofing (CIP)* deals with matters of the safety of arms and ammunition for civilian purposes and is an important certifying authority in this regard. Czech products with its certification are exempted from certain non-tariff trade barriers and are more competitive on world markets.

The main mission of the *International Bureau of Weights and Measures (BIPM)* consists in international research into physical units and etalons and comparison of national laboratories. The 22<sup>nd</sup> session of the General Conference for Weights and Measures was held in Paris on 13 November – 17 November 2003 and was attended by the Czech Republic.

The main work of the *International Organization of Legal Metrology (OIML)* is to publish information and recommendations related to its field. One important OIML project is preparing a specimen act on metrology, which will serve as the basis for harmonising national legislations. The Czech Republic is a member of this organization and takes part in its work, among other things running the secretariat for two technical commissions.

*International Union for Protecting New Varieties of Plants (UPOV)*. The Czech Republic's membership of this organization facilitates access to all leading varieties of the world range of plant varieties for farmers in the Czech Republic and access to foreign markets for Czech varieties.

The Czech Republic's membership of the *International Criminal Police Organization (INTERPOL)* consists in the working of the national headquarters, i.e. an official police office empowered by government. INTERPOL co-ordinates co-operation between national offices, participates in the fight against organised crime and gathers data from all national offices.

The work of the *European Organization for Nuclear Research (CERN)* creates the right conditions for international scientific collaboration between member states in nuclear research. The organization does not deal with military activities. In 2003 the Czech Republic was actively involved in a number of CERN science projects and experiments, the most important of which is construction of a Large Hadron Collider. The Czech Republic's participation in this organization enables Czech scientists to work in the international science environment. In December 2003 there was a working visit by Deputy Prime Minister P. Mareš to CERN. The Czech Republic's expert co-operation with CERN takes place through the Czech Academy of Sciences.

The *Joint Institute for Nuclear Research (JINR)* is an international organization for theoretical and applied research in nuclear fields. The core of the Czech Republic's co-operation with JINR consists in long-term joint projects which are subject to expert scrutiny. Czech workers take part in a number of experiments in international research centres in

Germany, France, Italy and the USA. The Czech Republic's membership of the JINR also makes it easier for Czech firms supply their facilities to the JINR. More and more often, this is a matter of commercial supplies going beyond the framework of the Czech Republic's contribution to the JINR. In 2003 there was an excursion to the JINR by 17 Czech students, during which the students took part in physical practice. Four Czech students underwent a three-week internment in the JINR as part of their masters courses.

Through the Ministry of Information Technologies, the Czech Republic also took part in the work of the following intergovernmental satellite organizations in 2003: the International Telecommunications Satellite Organization (ITSO); the International Mobile Satellite Organization (IMSO); Eutelstat; the International Government Organization (IGO); and Intersputnik.

Czech representatives were actively involved in sessions of ITSO's intergovernmental bodies in order to conserve the favourable conditions the Czech Republic derives from its ITSO membership, especially the access to state-of-the-art telecommunication technologies without the need to build its own costly satellite systems.

In the IMSO, the Czech Republic was actively involved in the Advisory Committee and the Intersessional Working Group for preparing changes to the IMSO Constitution – these changes are to be submitted for approval by the Assembly planned for autumn 2004.

In Intersputnik, the Protocol on Amendments to the Agreement on the Establishment of Intersputnik and the Operating Agreement was undergoing the approval process in a number of countries. In line with the results of the November session of the Intersputnik Board, the Czech Republic prepared the steps necessary for approving the said protocol.

International government transport organizations – *The European Conference of Ministers of Transport, The Intergovernmental Organization for International Carriage by Rail, The Organization for Railways Co-operation, the European Civil Aviation Conference and the European Organization for the Safety of Air Traffic* – adopt measures at European or regional level and co-ordinate rational development of European air, road, rail and waterborne transport in order to harmonise European legislation with EU standards.

## **6. Non-proliferation of Weapons, Arms Control and Disarmament**

International talks on disarmament, arms control and non-proliferation of weapons of mass destruction (WMD) overlapped with each other and formed the basis of the work of the 1<sup>st</sup> Committee (for disarmament and national security) of the 58<sup>th</sup> General Assembly of the United Nations, the UN Disarmament Commission in New York and the Conference on

Disarmament in Geneva. The Czech Republic supported efforts by the European Union to adopt and implement specific measures to prevent WMD proliferation and gradual steps for their complete elimination, including their means of delivery.

In 2003 the Czech Republic, in line with its foreign-policy priorities and security interests and commitments, was involved in the work of all the relevant international treaties in WMD non-proliferation, arms control and disarmament. The Czech Republic was also an active member of all existing international control regimes. Their significance lay in the fact that tightened export policy on goods, facilities and technologies for direct use and dual-use items helped prevent proliferation of WMD and their means of delivery and the stockpiling of conventional weapons in certain countries or regions. These control regimes exist without direct link to the UN and complement the control system and non-proliferation rules provided by UN treaties on disarmament.

## **Nuclear Weapons**

### *Nuclear Non-proliferation Treaty*

The Treaty on the Non-proliferation of Nuclear Weapons remains the basis of the global system of non-proliferation of WMD. A review conference is held every five years and precedes the sessions of the preparatory committees. The 2<sup>nd</sup> session of the preparatory committee for the 7<sup>th</sup> Review Conference on the Nuclear Non-proliferation Treaty was held in 2003, with the participation of the Czech Republic.

### *International Atomic Energy Agency*

The Czech Republic was elected vice-president of the Board of Governors in September 2003. The Governor is the president of the State Office for Nuclear Safety (SÚJB) D. Drábová. One of the Czech Republic's priorities is strengthening the role of the IAEA in the area of nuclear non-proliferation, i.e. strengthening the system of "safeguards agreements". Central to this is universalising the Additional Protocol, which is the IAEA's highest verification standard, and helping cut the cost of the IAEA's safeguards work. As a member of the IAEA Board of Governors, the Czech Republic actively participated in talks on Iran's nuclear programme. The Czech Republic regarded the unanimous adoption of the relevant resolution in November 2003 as a success for the international community, whereby it worked on the basis

of the assumption that the only possible way forward was for Iran to co-operate fully with the IAEA and fulfil its commitments.

At the 47<sup>th</sup> General Conference in September 2003 the Czech Republic held the vice-chairmanship of the General Committee. The head of the Czech Republic's Permanent Mission to international organizations in Vienna chaired one of its working groups. In 2003 the Czech Republic continued to co-finance the Nuclear Security Fund, which was set up in the IAEA after the 11 September 2001 terrorist attacks in the USA.

Nuclear security issues and boosting the IAEA's role in creating nuclear safety standards is the Czech Republic's enduring priority in the IAEA. That is why the Czech Republic, in its national contribution to the 47<sup>th</sup> General Conference, informed that the Temelin nuclear plant had moved from trial operation to full operation, all the time maintaining a high standard of nuclear safety and security.

The growing role the IAEA is playing made it necessary to increase the Agency's budget in 2003. To this end a set of budget decisions were made in July 2003. In this context the Czech Republic played an active part in reforming the financing of technical co-operation – starting in autumn 2003, it will chair a new working group intended to make the system of financial contributions towards technical co-operation in the IAEA more effective.

Given the commitments stemming from the Nuclear Non-proliferation Treaty and thanks to its national nuclear know-how, the Czech Republic provides assistance to new independent countries (Ukraine, Armenia, Moldova). In 2003 the Czech Republic became a member of the important Safeguards Support Programme. The physical protection of nuclear materials forms a major part of the Czech Republic's activities in the IAEA. The Czech Republic organises regular regional courses in physical protection, in collaboration with the IAEA and the USA.

A number of international conferences or meetings of experts took part in 2003 in co-operation with or under the aegis of the IAEA and attended by the Czech Republic. These were: an international conference on the safety of sources of radioactivity (Vienna, 11 March – 13 March 2003); and the 1<sup>st</sup> review conference of the Joint Convention on Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management (Vienna, 3 November – 14 November 2003), where the Czech Republic successfully defended its national report. The Czech Republic continues to support a tightening of the Convention on the Physical Protection of Nuclear Material as an effective precaution against nuclear terrorism. In 2003 the Czech Republic took part in the international efforts to convene a diplomatic conference to review the Convention.



### *Nuclear Suppliers Group*

The Nuclear Suppliers Group (NSG) is an association of states that scrutinise exports of nuclear items and dual-use items to prevent them being abused for nuclear weapons purposes. It does so in support of the Nuclear Non-proliferation Treaty and based on agreed rules.

The NSG's significance has grown in connection with the threat of nuclear terrorism and the violation of the Treaty by certain states. That is why the Czech chairmanship of the NSG (May 2002 – May 2003) continued to focus on the fight against nuclear terrorism and tighter non-proliferation control in line with the Treaty. The NSG also reacted to current global challenges, in particular developments in the North Korean and Iranian nuclear programmes. Considerable effort was devoted to making the NSG and its relations with non-members transparent – progress in relations with Israel and China was registered during the Czech chairmanship. At the NSG plenary meeting in Pusan the Czech Republic handed over the chair to South Korea, but remained in the presiding Troika. Despite the efforts of the Czech chairmanship, it was not possible to enlarge the NSG's membership, since current members could not agree on the new candidates.

### *Comprehensive Test Ban Treaty*

The Comprehensive Test Ban Treaty (CTBT) is another crucial instrument in nuclear non-proliferation. Work to build up the CTBT's verification mechanisms, i.e. the International Monitoring System and the International Data Centre, continued in 2003. One fundamental problem with the comprehensive test ban is the fact that the CTBT has not yet entered into force – it still has not been ratified by several key countries. The third conference supporting the CTBT's entry into force (Vienna, 3 September – 5 September 2003), attended by the Czech Republic, was held to promote the Treaty. Its main achievement was the adoption of a Declaration which contains an assessment of the current state of affairs in the ratification process and suggestions for how to speed it up.

On 27 October 2003 the Czech Republic ratified the Agreement between the Government of the Czech Republic and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization on the Conduct of Activities, including Post-Certification Activities, relating to International Monitoring Facilities for the Comprehensive Nuclear-Test-Ban Treaty (known as the Facility Agreement). This Agreement contains measures related to an auxiliary seismic station in Vranov, near Brno, which is, under the CTBT, part of the international monitoring system.

## **Chemical and Biological Weapons**

### ***Chemical Weapons***

The Czech Republic's work under the Organization for the Prohibition of Chemical Weapons (OPCW) was boosted in 2003 by its membership and chairmanship of the OPCW Executive Council. The First Review Conference of Signatories to the Chemical Weapons Convention (CWC) was held in The Hague on 28 April – 9 May 2003. Deputy foreign minister A. Vondra headed the Czech delegation at the conference. Two main documents were approved at the end of the conference: a Political Declaration and a Chairman's Text. The Hague was also the scene of the 8<sup>th</sup> session of the Conference of CWC States in October 2003; this conference adopted a CWC Implementation at National Level Action Plan and a CWC Universality Action Plan.

These documents were prepared by the OPCW Executive Council chaired by the head of the Czech Republic's mission in The Hague. The Czech Republic was also involved in improving the capacities of the Technical Secretariat in the area of assistance and protection against chemical weapons and boosting regional co-operation between national authorities responsible for implementing the Convention. As part of the EU's co-operation with the Russian Federation in destroying chemical weapons the Czech Republic provided CZK 2 million for a project to destroy such weapons in the Russian Federation.

### ***Biological Weapons***

The annual session of the Biological and Toxin Weapons Convention (BTWC) was held in Geneva on 10 November – 14 November 2003. The session dealt with the issue of the adoption of national legislation essential for compliance with the bans laid down in the Convention and with the appropriate national legislations and national mechanisms for ensuring safety and supervision of microbial and other biological agents and toxins in BTWC signatory states.

### ***The Australia Group***

The plenary session of the Australia Group international control regime, attended by the Czech Republic, was held in Paris on 2 June – 5 June 2003. The session discussed further measures to make this control system more effective in the endeavour for non-proliferation of

chemical and biological weapons and focused on strategic matters, making the system more effective and stepping up information exchange.

### **Ballistic Missiles and Delivery Systems of Weapons of Mass Destruction**

The Czech Republic is a member of the Missile Technology Control Regime (MTCR), whose plenary session was held in Buenos Aires on 19 September – 26 September 2003. Information exchange, membership for other countries and technical aspects were discussed at the meeting. The main achievement of the plenary session was a decision to set out extra directives.

The Hague Code of Conduct (HCOC) regarding non-proliferation of ballistic missiles is a political document defining confidence-building measures. It takes the form of a political commitment not to proliferate ballistic missiles as delivery systems for weapons of mass destruction. The Czech Republic took part in the HCOC's annual session in New York on 2 October – 3 October 2003. At this session signatory countries presented their national reports and decided on a new format and the sending of reports. The session's conclusions proclaim the objective of intensifying co-operation with the UN and continuing to promote the HCOC in other countries. Consensus on a motion to submit a separate resolution on the HCOC at the 1<sup>st</sup> Committee of the 58<sup>th</sup> UN General Assembly was not reached at the session.

### **Conventional Weapons**

#### *Conventional Weapons Export Control*

The Czech Republic has committed itself to complying with the EU's Code of Conduct in its conventional weapons exports. The Code of Conduct's eight criteria set the framework for national export policy. The criteria dictate that it is necessary to assess the situation in the territory to which an export consignment is heading. The criteria include respecting international commitments of EU member states, respecting human rights in the country of final destination, assessing the internal situation in the country of final use in terms of the existence of tension or armed conflict, preserving regional peace, security and stability, the national security of member states and friendly and allied countries and the conduct of the buyer's country towards the international community.

Under the Code, member states are obliged both to heed the Code's criteria and to share with others annual reports on national exports; member states also participate in a system for information sharing on any denied exports.

In June the Council of the European Union adopted a Common Position on the Control of Arms Brokering, which binds member states to legislate on this complex issue.

Along with the other nine candidate countries, the Czech Republic started taking part in sessions of the Council of the European Union's working group for the control of exports of conventional weapons (COARM) as a full-fledged member in May 2003. The Czech Republic is thus actively involved in forming new EU instruments designed to increase the transparency of national export policies of EU member states and to harmonise member states' legislation on this issue.

#### *Anti-personnel Mines*

The Czech Republic continued to implement the Ottawa Convention (the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on their Destruction). The fifth session of the Convention's signatories was held in Bangkok in September 2003. This session's final declaration condemned the use of anti-personnel mines.

The Czech Republic is an active signatory to the Ottawa Convention. In 2003 the Czech Republic continued to contribute to humanitarian mine-clearing projects, both through international organizations and as part of bilateral co-operation (in Albania and Lebanon).

#### *Restricting the Use of Conventional Weapons*

In November 2003 a Czech delegation attended a meeting of signatories to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects. The meeting's great achievement was that, after more than two years of negotiations, the text of the future Protocol V on Explosive Remnants of War was approved. This legally binding document assigns responsibility for destroying explosive remnants of wars, sets out methods for warning the civilian population and formulates principles for international co-operation and assistance.

#### *Small Arms and Light Weapons*

The international community's endeavours to prevent proliferation of small arms and light weapons mainly consisted in implementing the Action Programme to Prevent, Combat

and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects from 2001. The first conference reviewing progress in implementation of the Action Programme was held in July 2003. Here the Czech Republic presented its national report and informed about national legislative measures and its involvement in regional and global co-operation. The review conference will take place every two years.

The Czech Republic's approach is based on its attempt to find balance between responsible implementation of its foreign policy commitments regarding controlling the export of small arms and light weapons and protecting its own security and trade interests. The Czech Republic fully supports the UN's endeavour to increase transparency, including adopting global standards for traceability of the movement and transfers of small arms and light weapons.

#### *Wassenaar Arrangement*

The Czech Republic is an active member of the Wassenaar Arrangement (WA), which aims to prevent the proliferation of conventional weapons and dual-use technologies. The plenary session of the WA in December 2003 published a Ministerial Statement emphasising the importance of intensifying co-operation between WA participant countries in controlling exports of conventional weapons and dual-use technologies for the sake of international security, with particular regard to the threat of terrorism. WA members decided to tighten up controls of exports of man-portable air defence systems and to make transfers of small arms and light weapons more transparent. In 2003 the Czech Republic concentrated on WA outreach activities – in line with the EU's position it supports the accession of all EU countries to the WA. In view of its chairmanship of the NSG, the Czech Republic also pushed for more co-operation between WA and other control regimes to prevent duplications and improve the co-ordination of global efforts to prevent arms proliferation.

**The Czech Republic and NATO in the context of non-proliferation of weapons of mass destruction, arms control and disarmament**

In accordance with the principles of the NATO Strategic Concept, the issue of non-proliferation of WMD and arms control is one of the core themes of co-operation among allies. NATO's goal is to prevent the proliferation of WMD and related missile technologies, or to use diplomatic means to reverse ongoing proliferation.

The main forum for these activities in NATO is the Senior Political-Military Group on Proliferation of WMD (SPG). In 2003 this Group discussed the risks and threats of missile technologies in connection with ownership of WMD. Discussions on the issue of anti-missile defence continued in 2003. Co-operation in this area between NATO and Russia went ahead.

NATO is also striving to enhance defence capabilities against WMD and protection of the civilian population. NATO's Prague summit in November 2002 approved five initiatives in this area. In 2003 the Czech Republic was actively involved in implementing them, and is one of the main contributors to all five components of the Prague initiatives. One expression of these efforts is the Czech Republic's position as a leading country in the drive to build a NATO Chemical, Biological, Radioactive and Nuclear Defence Battalion, which is linked to the preparation of a NATO Response Force. The battalion was declared ready for operation as of 1 December 2003. The Czech Republic regards its leading role in this project as a logical development and recognition of its experience and past work, including the engagement of Czech units in Kuwait during operation Enduring Freedom.

## **7. The Czech Republic in the Fight against International Terrorism**

The fight against global terrorism remained one of the priorities of Czech foreign policy in 2003. Global terrorism has evolved into a complicated phenomenon, whose main features are the existence of loosely connected, decentralised groups, sophisticated formal and informal financing methods, a link to organised crime and effective use of modern technology. This confirms the justification of the Czech Republic's approach, which was not confined to military suppression of armed terrorist groups but also asserted a broader, long-term strategy based on solutions to political, economic and social problems that help form a motivational base for terrorism.

The fight against global terrorism is beyond the capabilities of individual states; intensive co-operation at international level is therefore imperative. For this reason the Czech Republic was actively involved in the efforts of the appropriate international organizations and institutions to find a common approach to the fight against terrorism.

## **National Action Plan for the Fight against Terrorism**

In April 2003 the Czech government passed Resolution no. 361, updating the National Action Plan for the Fight against Terrorism. This key document, which follows up the EU's Action Plan on Terrorism, contained an overview of the basic tasks that responded to the threat of international terrorism. It also declared the Czech Republic's determination to honour the international commitments it assumed when it joined international organizations and to continue to actively contribute to developing international co-operation in the fight against terrorism. The objectives laid down in the updated National Action Plan for 2003 reflected the entire spectrum of anti-terrorism issues. The priorities therefore include engagement in the EU's political dialogue, being ready to provide humanitarian aid, participating in the renewal of Afghanistan, supporting the UN's anti-terrorism activities and a whole series of technical measures regarding crisis management and migration and visa policy.

## **The Czech Republic's Involvement in the Stabilisation of the Republic of Iraq**

Stabilising post-war Iraq was one of the priorities in the worldwide war on terrorism. In 2003 the Czech Republic took part in this endeavour by providing humanitarian and development aid; it supplied soldiers and sent civilian experts to the Coalition Provisional Authority.

The government's humanitarian aid for Iraq was worth CZK 29.4 million in 2003 – it took the form of medicines, food and involvement in projects to renew the education and healthcare systems. Part of these resources was channelled into neighbouring countries so that it could be used to alleviate the impacts of any humanitarian crisis associated with the conflict in Iraq.

Up to May 2003, the reinforced Chemical, Biological, Radioactive and Nuclear Defence Battalion of the Czech army remained in neighbouring Kuwait. This battalion was also prepared to respond to the consequences of any use of weapons of mass destruction. From May to December 2003 a Czech army contingent of approx. 400 persons, consisting mainly of a field hospital and humanitarian echelon, operated in the South Iraqi city of Basra. In December 2003 a military police unit was sent to Iraq to help train Iraqi police forces.

## **The Czech Republic and the United Nations in the Fight against Terrorism**

During the 58<sup>th</sup> United Nations General Assembly the Czech Republic fully supported the UN's role in co-ordinating action by the international community in the fight against terrorism. In February 2003 the Czech Republic presented the UN Counter-terrorism Committee its 3<sup>rd</sup> report on implementation of UN Security Council Resolution no. 1373 from 2001. In July 2003 the Sanctions Committee concerning the Taleban and al-Qaeda received the Czech Republic's report on implementation of the sanctions laid down by Resolution no. 1455 from 2003. The UN continued to be the arena for debate on the possibility of a general convention on terrorism containing a definition of terrorism in international law terms. This discussion was supported by the Czech Republic.

The Czech Republic is party to nine of the twelve multilateral UN conventions and their specialised agencies. Ratification of the entire set of treaties is a fundamental expression of the determination to support the worldwide efforts in the fight against terrorism. That is why preparations were started in 2003 for the ratification process on the Convention on the Suppression of Unlawful Acts against the Safety of Maritime Navigation (Rome 1988) and the related Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (Rome 1998). The groundwork for changes in Czech legislation that will make it possible to ratify the remaining International Convention for the Suppression of the Financing of Terrorism also continued in 2003.

## **The Czech Republic and the European Union in the Fight against Terrorism**

The fight against terrorism was one of the top priorities of the EU's common foreign and security policy and of co-operation in the justice and interior departments in 2003. In view of the Czech Republic's approaching entry to the European Union, the Czech Republic placed fundamental emphasis on full engagement in these activities. During 2003 the EU concentrated on seeing through legislation planned in the previous period, updating review reports and making adopted technical measures more effective. In its external relations the EU was very active in providing technical assistance to third countries, co-ordinating the anti-terrorism effort with regional and international organizations and consulting with relevant partners. During



2003 the Czech Republic stepped up its efforts to align its legislation with European law on terrorism issues and participated in the EU's unilateral measures against terrorism, i.e. primarily a common position updating the list of persons and groups sanctioned by Common Positions nos. 2001/931/CFSP (2003/482/CFSP, 2003/651/CFSP and 2003/906/CFSP).

Signing the Treaty of Accession to the European Union in May 2003 made it possible for the Czech Republic to take part in sessions of the Council of the European Union's Terrorism Working Group as an observer. The Working Group regularly meets in two formats that reflect the difference between the second pillar of the common foreign and security policy and the justice and interior departments. The Czech Republic thus participated in the legislative and analytical work of these groups and was involved in mutual exchanges of information.

### **The Czech Republic and NATO in the Fight against Terrorism**

In 2003 the Czech Republic participated intensively in the fight against international terrorism within the North Atlantic Treaty Organization and the Euro-Atlantic Partnership Council (EAPC).

Key activities here were the international operation to stabilise Afghanistan, i.e. Operation Enduring Freedom, which seeks to eradicate the remains of al-Qaeda and the Taleban, and the International Security Assistance Force in Afghanistan (ISAF). These operations are helping Afghanistan's provisional government install stability and security in Kabul and its immediate environs. NATO took command of the operation on 11 August 2003. Even before this date NATO states had supported ISAF, providing a substantial portion of the troops (up to 95%) and capabilities (intelligence, support, co-ordination, communications). At the end of 2003 the Czech Republic offered to despatch 120 persons to Enduring Freedom and 30 more to ISAF.

Implementing those elements of the Prague Summit Declaration that concern anti-terrorism also had a key significance in the fight against terrorism. These elements are the decision to set up a NATO Response Force and the gradual implementation of the Partnership Action Plan against Terrorism (PAP-T). The Czech Republic concentrated its efforts on building up capacities to defend against weapons of mass destruction. As one of the leading countries, it contributed to all five main parts of the Prague initiatives in defence against WMD, most notably the project to build a multinational NATO battalion to protect against WMD and building a CBRN Defence Centre of Excellence in Vyškov.

Progress was also made in implementing the Civil Emergency Planning action plan, which is designed to raise the standard of protection of the civilian population against possible attacks using chemical, biological and radioactive substances.

### **The Czech Republic and the Organization for Security and Co-operation in Europe (OSCE) in the Fight against Terrorism**

The Czech Republic was actively involved in developing the OSCE's security dimension, a fundamental part of which is the fight against terrorism. The OSCE's co-ordination body for anti-terrorism activities is the Action against Terrorism Unit (ATU). The Czech Republic supported OSCE efforts to create mechanisms for implementing anti-terrorism measures. Several decisions were made by the OSCE Council of Ministers in this area in 2003. The most important ones are the decision on man-portable anti-aircraft systems (MANPADS) and measures designed to diminish the threat of their use against civil aviation, and the decision on travel document security, which calls on participant countries to introduce biometric data in passports. On 28 November 2003 the OSCE adopted a Document on the Stockpiling of Conventional Ammunition, which tackles the risks stemming from stockpiling munitions and explosives in the OSCE region that could be used for terrorism.

A decision of the Council of Ministers also set up an OSCE anti-terrorist network to serve as a platform for exchanges of information among national anti-terrorism co-ordinators in OSCE and ATU countries. The Czech Republic is part of this network at the level of Ministry of Foreign Affairs, represented by the interdepartmental co-ordinator for the fight against terrorism.

### **The Czech Republic and the Organization for Economic Co-operation and Development (OECD) in the Fight against Terrorism**

The Czech Republic was actively involved in OECD activities related to the fight against terrorism and the financing of terrorism. It was again one of the states behind a UN General Assembly resolution on computer security in 2003.

At the USA's proposal, the OECD drew up a study on experiences with coping with the consequences of major catastrophes. This study formulated fundamental recommendations that governments should implement to mitigate the economic impacts of catastrophes. A project devoted to risk management followed up this study.

### **The Czech Republic and the Financial Action Task Force on Money Laundering (FATF) in the Fight against Terrorism**

The FATF plenary session in June 2003 adopted the revised wording of applicable FATF recommendations; a number of measures to counter money laundering were broadened to incorporate the aspect of the funding of terrorism.

### **The Czech Republic and International Financial Institutions in the Fight against Terrorism**

The Czech Republic took part in the first round of the review of the fight against money laundering and the funding of terrorism. The review was organised by the World Bank and the International Monetary Fund. WB/IMF experts analysed how the Czech Republic was implementing international instruments in this area. All the concerned departments and institutions participated in the project. An informal meeting of the Clearing House interdepartmental group, which has operated under the leadership of the Ministry of Finance of the Czech Republic since 2002, served as a forum for consultations and co-ordination. The final review report was published in December 2003 and showed the Czech Republic in a positive light.

### **The Czech Republic and the Organization for the Prohibition of Chemical Weapons in the Fight against Terrorism**

OPCW activities in the fight against terrorism mainly take place under UN Security Council Resolution No. 1456 (2003). This Resolution calls on international organizations whose work is related to controlling the use of or access to nuclear, chemical, biological and other lethal substances to review their role in the fight against terrorism.

The main benefit of the OPCW's work in the global fight against terrorism in 2003 was the approval and start of implementation of Action Plans for Universal Compliance with the Convention for the Prohibition of Chemical Weapons and implementation of Article VII of the Convention. The Czech Republic took part in these OPCW activities through its role in the OPCW decision-making process and in co-ordination with the OPCW Technical Secretariat.

## **8. Foreign Development and Humanitarian Aid**

### **Foreign Development Co-operation**

As part of the international community of democratic and economically developed countries and as a future member of the European Union, the Czech Republic advocates principles of human solidarity and shoulders its portion of the responsibility for resolving worldwide problems. One of the manifestations of this position is foreign development co-operation (FDC), which is an integral part of Czech foreign policy. In the broader sense, FDC is an integrated government policy towards developing and transforming partner countries. In the narrower sense, it represents the Czech state's financial, material, expert or technical assistance in the interests of long-term sustainable development in these countries.

The main objectives of Czech FDC are reducing poverty, achieving sustainable socio-economic development, the gradual integration of partner countries into the world economy, developing and shoring up democracy and human rights, good governance of public affairs, introducing the rule of law and post-conflict renewal. FDC also reflects the Czech Republic's interests and needs and helps intensify political and business ties between partner countries and the Czech Republic. FDC makes allowance for the Czech Republic's international commitments, in particular the EU's development legislation, OECD recommendations and the principles of development co-operation as adopted by the international community in the United Nations.

The significance of FDC was confirmed in the Concept of Foreign Development Aid of the Czech Republic for 2002-2007. Every year the government approves the foreign

development co-operation plan and reviews projects. In August 2003 the projects plan for 2004 was approved, including an outlook budget for foreign development co-operation for 2005-2006.

In 2003 the Ministry of Foreign Affairs of the Czech Republic initiated a number of measures to make the system of development co-operation more effective, in line with the Concept. In co-ordination with other departments, a uniform methodology and project cycle rules were finalised. A fundamental aspect of this continues to be the training and consultancy role of the Development Centre operating at the Institute of International Relations as an ancillary expert partner of the Ministry of Foreign Affairs for co-ordinating FDC. The gradual transformation of the Development Centre into a Development Agency is being prepared.

In line with the Concept, the engagement of the non-governmental sector and the public in development co-operation was stressed. The Ministry of Foreign Affairs informs about development co-operation on its [www.mzv.cz/pomoc](http://www.mzv.cz/pomoc) and [www.mfa.cz/aid](http://www.mfa.cz/aid) internet sites. The sixth year of the Development Aid Summer School took place in 2003 in collaboration with Palacký University in Olomouc.

Co-operation under the Canada/Visegrad Official Development Assistance for Central Europe (ODACE) project was highly significant for implementation of the Concept of Foreign Development Assistance for 2002-2007. The aims of this project organised by the Ministry of Foreign Affairs of the Czech Republic and the Canadian Development Agency CIDA is to transfer know-how in building an effective system of development co-operation and implementing projects and programmes. In 2003 the Czech Republic also expanded its methodological co-operation with individual EU countries and with international partner organizations, most notably the UNDP.

The Czech Republic spent a total of CZK 2,720 million on development co-operation in 2003. Much of the dramatic increase over the previous year (CZK 1,791 million) is accounted for by assistance to Iraq, worth CZK 1,133 million. Official development assistance thus attained 0.11% of GDP according to OECD standards.

## **Foreign Humanitarian Aid**

The Czech Republic has traditionally provided financial and material aid and rescue services to other countries. Czech humanitarian aid is an integral part of the Czech Republic's foreign policy.

Bilateral humanitarian aid takes the form of financial donations or material aid (medicines, healthcare apparatus and material, chemicals to make water drinkable, tents, blankets, work to put healthcare and education facilities into operation etc). It is provided through international organizations, Czech non-governmental organizations or rescue teams, embassies etc.

Multilateral foreign aid takes the form of extraordinary contributions to international organizations such as UN offices and organizations (OCHA, UNHCR, UNICEF), the International Committee of the Red Cross and Red Crescent and others. Rescue aid is provided by despatching rescue teams (Fire and Rescue Brigade of the Ministry of the Interior of the Czech Republic, dog-handlers with trained dogs etc.).

In 2003 the Czech Republic provided humanitarian aid in a total of 18 cases to 11 countries afflicted by natural disasters, states of emergency or armed conflicts. This aid, paid for in 2003 out of the budget reserve of the General Treasury Administration, was worth a total of CZK 40 million, which was double the figure for the previous year. Czech humanitarian aid was prioritised for areas affected by the Iraq crisis (Iraq, Turkey). Other states that received Czech humanitarian aid were Croatia, Romania, Georgia, Lebanon, Sri Lanka, Mongolia, Argentina, Liberia and Algeria. Extraordinary contributions were sent to the International Committee of the Red Cross and Red Crescent and to the UNHCR for mine clearing and tackling refugee problems.

CZK 49,394 million was provided to alleviate the consequences of the Kosovo crisis out of funds earmarked for the foreign, trade and industry and interior departments in 2003.

## II. THE CZECH REPUBLIC'S BILATERAL RELATIONS

**Note on the economic relations tables in the following section:** The tables show selected mutual trade and investment indicators for each of the featured countries from 2001 to 2003. The "Share of 2003 Aggregate Indicators (%)" column refers to the aggregate values of the Czech Republic's foreign trade in 2003. The foreign investment indicator is composed of three elements: registered capital, reinvested profit and other capital (primarily credit arrangements). Where a negative value is shown, this means:

- in the case of foreign investments in the Czech Republic a fall in the value of the country's investments in the Czech Republic (e.g. profit was not reinvested in the Czech Republic, foreign enterprises repaid credit previously drawn abroad);
- in the case of Czech investments abroad a fall in the value of Czech direct investments in the country (e.g. caused by sell-offs of registered capital, generation of a loss or provision of credit outside the host country).

Summary data on the Czech Republic's foreign trade with other countries and customs zones not given in Chapter II – The Czech Republic's Bilateral Relations are shown in the table called "The Czech Republic's Foreign Trade 2001 – 2003" in the Appendices to this publication.

### ARAB REPUBLIC OF EGYPT

Egypt is a top-priority partner for the Czech Republic in the Middle East and North Africa. The standard of relations in 2003 corresponded to the interest on both sides, mainly in economic co-operation, but also in connection with the Czech Republic's accession to the EU. The significance of ties with Egypt was affirmed by a visit made by a delegation led by Prime Minister V. Špidla in September 2003.

*Visits by representatives of the Czech Republic:*

- 8 September – 10 September 2003 – official visit by Prime Minister V. Špidla.

#### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	2,443,037	2,017,441	1,713,240	0.0609
	year-on-year index	101.3	82.6	84.9	
Exports	CZK thousands	2,081,900	1,612,290	1,026,299	0.0748
	year-on-year index	103.5	77.4	63.7	
Imports	CZK thousands	361,137	405,151	686,941	0.0476
	year-on-year index	90.2	112.2	169.6	
Balance	CZK thousands	1,720,763	1,207,139	339,358	
Foreign investments – incoming	direct (CZK thousands)	200	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and plant, motor vehicles, iron and steel products, glass and glass products, electrical products, paper.

The Czech Republic's principal import commodities: cotton, cotton yarn, textile products, glass and glass products, machine parts, aluminium and aluminium products.

Czech exports of machinery and plant and electrical products continued to fall in 2003. By contrast, glass, glass products and paper exports rose. Overall, however, the balance of trade with Egypt worsened, largely due to the fall in the value of the Egyptian pound and the strengthening of the Czech crown.

### *Cultural Relations*

Co-operation in science and cultural has traditionally been good. Although a new implementing protocol to the Cultural Agreement was not signed, co-operation in education and science continued.

A cultural festival of Visegrad countries took place in collaboration with the Egyptian Cultural Centre for International Co-operation. This festival featured an exhibition of graphic works by A. Lauferová, a mime performance by V. Strasser and a screening of two films, *The Faust Lesson* and *Wild Flowers*. *Wild Flowers* and *The Outing* were screened at a film festival in Cairo. Czech animation took part in the "Puppet Fashion Show" in Cairo. Egyptian children participated in the international art competition "Lidice 2003".

The work of the expedition of the Czech Egyptology Institute of Charles University in the Abusir locality has fundamental significance both for international Egyptology and for the development of mutual relations. The public was given an opportunity to learn about the expedition's achievements at numerous lectures given by Czech Egyptologists and on excursions to the excavations. An exhibition called "4500 Years of History", prepared by Czech Egyptologists, was opened in the Cairo Museum on the occasion of the visit by Czech Prime Minister V. Špidla.

The Czech Republic provided Egypt with six university scholarships.

## **ARGENTINE REPUBLIC**

Argentina has traditionally been one of the Czech Republic's leading partners in Latin America. Czech-Argentine relations have for a long time been friendly.

After years of deep economic crisis, 2003 was a year of sharp growth in trade exchange. Czech imports increased and new opportunities emerged for Czech businesses.



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

- 30 July – 3 August 2003 – visit by Minister of Agriculture J. Palas;
- 30 September – 2 October 2003 – visit by Minister of Culture P. Dostál;
- 4 December – 6 December 2003 – visit by President of the Senate P. Píthart.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,709,715	1,259,795	1,460,142	0.0519
	year-on-year index	212.1	73.7	115.9	
Exports	CZK thousands	380,160	217,321	458,472	0.0334
	year-on-year index	93.5	57.2	211.0	
Imports	CZK thousands	1,329,555	1,042,474	1,001,670	0.0722
	year-on-year index	332.9	78.4	96.1	
Balance	CZK thousands	-949,395	-825,831	-543,198	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-1,100	
	portfolio (CZK thousands)	no record	no record	22,600	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: plant and machinery, ball-bearings, electric motors, textile machinery, rolled stock, glass.

The Czech Republic's principal import commodities: aluminium, automobile industry spare parts, feedstuffs, meat and meat products, wool, leather and leather products.

### *Cultural Relations*

Czech culture had a very strong presence in Argentina in 2003. Besides traditional exhibitions (e.g. "The Baroque in Czech Architecture" – photographs by V. Uher, or "The First Years of Democracy in the Czech and Slovak Federative Republic" – photography exhibition in Mendoza), Czech culture was presented through three major cultural events in Argentina.

The first was the Czech Film Festival, during which many cinemas in the capital Buenos Aires and six Argentine provinces screened a total of nine films by Czech and Slovak directors.

Another cultural event in 2003 was the "Cycle of Concerts of Classical Music by Czech Composers", during which six concerts of works by Czech classical composers were staged in the most prestigious concert halls in Buenos Aires.

The third major cultural event of the year was the "GOLEM" project in October, which included concerts, film screenings, exhibitions and even science seminars. This

multicultural project, inspired by the phenomenon of artificial intelligence, travels from country to country; in 2002 it was successfully presented in the Czech Republic.

Argentina holds the biggest community of “Czechs living abroad” in Latin America. This community was very active in 2003. Several meetings of compatriots were held during the year, including a successful presentation of the old Moravian tradition of “The Ride of the King”.

Several new compatriot clubs were formed in Argentina (e.g. in Mendoza and Resistencia); the Czech Cultural Centre was opened in Buenos Aires. In 2003 the Czech government provided Czech compatriots in Santa Fe affected by floods with humanitarian aid worth USD 18,000.

A delegation led by President of the Senate of Czech Parliament P. Pithart visited the compatriot community in Argentina in December.

## ARMENIA

Some progress was made in bilateral relations with Armenia in 2003, yet the two countries’ potential, e.g. in trade and economic relations, is still not being used to the full. The Czech Republic regards negotiating new treaties with Armenia as a priority, as this would help boost mutual relations. Direct Czech Airlines flights between Prague and Yerevan, commenced in June 2003, have contributed to the development of co-operation with Armenia.

In April 2003 several Czech firms presented their products and services at a trade fair in Yerevan. As usual, Skoda automobiles and small hydroelectric plants aroused the most interest.

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

- 16 April – 18 April 2003 – working visit by Minister of the Environment L. Ambrozek.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	194,872	150,104	126,170	0.0045
	year-on-year index	54.4	77.0	84.1	
Exports	CZK thousands	194,828	143,912	120,530	0.0088
	year-on-year index	54.8	73.9	83.8	
Imports	CZK thousands	44	6,192	5,640	0.0005
	year-on-year index	1.7	14,072.7	91.1	
Balance	CZK thousands	194,784	137,720	114,890	
Foreign investments –	direct (CZK thousands)	0	0	900	

incoming	portfolio (CZK thousands)	no record	no record	no record
Foreign investments – outgoing	direct (CZK thousands)	0	0	0
	portfolio (CZK thousands)	0	0	no record

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machine engineering products, transport technology, ceramic products, glass and glass products, pharmaceutical products.

The Czech Republic's principal import commodities: optical instruments and components, spirits and mineral salts.

### *Cultural Relations*

Every year the Czech Republic provides Armenia with two university scholarships as part of governmental development aid; there were six students from Armenia studying in the Czech Republic on these scholarships during the last academic year. Other Armenian citizens also studied at Czech universities. Student exchanges between students of Bohemian and Armenian studies are also in effect.

## **BELARUS**

The Czech Republic is actively involved in the international community's policy on Belarus. It wishes to offer Belarus a "road to Europe", to enable it to join in integration processes and establish constructive and mutually beneficial co-operation in all areas of common interest, on the condition, however, that the Belarus political leadership genuinely adopts democratic principles.

That is why the Czech Republic supported the EU's consistent position on and approach to Belarus and developed projects to support civil society and cultural and educational programmes.

Compared to the 1998-2002 period, Czech exports registered unchecked growth in 2003, with the trade surplus reaching USD 10.67 million. The 36.4% increase in exports in 2003 was partly achieved by Czech firms' involvement in state-sponsored programmes to reconstruct entire sectors (beer-brewing, energy etc.).

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	3,320,405	2,847,606	3,268,803	0.1162
	year-on-year index	65.5	85.8	114.8	
Exports	CZK thousands	1,974,125	1,550,465	1,773,795	0.1293
	year-on-year index	50.5	78.5	114.4	
Imports	CZK thousands	1,346,280	1,297,141	1,495,008	0.0978
	year-on-year index	116.6	96.4	115.3	
Balance	CZK thousands	627,845	253,324	278,787	
Foreign investments – incoming	direct (CZK thousands)	3,500	7,600	8,100	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	43,700	1,800	6,200	
	portfolio (CZK thousands)	no record	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, pharmaceuticals, plastics, electronic recording instruments, optical instruments.

The Czech Republic's principal import commodities: fertilisers, chemicals, artificial silk, timber and wood products, iron and steel products, transport vehicles.

### *Cultural Relations*

The Union of Czech Artists presented an exhibition of Czech batik (folk costumes and pictures) in Minsk and in the regions. The Czech Republic again took part in the "Slavjanskij Bazar", cultural festival of Slav countries.

In education, the Czech Republic concentrates on supporting Czech language teaching – there is considerable interest in studying Czech in Belarus. The Czech Republic provided ten university scholarships for Belarus students.

## **BOLIVARIAN REPUBLIC OF VENEZUELA**

Bilateral relations between the Czech Republic and Venezuela are of a good standard and are centred on trade and economic co-operation; this sphere has been affected by Venezuela's political instability and economic crisis in recent years.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	324,659	260,899	70,552	0.0025
	year-on-year index	84.0	80.4	27.0	
Exports	CZK thousands	320,882	249,311	63,160	0.0046
	year-on-year index	86.4	77.7	25.3	
Imports	CZK thousands	3,777	11,588	7,392	0.0005
	year-on-year index	25.0	306.8	63.8	
Balance	CZK thousands	317,105	237,711	55,768	
Foreign investments – incoming	direct (CZK thousands)	0	0	200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	300	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: milk and milk derivatives, malt, hops, chemicals, dyes.

The Czech Republic's principal import commodities: tropical fruit, coffee, foodstuffs, live animals.

### *Bilateral agreements signed in 2003*

- Agreement on the Promotion of Tourism between the Czech Republic and Venezuela.

### *Cultural Relations*

Despite the difficult internal situation in Venezuela, cultural ties between the two countries have been successfully maintained and expanded.

A travelling exhibition called "Czech Tracks on the Banks of the Amazon" met with a great response. Exhibitions called "The Beauty of Czech Baroque Architecture" and "Ten Figures of Czech Graphic Art" also aroused interest. To mark the 85<sup>th</sup> anniversary of the establishment of Czechoslovakia the Venezuela-Czech Association put on a concert by the Venezuela Symphony Orchestra, accompanied by an exhibition of photographs called "Czechoslovakia in 1918".

The A. Stodolová Theatre's production of *The Only One* at the Teatro San Martín Theatre Festival was extremely well received, winning the audience's main prize.

The Czech-Venezuela Association, an organization of Czechs abroad, launched a new project designed to work with younger generations, primarily the children of Czech compatriots.

The Czech Republic provided Venezuela with two university scholarships.

## BOSNIA AND HERZEGOVINA

The Czech Republic was involved in stabilising the political and security situation in Bosnia and Herzegovina through its presence in the SFOR command and in the EUPM police mission. The standard of bilateral relations is good; there is great potential for expansion in economic relations in particular.

*Visits by representatives of Bosnia and Herzegovina:*

- 6 October – 7 October 2003 – visit by President of the National House of Representatives of Parliament of Bosnia and Herzegovina M. Pamuk as part of the Prague session of the Association of European Senates.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	2,788,614	2,717,038	2,626,863	0.0934
	year-on-year index	130.9	97.4	96.7	
Exports	CZK thousands	2,658,427	2,561,459	2,431,153	0.1773
	year-on-year index	129.9	96.4	94.9	
Imports	CZK thousands	130,187	155,579	195,710	0.0117
	year-on-year index	152.7	119.5	125.8	
Balance	CZK thousands	2,528,240	2,405,880	2,235,443	
Foreign investments – incoming	direct (CZK thousands)	1,300	900	-800	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-5,800	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: motor vehicles, tractors, bicycles, boilers and mechanical devices, iron and steel, plastics, glass and glass products, electronic audio-video recording and reproduction devices.

The Czech Republic's principal import commodities: timber, coal, wood products, plastics and plastic products, clothing and clothing accessories, reactors, boilers, instruments and mechanical devices, iron and steel products, non-ferrous metals and non-ferrous metal products, detergents, lubricants and polishing agents.

### *Cultural Relations*

The Czech embassy put on a “Czech Collage” exhibition and an exhibition of graphic works by K. Demel. Authoress I. Pekárková attended the 4<sup>th</sup> Annual International Literature and Translation Meeting in Sarajevo. Piano professor at the Prague Conservatory J. Novotný was a guest performer in Sarajevo, and Duo Renaissance, from Brno, also gave two performances.

A conference of chancellors of European universities on the Bologna Process, held in Sarajevo in October 2003, was attended by Chancellor of Charles University in Prague I. Wilhelm. The Czech Republic provided Bosnia and Herzegovina with four university scholarships and one scholarship for the Slav Studies Summer School.

Co-operation with compatriot associations operating in Bosnia and Herzegovina was intensive; these associations were actively involved in organising cultural events put on by the Czech embassy.

## **CANADA**

Canada has been and remains an important ally and partner of the Czech Republic. Canada’s membership of and work in key international organizations, its focus on multilateral diplomacy, the emphasis it places on transatlantic ties and its advocacy of shared democratic principles have opened the door to dialogue and successful co-operation between the two countries. Bilateral contacts culminated in a visit by Canadian Prime Minister J. Chrétien to the Czech Republic. Canada is a major investor in the Czech Republic.

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

- 6 November – 9 November 2003 – visit by Minister of Culture P. Dostál.

### *Visits by representatives of Canada:*

- 2 July – 3 July 2003 – official visit by Prime Minister J. Chrétien.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	6,136,236	5,514,485	5,718,767	0.2032
	year-on-year index	100.9	89.9	103.7	
Exports	CZK thousands	2,303,707	2,192,552	2,078,563	0.1516
	year-on-year index	94.9	95.2	94.8	
Imports	CZK thousands	3,832,529	3,321,933	3,640,204	0.2523

	year-on-year index	104.9	86.7	109.6
Balance	CZK thousands	-1,528,822	-1,129,381	-1,561,641
Foreign investments – incoming	direct (CZK thousands)	798,000	95,100	430,400
	portfolio (CZK thousands)	no record	no record	no record
Foreign investments – outgoing	direct (CZK thousands)	4,400	49,300	-23,600
	portfolio (CZK thousands)	902,000	918,800	1,186,200

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machine engineering products, glass, office furniture, toys, beer, musical instruments, textile products, glass jewellery, footwear, sports equipment and other market products.

The Czech Republic's principal import commodities: machine engineering products, telecommunications devices, medicaments, foodstuffs, tractors, sports equipment, automated data processing machines, various industrial and market products.

### *Cultural Relations*

The main event of the year was the visit made by Minister of Culture of the Czech Republic P. Dostál, who also attended the final performance in Ottawa of the second part of the biggest Czech-Canadian cultural project, "The 2003 Czech Season".

In 2003 Czech culture was presented in cinema through Czech films at a number of festivals; in music (concerts by the Pražák Quartet in Ottawa and Halifax, violinist I. Ženatý's tour of Canada); in art photography (exhibition of works by J. Reich in Ottawa); and in theatre ("The 2003 Czech Season" in Canada). "The 2002 Canadian Season" in the Czech Republic and "The 2003 Czech Season" in Canada were the culminations of cultural exchange to date.

Three co-operation agreements were signed between universities in the two countries in 2003.

The Czech Republic supports the activities of compatriot clubs. Six Czechs living in Canada attended a language course organised for compatriots by the Ministry of Foreign Affairs of the Czech Republic in Dobruška.

## **COMMONWEALTH OF AUSTRALIA**

Australia is an important Asian-Pacific country for the Czech Republic in political, economic and cultural terms. The Czech Republic worked with Australia both at bilateral level and in multilateral forums. Relations are of a very high standard and continue to develop dynamically. The Czech compatriot community contributes considerably to the development of relations.



### *Visits by representatives of Australia:*

- 10 April – 13 April 2003 – visit by members of the Trade Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade of the Parliament of Australia.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	3,625,560	3,444,192	3,721,229	0.1322
	year-on-year index	116.3	95.0	108.0	
Exports	CZK thousands	1,102,056	1,533,289	1,726,219	0.1259
	year-on-year index	88.7	139.1	112.6	
Imports	CZK thousands	2,523,504	1,910,903	1,995,010	0.1383
	year-on-year index	134.7	75.7	104.4	
Balance	CZK thousands	-1,421,448	-377,614	-268,791	
Foreign investments – incoming	direct (CZK thousands)	4,100	10,600	1,200	
	portfolio (CZK thousands)	no record	no record	796,700	
Foreign investments – outgoing	direct (CZK thousands)	8,000	47,200	5,300	
	portfolio (CZK thousands)	3,725,000	1,385,100	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: timber, metalworking machines, glass, textiles, computer products, machine engineering products, components for electricity transmission, sporting arms and ammunition, sports articles and toys, chemicals and chemical components.

The Czech Republic's principal import commodities: wool, sheep and lamb skin, wine, meat and food products, medical and pharmaceutical products, concentrates of manganese, aluminium, titanium and other ores.

### *Cultural Relations*

The Embassy of the Czech Republic in Canberra and General Consulate in Sydney took part in organising a wide variety of cultural events, such as performances by Czech singers, screenings of Czech short films, exhibitions of photographs of T. G. Masaryk, the screening of a documentary on political prisoners, exhibitions concerning UNESCO-registered heritage sites in the Czech Republic and a concert tour by singer E. Randová in Canberra and Sydney.

Czech students, associations linked to the agency Czech Mate and the Czech and Slovak Herald magazine play a major role in the development of cultural life.

## COSTA RICA

Costa Rica is an important partner for the Czech Republic in Latin America; mutual relations centre on trade and economic co-operation.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,265,809	7,371,199	4,969,207	0.1766
	year-on-year index	436.6	582.3	67.4	
Exports	CZK thousands	61,343	65,590	58,427	0.0043
	year-on-year index	87.2	106.9	89.1	
Imports	CZK thousands	1,204,466	7,305,609	4,910,780	0.3404
	year-on-year index	548.5	606.5	67.2	
Balance	CZK thousands	-1,143,123	-7,240,019	-4,852,353	
Foreign investments – incoming	direct (CZK thousands)	0	71,000	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	-18,500	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: steel and iron profiles, passenger cars, lighters and pyrotechnical products, razors and shavers, arms, glass, textiles.

The Czech Republic's principal import commodities: integrated electronic circuits, bananas, tropical flowers and plants, fruit.

### *Cultural Relations*

An exhibition of "UNESCO Sites in the Czech Republic", accompanied by photographs of Prague and exhibits of Czech glass jewellery, was held in the building of the Costa Rican parliament in 2003.

The Czech Republic provided Costa Rica with three university scholarships.

## DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Relations with North Korea are gradually intensifying in many areas. The activation of relations and stepping up of mutual co-operation are motivated by an effort to help engage North Korea in broader dialogue with the international community, and thus contribute to positive developments on the Korean peninsula.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	33,971	46,564	85,212	0.0033
	year-on-year index	27.0	137.1	183.0	
Exports	CZK thousands	14,287	17,453	7,956	0.0006
	year-on-year index	12.1	122.2	45.6	
Imports	CZK thousands	19,504	29,111	77,256	0.0058
	year-on-year index	278.3	149.3	265.4	
Balance	CZK thousands	-5,217	-11,658	-69,300	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: footwear, machine tools.

The Czech Republic's principal import commodities: electrical engineering components, plastic products, automobile components, textile, cranes.

### *Cultural Relations*

Cultural co-operation between the Czech Republic and North Korea centres on education. In 2003 the Czech Republic provided North Korea with four university scholarships and three scholarships for the Slav Studies Summer School. For the first time ever, North Korea provided two half-year language-study placements for Czech students.

## **DEMOCRATIC REPUBLIC OF THE CONGO**

The Democratic Republic of the Congo is one of the Czech Republic's long-standing partners in the sub-Saharan Africa region. After the civil war ended and a government of national reconciliation took power in July 2003, the traditional trade contacts between the Czech Republic and the Democratic Republic of the Congo were renewed; bilateral contacts also expanded.

There are 5 Czech military observers operating in the MONUC peace mission in the Democratic Republic of the Congo.

*Visits by representatives of the Democratic Republic of Congo:*

- 3 September – 4 September 2003 – working visit by Minister of Transportation J. Olenghakoy.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	15,021	4,880	45,834	0.0016
	year-on-year index	110.4	32.5	939.2	
Exports	CZK thousands	10,219	2,450	45,390	0.0033
	year-on-year index	88.0	24.0	1852.6	
Imports	CZK thousands	4,802	2,430	444	0.0000
	year-on-year index	240.8	50.6	18.3	
Balance	CZK thousands	5,417	20	44,946	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	17 500	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: semi-finished products for tyre manufacture, turbines, telecommunications devices, footwear, glass, porcelain, lorries, tractors.

The Czech Republic's principal import commodities: coffee, electric grinders.

*Cultural Relations*

An exhibition of paintings by Congolese artists inspired by Prague and a concert of Czech classical music were put on in Kinshasa under the aegis of the Czech embassy. A project to publish a series of "Congolese Art" postcards continued and a translation of fairytales by B. Němcová and K. J. Erben into the Kikongo language was prepared for printing. The Czech Republic provided two government university scholarships in 2003.

## EASTERN REPUBLIC OF URUGUAY

Relations are good and centre on economic and trade exchange.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	140,177	352,089	103,523	0.0037
	year-on-year index	87.2	251.2	29.4	
Exports	CZK thousands	50,758	290,307	19,329	0.0014
	year-on-year index	82.1	571.9	6.7	
Imports	CZK thousands	89,419	61,782	84,194	0.0058
	year-on-year index	90.3	69.1	136.3	
Balance	CZK thousands	-38,661	228,525	-64,865	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: tyres, alkaloids, staple fibre fabrics, ball-bearings.

The Czech Republic's principal import commodities: meat processing industry products, fresh and dried citrus fruits, wool, beef, wine.

### *Cultural Relations*

An exhibition titled "Exlibris – Prague, The Heart of Europe" was held in Montevideo.

## FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

Ethiopia is the Czech Republic's oldest partner in sub-Saharan Africa. It is a regular recipient of Czech foreign development aid; three projects are currently ongoing. The Czech Republic provided emergency, one-off humanitarian aid worth USD 40,000 to alleviate the

consequences of drought. One reason that Ethiopia's importance for the Czech Republic will grow is that Addis Ababa is the seat of the Secretariat of the African Union and the UN's Economic Commission for Africa.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	82,819	72,019	98,187	0.0035
	year-on-year index	116.7	87.0	136.3	
Exports	CZK thousands	50,915	46,406	66,530	0.0048
	year-on-year index	135.4	91.1	143.4	
Imports	CZK thousands	31,904	25,461	31,657	0.0022
	year-on-year index	95.6	79.8	124.3	
Balance	CZK thousands	19,011	20,945	34,873	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: tanning, leather and textile machinery, food processing machinery, spare parts for machinery, valves and fittings, military aviation technology.

The Czech Republic's principal import commodities: leather, hides and skins, pulses, coffee.

### *Cultural Relations*

The Czech Republic provided Ethiopia with six university scholarships.

## **FEDERAL REPUBLIC OF GERMANY**

In 2003 Germany was again the Czech Republic's most important neighbour in political and primarily economic terms, an important ally in NATO and a key partner in the Czech Republic's endeavour to join the EU. The frequency of bilateral contacts between political representatives as well as the intensive co-operation between regions, municipalities and non-governmental organizations helped bring the two countries closer together.

Top-level representatives of both countries made several fundamental conciliatory declarations on certain controversial issues from their shared history. The past no longer overshadowed President V. Klaus's visit to Berlin, or Chancellor G. Schröder's or Federal Minister of Foreign Affairs J. Fischer's visits to Prague. These meetings were dominated by current issues of European integration and the possibilities for further co-operation. The Federal Republic of Germany was one of the first EU member states to ratify the Treaty of Accession to the European Union.

Germany was again the Czech Republic's biggest trading partner in 2003.

*Visits by representatives of the Czech Republic:*

- 14 January 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 17 January 2003 – working visit by President V. Havel;
- 15 February 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 10 April 2003 – visit by President V. Klaus;
- 2 May – 3 May 2003 – working visit by President V. Klaus;
- 3 June – 6 June 2003 – visit by a delegation of the Committee for Petitions of the Chamber of Deputies;
- 17 September 2003 – visit by President V. Klaus;
- 22 September – 25 September 2003 – visit by a delegation of the Standing Senate Commission on Rural Development;
- 5 November – 6 November 2003 – official visit by President of the Chamber of Deputies L. Zaorálek;
- 11 November – 14 November 2003 – visit by a delegation of the Budget Committee of the Chamber of Deputies.

*Visits by representatives of Germany:*

- 26 March – 28 March 2003 – visit by a delegation of the Parliamentary Control Board of the Federal Assembly;
- 15 May 2003 – visit by a delegation of the Legal Committee of the Federal Assembly;
- 26 August 2003 – working visit by Minister of Foreign Affairs J. Fischer;
- 5 September 2003 – official visit by Chancellor G. Schröder.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	940,014,752	887,530,105	976,735,725	34.71
	year-on-year index	110.2	94.41	110.05	
Exports	CZK thousands	484,424,067	457,020,018	507,085,727	36.9758
	year-on-year index	106.8	94	111	
Imports	CZK thousands	456,490,685	430,510,087	469,649,998	32.5559
	year-on-year index	114	94.3	109.09	
Balance	CZK thousands	27,933,382	26,509,931	37,435,725	

Foreign investments – incoming	direct (CZK thousands)	52,304,300	155,554,100	23,338,400
	portfolio (CZK thousands)	no record	no record	no record
Foreign investments – outgoing	direct (CZK thousands)	180,000	4,100	60,000
	portfolio (CZK thousands)	21,800,000	28,221,000	no record

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: transport vehicles, in particular passenger cars and accessories for such, electrical devices, instruments and appliances, machinery and plant for various industrial sectors, power-system machinery and plant, office equipment, metallurgical products, metal goods, rubber industry and plastics industry products.

The Czech Republic's principal import commodities: transport vehicles, electrical devices, instruments and appliances, machine engineering, power-system machinery, office machines, computers, optics and precision mechanics.

The commodity structure of trade exchange between the Czech Republic and Germany has been relatively stable for several years now. Particularly positive is the commodity structure of Czech exports, around 66% of which is accounted for by machinery and transport equipment, including other industrial products. These exports continued to rise in 2003, reaching 66.8%. Raw materials' share of Czech exports is in long-term decline, dropping to 2.5% in 2003. A long-term downward curve also applies to the proportion accounted for by foodstuffs, beverages and comestibles (1.6% in 2003), fuels (2.4%) and semi-finished products (26.4%), as well as exports of traditional Czech goods, now almost negligible. The commodity structure of German exports to the Czech Republic is similar to that of Czech exports, with the exception of the high proportion of semi-finished articles for further processing. Industrial products make up a total of 58.8% of Czech imports; semi-finished products for further processing 35.4%.

The high proportion of Czech exports going to Germany is an indication of the degree to which the Czech and German economies are interwoven. Despite falling growth in the German economy, Czech exporters managed to maintain the positive growth trend in exports to Germany in 2003. The Czech Republic has had a balance of trade surplus with Germany ever since 1998, and the surplus grew further in 2003.

#### *Bilateral agreements signed in 2003*

- Arrangement between the Ministry of the Interior of the Czech Republic and the Federal Ministry of the Interior of the Federal Republic of Germany amending the Arrangement on Implementation of the Treaty between the Government of the Czech



Republic and the Government of the Federal Republic of Germany on Readmission at the Common State Borders of 3 November 1994, which was signed on 3 November 1994, exchange of letters between the interior ministers of the Czech Republic (of 3 December 2002) and the Federal Republic of Germany (of 28 January 2003);

- Treaty between the Czech Republic and the Federal Republic of Germany on Changing the Course of Common State Frontiers in the Area of the Rozvadov-Waidhaus Motorway Bridge, Prague 17 April 2003;
- Arrangement between the Government of the Czech Republic and the Government of the Federal Republic of Germany to Establish and Expand Ramblers' Footpaths Intersecting the State Frontiers, exchange of diplomatic notes (Czech note dated 22 November 2002, German note dated 19 May 2003);
- Treaty between the Government of the Czech Republic and the Government of the Federal Republic of Germany on the Temporary Sojourn of Members of the Czech Republic's Armed Forces and the Federal Republic of Germany's Armed Forces on the Territory of the Other State, Prague, 31 July 2003.

### *Cultural Relations*

Czech-German cultural and educational co-operation is governed by two applicable treaties: the treaty on the mutual establishment and activity of cultural and information centres and the treaty on cultural co-operation. The Czech Republic also signed a treaty on co-operation in culture and education with the federal regions of Bavaria, Saxony and Baden-Wirtemberg. The Czech-German Future Fund continues to finance a lot of joint cultural products, youth exchanges and sociological and historical research projects. Meetings and exchanges between Czech and German youth constitute a benefit to Czech-German co-operation and enrich educational contacts.

The most important events in 2003 included Czech theatres' participation at the "Prague – Berlin 2003" festival, or "Tripolis Praga", an exhibition that illustrated how three cultures co-existed in Prague before World War II; this exhibition ran from the end of October to the start of November 2003 in the German foreign ministry and was organised in co-operation with the Czech embassy in Berlin.

There are several dozen cultural associations of various kinds operating throughout Germany that intensively co-operate with Czech partners and do a lot to shape the image of Czech culture in Germany.

## FEDERAL REPUBLIC OF NIGERIA

After the civilian regime came to power at the end of the 1990s, bilateral relations revived, with the emphasis on economic and trade co-operation. As in previous years, Nigeria was the second largest importer of Czech goods in sub-Saharan Africa.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	933,957	863,1238	626,737	0.0222
	year-on-year index	328.2	90.5	72.6	
Exports	CZK thousands	503,742	451,68762	244,104	0.0178
	year-on-year index	249.6	89.7	54.0	
Imports	CZK thousands	450,215	411,436	382,633	0.0265
	year-on-year index	507.0	91.4	93.0	
Balance	CZK thousands	53,527	40,251	-138,529	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	200	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, small civilian aircraft and spares, glass, padlocks, caps and fezzes, glass jewellery, razorblades.

The Czech Republic's principal import commodities: cocoa beans.

### *Cultural Relations*

An exhibition of photographic reproductions by painter Z. Burian took place at the Czech embassy in Abuja and its Lagos office in 2003. The Czech embassy directly supported several charitable cultural events to help Nigerian education and healthcare. The Czech Republic provided Nigeria with two university scholarships.

## FEDERATION OF MALAYSIA

Relations between the Czech Republic and Malaysia are developing successfully; the Czech Republic is seeking to intensify co-operation, especially in trade. The current level of trade exchange falls short of both countries' potential. Czech Republic's endeavour is to even out its considerable balance of trade deficit with Malaysia.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	13,395,617	16,914,958	19,559,919	0.6951
	year-on-year index	172.2	126.3		
Exports	CZK thousands	1,306,260	1,693,125	861,832	0.0628
	year-on-year index	95.4	129.6		
Imports	CZK thousands	12,089,357	15,221,833	18,698,087	1.2961
	year-on-year index	188.7	125.9		
Balance	CZK thousands	-10,783,097	-13,528,708	-17,836,255	
Foreign investments – incoming	direct (CZK thousands)		44,600	9,000	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	no record	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: metalworking machines, copying machines, machine tools, transport equipment, electrical devices, instruments and appliances, valves, fittings and ball-bearings, paper and cardboard, musical instruments, chemicals, tyres, dried milk, polyethylene, handkerchiefs, glassware.

The Czech Republic's principal import commodities: machinery and transport equipment, radio receivers, automatic data processing devices, natural rubber, palm oil, office machines, textile yarn, cocoa, vulcanised rubber cord, digital monolithic integrated circuits, audio recording and reproduction devices, hypodermic needles, needles, toys, footwear, clothing products and accessories, toiletries, soaps, pepper, furniture, rubber gloves, foodstuffs products.

### *Cultural Relations*

The Prague Wind Quintet gave a concert; there was an exhibition and charity auction of Moser glass and an exhibition of modern Czech graphic works titled "Theatrum Mundi", presenting the works of leading Czech graphic artists J. Andrlé, O. Kulhánek and K. Demel to the Malaysian public. (This exhibition opened a year and a half earlier in the Malaysian

National Gallery in Kuala Lumpur; last year the exhibition moved to the second largest Malaysian city Johor Baharu, where the Czech Republic has its honorary consulate.)

As a country acceding to the European Union the Czech Republic took part in an EU countries film festival for the first time. Two Czech films were shown: *We Have to Help Ourselves* and *Kolya*.

An accreditation process took place in Czech medical faculties in order to enable Malaysian students to study at them.

## FEDERATIVE REPUBLIC OF BRAZIL

Brazil is one of the Czech Republic's most important partners in Latin America; mutual relations focus mainly on trade and economic co-operation. Brazil is both a traditional market and a market with great prospects for the future, chiefly for Czech whole plant contractors.

*Visits by representatives of the Czech Republic:*

- 2 December – 4 December 2003 – visit by President of the Senate P. Pithart.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	5,530,014	4,533,201	5,154,341	0.1832
	year-on-year index	93.4	82.0	113.7	
Exports	CZK thousands	1,484,800	1,501,300	1,470,739	0.1072
	year-on-year index	81.6	101.1	94.6	
Imports	CZK thousands	4,045,214	3,031,901	3,683,602	0.2553
	year-on-year index	98.7	76.4	121.5	
Balance	CZK thousands	-2,560,414	-1,530,601	-2,212,863	
Foreign investments – incoming	direct (CZK thousands)	200	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	42,500	-1,100	-26,700	
	portfolio (CZK thousands)	3,000	3,500	400	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and plant, components and spare parts for tractors and other motor vehicles, industrial technologies, glass and glass products, sewing machines.

The Czech Republic's principal import commodities: meat products, coffee and coffee extracts, natural oils, tobacco, fruit juices, footwear, crude aluminium.

*Cultural Relations*

In 2003 Czech culture was presented in Brazil through screenings of Czech films: *Otesánek* by director J. Švankmajer and a collection of older films by director V. Chytilová were shown at the “EU Film Festival” in Brasilia.

Czech classical music was presented at a series of concerts by a Czech string ensemble called The Penguin Quartet. To mark the anniversary of November 17, pieces by A. Dvořák, B. Smetana and L. Janáček were performed at a concert of the Symphony Orchestra of the Claudio Santoro National Theatre in Brasilia.

A peace festival called “Festa da Paz” is held every year in the Brazilian town of Lidice. In 2003 this event included a product titled “Czech Art for Brazilian Lidice”, which was composed of a musical performance and an exhibition of works of art created in Lidice, Brazil, by painters and graphic artists from Prague’s La Femme Gallery, complemented by paintings by children from the Czech town of Lidice. These works were then put on display in the Toskansky Palace in Prague in autumn 2003.

## FORMER YUGOSLAV REPUBLIC OF MACEDONIA

The Czech Republic actively supported the Macedonian government’s efforts to strengthen its institutional framework through adoption of a new constitutional law and backed its attempts to move closer to Euro-Atlantic structures.

Trade between the Czech Republic and Macedonia fell sharply following the security crisis in 2001 and has been practically stagnant since then. Even so, the Czech Republic desires to develop economic ties and regards Macedonia as a promising partner for the future.

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

- 10 September – 12 September 2003 – visit by Minister of the Environment L. Ambrozek.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	575,512	394,227	434,508	0.1568
	year-on-year index	96.6	68.5	110.2	
Exports	CZK thousands	452,942	292,079	300,860	0.2619
	year-on-year index	94.0	64.5	103.1	
Imports	CZK thousands	122,570	102,148	133,648	0.0077
	year-on-year index	107.4	83.3	130.8	
Balance	CZK thousands	330,372	189,931	167,212	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Foreign investments – outgoing	direct (CZK thousands)	0	0	23,600
	portfolio (CZK thousands)	0	0	no record

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: detergents, paper, cardboard, paperboard, motor vehicles, tractors, foods of animal origin, clothing and clothing accessories, reactors, boilers, mechanical devices.

The Czech Republic's principal import commodities: beverages, spirits, vinegar, tobacco and tobacco products, vegetables, fruit, clothing and clothing accessories, leather and leather products, transport vehicles.

### *Cultural Relations*

The most important cultural event of the year was the "Czech Film Festival" (a retrospective of films by Z. Svěrák).

Educational co-operation focused mainly on the teaching of Czech in Macedonia and Macedonian in the Czech Republic. A new Czech language teacher was sent to Skopje University in the 2003/2004 academic year. Macedonian language teachers work at Charles University in Prague and Masaryk University in Brno.

The Czech Republic provided Macedonia with four university scholarships.

## **FRENCH REPUBLIC**

France is one of the Czech Republic's most important partners; relations between the two countries developed at both bilateral and multilateral level in the context of European integration. French investment in the Czech Republic rose sharply. The overall quality of relations is enhanced by shared historical ties; cultural relations are highly developed.

There were also promising developments in co-operation at regional level; there are more than 50 partnerships between regions, towns and municipalities in the Czech Republic and France.

There was intensive co-operation between the two countries in tackling the consequences of natural disasters. The Czech Republic provided the town of Arles with financial assistance for protection against floods; and in autumn the Czech Republic despatched rescue workers and pumps to flood-affected areas in southeast France.

France has for long been one of the Czech Republic's most important trading partners. Its share of the Czech Republic's total foreign trade in 2003 ranks it 5<sup>th</sup> in the list of most important trading partners.

Trade between the Czech Republic and France grew by 11.4% year-on-year. The balance of trade remained negative and the Czech Republic's deficit worsened.

*Visits by representatives of the Czech Republic:*

- 8 December – 12 December 2003 – visit by a delegation of the Senate Committee on European Integration;
- 17 November – 21 November 2003 – visit by a delegation of the Senate Committee on National Economy, Agriculture and Transport;
- 2 October – 3 October 2003 – visit by Minister of Education P. Buzková;
- 26 September – 30 September 2003 – visit by Minister of Labour and Social Affairs Z. Škromach;
- 9 September 2003 – V. Havel, P. Pithart and ministers C. Svoboda and P. Dostál attend the funeral of P. Tigríd;
- 15 July – 16 July 2003 – official visit by President V. Klaus;
- 22 March – 27 March 2003 – visit by a joint delegation of the Committee for European Integration and the Committee for Foreign Affairs of the Chamber of Deputies;
- 9 June – 13 June 2003 – visit by a delegation of the Constitution and Legal Committee of the Chamber of Deputies;
- 12 February – 13 February 2003 – working visit by Minister of Foreign Affairs and Deputy Prime Minister C. Svoboda;
- 11 January 2003 – Minister of Culture P. Dostál attends the closing of the Czech Season;
- 9 January 2003 – visit by a delegation of senators and deputies of WEU.

*Visits by representatives of France:*

- 14 December – 16 December 2003 – visit by Minister for Public Administration, State Reform and Territorial Planning J.-P. Delevoy;
- 5 December – 6 December 2003 – visit by Mayor of Paris B. Delanoë;
- 28 April 2003 – official visit by Minister of Foreign Affairs D. de Villepin;
- 24 March 2003 – visit by Minister for European Affairs N. Lenoir.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	120,912,646	121,987,000	135,838,000	4.8000
	year-on-year index	113.3	100.8	111.4	
Exports	CZK thousands	54,396,475	58 443 000	64,870,000	4.7000
	year-on-year index	120.7	107.2	111.0	
Imports	CZK thousands	66,516,171	63,544,000	70,968,000	4.9000
	year-on-year index	107.9	95.5	111.7	
Balance	CZK thousands	-12,119,696	-5,101,000	-6,098,000	
Foreign investments – incoming	direct (CZK thousands)	52,094,700	11,004,600	14,723,700	
	portfolio (CZK thousands)	no record	no record	no record	

Foreign investments – outgoing	direct (CZK thousands)	0	0	0
	portfolio (CZK thousands)	6,200,000	6,060,600	33,391,200

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, road motor vehicles, electrical devices, instruments and appliances.

The Czech Republic's principal import commodities: machinery and transport equipment, road motor vehicles, devices for telecommunications and audio recording and reproduction, medicines and pharmaceutical products.

The influx of direct investments continued, with France becoming the 4<sup>th</sup> largest investor in the Czech Republic in 2003. The biggest French investment to date is the Toyota-Peugeot-Citroen project in Kolín. There are approximately 400 companies with French participation in the Czech Republic.

### *Cultural Relations*

The Czech Cultural Season, which offered an unprecedented range of Czech theatre, music, films, exhibitions, colloquia and conferences, drew to a close in the first quarter of 2003. The Season was ceremonially closed in Paris in January by a performance of Janáček's Glagol Mass, attended by the Czech and French culture ministers P. Dostál and J. J. Aillagon.

In September 2003, writer P. Tigríd died in France. P. Tigríd was one of the most important figures in Czech culture and politics. He had spent a long time in exile in France and formed a link between the two nations over the decades.

The Czech Centre put on dozens of exhibitions of Czech artists and continued with its very popular Friday jazz concerts.

In education, ties between more than a hundred Czech secondary and elementary schools and their French partners continued to develop. Co-operation between universities also flourished. 65 projects were approved in 2003 under the "Barrande" programme for bilateral co-operation in science.

Czech is taught at 15 universities in France; at two of these Czech studies constitutes a course in its own right. There are 4 bilingual grammar schools in the Czech Republic.

There are 21 compatriot organizations in France.

## **GEORGIA**



The Czech Republic and Georgia have long shared friendly relations. The Czech Republic supports the country's path towards democracy; that is why it welcomed the non-violent resolution of the internal political situation and, along with the international community, provided Georgia with assistance in overcoming the crisis. In December 2003 a sum of CZK 325,000 was released from the budget of the Ministry of Foreign Affairs of the Czech Republic for humanitarian aid intended for the neediest groups in society (e.g. for providing heat and food for schools and children's social facilities) in the worst-affected parts of Georgia.

*Visits by representatives of the Czech Republic:*

- 14 April – 16 April 2003 – working visit by Minister of the Environment L. Ambrozek in connection with the preparations for the 5<sup>th</sup> Conference of Ministers of the UN European Economic Commission.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	217,749	243,588	414,089	0.0147
	year-on-year index	96.1	111.9	170.0	
Exports	CZK thousands	200,491	238,607	320,748	0.0234
	year-on-year index	99.7	119.0	134.4	
Imports	CZK thousands	17,258	4,981	93,341	0.0004
	year-on-year index	67.6	28.9	187.4	
Balance	CZK thousands	183,233	233,626	227,407	
Foreign investments – incoming	direct (CZK thousands)	0	11,100	200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: ceramic products, glass, machinery and transport equipment, pharmaceutical products, certain handheld arms and military materiel.

The Czech Republic's principal import commodities: nuts, coffee, tea, manganese ore.

*Cultural relations*

A total of eight Georgian citizens study at Czech universities on Czech government scholarships. The Czech embassy in Tbilisi continued to work with the Golden Prague compatriots club.

## GRAND DUCHY OF LUXEMBOURG

Relations between the Czech Republic and Luxembourg are very good and successfully developed at both bilateral and multilateral level. Co-operation centred on economic ties as well as the countries' partnership in NATO and future partnership in the European Union. Economic ties have for long been relatively good.

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

- 16 November – 17 November 2003 – visit by a delegation of the Committee for European Integration of the Chamber of Deputies.

### *Visits by representatives of Luxembourg:*

- 1 July 2003 – visit by Grand Duke Henry on the occasion of the Prague session of the International Olympic Committee;
- 21 November – 22 November 2003 – official visit by Prime Minister J.-C. Juncker.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	4,597,408	4,631,738	5,292,899	0.1881
	year-on-year index	120.2	100.7	114.3	
Exports	CZK thousands	2,352,549	2,053,713	2,694,903	0.1965
	year-on-year index	132.2	87.3	131.2	
Imports	CZK thousands	2,244,859	2,578,025	2,597,996	0.1801
	year-on-year index	109.9	114.8	100.8	
Balance	CZK thousands	107,690	-524,312	96,907	
Foreign investments – incoming	direct (CZK thousands)	2,699,900	3,583,300	3,379,100	
	portfolio (CZK thousands)	no record	no record	20,400,000	
Foreign investments – outgoing	direct (CZK thousands)	5,600	0	0	
	portfolio (CZK thousands)	12,087,000	19,941,100	26,907,300	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, mineral fuels and lubricants, furniture, transport vehicles.

The Czech Republic's principal import commodities: machinery and transport equipment, optical and measuring instruments, aluminium, iron and steel and products thereof, plastics, glass, rubber, impregnated textiles, paper.

31% of Luxembourg's exports to Central and Eastern Europe headed into the Czech Republic. Direct foreign investments by Luxembourg entities in the Czech Republic have for long been substantial.

### *Cultural Relations*

One event helping to present Czech culture in Luxembourg was a joint exhibition of paintings, sculpture, engravings and photographs by I. Mrázková, I. Kitzberger, J. Vaco and O. Michálek. Czech cultural sites, notably historical monuments in Prague, were presented during the traditional “Festival of Europe”. “Czech and Slovak Culture Days” was another event in 2003. A Czech Christmas concert, including the Christmas Mass by J. E. Kypka, was held in the Saint Trinité Church in Luxembourg. A concert by the Czech Chamber Orchestra in Centre des Arts Pluriels met with great success.

### **GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA**

In 2003 the Czech Republic pushed ahead with the gradual process of restoring bilateral relations, especially in the economic sphere. That was made possible when the United Nations Security Council lifted sanctions on Libya in April 1999 and by the reopening of talks in the Czech-Libyan joint commission in May 2002. The issue of Libya’s debts to the Czech Republic remains unresolved.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	3,842,621	936,628	1,686,292	0.0600
	year-on-year index	2,570.2	24.4	180.0	
Exports	CZK thousands	130,229	72,600	279,140	0.0204
	year-on-year index	94.0	55.7	384.5	
Imports	CZK thousands	3,712,392	864,028	1,407,152	0.0975
	year-on-year index	33,724.5	23.3	162.9	
Balance	CZK thousands	-3,582,163	-791,428	-1,128,012	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: automobiles, glass products, rubber products, iron and steel, reactors (for the chemicals industry), instruments.

The Czech Republic’s principal import commodities: oil, plastics, aluminium products.

### *Cultural Relations*

Czech film *Kolya* was screened during Francophone Countries Film Week, organised by the French Institute in Tripoli. The Czech embassy organised a cultural event titled “Prague – Mother of Cities”, designed to promote the Czech Republic.

## HASHEMITE KINGDOM OF JORDAN

Czech-Jordanian relations have traditionally been friendly, with the emphasis on trade and economic exchange, though in 2003 this was negatively affected by the war in Iraq. In February 2003 the Czech government approved the Agreement on Prevention of Dual Taxation.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	462,182	556,140	394,252	0.0140
	year-on-year index	191.1	120.3	70.9	
Exports	CZK thousands	456,301	551,770	387,048	0.0282
	year-on-year index	192.0	120.9	70.1	
Imports	CZK thousands	5,881	4,370	7,204	0.0005
	year-on-year index	140.6	74.3	164.9	
Balance	CZK thousands	450,420	547,400	379,844	
Foreign investments – incoming	direct (CZK thousands)	40,000	200	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: craft wrapping paper, machine engineering products, rubber products, steel products.

The Czech Republic’s principal import commodities: cosmetics, automobile parts.

### *Cultural Relations*

An exhibition of photographs by E. Sobek and an exhibition titled “The Czech Republic at the Turn of the Millennium” were staged in Amman. Czech violinist J. Svěcený, accompanied by pianist M. Synková, gave a performance called “Famous Violins of Prague”. There was an exhibition of caricatures by M. Barták. Jordanian children took part in the “Lidice 2003” international art competition.

Co-operation continued between the Institute of Tropical and Subtropical Agriculture of the Czech Agricultural Institute in Prague and the Jordan University of Science and

Technology in Irbid on a project for a research and training centre focusing on sheep breeding.

The Czech Republic provided Jordan with one university scholarship.

## **HELLENIC REPUBLIC**

Relations between the Czech Republic and Greece developed successfully at bilateral and multilateral level in the context of European integration and partnership in NATO.

Economic co-operation remained at the heart of ties between the countries. Co-operation under the Czech-Greek Council for the Reconstruction and Development of South East Europe contributed to the development of economic relations.

Czech exports to Greece registered outstanding growth of 34% year-on-year. The Czech Republic has for long had a high balance of trade surplus with Greece, and this continues to grow. In percentage terms, the surplus is the highest the Czech Republic has with any EU country.

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

- 16 April – 17 April 2003 – visit by a delegation of the Czech Republic, headed by President V. Klaus, to mark the signing of the Accession Treaty by the ten candidate countries and to attend a session of the European Conference in Athens;
- 1 May – 3 May 2003 – working visit by Minister of Foreign Affairs C. Svoboda (Gymnich in Rhodes);
- 2 May – 4 May 2003 – working visit by Minister for Information Technologies V. Mlynář (to attend a conference called “Information Society: Tools of e-Governance in the EU and Its South East European Neighbours”);
- 4 May – 6 May 2003 – working visit by a delegation of the Committee for European Affairs of the Chamber of Deputies and Senate of Czech Parliament (conference of the chairmen of parliamentary committees for European affairs);
- 15 May – 17 May 2003 – working visit by Minister for Health M. Součková (to attend a conference of European health ministers);
- 15 May – 19 May 2003 – working visit by Minister of Transport M. Šimonovský (to attend a conference of European transport ministers);
- 16 May – 17 May 2003 – working visit by Minister for Regional Development P. Němec (to attend a conference of European ministers);
- 22 May – 25 May 2003 – working visit by President of the Senate P. Pithart;
- 20 June – 21 June 2003 – visit by a Czech delegation headed by Prime Minister V. Špidla on the occasion of the EU summit in Thessaloniki;
- 3 July – 6 July 2003 – working visit by President V. Klaus.

### *Visits by representatives of Greece:*

- 9 May – 10 May 2003 – visit by Prime Minister K. Simitis.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	7,521,946	7,141,237	8,684,333	0.3086
	year-on-year index	109.6	94.9	121.6	
Exports	CZK thousands	5,096,028	4,943,525	6,645,153	0.4845
	year-on-year index	110.1	96.9	134.4	
Imports	CZK thousands	2,425,918	2,203,658	2,039,180	0.1413
	year-on-year index	108.8	90.8	92.5	
Balance	CZK thousands	2,670,110	2,734,473	4,605,973	
Foreign investments – incoming	direct (CZK thousands)	140,000	105,000	259,748	
	portfolio (CZK thousands)	no record	no record	354,792	
Foreign investments – outgoing	direct (CZK thousands)	0	0	1,507	
	portfolio (CZK thousands)	3,530	6,600	1,537,600	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: motor vehicles, electronic audio recording and reproduction devices, timber and wood products, iron and steel products, mechanical devices, rubber and rubber products.

The Czech Republic's principal import commodities: fruit, cotton, vegetable and vegetable products, clothing and clothing accessories, tobacco and tobacco substitutes.

### *Cultural Relations*

“Czech National Day” was marked by the openings of various exhibitions: “Czech Press Photo 2002”, “The Beauties and Mysteries of the Czech Republic” and an exhibition of Czech crystal and jewellery made from Czech garnet; the films *Cosy Dens* and *Rebels* were also screened. Other exhibitions included “Tomki Němec – V. Havel: Photographs”, “A Journey around the Czech World” and “Prague and Heritage Sites of the Czech Republic”. Two films, *Otesánek* and *A Higher Principle*, were shown at a screening of films from new EU member states.

In the performing arts, violinist P. Šporcl, the Virtuosi di Praga ensemble, the Radost children's choir and three “Black Theatre” troupes performed in Greece.

In education, exchanges involving students, interns and research workers continued. March brought a session of the Joint Czech-Greek Committee for Co-operation in Science and Technology, at which a Working Programme for Science and Technology Co-operation for 2003-2005 was signed; the working programme comprises 27 joint Czech-Greek projects.

## **HOLY SEE**

Relations between the Czech Republic and the Holy See are founded on the shared spiritual values underlying West European culture and politics and on a closeness of opinion on the underpinning the principles of international relations. One question remaining unresolved is the Treaty on Mutual Relations between the Czech Republic and the Holy See, which the Chamber of Deputies of Czech Parliament did not ratify on 21 May 2003.

*Visits by representatives of the Czech Republic:*

- 13 November 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

*Cultural Relations*

The Czech Republic's state holiday was marked by a cultural event called "Liturgy of the Word" in the chapel of the Papal College Nepomucenum. A trade fair of religious films, "Religion Today", in Trento, featured Czech director V. Michálek's *Forgotten Light*. The Musica Animata ensemble gave a concert in Rome.

## ISLAMIC REPUBLIC OF IRAN

Relations continue to be influenced by the presence of the Iranian office of Radio Free Europe/Radio Liberty in Prague. After several years of stagnation in mutual ties, 2003 brought signs of a possible revitalisation of both political and economic relations.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,396,713	1,552,238	2,465,774	0.0877
	year-on-year index	44.9	111.1	158.9	
Exports	CZK thousands	1,121,050	1,303,425	2,132,207	0.1555
	year-on-year index	39.6	116.3	163.6	
Imports	CZK thousands	275,663	248,813	333,567	0.0231
	year-on-year index	98.7	90.3	134.1	
Balance	CZK thousands	845,387	1,054,612	1,7978,640	
Foreign investments – incoming	direct (CZK thousands)	0	300	100,	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0,	
	portfolio (CZK thousands)	no record	3,000	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: rail track, iron and steel, instruments and mechanical devices, locomotives and transport equipment, mechanical machinery, electronic audio-video recording and reproduction devices, wool, animal hairs, yarn, horsehair fabrics, glass and glass products, pharmaceutical products.

The Czech Republic's principal import commodities, agricultural produce, pharmaceutical products, motor vehicles, tractors, bicycles *et al.*, carpets and floor coverings.

In March 2003 Iran imposed unilateral economic sanctions on the Czech Republic, which lasted until the end of the year. Despite this embargo, Czech exports grew considerably, however.



### *Cultural Relations*

A photography exhibition called “The Devil In Us” took place in Tehran, with the artist J. Šibík conducting a seminar for young photographers. Two other exhibitions were put on: “The Czech Republic at the Turn of the Millennium” and “The Beauty of Czech Baroque Architecture”, a collection of photographs. Iranian children took part in the international “Lidice 2003” art competition. Czech children took part in the 3<sup>rd</sup> year of an international children’s drawing competition. The second year of a Czech course for foreigners ran at the Czech embassy in Tehran.

The Czech Republic provided Iran with one university scholarship.

## **ISLAMIC REPUBLIC OF PAKISTAN**

Political dialogue between the Czech Republic and Pakistan in 2003 did not attain the desired level. Trade exchange, which has traditionally formed the core of relations, increased slightly, but the Czech Republic’s balance of trade deficit also worsened.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	1,054,073	1,031,101	1,070,547	0.0380
	year-on-year index	127.4	97.8	103.8	
Exports	CZK thousands	398,455	395,052	407,072	0.0297
	year-on-year index	157.7	99.1	103.0	
Imports	CZK thousands	655,618	636,049	663,475	0.0460
	year-on-year index	115.5	97.0	104.3	
Balance	CZK thousands	-257,163	-240,997	-256,403	
Foreign investments – incoming	direct (CZK thousands)	0	600	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: textile machinery, glass jewellery and other glass products, paper.

The Czech Republic’s principal import commodities: leather products, textile, clothing, sports equipment.

## ISLAMIC STATE OF AFGHANISTAN

The Czech Republic is actively involved in the international community's efforts to stabilise and rebuild the country. Afghanistan is one of the main beneficiaries of Czech development aid, which is targeted at building up transport infrastructure and training experts. The Czech military hospital was withdrawn from Afghanistan; preparations are being made to send a special combat unit.

Trade between the Czech Republic and Afghanistan revived in 2003 and trade exchange increased. The total volume of trade was almost double the figure for 2002 and the Czech Republic's balance of trade surplus grew by a similar amount.

### *Visits by representatives of Afghanistan:*

- 2 October 2003 – working visit by Minister of Transport S. M. Ali Javid.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	10,752	27,446	44,455	0.0016
	year-on-year index	27.3	255.3	162.0	
Exports	CZK thousands	5,961	26,302	40,678	0.0030
	year-on-year index	22.7	441.2	154.7	
Imports	CZK thousands	4,791	1,144	3,777	0.0003
	year-on-year index	36.4	23.9	330.2	
Balance	CZK thousands	1,170	25,158	36,901	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: electrical engineering apparatus, glass jewellery, machine engineering products.

The Czech Republic's principal import commodities: fruit, nuts, carpets, furs.

### *Cultural Relations*

The Czech Republic provided Afghanistan with four university scholarships.

## JAPAN

Japan is one of the Czech Republic's most important partners in Asia. The culmination of political relations was the historic state visit by the Emperor of Japan and his wife in 2002. The year 2003 brought the first-ever official visit to the Czech Republic by a Japanese premier. A Joint Declaration was signed during this visit, paving the way for a strategic partnership between the Czech Republic and Japan. The strong influx of Japanese investments in the Czech Republic continued in 2003. Strong cultural ties play an important role in relations between the Czech Republic and Japan.

### *Visits by representatives of Japan:*

- 20 August – 22 August 2003 – official visit by Prime Minister J. Koizumi.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	30,414,003	32,034,461	37,354,188	1.3274
	year-on-year index	107.6	105.3	116.6	
Exports	CZK thousands	4,743,593	4,550,894	4,534,357	0.3306
	year-on-year index	105.4	95.9	99.6	
Imports	CZK thousands	25,670,410	27,483,567	32,819,831	2.2751
	year-on-year index	108.0	107.1	119.4	
Balance	CZK thousands	-20,926,817	-22,932,673	-28,285,474	
Foreign investments – incoming	direct (CZK thousands)	724,400	4,397,500	7,139,700	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	20,400	
	portfolio (CZK thousands)	68,000	9,500	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: electrical engineering components, pumps, glass, timber.

The Czech Republic's principal import commodities: computer technology components, consumer electronics, automobiles, optical instruments, pumps, mechanical devices.

### *Bilateral agreements signed in 2003*

- Agreement between the Government of the Czech Republic and the Government of Japan on the Award of a Culture Grant for Palacký University in Olomouc, signed in Prague, 20 March 2003.

### *Cultural Relations*

Cultural relations have traditionally been very good and are expanding fast. Czech classical music in particular enjoys an excellent reputation in Japan; traditional forms of Japanese art are very popular in the Czech Republic. Every year, four university scholarships are exchanged between Japan and the Czech Republic. Another five Japanese scholarship beneficiaries attended the Slav Studies Summer School. Czech students receive further grants from Japanese foundations and universities.

## **KINGDOM OF BELGIUM**

Czech-Belgian relations are of a very good standard and are developing in the context of European integration. Besides contacts at Belgian federal level, ties with Belgian regions and communities are also being strengthened – after a Region was signed in 2001, an equivalent agreement was signed with the Flemish government in 2002. The Visegrad Group regional co-operation initiative with Benelux states represents a new link between the two countries.

Belgium is one of the Czech Republic's biggest trading partners. It was the Czech Republic's 13<sup>th</sup> biggest trading partner in 2003. Major Belgian investments in the Czech Republic prove that the Czech economy enjoys the confidence of Belgian business.

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

- 17 November 2003 – visit by a delegation of the Committee for European Integration of the Chamber of Deputies.

### *Visits by representatives of Belgium:*

- 30 September 2003 – visit by State Secretary for European Integration J. Simonet;
- 1 October – 4 October 2003 – visit by a delegation of the Parliament of the Walloon Region;
- 6 October – 8 October 2003 – working visit by President of the Senate A. De Decker.

## *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	71,034,861	59,627,332	60,247,611	2.1410
	year-on-year index	136.9	83.8	101.1	
Exports	CZK thousands	37,971,074	29,754,165	30,781,500	2.2445
	year-on-year index	155.0	78.2	103.5	
Imports	CZK thousands	33,063,787	29,863,167	29,466,111	2.0000
	year-on-year index	120.8	90.3	98.7	
Balance	CZK thousands	4,907,287	-109,002	-1,315,389	
Foreign investments – incoming	direct (CZK thousands)	1,816,200	8,211,500	4,312,300	
	portfolio (CZK thousands)	no record	no record	7,300,000	
Foreign investments – outgoing	direct (CZK thousands)	0	0	100	
	portfolio (CZK thousands)	4,201,000	10,529,800	400,500	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: various industrial products, chemicals, passenger cars, machinery and transport equipment.

The Czech Republic's principal import commodities: foodstuffs, various industrial products, non-edible raw materials, market products.

## *Cultural Relations*

“The Festival of Czech Gastronomy” was one of the most important events presenting Czech culture to the Belgian public in 2003. The festival included several accompanying events, including a concert by jazz pianist E. Viklický. Co-operation between several European galleries made it possible to introduce the Belgian public to the work of J. Kolář in a monographic exhibition titled “Paintings and Collages”. On the occasion of the 25<sup>th</sup> anniversary of the death of J. Brel, Czech singer/songwriter J. Dědeček gave a performance of Brel's songs. Czech cinema was presented in Brussels and Namur by a travelling festival of Czech films carried out in co-operation with the Čadík Brothers' Cinema.

## **KINGDOM OF DENMARK**

Czech-Danish relations are very good and continued to develop successfully in 2003. Most visits by Czech representatives took place at expert level. Attention focused primarily on discussing European integration and transatlantic security ties. Denmark was the first EU country to ratify the Treaty of Accession to the EU in June 2003.

Denmark is one of the Czech Republic's important economic partners. Denmark was the Czech Republic's 22<sup>nd</sup> biggest trading partner in 2003.

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

- 5 June 2003 – President of the Supreme Audit Office L. Voleník attends a conference of presidents of audit offices.

### *Visits by representatives of Denmark:*

- 3 March – 5 March 2003 – visit by a delegation of the Committee for European Affairs of the Danish Parliament, headed by President C. Larsen-Jensen;
- 24 April 2003 – visit by Prime Minister A. F. Rasmussen;
- 11 November 2003 – visit by Minister of Foreign Affairs P. S. Møller.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	15,847,777	15,729,000	17,538,000	0.6232
	year-on-year index	118.5	99.4	111.5	
Exports	CZK thousands	7,361,039	7,393,000	8,125,000	0.5924
	year-on-year index	121.0	100.7	109.9	
Imports	CZK thousands	8,486,738	8,336,000	9,413,000	0.7000
	year-on-year index	116.4	98.2	112.9	
Balance	CZK thousands	-1,125,699	-943,000	-1,288,000	
Foreign investments – incoming	direct (CZK thousands)	8,826,500	1,449,100	238,300	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	170	
	portfolio (CZK thousands)	253,000	121,000	506,600	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

Trade between the Czech Republic and Denmark has been very dynamic in recent years; the slight decline in 2002 was offset in 2003 by an increase in total turnover exceeding 10%. The Czech Republic has had a balance of trade deficit with Denmark for many years now, but every year this is evened out by income from services.

The trade deficit with Denmark is to be attributed to the high volume of imports – chiefly pharmaceutical products, products for medical and hygiene uses, agricultural technology, foodstuffs products, fish and pork products, paints and lacquers based on synthetic polymers and precision engineering products. Danish exports to the Czech Republic are evenly spread over several commodities and are not so dependent on sales fluctuations in particular fields. From this point of view, the fact that Czech exports to Denmark continued to grow despite the considerable fall in the sale of the main export article – passenger motorcars – can be regarded as a success. The fall in car exports was compensated by increased export activity by small and medium-sized enterprises. Exports to Denmark have traditionally been based on the following products: passenger cars and other machine-engineering products, rubber products, textiles, metallurgical products and products from wood and coloured metals. Refined semi-finished products' share of exports is rising.

### *Cultural Relations*

There was a showing of Czech and Slovak poster art in Silkeborg. Czech Days, held in the Skoda Car Museum in Fyn Island, included an exhibition called “The Beauties and Mysteries of the Czech Republic” as well as exhibitions of glass giftware, wooden toys and artistic lace. This event was linked with a presentation of the regions of the Czech Republic, the Czech Republic’s preparations for EU entry, an exhibition of cartoons by M. Barták, screenings of short films promoting tourism and tastings of traditional Czech foods. The Kubín Quartet gave a successful performance in Aarslev Mark in July. Czech painter and collage artist J. Bartůněk exhibited in Korsør in August 2003. Hørsholm hosted an exhibition of the works of Czech contemporary artist A. Vondra in October.

More than twenty Danish students attended universities in the Czech Republic. Interest in studying in Denmark was strongest among students of Scandinavian studies, law and technical subjects.

## **KINGDOM OF MOROCCO**

Morocco is an important partner for the Czech Republic in the South Mediterranean region. Relations in 2003 were marked by the Czech Republic’s approaching entry to the EU.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	884,501	839,659	906,365	0.0322
	year-on-year index	113.6	94.9	107.9	
Exports	CZK thousands	428,475	277,139	273,238	0.0199
	year-on-year index	110.3	64.7	98.6	
Imports	CZK thousands	456,026	562,520	633,127	
	year-on-year index	116.8	123.4	112.6	
Balance	CZK thousands	-27,551	-285,381	-359,889	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: paper and cardboard, road vehicles, machinery (primarily for the textile and leatherworking industry), iron and steel, machinery and accessories (ball-bearings, casts), tyres and inner tubes, electrical devices, chemicals and related products.

The Czech Republic's principal import commodities: clothing and underwear, vegetables, transistors, relays, semiconductor parts, footwear, marine fish.

#### *Cultural Relations*

The Czech Republic's cultural activities in Morocco included a performance by the Novák Wind Trio. The Czech Republic traditionally participated in "Festival du Grand Cinema Inaperçu" international film festival in Rabat. Director P. Zelenka attended the festival at the invitation of the organisers. An exhibition of caricatures by M. Barták was also put on in Rabat. The Czech Republic provided Morocco with two university scholarships.

## **KINGDOM OF NORWAY**

Czech-Norwegian relations are friendly and without problems. Security and economic co-operation form the core of relations, with the emphasis on transatlantic ties and partnership in the European Economic Area.

Norway is an important trading partner for the Czech Republic. In 2003 Norway was the Czech Republic's 20<sup>th</sup> biggest trading partner.

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

- 24 March – 26 March 2003 – working visit by a delegation of the Committee for Defence and Security of the Chamber of Deputies;
- 11 June – 13 June 2003 – visit by Minister for Health M. Součková, combined with attendance of the 7<sup>th</sup> Conference of Health Ministers of European Countries;
- 15 June – 19 June 2003 – visit by a delegation of the Agricultural Committee of the Chamber of Deputies.

#### *Visits by representatives of Norway:*

- 31 October 2003 – official visit by Prime Minister K. M. Bondevik;
- 2 December 2003 – working visit by President of the Foreign Committee of Parliament T. Jagland.



### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	18,852,814	17,944,000	18,106,000	0.6434
	year-on-year index	117.9	95.8	100.9	
Exports	CZK thousands	5,160,334	5,645,000	4,749,000	0.3463
	year-on-year index	116.6	109.3	84.1	
Imports	CZK thousands	13,692,480	12,299,000	13,357,000	0.9000
	year-on-year index	118.4	90.7	108.6	
Balance	CZK thousands	-8,532,146	-6,654,000	-8,608,000	
Foreign investments – incoming	direct (CZK thousands)	1,336,900	430,800	-435,800	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-97,700	
	portfolio (CZK thousands)	0	557,300	1,667,700	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, electrical engineering industry products, glass and ceramics, textile products, other processing industry products.

The Czech Republic's principal import commodities: natural gas (accounting for over 87% of total imports), processing industry products, machine engineering products, fish and marine products.

### *Cultural Relations*

An exhibition of nine Czech female photographers in the Norwegian Museum of Women and an architectural exhibition called "The Space House" were two important projects in 2003. The Czech Republic's repeated participation at the "European Festival of Documentary Films" was another important cultural event, at which the Czech Republic was represented by V. Chytilová's *Plastic People of the Universe*. The end of the year brought two Christmas concerts of Czech baroque music in Oslo, featuring the Ritornello chamber ensemble.

Every year the Czech Republic sends ten students to placements at Norwegian universities. Direct contacts are developed between Czech and Norwegian academic institutions.

## **KINGDOM OF SAUDI ARABIA**

Saudi Arabia is an important partner for the Czech Republic in the Middle East. Relations are dominated by economic ties, but co-operation in healthcare, science and security

have also expanded. The number of Saudi citizens coming to the Czech Republic for medical treatment, recreation and trade rose in 2003.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	2,121,481	1,211,868	988,501	0.0352
	year-on-year index	149.3	57.1	81.6	
Exports	CZK thousands	2,077,314	1,098,757	871,616	0.0636
	year-on-year index	151.6	52.9	79.3	
Imports	CZK thousands	44,167	113,111	116,885	0.0081
	year-on-year index	87.4	256.1	103.3	
Balance	CZK thousands	2,033,147	985,646	754,731	
Foreign investments – incoming	direct (CZK thousands)	0	1,200	-3600,	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: dried milk and fresh cheese, metallurgical products, road vehicles, pectin substances, glass, hospital furniture, chandeliers and other light fittings, mineral oils, electrical engineering equipment, tyres.

The Czech Republic's principal import commodities: ethylene polymers, skins, synthetic fibres.

### *Cultural Relations*

In October 2003 a delegation of the Ministry of Education, Youth and Sport of the Czech Republic and representatives of certain Czech universities visited Saudi Arabia. During the first-ever education visit the Czech delegation had talks with representatives of the education ministries and with the heads of the leading universities and research institutes on establishing direct co-operation in education, science and research.

## **KINGDOM OF SPAIN**

Relations between the Czech Republic and Spain successfully developed at bilateral and multilateral level in the context of European integration and partnership in NATO; governmental and parliamentary dialogue also grew.

Spain is one of the Czech Republic's most important trading partners. In 2003 it was the Czech Republic's 14<sup>th</sup> biggest trading partner.

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

- 20 February 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 27 February – 28 February 2003 – President of the Senate P. Pithart attends a meeting of the Association of European Senates;
- 17 March – 20 March 2003 – visit by a delegation of the Agricultural Committee of the Chamber of Deputies;
- 8 May – 10 May 2003 – Minister of Culture P. Dostál attends the opening of Czech Film Week in Madrid;
- 2 June – 4 June 2003 – Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attends a session of the North Atlantic Council;
- 29 September – 2 October 2003 – visit by 1<sup>st</sup> Vice-President of the Senate P. Sobotka and Vice-President of the Senate M. Topolánek;
- 6 October – 9 October 2003 – visit by a delegation of the Permanent Commission for the Work of the Office of the Chamber of Deputies;
- 23 October – 24 October 2003 - Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attends an international donors conference for Iraq;
- 15 December – 17 December 2003 – visit by a delegation of the Senate Committee on European Integration.

### *Visits by representatives of Spain:*

- 6 June 2003 – working visit by Minister of Foreign Affairs A. Palacio;
- 6 October – 8 October 2003 – Speaker of the Senate J. J. Lucas attends a meeting of chairmen of European senates.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	48,814,983	50,253,000	55,040,000	2.0000
	year-on-year index	119.4	102.9	109.5	
Exports	CZK thousands	22,734,084	25,006,000	28,857,000	2.1000
	year-on-year index	125.3	110.0	115.4	
Imports	CZK thousands	26,080,899	25,247,000	26,183,000	1.8000
	year-on-year index	114.7	96.8	103.7	
Balance	CZK thousands	-3,346,815	-246,184	2,674,000	
Foreign investments – incoming	direct (CZK thousands)	390,700	357,800	1,416,500	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	2,100	3,400	400	
	portfolio (CZK thousands)	2,819,000	4,962,600	782,600	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, passenger motor vehicles, tyres, iron fittings, electrical devices, textile yarns and fabrics, organic chemicals, tractors, lifting equipment.

The Czech Republic's principal import commodities: passenger motor vehicles, tyres, machine plant, iron fittings, electrical devices, textile yarns and fabrics, organic chemicals.

### *Cultural Relations*

There was a wide range of Czech culture on display in Spain in 2003. This included "Czech Culture Days" in Asturia and Madrid, featuring exhibitions titled "Ten Figures of Czech Graphic Art" and "Czech Press Photo 2001", screenings of Czech films and a performance by the Prague Chamber Ballet. Barcelona hosted an exhibition of photographs titled "Prague – All the Beauty of the World". Another exhibition, "The Beauties and Mysteries of the Czech Republic", travelled around a number of Spanish cities. A concert by folk singer E. Henychová was organised to mark the start of Czech language teaching at Complutense University in Madrid. A concert by Mr and Mrs Ženatý was given on the occasion of the opening of the Czech Centre in Madrid.

The Czech Republic's state holiday was celebrated in Madrid by a performance of V. Riedlbauch and M. Klaus's Gran Duetto Concertante. "Christmas Night in the New Europe" featured Christmas carols and songs of future EU members, including the Czech Republic. The Czech National Theatre was invited to perform an opera titled "The Fate of Czech Composer Leoš Janáček" in the most prestigious Spanish theatre Teatro Real. Spanish children took part in the "Lidice 2003" international art competition.

## **KINGDOM OF SWEDEN**

Relations between the Czech Republic and Sweden successfully developed at bilateral and multilateral level in the context of European integration. Sweden is an important foreign-policy and economic partner for the Czech Republic and is its leading partner in Scandinavia. Bilateral co-operation includes contacts between regions and municipalities.

Sweden is one of the Czech Republic's most important economic partners. In 2003 Sweden was the Czech Republic's 17<sup>th</sup> biggest trading partner.

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

- 19 September 2003 – Minister of Education P. Buzková attends a memorial service for murdered Minister of Foreign Affairs A. Lindh;
- 9 October – 10 October 2003 – President of the Senate P. Pithart opened Czech Culture Month;
- 1 December – 3 December 2003 – working visit by President V. Klaus.

### *Visits by representatives of Sweden:*

- 14 April 2003 – official visit by Minister of Foreign Affairs A. Lindh;
- 22 May 2003 – official visit by Prime Minister G. Persson;
- 22 September – 23 September 2003 – working visit by Deputy Prime Minister M. Winberg.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	28,892,975	28,632,000	30,987,000	1.1000
	year-on-year index	82.9	99.1	108.2	
Exports	CZK thousands	12,397,531	13,951,000	15,611,000	1.1000
	year-on-year index	82.0	112.3	111.9	
Imports	CZK thousands	16,495,444	14,681,000	15,376,000	1.1000
	year-on-year index	83.5	89.2	104.7	
Balance	CZK thousands	-4,097,913	-782,914	235,000	
Foreign investments – incoming	direct (CZK thousands)	788,000	2,482,100	537,000	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-1,700	
	portfolio (CZK thousands)	632,000	2,216,200	2,703,600	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, transport vehicles, beverages, ceramic products, textile goods, paper, wood, plastics, rubber and rubber products.

The Czech Republic's principal import commodities: machinery and transport equipment, chemicals, pharmaceutical products, iron and steel, non-ferrous metals, dyes, vegetable and animal fats.

### *Cultural Relations*

One of the most important cultural events was Czech Culture Month in the Royal Library in Stockholm. The project included a presentation of modern Czech bookplates, an exhibition devoted to J. Seifert, a travelling exhibition titled "The Beauties and Mysteries of the Czech Republic" and a literary discussion with author I. Klíma. Mutual cultural perceptions could be compared at an exhibition of photographs called "Sweden Through the Eyes of Czech Students" and an exhibition of artworks by Swedish elementary schools called "Czechia Through the Eyes of Swedish Children". A joint exhibition of contemporary Czech and Swedish artists was held in the biggest iron ore mines within the Arctic Circle. A series of eleven lectures on the Czech Republic ran at Stockholm University. There was also a number

of other events, e.g. “Czech Days” in Östersund and a presentation of the Czech Republic in Göteborg. Exchanges of university and postgraduate students continued.

## KINGDOM OF THAILAND

Thailand continued to be an important political and trading partner for the Czech Republic in South East Asia in 2003. Among other things, it is a popular destination for Czech tourists.

### *Visits by representatives of Thailand:*

- 5 May – 7 May 2003 – visit by Minister of Foreign Affairs S. Sathirathai.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	5,989,153	6,279,553	7,354,861	0.2614
	year-on-year index	145.2	104.8	117.1	
Exports	CZK thousands	1,676,078	1,923,587	1,105,339	0.0806
	year-on-year index	157.2	114.8	57.5	
Imports	CZK thousands	4,313,075	4,355,966	6,249,522	0.4332
	year-on-year index	141.0	101.0	143.5	
Balance	CZK thousands	-2,636,997	-2,432,379	-5,144,183	
Foreign investments – incoming	direct (CZK thousands)	no record	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	2,400	
	portfolio (CZK thousands)	no record	16,500	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: dried milk, machinery and transport equipment, textile and foodstuffs production machinery, passenger cars.

The Czech Republic’s principal import commodities: electrical engineering products, foodstuffs products, textiles, clothing.

### *Cultural Relations*

The main cultural events in 2003 included “Czech Press Photo”, Czech film month, a screening of *Golet in the Valley*, a screening of *My Sweet Little Village* and a Czech evening in the Foreign Journalists’ Club, offering Czech cuisine and a discussion with director J. Menzel.

## KINGDOM OF THE NETHERLANDS

Relations between the Czech Republic and the Netherlands successfully developed at bilateral and multilateral level in the context of European integration and Euro-Atlantic partnership. Co-operation centres on the economic and cultural arenas, as well as on security. In a number of fields the Czech Republic regards the Netherlands as a natural partner for closer co-operation in the enlarged European Union.

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

- 2 November – 4 November 2003 – working visit by President of the Senate P. Pithart;
- 19 November 2003 – visit by a delegation of the Committee for European Integration of the Chamber of Deputies.

### *Visits by representatives of the Netherlands:*

- 20 May 2003 – Minister of Foreign Affairs J. de Hoop Scheffer attends a session of the OSCE in Prague;
- 12 October – 14 October 2003 – visit by a delegation of the Committee for European Integration of the Parliament of the Netherlands;
- 11 November 2003 – working visit by Minister for Transport, Public Works and Water Management K. Peijs.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	68,170,367	80,252,000	88,292,000	3.1000
	year-on-year index	124.4	117.3	110.0	
Exports	CZK thousands	35,393,660	48,986,000	56,708,000	4.1000
	year-on-year index	137.3	137.6	115.8	
Imports	CZK thousands	32,776,707	31,266,000	31,584,000	2.2000
	year-on-year index	113.0	95.4	101.0	
Balance	CZK thousands	2,616,953	17,453,241	25,124,000	
Foreign investments – incoming	direct (CZK thousands)	31,083,300	31,149,300	-44,039,600	
	portfolio (CZK thousands)	no record	no record	44,400,000,	
Foreign investments – outgoing	direct (CZK thousands)	2,000	42,900	54,500	
	portfolio (CZK thousands)	14,997,000	33,421,400	36,909,000,	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

NB: The negative figure for incoming direct foreign investments to the Czech Republic from the Netherlands in 2003 was caused by the sale of Dutch firm KPN's stake in SPT Telekom a.s.

The Czech Republic's principal export commodities: machinery and transport equipment, iron, steel and other metal products, plastics and chemicals, glass, wood products inc. furniture, textile products, paper, dairy products.

The Czech Republic's principal import commodities: machinery and transport equipment; plastics, pharmaceutical products, flowers, paper, iron products.

The Kingdom of the Netherlands is one of the Czech Republic's most important trading partners. In 2003 the Netherlands was the Czech Republic's 8<sup>th</sup> biggest trading partner and 6<sup>th</sup> biggest among EU states. The Netherlands is the second biggest investor in the Czech Republic in terms of direct foreign investments.

### *Cultural Relations*

Considerable attention was traditionally devoted to the Comenius Monument in Naarden, which the Czech government decided to finance in December 2003. Czech cinema was presented at the 32<sup>nd</sup> Rotterdam International Film Festival, where *Year of the Devil*, *Little Girl*, *The Key to Identifying Dwarves* and documentary *The Consecration of Spring* were shown. The screening of *Year of the Devil* was introduced by a concert by Čechomor. There was an exhibition of photographs by A. Pajer titled "The Life of Václav Havel".

"Czech Day 2003" featured a concert by violinists V. Hudeček and P. Adamec in The Hague. At the end of the year the same city hosted traditional Czech Christmas concerts, preceded by a bazaar of handmade Czech products. In the The Boskant Church in The Hague there was an exhibition of wooden objects by M. Patříčný called "The Beauty of Wood". Several benefit events were held in 2003: a concert was put on in The Hague Synagogue with the proceeds going to the Jewish Museum in Prague that was damaged in the 2002 floods; and a gala evening of theatre and music was held in Rotterdam in support of the Archa Theatre, which was destroyed in the floods. An exhibition of Roma *art naïf* and photographs from the life of Roma citizens in the Czech Republic was held in Delft; the exhibition was opened by a performance by Roma band Bengas at the private view.

## **MONGOLIA**

Relations between the Czech Republic and Mongolia are traditionally friendly, with both sides keen to develop trade and economic co-operation. The government's foreign development aid strategy for 2002-2007 includes Mongolia among its priority beneficiaries. A total of nine foreign development co-operation projects, worth a total of approximately CZK 37 million, were implemented in Mongolia in 2003.



### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	261,710	129,326	154,188	0.0055
	year-on-year index	119.9	49.4		
Exports	CZK thousands	257,233	123,252	151,604	0.0111
	year-on-year index	124.6	47.9		
Imports	CZK thousands	4,477	6,074	2,584	0.0002
	year-on-year index	76.1	135.7		
Balance	CZK thousands	252,756	117,178	149,020	
Foreign investments – incoming	direct (CZK thousands)	500	0	800	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	200	4,300	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: foodstuffs products, machines, machine plant, furniture.

The Czech Republic's principal import commodities: data processing devices, leather, precious stones.

The Czech Republic has for long been one of the twenty most important countries in terms of imports to Mongolia.

### *Cultural Relations*

The continuing intensive co-operation in education means that a relatively large number of foreign graduates at Czech universities comes from Mongolia.

## **NEW ZEALAND**

Relations between the Czech Republic and New Zealand registered growing intensity in a number of areas. An agreement promoting tourism exchange is being prepared for signing. The countries have similar standpoints on trade liberalisation and environmental conservation. Since January 2003 Czechs no longer need visas to enter New Zealand.

### *Visits by representatives of New Zealand:*

- 6 May – 7 May 2003 – visit by Minister for Trade Affairs and Agriculture J. Sutton and Minister of Education T. Mallard.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	383,482	644,723	509,432	0.0181
	year-on-year index	110.4	168.1	79.0	
Exports	CZK thousands	110,753	268,243	170,272	0.0124
	year-on-year index	97.0	242.2	63.5	
Imports	CZK thousands	272,729	376,480	339,160	0.0235
	year-on-year index	116.9	138.0	90.1	
Balance	CZK thousands	-161,976	-108,237	-168,888	
Foreign investments – incoming	direct (CZK thousands)	26,600	8,100	no record	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	no record	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: timber, table and kitchen glassware, arms and ammunition, musical instruments, tyres, textiles, footwear, machine engineering products, electric motors, furniture, chemicals, television sets.

The Czech Republic's principal import commodities: wool, textile machinery, plastics, medical instruments, meat.

### *Cultural Relations*

Cultural, educational, sporting and scientific ties continued to expand, predominantly on a commercial basis. More and more Czech students go to New Zealand to study English. The compatriot community makes a major contribution to the development of cultural ties.

## **NICARAGUA**

The expansion of the traditionally friendly relations between the Czech Republic and Nicaragua continued, with the emphasis on trade and economic co-operation, but full potential has not yet been reached.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	30,713	18,007	5,924	0.0002
	year-on-year index	29.1	58.6	32.9	
Exports	CZK thousands	7,476	6,313	3,529	0.0003
	year-on-year index	109.5	84.4	55.9	
Imports	CZK thousands	23,237	11,694	2,395	0.0008
	year-on-year index	23.6	50.3	20.5	
Balance	CZK thousands	-15,761	-5,381	1,134	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: road machines, tyres, leatherworking machinery, spare parts for engines, office products, ball-bearings, tools and implements, consumer products.

The Czech Republic's principal import commodities: coffee, tropical flowers, fruit, textiles.

### *Cultural Relations*

The Czech Republic provided Nicaragua with two university scholarships.

## **PALESTINIAN AUTONOMOUS TERRITORIES**

The persisting crisis in Israeli-Palestinian relations hinders the full development of ties between the Czech Republic and the Palestinian leadership. The Czech Republic's enduring foreign policy in respect of the Middle East conflict accents objectivity in the treatment of both sides of the conflict and emphasises an end to the violence and a restoration of political dialogue in order to pave the way for the establishment of an independent, democratic and viable Palestinian state that will be able to guarantee the security of Israel.

The Czech Republic continued to provide financial aid for Palestinian infrastructure building in 2003.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	36,404	1,991	2,244	0.0001
	year-on-year index	--	5.5	112.7	
Exports	CZK thousands	36,329	1,985	2,219	0.0002
	year-on-year index	--	5.5	111.8	
Imports	CZK thousands	75	6	25	0.0000
	year-on-year index	--	8.0	416.7	
Balance	CZK thousands	36,254	1,979	2,194	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: energy and water management projects.

Part of trade exchange between the Czech Republic and Palestinian Autonomous Territories also shows up in the statistics for Czech-Israeli trade relations.

### *Cultural Relations*

The Czech Republic provided Palestine with ten university scholarships.

## **PEOPLE'S REPUBLIC OF CHINA**

Friendly relations between the Czech Republic and China have traditionally been friendly and centred on trade and economic co-operation. Current ties are developing in the context of the differences in political systems, the enormous difference in the size and international position of the two countries and the differing degree of interest in partnership.

Since the new Chinese leadership was elected in March 2003, the Czech Republic has expected high-level visits to take place, including a reciprocal visit to Prague by China's new premier. In May 2003 the presidents of China and the Czech Republic met in St Petersburg, Russia.

2003 also brought a shift in China's relations with the EU, with China issuing its first ever policy paper on co-operation with the EU before the October summit. In this context China is currently analysing the possible impacts of the Czech Republic's accession to the EU on further development of bilateral relations, primarily in trade exchange.

The People's Republic of China is one of the Czech Republic's most important trading partners in Asia.

*Visits by representatives of the Czech Republic:*

- 12 October 2003 – visit by Vice-President of the Chamber of Deputies of Czech Parliament V. Filip and a delegation of the Committee for Economics, headed by its President J. Hojdar.

*Visits by representatives of China:*

- 18 September – 21 September 2003 – visit by Deputy Minister of Education of the People's Republic of China Yuan Guiren.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	43,659,173	66,188,047	82,127,558	2.3521
	year-on-year index	148.7	151.6	124.1	
Exports	CZK thousands	3,063,282	4,831,733	6,831,919	0.4982
	year-on-year index	120.2	157.7	141.4	
Imports	CZK thousands	40,595,891	61,356,314	75,295,639	4.2532
	year-on-year index	151.4	151.1	122.7	
Balance	CZK thousands	-37,532,609	-56,524,581	-68,463,720	
Foreign investments – incoming	direct (CZK thousands)	1,270,400	1,300	233,100	
	portfolio (CZK thousands)	no record	no record	1,000	
Foreign investments – outgoing	direct (CZK thousands)	8,000	7,800	11,000	
	portfolio (CZK thousands)	no record	100	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars and lorries, textile machinery, optical instruments, shafts and transmission gears, machine tools, glass, automated data processing machines, measuring devices, organic chemicals products.

The Czech Republic's principal import commodities: automated data processing machines, textile and clothing, footwear, toys, optical instruments, taps, valves, foodstuffs, electrical appliances, audiovisual technology, marine products, leatherworking industry products.

The negative trade balance continued to grow sharply in 2003. In connection with China's accession to the WTO, the Czech Republic is one of many countries expecting a gradual dismantling of the barriers preventing Czech businesses and products from breaking onto the Chinese market, which should help mutual economic relations diversify.

The key factors if Czech businesses are to enjoy a greater presence on the investment-intensive Chinese market are co-operation with strong partners from third countries, involvement in projects as subcontractors and co-operation with credible local entities.

### *Cultural Relations*

Contacts in culture, education and science were based on departmental agreements of the Ministry of Education, Youth and Sport, the Ministry of Culture and the Academy of Sciences of the Czech Republic. Individual activities and activities at the level of non-governmental institutions played a lesser role.

The Chinese public was able to see exhibitions of the work of J. Skalník or an exhibition of graphic works called “Labyrinth”. A Chinese translation of a book of fairytales by B. Němcová titled “The Princess with the Golden Star on Her Forehead” came out in July. At the end of the year there was a performance by the Brno-based Roma ensemble Natalika and concerts by the Prague Baroque Brass Trio. Works by Czech children were put on show at the International Exhibition of Children’s Drawings in Sichuan; China reciprocated by sending works to an equivalent international exhibition in Lidice.

A protocol on student exchanges for 2004-2007 was signed in 2003. Ten Czech university students departed for a yearlong study placement at Chinese universities in 2003.

### HONG KONG SPECIAL ADMINISTRATIVE REGION

Hong Kong was returned to the People’s Republic of China on 1 July 1997, whereby it retained full autonomy in all aspects of life, bar defence and part of foreign relations. The Czech Republic develops its relations with Hong Kong in line with the “One Country, Two Systems” principle and with the emphasis on developing trade.

Hong Kong was the Czech Republic’s second biggest trading partner and second most important export market in Asia in 2003.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	5,722,015	5,840,233	6,717,698	0.2075
	year-on-year index	109.6	102.1	115.0	
Exports	CZK thousands	3,337,325	3,739,967	3,712,160	0.2707
	year-on-year index	104.9	112.1	99.3	
Imports	CZK thousands	2,384,690	2,100,266	3,005,538	0.2083
	year-on-year index	116.9	88.1	143.1	
Balance	CZK thousands	952,635	1,639,701	706,622	
Foreign investments – incoming	direct (CZK thousands)	0	-35,800	-2,800	
	portfolio (CZK thousands)	no record	no record	1,600	
Foreign investments – outgoing	direct (CZK thousands)	0	0	3,400	
	portfolio (CZK thousands)	no record	2,000	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: glass beads, colour television screens, electric condensers, sewing machines, textile yarns.

The Czech Republic's principal import commodities: integrated circuits, optical instruments, clocks, footwear, transformers, memory units, textiles, communications equipment, electrical and mechanical devices.

## MACAU SPECIAL ADMINISTRATIVE REGION

Chinese sovereignty over Macau was restored on 20 December 1999 following the same system as used for Hong Kong. The Czech Republic's ties with Macau are consistent with the "One Country, Two Systems" policy.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	71,878	185,558	77,448	0.0028
	year-on-year index	95.7	258.2	41.7	
Exports	CZK thousands	12,408	126,518	6,182	0.0005
	year-on-year index	171.5	1,019.6	4.9	
Imports	CZK thousands	59,470	59,040	71,266	0.0049
	year-on-year index	87.6	99.3	120.7	
Balance	CZK thousands	-47,062	67,478	-65,084	
Foreign investments – incoming	direct (CZK thousands)	241,000	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: steam turbines, glass beads, food essences, fabrics, paints, pigments, lacquers, putties.

The Czech Republic's principal import commodities: footwear, clothing and clothing accessories.

## TAIWAN

Taiwan has stood outside the jurisdiction of the Beijing government since 1949. In line with the "One China Policy", the Czech Republic has economic and cultural ties with Taiwan only at non-governmental level. Taiwan's keen interest in direct foreign investments in the Czech Republic (primarily computer technology) makes it potentially an extremely promising area for the Czech Republic's economic interests.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	12,963,251	17,932,929	17,550,285	0.6237
	year-on-year index	127.7	138.3	97.9	
Exports	CZK thousands	868,471	1,008,442	1,047,418	0.0023
	year-on-year index	171.5	116.1	103.9	
Imports	CZK thousands	12,094,780	16,924,487	16,502,867	1.1440
	year-on-year index	123.6	139.9	97.5	
Balance	CZK thousands	-11,226,309	-15,916,045	-15,455,449	
Foreign investments – incoming	direct (CZK thousands)	0	0	-39,400	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: automated data processing machines, organic chemicals products, audiovisual technologies, machine engineering products, iron and steel products.

The Czech Republic's principal import commodities: typewriter parts, automated data processing machines, metalworking machines, integrated circuits, plastics and plastic products, iron and steel products, machine engineering products, audiovisual technologies.

## **PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA**

Algeria has traditionally been a Mediterranean partner of the Czech Republic. Economic co-operation formed the basis of mutual relations in 2003: Algeria became the Czech Republic's second biggest trading partner among Arab countries.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	2,974,696	1,961,183	1,900,810	0.0675
	year-on-year index	65.1	65.9	96.9	
Exports	CZK thousands	1,078,186	1,435,490	1,893,780	0.1381
	year-on-year index	229.6	133.1	131.9	
Imports	CZK thousands	1,896,510	525,693	7,030	0.0005
	year-on-year index	46.2	27.7	1.3	
Balance	CZK thousands	-818,324	909,797	1,886,750	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	1,000	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)



The Czech Republic's principal export commodities: tyres, paper, cement, glass, porcelain, metal products, machinery and transport equipment, passenger cars, dried milk.

The Czech Republic's principal import commodities: mineral fuels, lubricants and related materials.

#### *Cultural Relations*

The Czech Republic had a cultural strong presence in Algeria. In Algiers it put on a screening of the film *Otesánek*, music group Krless performed at the Festival of European Culture and there was an exhibition called "The Czech Republic at the Turn of the Millennium". In Oran there was an exhibition of caricatures by M. Barták. Michal Hromek Consort, a music group, performed in Algiers and Algerian children took part in the "Lidice 2003", international art competition.

One university scholarship was provided to Algeria.

## **PORTUGUESE REPUBLIC**

Czech-Portuguese relations are very good and became even more intensive in 2003. Portugal is a good potential partner for the Czech Republic in the context of Euro-Atlantic structures given its similar perception of international political matters, which comes down to the similar size and geopolitical weight of the two countries.

Portugal has for long had intensive economic relations with the Czech Republic. Further expansion can be expected after the Czech Republic joins the European Union.

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

- 19 February 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 24 April – 26 April 2003 – President of the Chamber of Deputies L. Zaorálek attends a conference of heads of parliament of future EU members in Lisbon;
- 14 June – 19 June 2003 – visit by a delegation of the Committee for European Integration of the Chamber of Deputies;
- 5 July – 8 July 2003 – visit by Minister for Local Development P. Němec;
- 5 December – 7 December 2003 – visit by Minister of Culture P. Dostál.

#### *Visits by representatives of Portugal:*

- 25 May – 26 May 2003 – official visit by Prime Minister J. M. Durao Barroso.

## Economic Relations

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	7,633,130	7,830,648	7,614,502	0.2706
	year-on-year index	114.6	102.8	97.0	
Exports	CZK thousands	4,812,941	4,812,696	3,997,281	0.2915
	year-on-year index	108.4	100.5	82.6	
Imports	CZK thousands	2,820,189	3,017,952	3,617,221	0.2507
	year-on-year index	127.1	106.7	120.2	
Balance	CZK thousands	1,992,752	1,794,744	380,060	
Foreign investments – incoming	direct (CZK thousands)	3,900	455,700	36,600	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	5,777,600	
	portfolio (CZK thousands)	22,000	1,018,500	3,344,100	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: transport vehicles, metallurgical products, instruments and mechanical devices, television electronics, glass, plastics, rubber and rubber products, cotton.

The Czech Republic's principal import commodities: components for televisions and car radios, motor vehicles, metallurgical products, rubber, cork and cork products, clothing products and footwear, pharmaceutical products, demand for textile fibres is growing, metalworking machines.

Portuguese investors are involved in a number of joint ventures in metallurgy and construction in the Czech Republic.

## Cultural Relations

The most important event of the year was "Czech Culture Days" in Lisbon. The main item here was the Portuguese premiere of V. Havel's plays *Audience* and *Private View* in the Don Maria II National Theatre, directed by Czech compatriot František (Jorge) Listopad and attended in person by the author and the Czech and Portuguese culture ministers.

Other events making up this festival of Czech culture were concerts by the Czech Clarinet Quartet in Lisbon, Obidos and Nazaré, an exhibition called "The Beauties and Mysteries of the Czech Republic", a screening of the formerly prohibited films from the Czech Film Archives, an accompanying photography exhibition titled "Tomki Němec – Václav Havel – Photographs" and an exhibition by Brno-based art collective Association Q.

## **PRINCIPALITY OF LIECHTENSTEIN**

Diplomatic relations are not established between the Czech Republic and the Principality of Liechtenstein. Liechtenstein makes its recognition of the Czech Republic as an independent state since 1993 conditional on the commencement of talks on property issues.

During the negotiation of the Agreement on the Participation of the Czech Republic in the European Economic Area Liechtenstein unilaterally made its signing of this Agreement conditional on bilateral talks to resolve its property claims in respect of the Czech Republic. After a number of meetings at international level Liechtenstein ultimately signed this Agreement on 11 November 2003.

## **REPUBLIC OF ALBANIA**

Bilateral relations between the Czech Republic and Albania are of a good standard and centre on trade and economic exchange. The nature of contacts was affected by the current political and economic situation in Albania. Nevertheless, mutual visits at both governmental and parliamentary level intensified in 2003.

Trade and economic relations between the countries were concentrated around co-operation between small and medium-sized enterprises and institutions in the two countries. The Czech side continued to complete long-term projects with the successful involvement of Czech firms and looked for opportunities for Czech businesses to participate in investments in Albania. The support for longer-term co-operation between Czech and Albanian firms in 2003 was reflected in increased exports from the Czech Republic to Albania.

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

- 30 June – 3 July 2003 – visit by a delegation of the Senate Committee on Education, Science, Culture, Human Rights and Petitions.

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

- 28 April – 30 April 2003 – visit by Minister of Defence P. Majko.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	444,098	316,559	413,999	0.0147
	year-on-year index	75.4	71.3	130.8	
Exports	CZK thousands	418,188	293,814	388,222	0.0283
	year-on-year index	73.8	70.3	132.1	
Imports	CZK thousands	25,910	22,745	25,777	0.0017
	year-on-year index	116.6	87.8	113.3	
Balance	CZK thousands	392,278	271,069	362,445	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: cigarette paper, tobacco products, beverages, chemicals, long-life foodstuffs, livestock, building, transport and agricultural mechanisms and machinery, tyres, electrical engineering components, electrical appliances, finished products.

The Czech Republic's principal import commodities: raw materials, various finished products, leather, fruit, vegetables, spices, industrial products.

### *Cultural Relations*

Albania expressed an interest in negotiating an interdepartmental agreement on cultural co-operation and submitted a draft that is being scrutinised by the Ministry of Culture of the Czech Republic.

The Czech Republic again provided Albania with five government university scholarships in 2003. The first national conference of Albanian graduates of Czech universities was held in Tirana in February.

The Czech Republic was represented at an exhibition of photographs from the capital cities of Central European countries; the Czech embassy put on an evening of music to mark the Czech Republic's state holiday; the embassy also initiated a photography exhibition called "The Beauty of Albanian Nature" and co-organised an exhibition of photographs by P. Nače, a journalist and graduate of the Theatre Faculty of the Academy of Performing Arts (DAMU) in Prague.

## REPUBLIC OF ANGOLA

After a subdued period in relations, Angola is once again becoming a partner for the Czech Republic in sub-Saharan Africa, both in the political dimension and, more notably, in economic exchange. The Czech Republic provided Angola with humanitarian aid worth USD 20,000 in 2003. The first steps were made towards implementing development co-operation projects. The reciprocal reopening of the Angolan embassy in Prague is expected soon.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	49,894	7,329	8,643	0.0003
	year-on-year index	136.7	14.7	118.0	
Exports	CZK thousands	49,894	7,326	8,522	0.0006
	year-on-year index	142.7	14.7	116.3	
Imports	CZK thousands	0	3	121	0.0000
	year-on-year index	0.0	-	-	
Balance	CZK thousands	49,894	7,323	8,401	
Foreign investments – incoming	direct (CZK thousands)	0	0	300	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: dried milk, tyres, glass, fruit juices.

The Czech Republic's principal import commodities: coffee.

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

- 12 September 2003 – private visit by President of Angola J. E. dos Santos.

### *Cultural Relations*

Cultural ties are still nascent. In 2003 the first Czech artist, rock singer P. Váně, performed in Angola. Other bilateral cultural relations are confined to the provision of Czech government scholarships. In 2003 the Czech government provided Angola with five university scholarships.

## REPUBLIC OF AUSTRIA

Neighbouring Austria shares similar political interests, close economic ties and numerous cultural and civic contacts with the Czech Republic, and relations with Austria are one of the priorities of Czech foreign policy. The intensity of ties is borne out both by the frequency of visits by political representatives and, most notably, by the level of co-operation between the countries.

The approaching partnership between the Czech Republic and Austria in the enlarged European Union has brought added quality to these relations. Mutual trust was successfully raised in the area of nuclear energy, chiefly due to thorough implementation of the Brussels Agreement. Open political dialogue also took place, helping to converge opinions on certain historical questions. Speeches made by Prime Minister V. Špidla and Federal Chancellor W. Schüssel at Europa Forum Wachau in Göttweig on 29 June 2003 can be regarded as something of a milestone in this context.

Austria is one of the Czech Republic's most important trading partners. In 2003 it was the Czech Republic's 3<sup>rd</sup> biggest trading partner.

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

- 23 April 2003 – working visit by President V. Klaus;
- 22 May – 23 May 2003 – President V. Klaus attends the 10<sup>th</sup> Meeting of Presidents of Central European States in Salzburg;
- 29 June 2003 – Prime Minister V. Špidla and Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attend Europa Forum Wachau in Göttweig;
- 27 September – 28 September 2003 – the Standing Senate Commission for Czech Compatriots Living Abroad attends events accompanying “Czech Compatriots Week” in Vienna;
- 17 October 2003 – working visit by Prime Minister V. Špidla;
- 26 October – 28 October 2003 – visit by a delegation of the Committee for Public Administration, Regional Development and Environment of the Chamber of Deputies;
- 29 October 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 18 December 2003 – President of the Chamber of Deputies L. Zaorálek and Vice-president of the Senate J. Ruml attend a meeting of heads of parliament of the Czech Republic, Austria, Slovakia, Hungary and Slovenia in Vienna on the occasion of ratification of the Accession Treaty in the Federal Council of the Republic of Austria.

### *Visits by representatives of Austria:*

- 28 January 2003 – working visit by Federal President T. Klestil;
- 31 March – 1 April 2003 – official visit by President of the National Council A. Kohl;
- 2 April 2003 – working visit by Federal Chancellor W. Schüssel;

- 28 May 2003 – working visit by President of the Federal Council H. Hösele;
- 2 July – 3 July 2003 – working visit by Federal Chancellor W. Schüssel;
- 17 July 2003 – working visit by Federal President T. Klestil;
- 29 October 2003 – working visit by Federal Minister of Agriculture, Forestry, the Environment and Water Management J. Pröll.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	136,370,820	126,963,678	147,445,521	5.2397
	year-on-year index	106.3	93.1	116.13	
Exports	CZK thousands	73,074,818	69,423,524	85,643,270	6.245
	year-on-year index	109.1	95	123	
Imports	CZK thousands	63,296,002	57,540,153	61,802,251	4.2841
	year-on-year index	103.2	90.9	107.4	
Balance	CZK thousands	9,778,816	11,883,371	23,841,019	
Foreign investments – incoming	direct (CZK thousands)	11,120,200	26,596,800	17,246,500	
	portfolio (CZK thousands)	no record	no record	14,700,000	
Foreign investments – outgoing	direct (CZK thousands)	39,300	14,000	800	
	portfolio (CZK thousands)	8,616,000	12,876,500	26,075,800	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars including parts and accessories, electrical machines and devices, other types of machinery and plant, textiles and textile products, chemical products and plastics, pharmaceutical products, furniture, iron and steel.

The Czech Republic's principal import commodities: electrical machines and devices, transport vehicles including parts and accessories, other types of machinery, automatic data processing machines, paper, cardboard and products thereof, iron and steel products, medicaments, plastics, leather products.

The general conditions for Czech exports to Austria were not particularly favourable in 2003, owing both to the weak economy in Austria and the persisting strength of the Czech crown. Despite these preconditions, Czech exports to Austria, expressed in terms of Czech crowns, rose by 23.4%, far outstripping the rate of growth of imports (7.4%). This generated a record balance of trade surplus in the Czech Republic's favour, amounting to CZK 23.8 billion, a rise of over 100% from 2002. The growth in Czech exports to Austria was unequalled by exports to any other trading partner of the Czech Republic.

The commodity structure of Czech exports to Austria is highly favourable; it is clearly dominated by products with high added value, which account for almost 50% of exports. Big Czech exporters, led by Skoda Auto, were very successful on the Austrian market. Increased

interest by other Czech firms in exporting to Austria was also registered in connection with the Czech Republic's imminent entry to the European Union.

#### *Bilateral agreements signed in 2003*

- Agreement between the Government of the Czech Republic and the Government of the Republic of Austria on Co-operation in Tourism, Salzburg, 19 August 2003.

#### *Cultural Relations*

The wealth of cultural contacts between the two countries is dominated by non-governmental activities. A cultural agreement expected to be signed after the Czech Republic joins the EU should lay a new foundation for these ties. The developing co-operation based on the Regional Partnership cultural platform also helped expand and deepen cultural relations.

The most important events of 2003 included an exhibition by the Austrian National Library called "Prague – Vienna, Two European Metropolises Over the Centuries" and projects carried out in Vienna as a prologue to "Czech Compatriots Week" in Prague. A presentation of a Czech treatment of Austrian history in the seat of the former Office of the Court of Bohemia in Vienna was also met with interest by Austrian experts and the general public.

## **REPUBLIC OF AZERBAIJAN**

Ties between the Czech Republic and Azerbaijan concentrated on the economic area, as Azerbaijan is becoming an important Czech partner for imports of mineral fuels. The Czech Republic sought to negotiate new treaties with Azerbaijan to help boost Czech exports.

The Czech Republic again hosted a session of the OSCE Minsk Group, which looks for solutions to the regional conflict in Nagorno-Karabakh.

Trade exchange was of little importance to either side before 2000. However, Azerbaijani exports have risen from USD 5.4 million in 2000 to USD 233.7 million in 2003, an increase of roughly forty-fold. Azerbaijani exports are worth ten times Czech exports. Oil and petroleum products account for 99.4% of the value of Azerbaijani exports to the Czech Republic.



### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	4,718,430	6,179,978	7,334,736	0.2627
	year-on-year index	692.8	131.0	118.7	
Exports	CZK thousands	559,266	563,663	700,301	0.0511
	year-on-year index	118.6	100.8	124.2	
Imports	CZK thousands	4,159,164	5,616,315	6,634,435	0.4234
	year-on-year index	1,985.6	135.0	118.1	
Balance	CZK thousands	-3,599,898	-5,052,652	-5,934,134	
Foreign investments – incoming	direct (CZK thousands)	0	-1,900	4,400	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	200	0	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: glass and porcelain products, light fittings, lorries, chemicals, cosmetics, pharmaceuticals, soaps, detergents, plastics.

The Czech Republic's principal import commodities: mineral fuels, lubricants and related materials.

### *Cultural Relations*

Cultural relations developed chiefly in the area of education in 2003. In the last academic year five Azerbaijani students studied in the Czech Republic thanks to scholarships provided out of governmental development aid. Direct co-operation between academic institutions is starting to move forward.

## **REPUBLIC OF BOLIVIA**

Bilateral relations between the Czech Republic and Bolivia are untroubled, but they are not as intensive as they have the potential to be.

The 6<sup>th</sup> session of the Mixed Czech-Bolivian Commission was held in Prague in June 2003. With effect from 1 October 2003 Bolivia abolished its unilateral visa requirements for tourist visits by Czech citizens.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	55,559	25,108	21,107	0.0008
	year-on-year index	149.8	45.2	84.1	
Exports	CZK thousands	46,932	20,651	16,168	0.0012
	year-on-year index	281.9	44.0	78.3	
Imports	CZK thousands	8,627	4,457	4,939	0.0003
	year-on-year index	42.2	51.7	110.8	
Balance	CZK thousands	38,305	16,194	11,229	
Foreign investments – incoming	direct (CZK thousands)	0	200	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: glass and glass products, spare parts for aeronautical engines, gas water-heaters, textile machinery.

The Czech Republic's principal import commodities: nuts.

### *Cultural Relations*

A project of foreign development aid from the Czech Republic continued in 2003, consisting in assistance by the Institute of Technology and Production Management of J. E. Purkyně University in Ústí nad Labem in introducing a production management study course (including fittings for teaching workshops and training for instructors) at the university in El Alto Public University.

The Czech Republic provided Bolivia with four scholarships for graduate study and one for postgraduate study in the Czech Republic.

## **REPUBLIC OF BULGARIA**

Bulgaria is one of the Czech Republic's traditional partners in the South East Europe region. There was intensive political dialogue on Bulgaria's preparation for NATO membership and on accession talks with the EU. Mutual trade increased yet again and Czech investors are starting to find success in Bulgaria.

The main areas of interest for Czech firms remain energy, transport and infrastructure (modernisation of railways and roads, supplies and modernisation of trams, trains, buses etc.) and the environment (water treatment plants, incinerators). Czech firms are involved in the

privatisation of electricity distribution companies and in the preparations to build a nuclear power station in Belene.

*Visits by representatives of the Czech Republic:*

- 7 April 2003 – visit by Minister of Foreign Affairs C. Svoboda;
- 13 April – 15 April 2003 – visit by a delegation of the Committee for Defence and Security of the Chamber of Deputies;
- 9 October – 10 October 2003 – official visit by Prime Minister V. Špidla;
- 14 October – 17.10-2003 – visit by a delegation of the Senate Committee on Public Administration, Regional Development and the Environment;
- 11 November – 14 November 2003 – visit by a delegation of the Committee for Petitions of the Chamber of Deputies.

*Visits by representatives of Bulgaria:*

- 10 September – 13 September 2003 – visit by a delegation of the Agriculture Committee of Parliament of the Republic of Bulgaria.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	4,806,553	5,075,426	5,889,287	0.2093
	year-on-year index	101.3	105.6	116.0	
Exports	CZK thousands	3,798,313	3,828,515	4,200,936	0.3063
	year-on-year index	99.0	100.8	109.7	
Imports	CZK thousands	1,008,240	1,246,911	1,688,351	0.1170
	year-on-year index	111.5	123.7	135.4	
Balance	CZK thousands	2,790,073	2,581,604	2,512,585	
Foreign investments – incoming	direct (CZK thousands)	0	6,300	2,500	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	-1,700	-6,200	300	
	portfolio (CZK thousands)	0	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: detergents, iron and steel products, reactors, boilers, mechanical devices, motor vehicles, tractors, electronic audio recording and reproduction devices, plastics and plastic products, rubber and rubber products.

The Czech Republic's principal import commodities: boilers, mechanical devices, ceramic products, clothing and clothing accessories, iron and steel products, rubber and rubber products, wheat products, flour, timber and wood products.

### *Cultural Relations*

Cultural relations remained diverse and intensive; events included an exhibition of works by A. Hoffmeister, a concert by laureates of the “Concertino Praga” music competition and a literary soiree to mark the 120<sup>th</sup> anniversary of the birth of Franz Kafka. The Czech embassy held a function in the National Cultural Palace in Sofia to mark the Czech Republic’s state holiday, featuring a concert by violinist J. Svěcený. A special edition of Evropa 2001 magazine, devoted to the Czech Republic, was also issued to mark the state holiday.

The Czech Republic offered Bulgaria three scholarships for university study and eight for Czech language summer schools. The Czech embassy organised a gathering of Bulgarian graduates of Czech universities. The Ministry of Foreign Affairs of the Czech Republic made a financial contribution to the partial reconstruction of the T. G. Masaryk compatriots’ building. Bohemia Club, which makes a substantial contribution to promoting Czech culture and especially literature in Bulgaria, celebrated the tenth anniversary of its founding.

## **REPUBLIC OF CHILE**

Chile is one of the Czech Republic’s important partners in Latin America. Relations between the countries are centred on economic ties and trade.

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

- 1 November – 5 November 2003 – official visit by Prime Minister V. Špidla.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	423,650	422,696	517,722	0.0184
	year-on-year index	130.0	99.8	122.5	
Exports	CZK thousands	245,024	7,245	130,078	0.0095
	year-on-year index	117.8	76.4	69.5	
Imports	CZK thousands	178,626	235,451	387,644	0.0163
	year-on-year index	151.4	132.1	164.6	
Balance	CZK thousands	66,398	-48,206	-257,566	
Foreign investments – incoming	direct (CZK thousands)	0	0	-100	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and plant, transport vehicles, instruments, electrical devices, glass and glass products.

The Czech Republic's principal import commodities: agricultural produce, raw material and foodstuffs products (wine).

### *Cultural Relations*

An exhibition of photographs by J. Reich titled "Classical Prague", an exhibition called "Czech Tracks on the Banks of the Amazon", a cultural evening to mark the 120<sup>th</sup> anniversary of the birth of F. Kafka, an exhibition of jewellery by K. Votipka called "Lux Materiae" and a successful screening of J. Hřebejk's film *We Have To Help Ourselves* took place in Santiago de Chile and other Chilean cities.

The Czech Republic provided Chile with two university scholarships. The Diplomatic Academy attached to the Chilean Ministry of Foreign Affairs offered a one-year study placement for young Czech diplomats.

## **REPUBLIC OF COLOMBIA**

Colombia is an important partner for the Czech Republic in Latin America. Relations centre on economic co-operation and trade.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,539,950	1,401,038	1,213,851	0.0431
	year-on-year index	111.9	91.0	87.9	
Exports	CZK thousands	530,562	447,374	218,134	0.0159
	year-on-year index	212.8	84.3	48.8	
Imports	CZK thousands	1,009,388	953,664	995,717	0.0661
	year-on-year index	89.5	94.5	104.4	
Balance	CZK thousands	-478,826	-506,290	-777,583	
Foreign investments – incoming	direct (CZK thousands)	0	0	71,000	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, machinery and transport equipment, automobiles, machinery and plant for electricity generation, metalworking machines, footwear-manufacturing and leatherworking machines, tools and

implements, iron and steel, glass and glass goods, glass jewellery, firearms and ammunition, dried milk and whey, chemicals.

The Czech Republic's principal import commodities: bananas, coffee and its substitutes, cut flowers, leather.

### *Cultural Relations*

“Days of Czech Culture and Gastronomy”, which included a performance by V. Hastik's Cembalo Ensemble, was very well received among the local population, and especially by the compatriot community. Two exhibitions, “Czech Tracks on the Banks of the Amazon” and “Franz Kafka”, were put on during the year.

The Czech Republic provided Colombia with two scholarships for graduate-level study and three post-graduate scholarships. A joint project for reforestation selected sites in the Andes took place under development co-operation.

## **REPUBLIC OF IVORY COAST**

Czech-Ivorian relations centre on economic and trade co-operation. Given the situation in the country, however, there was no progress in talks on possible projects (lease of small passenger aircraft, a contract for imports of automobiles and buses for public transport in Abidjan and other cities) and implementation dates have been put back.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	499,717	353,978	484,795	0.0172
	year-on-year index	67.2	70.9	136.9	
Exports	CZK thousands	54,114	102,503	48,308	0.0035
	year-on-year index	64.4	189.4	47.1	
Imports	CZK thousands	445,603	251,475	436,487	0.0303
	year-on-year index	67.5	56.4	173.6	
Balance	CZK thousands	-391,489	-148,972	-390,179	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: dried milk, newspaper, steel products, tyres, glass jewellery.

The Czech Republic's principal import commodities: cocoa, pineapples.

### *Cultural Relations*

An exhibition of cartoons by M. Barták was held in Abidjan.

## **REPUBLIC OF CROATIA**

Bilateral ties in all areas continued to grow in 2003. The Czech Republic supported Croatia on its journey towards integration into European structures.

Trade exchange is marked by a Czech balance of trade surplus. Croatia has traditionally been an important partner for the Czech Republic, both in the economic arena (incoming and outgoing investments) and in culture and tourism.

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

- 29 August 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 23 September 2003 – 26 September 2003 – visit by President of the Supreme Court I. Brožová.

### *Visits by representatives of Croatia:*

- 27 January 2003 – visit by Minister of Culture A. Vujic;
- 5 March 2003 – visit by Minister for European Integration N. Mimica;
- 8 April 2003 – visit by Minister for Public Works, Reconstruction and Construction R. Cacic.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	8,648,199	9,219,740	9,483,165	0.3370
	year-on-year index	116.8	106.6	102.9	
Exports	CZK thousands	7,184,136	7,733,807	8,112,623	0.5916
	year-on-year index	116.7	107.7	104.9	
Imports	CZK thousands	1,464,063	1,485,933	1,370,542	0.1120
	year-on-year index	117.5	101.5	92.2	
Balance	CZK thousands	5,720,073	6,247,874	6,742,081	
Foreign investments – incoming	direct (CZK thousands)	200	-500	17,600	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	6,500	6,900	92,400	
	portfolio (CZK thousands)	0	183,600	268,900	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: iron and steel, motor vehicles, tractors and other vehicles, bicycles, soap, detergents, lubricants and polishing agents, wax, iron and steel products, reactors, boilers, mechanical tools and instruments, glass and glass products, electronic recording and audio-video reproduction devices, paper.

The Czech Republic's principal import commodities: fuels, oils and oil products, bituminous substances, wax, reactors, boilers, mechanical tools and instruments, pharmaceutical products, electronic audio-video recording and reproduction devices, food products, non-ferrous metals and non-ferrous metal products.

### *Cultural relations*

A Cultural Co-operation Programme for 2003-2005 was signed between the Czech Republic and the Republic of Croatia.

The traditional Czech Film Days again took place in Croatia; in May it was devoted to older Czech films and in October to new films. The Czech embassy put on a hands-on exhibition called "The History of Czech Glass", accompanied by an exhibition of photographs by visually impaired photographer M. Bihari, and two other exhibitions: "Czech Press Photo" and "The Czech Republic at the Turn of the Millennium". The Radomír and Helena Melmuk Piano Duo also performed a Christmas concert.

The Czech Republic and Croatia each gave the other three scholarships for summer language courses and a Czech language teacher worked at Zagreb University. The Czech Republic made its first ever presentation at European Language Days, organised each year in Zagreb by the country holding the EU presidency.

The president of the Czechs in Croatia Association L. Janotová was awarded a state honour: Medal for Services to the Czech Republic, 3<sup>rd</sup> Class. The award acknowledges the work of the association as a whole – in 2003 it continued to carry out a wide range of activities helping to promote the Czech Republic in Croatia.

## **REPUBLIC OF CUBA**

Bilateral relations have mainly been confined to economic co-operation in recent years.

The Czech Republic has traditionally called for Cuba to start to transform itself into a pluralist society with an open market economy. Particular attention is paid to respect for human rights on the island. The Czech Republic expresses its standpoint both in international forums and in



bilateral talks. The Czech Republic supported a resolution on Cuba in the United Nations Human Rights Commission in Geneva in April 2003.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	240,598	141,135	277,632	0.0099
	year-on-year index	97.6	58.7	196.7	
Exports	CZK thousands	206,330	106,852	228,237	0.0166
	year-on-year index	103.2	51.8	213.6	
Imports	CZK thousands	34,268	34,283	49,395	0.0034
	year-on-year index	73.6	100.0	144.1	
Balance	CZK thousands	172,062	72,569	178,842	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: malt, dried milk, motorcycles and motorcycle parts, hops and hops extract, electrical hand tools, iron and steel profiles, tyres.

The Czech Republic's principal import commodities: nickel ore, cigars, rum, fruit juices.

### *Cultural Relations*

Cuba ties cultural relations to politics, which limits the opportunities for presenting Czech culture. The Czech embassy in Havana issues an information bulletin in Spanish.

## **REPUBLIC OF CYPRUS**

Relations between the Czech Republic and Cyprus revolved around the prospect of both countries' approaching membership of the European Union. The elimination of existing trade barriers during the accession process led to increased interest in establishing trade contacts and preparing to make use of the new opportunities presented by entry to the EU. Trade and economic co-operation again grew significantly in 2003.

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

- 17 June – 20 June 2003 – visit by a delegation of the Committee for Science, Education, Culture, Youth and Sport of the Chamber of Deputies;

- 15 October – 18 October 2003 – President of the Constitutional Court P. Rychetský attends the Conference of Presidents of European Constitutional Courts.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	620,769	1,101,152	1,148,173	0.0408
	year-on-year index	104.6	177.4	104.2	
Exports	CZK thousands	398,924	738,720	665,551	0.0485
	year-on-year index	95.3	185.2	90.0	
Imports	CZK thousands	221,845	362,432	482,622	0.0273
	year-on-year index	127.1	163.4	133.2	
Balance	CZK thousands	177,079	376,288	182,929	
Foreign investments – incoming	direct (CZK thousands)	469,700	5,216,600	890,000	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	100	29,200	
	portfolio (CZK thousands)	0	443,000	715,300	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: ceramic products, glass and glass products, plastics, motor vehicles, detergents, light fittings.

The Czech Republic's principal import commodities: fruit, pharmaceutical products.

### *Cultural Relations*

A concert by pianist R. Kvapil was held in Larnaca. The Czech embassy organised a concert of Cyprus resident Z. Maruška in Nicosia. An exhibition called "The Czech Republic at the Turn of the Millennium" took place.

Educational co-operation was almost entirely confined to direct arrangements and contacts between universities, chiefly in economics subjects.

The Pan-Cypriot Union of Compatriots and Friends of the Czech Republic carried on its cultural and social activities.

## **REPUBLIC OF ECUADOR**

Relations between the Czech Republic and Ecuador are good and focus on trade and economic ties.

*Visits by representatives of Ecuador:*

- October 2003 – visit by Minister of the Environment C. Narvaéz Rivera.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,047,546	791,072	646,274	0.0230
	year-on-year index	151.7	75.5	81.6	
Exports	CZK thousands	404,705	361,088	123,736	0.0090
	year-on-year index	227.8	89.2	34.3	
Imports	CZK thousands	642,841	429,984	522,538	0.0362
	year-on-year index	125.3	66.9	121.5	
Balance	CZK thousands	-238,136	-68,896	-398,802	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars and transport equipment, textile and leatherworking machines, iron and steel, chemicals, glass and glass products.

The Czech Republic's principal import commodities: bananas, fish, fruit, vegetables, coffee, cocoa, flowers, cork, timber.

### *Cultural Relations*

The Czech Republic provided Ecuador with two scholarships for university study and one scholarship for post-graduate study.

## **REPUBLIC OF ESTONIA**

Estonia is an important partner for the Czech Republic and this was confirmed by an official visit by the Estonian prime minister to the Czech Republic. Bilateral relations covered a wide range of areas; intensive communication and co-operation took place mainly in connection with both countries' preparations for accession to the EU and Estonia's preparations for joining NATO.

*Visits by representatives of the Czech Republic:*

- 25 June – 26 June 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 6 October – 9 October 2003 – visit by delegations of the Permanent Commission of the Chamber of Deputies of Czech Parliament for Oversight of Military Intelligence Activities and the Permanent Commission of the Chamber of Deputies of Czech Parliament for Oversight of the Employment of Operational Technique by the Police of the Czech Republic.

*Visits by representatives of Estonia:*

- 18 May – 20 May 2003 – visit by Minister of Culture U. Paet;
- 19 October – 21 October 2003 – official visit by Prime Minister J. Parts.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,611,427	1,761,757	2,435,143	0.0865
	year-on-year index	57.6	109.3	138.2	
Exports	CZK thousands	1,102,792	1,209,733	1,568,060	0.1143
	year-on-year index	127.2	110	130	
Imports	CZK thousands	508,635	552,023	867,083	0.0601
	year-on-year index	26.3	108.5	157.07	
Balance	CZK thousands	594,157	657,710	700,977	
Foreign investments – incoming	direct (CZK thousands)	0	0	200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	200	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and plant, passenger vehicles, beer, foodstuffs, chemicals, glass.

The Czech Republic's principal import commodities: timber and wood products, mobile telephones, fish and fish products, textiles, sports footwear.

Economic ties with Estonia are expanding. Their intensity is positively influenced by the gradual integration of both countries into Euro-Atlantic structures. The opening of a Czech Airlines direct flight between Prague and Tallinn significantly helped mutual relations.

*Bilateral agreements signed in 2003*

- Agreement between the Government of the Czech Republic and the Government of the Republic of Estonia on Co-operation in the Field of Culture, Education and Science, Prague, 19 May 2003;
- Security Agreement on Protection of Classified Information between the Government of the Czech Republic and the Government of the Republic of Estonia, Tallinn, 29 July 2003.

*Cultural Relations*

Cultural relations between the Czech Republic and Estonia are very intensive; a number of events were organised by the Czech embassy in co-operation with its Estonian partners (e.g. several performances by the Damian Ensemble of the baroque opera *Coronide* by V. Zouhar). There is interest in the Czech films presented at the Tallinn Film Festival and also films for children. Several Estonian students studied in the Czech Republic on scholarships, with Czech studies the most popular subject.

## REPUBLIC OF FINLAND

Czech-Finnish relations continued to develop successfully at both bilateral and multilateral level in the context of European integration in 2003. The Czech Republic devoted most of its attention to making use of Finland's experience with the process of EU enlargement, the period of accession to the EU and first years of membership.

Finland is an important economic partner for the Czech Republic. It was the Czech Republic's 26<sup>th</sup> biggest trading partner in 2003.

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

- 18 September – 21 September 2003 – visit by Minister of Culture P. Dostál.

### *Visits by representatives of Finland:*

- 15 June – 17 June 2003 – visit by a delegation of the Economic Committee of the Finnish Parliament, headed by committee President J. Skinnari;
- 8 October 2003 – visit by Minister of Foreign Trade and Development P. Lehtomäki;
- 17 November – 18 November 2003 – visit by Minister of Trade and Industry M. Pekkarinen;
- 1 December – 3 December 2003 – visit by a delegation of the Grand Committee of the Parliament of Finland (EU affairs committee).

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	15,385,247	12,595,448	13,672,348	0.4858
	year-on-year index	105.3	81.9	108.5	
Exports	CZK thousands	5,398,695	4,739,984	5,757,028	0.4197
	year-on-year index	116.4	87.8	121.5	
Imports	CZK thousands	9,986,552	7,855,464	7,915,320	0.5486
	year-on-year index	100.1	78.7	100.8	
Balance	CZK thousands	-4,587,857	-3,115,480	-2,158,292	
Foreign investments – incoming	direct (CZK thousands)	241,300	682,400	279,200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	91,700	350	
	portfolio (CZK thousands)	1,248,000	190,100	56,300	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: motor vehicles (sales of Skoda passenger cars on the Finnish market up 73% year-on-year), automated data processing machinery, chemicals and rubber industry products, in particular rubber tyres and synthetic rubbers, machine-engineering products such as shafts and cogs, electric spinning machines, machine tools, metallurgical and steelworks products, parts of railway vehicles, coke, clothing

products and footwear, glass and glass products, ceramic products, electrical devices, transformers, condensers, telecommunications equipment, television screens and receivers.

The Czech Republic's principal import commodities: telecommunications technology products, paper and pulp industry products, metallurgical and steelworks products, plastics and plastic products, mechanical machines, optical instruments, pharmaceutical products, chemicals, medicines, furniture, alcoholic drinks.

Finnish investment in the Czech Republic is on the rise, chiefly in the woodworking and paper industry, machine engineering and lifting technology, construction and services, in particular services in information technologies and publishing.

### *Cultural Relations*

An exhibition of Moravian painted Easter eggs and historical and contemporary photography documenting Easter customs in Moravia was held in Tampere. An exhibition of collages by Jiří and Běla Kolář took place in Helsinki. Czech photographers D. Kyndrová and J. Štreit took part in the International Biennale of Photographic Art. The Prague Chamber Ballet performed in Helsinki.

In education, student and post-graduate student exchanges take place under government programmes and the European Socrates and Erasmus programmes. There are several dozen students studying Czech in Finland.

## **REPUBLIC OF GHANA**

Relations between the Czech Republic and Ghana are untroubled; relations centre on economic co-operation.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	193,009	136,092	155,228	0.0055
	year-on-year index	130.9	70.6	113.9	

Exports	CZK thousands	155,941	101,074	102,842	0.0075
	year-on-year index	137.5	64.9	101.6	
Imports	CZK thousands	37,068	35,018	52,386	0.0036
	year-on-year index	108.9	94.5	149.4	
Balance	CZK thousands	118,873	66,056	50,456	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: dried milk, tractors, passenger cars and lorries, glass jewellery, tyres.

The Czech Republic's principal import commodities: timber, copper, pineapples, coffee.

### *Cultural Relations*

The Czech Republic provided the Republic of Ghana with two university scholarships. A club called CZESLOV, bringing together Ghanaian graduates of Czech and Slovak universities, was founded.

## **REPUBLIC OF GUINEA**

Relations between the Czech Republic and the republic of Guinea are untroubled and centre on economic co-operation. There is a Guinean-Czech footwear factory in operation and opportunities are emerging for further Czech investments in construction and minerals extraction.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	59,232	29,340	22,882	0.0008
	year-on-year index	271.7	49.5	78.0	



Exports	CZK thousands	39,465	20,648	4,966	0.0004
	year-on-year index	271.3	52.3	24.0	
Imports	CZK thousands	19,767	8,692	17,916	0.0012
	year-on-year index	272.7	44.0	206.1	
Balance	CZK thousands	19,698	11,956	-12,950	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: steel products, spare parts, timber.

The Czech Republic's principal import commodities: cotton, coffee, wood.

### *Cultural Relations*

The Czech Republic provided the Republic of Guinea with two university scholarships.

## **REPUBLIC OF HUNGARY**

Relations between the Czech Republic and Hungary are very intensive and enjoy a very high standard. Besides bilateral co-operation, the Czech Republic and Hungary were united by regional co-operation, membership of NATO and their approaching membership of the EU. 2003 was marked by a complete series of top-level bilateral meetings.

There was progress in the treaty base between the two countries, where expert talks on several important agreements moved into the final phase. Hungary was the Czech Republic's 12<sup>th</sup> biggest trading partner in 2003.

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

- 23 January 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 19 March – 22 March 2003 – visit by Minister for Local Development P. Němec;
- 24 March – 27 March 2003 – visit by a delegation of the Committee for Social Policy and Health Care of the Chamber of Deputies;
- 8 April 2003 – visit by a delegation of the Senate Committee for Foreign Affairs, Defence and Security;
- 5 June 2003 – official visit by Prime Minister V. Špidla;
- 31 July 2003 – official visit by Minister of the Interior S. Gross;

- 3 September – 5 September 2003 – official visit by President of the Chamber of Deputies L. Zaorálek;
- 7 October – 9 October 2003 – official visit by President V. Klaus.

*Visits by representatives of Hungary:*

- 4 April – 5 April 2003 – visit by Minister of Justice P. Barandy.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	48,012,745	57,148,309	60,467,688	2.1488
	year-on-year index	117.4	119.02	105.8	
Exports	CZK thousands	23,988,005	31,122,603	31,195,224	2.2747
	year-on-year index	114.2	130	100	
Imports	CZK thousands	24,024,740	26,025,706	29,272,464	2.0291
	year-on-year index	120.8	108.32	112.47	
Balance	CZK thousands	-36,735	5,096,897	1,922,760	
Foreign investments – incoming	direct (CZK thousands)	143,300	771,000	-452,800	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	131,900	24,600	55,600	
	portfolio (CZK thousands)	7,544,000	5,586,300	6,938,500	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, computer technology and parts, aniline, rolled material, coal, tractors, parts and spares for tractors, passenger cars and lorries, television screens, electronic parts and components for assembling electronic devices, fibreboard.

The Czech Republic's principal import commodities: compression ignition and spark ignition engines for passenger cars, brakes, ignition harnesses for the automobile industry, medicines, mobile telephones, consumer electronics parts and components, computer peripherals, televisions, electric motors and parts thereof, light bulbs, paper and cardboard, composite leather, semi-finished aluminium products, meat, smoked meats and meat products.

*Cultural Relations*

Czech culture is received with exceptional interest in Hungary. Co-operation in culture, education and science reflected the preparations being made in Central European countries for accession to the European Union, as well as joint activities under the Visegrad arrangement and other projects. The International Visegrad Fund, based in Bratislava, also helped develop co-operation.

Regular Czech cultural events in Hungary include "Festival Bohemia", which forms part of the "Budapest Autumn Festival"; Budapest's "Bohemia Ball"; the "International Book

Festival” featuring translations of Czech literature into Hungarian and Czech guests; and the “Czech Film Festival”. Another successful event was the regional “Czech Days”, held every year in Hungarian towns and regions.

Economic, cultural and educational co-operation also took place as part of partnership co-operation between Czech and Hungarian towns and regions.

Exchanges between Czech and Hungarian theatres, co-operation in music, the creative arts, photography etc. also continued.

## REPUBLIC OF ICELAND

Relations between the Czech Republic and Iceland are friendly. The two countries are linked by NATO membership and future partnership in the European Economic Area. Co-operation centres on the fields of security and trade.

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

- 27 March – 28 March 2003 – working visit by a delegation of the Committee for Defence and Security of the Chamber of Deputies.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	298,507	456,611	379,835	0.0135
	year-on-year index	91.0	153.0	83.2	
Exports	CZK thousands	253,662	338,074	293,166	0.0214
	year-on-year index	86.3	133.3	86.7	
Imports	CZK thousands	44,845	118,537	86,669	0.0060
	year-on-year index	131.9	264.3	73.1	
Balance	CZK thousands	208,817	219,537	206,497	
Foreign investments – incoming	direct (CZK thousands)	0	200	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	0	
	portfolio (CZK thousands)	1,062,000	1,031,500	1,574,900	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: passenger cars and other machine engineering products, textile goods, chemicals and metallurgical products. (Passenger cars accounted for almost 33% of Czech exports.)

The Czech Republic’s principal import commodities: pharmaceutical products and semi-finished products for the manufacture of medicaments, raw leather and leather products. (In total, these commodities amount to more than 96% of imports from Iceland.)

### *Cultural Relations*

Cultural, educational and scientific co-operation takes place directly between institutions and individuals. Every year the two countries exchange ministerial scholarships. Tourism between the two countries is growing.

## **REPUBLIC OF INDIA**

Relations between the Czech Republic and India have traditionally been friendly. The Czech Republic mainly endeavoured to assert its economic interests. India was the Czech Republic's biggest export destination in Asia in 2003.

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

- 3 February – 7 February 2003 – visit by Minister of Defence J. Tvrđík and Minister of Industry and Trade J. Rusnok;
- 15 November – 22 November 2003 – visit by a joint delegation of the Senate and Chamber of Deputies of Czech Parliament.

### *Visits by representatives of India:*

- 25 June – 27 June 2003 – visit by Minister for Energy A. G. Geete;
- 21 September – 25 September 2003 – visit by Minister for External Affairs D. Singh;
- 19 October – 22 October 2003 – visit by Minister of Defence G. Fernandes.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	5,843,775	8,371,994	6,793,875	0.2414
	year-on-year index	99.4	143.3	81.2	
Exports	CZK thousands	2,591,477	5,086,226	3,394,137	0.2475
	year-on-year index	86.4	196.3	66.7	
Imports	CZK thousands	3,252,298	3,285,768	3,399,738	0.2357
	year-on-year index	112.9	101.0	103.5	
Balance	CZK thousands	-660,821	1,800,458	-5,601	
Foreign investments – incoming	direct (CZK thousands)	2,400	3,600	7,200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	77,700	0	-11,600	
	portfolio (CZK thousands)	no record	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: lorries and passenger cars, textile machinery and textile machinery attachments, ball-bearings, machine tools, chemicals, tyre manufacturing materials, glass and glass jewellery.

The Czech Republic's principal import commodities: cotton, cotton yarn, chemicals, audio recording media, sewing machines and parts, textile products, chemical silk, leather products, clothing, pharmaceutical products, foodstuffs (coffee, tea, spices).

### *Cultural Relations*

Former President of the Czech Republic V. Havel was awarded the Gandhi Peace Prize for 2003, which he received from the President of the Republic of India on 5 January 2004.

India took part in the Prague Quadriennial for the first time in 2003, competing in the National Expositions section. An exhibition of "20<sup>th</sup> Century Czech Stage Design" took place in Delhi. A retrospective of J. Menzel's works was screened during the Calcutta Film Festival and the director received the Satyajit Ray Award for Lifetime Achievement. An agreement on scientific co-operation was signed between the Academy of Sciences of the Czech Republic and the Indian National Science Academy.

## **REPUBLIC OF INDONESIA**

Czech-Indonesian relations have a long tradition. The internal political and security situation in Indonesia meant that it was not possible to make full use of the potential scope of relations, particularly in the economic arena.

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

- 4 October – 11 October 2003 – visit by a delegation of the Senate, headed by its 1<sup>st</sup> Vice-president P. Sobotka.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	3,699,346	4,279,252	3,918,647	0.1393
	year-on-year index	129.1	115.7	91.6	
Exports	CZK thousands	510,447	529,571	517,350	0.0377
	year-on-year index	112.8	103.7	97.7	
Imports	CZK thousands	3,188,899	3,749,681	3,401,297	0.2358
	year-on-year index	132.2	117.6	90.7	
Balance	CZK thousands	-2,678,452	-3,220,110	2,883,947	
Foreign investments – incoming	direct (CZK thousands)	no record	0	700	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	0	
	portfolio (CZK thousands)	no record	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: dried milk, chemicals, luminescent materials, cyanide, textile fibres, glass and glass products, chandeliers, electric and diesel motors, textile machines, cutting tools, woodworking and metalworking machines, automobile parts.

The Czech Republic's principal import commodities: fish, fruit, coconuts, pepper, nutmeg, rubber, palm oil, timber, building timber, plywood, paper, organic chemicals, plastics, textile fibres, synthetic fibres, clothing, tin, data processing machines, rattan and wooden furniture, footwear.

### *Cultural Relations*

The Czech embassy put on an exhibition called "Czechs in Indonesia". The Czech Republic also took part in a film festival of EU countries and acceding states, presenting its film Dark Blue World.

## **REPUBLIC OF IRAQ**

Even though the Czech Republic did not take direct part in the war operations, it supported the international coalition's military intervention against the regime of Saddam Hussein that refused to comply with the relevant UN Security Council resolutions.

The Czech Republic became actively involved in the reconstruction of Iraq: the government set aside a total of CZK 1.715 billion for renewal and humanitarian aid. The Czech Republic provided Iraq with extensive humanitarian aid, either directly or through humanitarian organizations; this included medical treatment for sick Iraqi children in the Czech Republic. The Czech Republic also channelled considerable resources into supporting projects to rebuild Iraq. With approval from Parliament, the 7<sup>th</sup> field hospital operated in Basra in the south of Iraq until 20 November 2003, including the necessary logistics and protection facilities. By a decision of Parliament of 18 December 2003, for 2004 the field hospital was replaced by a unit of 150 military police who will safeguard the deployed forces and international humanitarian organizations and help train the Iraqi police force.

Moreover, the Czech government approved the deployment of a total of 19 Czech experts to engage in the work of the Office for Reconstruction and Humanitarian Aid and subsequently the Coalition Provisional Authority for the post-war reconstruction of the country.

On 23 October – 24 October 2003 the Czech Republic was actively involved in the Madrid International Donors Conference on Iraqi Reconstruction and opened talks on waiving a fundamental part of the Iraqi debt. The Czech embassy in Baghdad reopened on 23 June 2003.

All these activities are putting in place the right conditions for further development of relations between the Czech Republic and Iraq, both in the political and the economic areas.

*Visits by representatives of the Czech Republic:*

- 12 July 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 27 September 2003 – working visit by Minister of Defence M. Kostelka;
- 5 October – 6 October 2003 – working visit by 1<sup>st</sup> Deputy Prime Minister and Minister of the Interior S. Gross.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,382	14,905	129,784	0.0046
	year-on-year index	0.5	1,078.5	870.7	
Exports	CZK thousands	1,361	14,682	129,694	0.0095
	year-on-year index	17.9	1,078.8	883.4	
Imports	CZK thousands	21	223	90	0.0000
	year-on-year index	1.0	1,061.9	40.4	
Balance	CZK thousands	1,340	14,459	129,604	
Foreign investments – incoming	direct (CZK thousands)	0	0	200,	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: spare parts for the oil and energy industries, tractors, mills and the textile industry.

The Czech Republic's principal import commodities: crude oil, petroleum products.

## **REPUBLIC OF IRELAND**

Czech-Irish relations successfully developed at bilateral and multilateral level in the context of European integration. Ireland reiterated its intention not to apply any restrictions to the free movement of Czech labour.

The Republic of Ireland is an important economic partner for the Czech Republic. In 2003 it was the Czech Republic's 25<sup>th</sup> biggest trading partner.

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

- 26 March – 30 March 2003 – working visit by Minister for Local Development P. Němec;
- 31 March – 3 April 2003 – visit by a delegation of the Committee for Public Administration, Regional Development and Environment of the Chamber of Deputies;
- 28 May 2003 – 31 May 2003 – visit by Minister of Information Technology V. Mlynář;
- 15 September – 18 September 2003 – visit by a delegation of the Agricultural Committee of the Chamber of Deputies of Czech Parliament.

#### *Visits by representatives of Ireland:*

- 30 January – 31 January 2003 – official visit by Prime Minister B. Ahern;
- 19 February 2003 – consultation of the Minister for European Affairs D. Roche;
- 5 March – 7 March 2003 – visit by Minister for Communications and Natural Resources D. Ahern;
- 11 June – 12 June 2003 – working visit by Deputy Prime Minister M. Harney;
- 15 September 2003 – visit by Minister of the Environment M. Cullen;
- 16 October 2003 – visit by Minister of Labour, Trade and Consumer Affairs F. Fahey;
- 10 December 2003 – visit by Minister for Development Co-operation T. Kitt.

#### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	16,957,851	16,225,000	13,946,000	0.5000
	year-on-year index	103.3	95.8	86.0	
Exports	CZK thousands	9,057,426	7,982,000	6,042,000	0.4400
	year-on-year index	119.3	88.3	75.7	
Imports	CZK thousands	7,900,425	8,243,000	7,904,000	0.5000
	year-on-year index	89.6	104.3	95.9	
Balance	CZK thousands	1,157,001	-261,000	-1,862,000	
Foreign investments – incoming	direct (CZK thousands)	93,900	131,000	621,800	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	33,100	210	
	portfolio (CZK thousands)	1,266,000	3,309,600	5,934,000	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, office machinery and data processing machines, heating and cooling apparatus and parts thereof, telecommunications devices.

The Czech Republic's principal import commodities: office machinery and data processing machines, telecommunications devices, recorded data media, medicines.

The Czech Republic's balance of trade deficit with Ireland fell sharply in 2003.

#### *Cultural Relations*



One of the Czech Republic's most important events in Ireland was the "Václav Havel" exhibition of photographs by A. Pajer held in Dublin. The Puppet Museum of Chrudim represented the Czech republic at the biggest-ever European puppetry exhibition. Interest in Czech classical music and literature grew in Ireland in 2003.

Ireland hosted the Special Olympic Games, where the Czech Republic was represented by an 80-member team of sportsmen and sportswomen and coaches. The wife of the President of the Czech Republic L. Klausová was also present.

There are regular student exchanges between Irish and Czech schools; there is growing interest in studying in the Czech Republic among Irish youth.

The most important compatriot organization is the Irish-Czech-Slovak Society, which currently has around 200 members.

## **REPUBLIC OF ITALY**

Relations between the Czech Republic and Italy are very good. They are well balanced and have successfully developed at both bilateral and multilateral level in the context of European integration and Euro-Atlantic alliance. Since 2003 relations have become more intensive in connection with the Italy's tenure of the presidency of the EU. Bilateral co-operation has also started to develop at the level of regions, towns and municipalities; more than 30 working partnerships have been established to date.

Italy has for long been one of the Czech Republic's most important economic partners. In 2003 it was the Czech Republic's 4<sup>th</sup> biggest trading partner.

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

- 21 January – 23 January 2003 – working visit by Minister of Education P. Buzková (winter Universiada);
- 6 February – 7 February 2003 – visit by President of the Committee for Foreign Affairs of the Chamber of Deputies V. Laštůvka on the occasion of the presentation of the J. Pelikán Archives;
- 26 May – 29 May 2003 – visit by a delegation of the Senate Committee on European Integration, headed by committee President J. Skalický;
- 27 August – 28 August 2003 – Minister of Culture P. Dostál attends the 50<sup>th</sup> Biennale di Venezia;
- 5 September – 6 September 2003 – Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attends an informal meeting of foreign ministers of European Union member and acceding countries;
- 4 October 2003 – Prime Minister V Špidla and Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attend the opening of the Intergovernmental Conference;

- 24 October 2003 –President of the Senate P. Pithart attends “The European Idea” conference;
- 13 November 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 28 November – 29 November 2003 - Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attends the conclave of foreign ministers under the Intergovernmental Conference.

(Note: a number of other multilateral events were attended by constitutional and government officials of the Czech Republic in the context of Italy’s presidency of the EU.)

*Visits by representatives of Italy:*

- 7 April 2003 – working visit by Minister of Transport P. Lunardi;
- 16 April – 19 April – visit by President of the Chamber of Deputies of Parliament P. F. Casini;
- 6 May – 8 May 2003 – visit by a delegation of the Committee for the Intelligence Services, Security and State Secrets of the Chamber of Deputies led by its President E. Bianco;
- 12 May 2003 – official visit by Deputy Prime Minister and Government Representative in the Convention G. Fini and Minister of Foreign Affairs F. Frattini.

*Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	124,336,143	122,378,000	137,368,000	4.9000
	year-on-year index	116.7	98.4	112.2	
Exports	CZK thousands	51,495,343	50,774,000	60,826,000	4.4000
	year-on-year index	121.5	98.6	119.8	
Imports	CZK thousands	72,840,800	71,604,000	76,542,000	5.3000
	year-on-year index	113.5	98.3	106.9	
Balance	CZK thousands	-21,345,457	-20,830,000	-15,716,000	
Foreign investments – incoming	direct (CZK thousands)	3,700	3,021,300	1,979,700	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	8,000	500	870	
	portfolio (CZK thousands)	1,981,000	5,361,400	14,828,300	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: machinery and transport equipment, industrial products, chemicals and related products, passenger cars, textile yarns, fabrics, iron, steel, metalworking machines, paper, cardboard.

The Czech Republic’s principal import commodities: machinery and transport equipment, industrial products, chemicals and related products, household electrical and mechanical devices, machinery, road vehicles, textile yarns and fabrics, plastic items, footwear, furniture, foodstuffs.

Investments in the petrochemical industry, telecommunications and automobile parts manufacture accounted for most of Italian investments in the Czech Republic.

Trade exchange developed dynamically in 2003. Exports rose much faster than imports in 2003 (19.8% and 6.9% respectively). Italy is the 2<sup>nd</sup> biggest exporter to the Czech Republic; Italy is the 7<sup>th</sup> biggest importer from the Czech Republic.

### *Cultural Relations*

Cultural co-operation in 2003 revolved around exhibitions, concerts, seminars and social events designed to present the Czech Republic in Italy on the occasion of the signing of the Treaty of Accession to the EU and during Italy's presidency of the EU. Florence hosted an event called "Czech Days in Tuscany", comprising cultural programmes, a political and economics seminar, a meeting of representatives of Czech and Tuscan firms and a presentation of Czech gastronomic traditions and products. Music group Čechomor performed in Rome during "Europe Day" and an exhibition called "Pilgrimage Sites in the Czech Republic" was held in Latina.

The "Music and Poetry for the New Europe" festival in Verona featured a performance by music group Dúbrava and recitals of works by V. Nezval. Visit of Music, a Czech jazz group, performed at the Central European Jazz Festival in Rome.

Other important events in 2003 included a presentation of a book by Milan-based author P. Lotita *La Notte di Emil Vrána* in Rome; an exhibition of works by painter M. Zahradka; an exhibition of collages by J. Kolář in Lerici; exhibitions titled "Landscape of Desire" and "Travelling along the Absolute" (graphic works by J. Konůpek and Czech symbolists) in Santa Croce sull'Arno in Florence; a performance by music ensemble Gajdoši Brno and a photographic exhibition of "Well-known and Unknown Places in the Czech Republic" during the "Il Mondo Slavo" festival in Rome; an exhibition of works by J. and E. Švankmajer and a screening of films by J. Švankmajer; a number of Czech ensembles took part in the 40<sup>th</sup> year of the "Europeada" pageant of European folklore in Sardinia.

Every year the Czech Republic provides a number of long-term and short-term scholarships, including language courses. Czech language teachers worked in Venice, Viterbo and Naples.

## REPUBLIC OF KAZAKHSTAN

Czech-Kazakh ties revolve around economic exchange. As a country with great mineral wealth, Kazakhstan is a potentially important partner for the Czech Republic. Czech enterprises are involved in a number of projects to modernise industry and transport in the country. For a long time relations have been impaired by the unresolved issue of Kazakhstan's debt to the Czech Republic, a legacy of the Soviet Union and Czechoslovak Socialist Republic; intensive talks have been held on the debt issue.

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

- 7 June – 9 June 2003 – visit by the Chamber of Deputies' Permanent Delegation to the OSCE.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	5,321,477	2,517,365	2,460,092	0.0874
	year-on-year index	88.9	47.3	97.7	
Exports	CZK thousands	1,290,495	1,312,769	772,195	0.0563
	year-on-year index	102.5	101.7	58.8	
Imports	CZK thousands	4,030,982	1,204,596	1,687,897	0.1170
	year-on-year index	85.2	29.9	140.1	
Balance	CZK thousands	-2,740,487	108,173	-915,702	
Foreign investments – incoming	direct (CZK thousands)	0	279,200	-7,700	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	-6,400	32,700	-21,400	
	portfolio (CZK thousands)	0	1,686,900	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, pharmaceutical products, soap, detergents, timber, paper and paper products, plastics, glass, furniture, aluminium.

The Czech Republic's principal import commodities: mineral fuels, lubricants and related materials, iron and steel, non-ferrous metals, chemicals, cotton.

### *Cultural Relations*

Co-operation centred on education – the Czech Republic provided Kazakhstan with seventeen university scholarships.

Kazakh universities are interested in introducing the teaching of Czech; a draft agreement was drawn up on cultural co-operation, which would enable exchanges of language instructors.

## REPUBLIC OF KENYA

The Republic of Kenya is one of the Czech Republic's most important trading partners in sub-Saharan Africa. Following the changes that the country underwent in 2003 political dialogue is gradually starting to develop as well, boosted by Kenya's position in the international political arena. A Kenyan trade delegation visited the Czech Republic.

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

- 3 February – 7 February 2003 – visit by Minister of the Environment L. Ambrozek;
- 10 November – 14 November 2003 – visit by Minister of the Environment L. Ambrozek.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	135,019	94,323	137,582	0.0049
	year-on-year index	118.6	69.9	145.8	
Exports	CZK thousands	102,501	71,669	108,779	0.0079
	year-on-year index	126.6	69.9	151.8	
Imports	CZK thousands	32,518	22,291	28,803	0.0020
	year-on-year index	98.7	68.5	129.2	
Balance	CZK thousands	69,983	49,378	79,976	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, aircraft, turboprop motors and spares, glass jewellery.

The Czech Republic's principal import commodities: cut flowers, tea, coffee, works of art.

### *Cultural Relations*

The Czech Republic provided the Republic of Kenya with three university scholarships.

## REPUBLIC OF KOREA

Republic of Korea is one of the Czech Republic's leading partners in East Asia. Economic relations form the core of mutual co-operation. The two countries have traditionally worked well together in foreign policy and in multilateral affairs.

### *Visits by representatives of Republic of Korea:*

- 28 June – 3 July 2003 – visit by Prime Minister Goh Kun;
- 12 August – 14 August 2003 – working visit by President of the Committee on Unification, Foreign and Trade of the National Assembly Suh Chung-hwa.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	7,745,952	11,211,967	11,678,892	0.4150
	year-on-year index	105.9	144.7	104.2	
Exports	CZK thousands	1,788,083	1,104,110	1,073,134	0.0744
	year-on-year index	85.1	61.7	97.2	
Imports	CZK thousands	5,957,869	10,107,857	10,605,758	0.7621
	year-on-year index	114.2	169.7	104.9	
Balance	CZK thousands	-4,169,786	-9,003,747	-9,532,624	
Foreign investments – incoming	direct (CZK thousands)	0	0	171,700	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	600	
	portfolio (CZK thousands)	no record	600	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machine tools, glass, automobile and machine components.

The Czech Republic's principal import commodities: consumer electronics, automobiles, optical instruments, computer technology, resins, synthetic fibres.

### *Bilateral agreements signed in 2003*

- Arrangement between the Ministry of Education, Youth and Sport of the Czech Republic and the Ministry of Culture and Tourism of the Republic of Korea on Co-operation in the Area of Youth for 2003-2005, signed in Prague, 11 November 2003.

### *Cultural Relations*

Cultural relations between Republic of Korea and the Czech Republic were very lively. Besides Republic of Korea's traditional appreciation of Czech classical music, Czech

cinema and applied arts were also presented to the South Korean public. South Korean culture was represented in the Czech Republic mainly in cinema and traditional arts.

The Czech Republic co-operates closely with South Korea in education. The countries reciprocally exchange lecturers who work in the Korean and Czech studies departments of universities in Seoul and Prague. Czech studies are still popular in South Korea. In 2003 the Czech Republic provided three government scholarships and three scholarships for the Slav Studies Summer School.

## REPUBLIC OF LATVIA

Latvia is an important political and economic partner for the Czech Republic. Intensive political dialogue took place between the two countries in connection with the process of integrating Latvia into Euro-Atlantic structures. Co-operation in security and culture was particularly dynamic. Trade exchange has traditionally generated a balance of deficit surplus for the Czech Republic.

*Visits by representatives of the Czech Republic:*

- 16 September – 17 September 2003 – working visit by Prime Minister V. Špidla.

*Visits by representatives of Latvia:*

- 22 April – 24 April 2003 – official visit by Minister of Foreign Affairs S. Kalniete;
- 12 November – 14 November 2003 – visit by Deputy Prime Minister A. Slesers.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	2,619,799	2,393,131	2,623,436	0.0932
	year-on-year index	127.2	91.34	109.62	
Exports	CZK thousands	2,098,042	1,954,419	2,248,671	0.164
	year-on-year index	120.2	93	115	
Imports	CZK thousands	521,757	483,712	374,765	0.0259
	year-on-year index	165.9	92.7	77.47	
Balance	CZK thousands	1,576,285	1,515,707	1,873,906	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	100	0	300	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: work clothing and gear, polishing agents and detergents, medicaments, plastics, passenger cars, electrical devices, instruments and appliances.

The Czech Republic's principal import commodities: wood products (except furniture), textile yarns and fibres, non-ferrous metals, machinery and plant, fish.

### *Cultural Relations*

“Prague Days in Riga” featured performances by the Prague Chamber Ballet and Charles University Art Ensemble, and an exhibition of Czech historical glass from the Renaissance to the present day. Riga also hosted an exhibition of glass by designer B. Šípek. The musical events that attracted the keenest interest were a performance of baroque chamber opera *Coronide* and concerts by groups *Ahmed má hlad* and *Robson*.

## **REPUBLIC OF LEBANON**

Relations between the Czech Republic and Lebanon have traditionally been friendly. The first meeting of the Joint Czech-Lebanese Trade Commission took place in Prague in April 2003. Under its humanitarian aid the Czech Republic provided Lebanon with mine-clearing equipment in autumn 2003; and at the end of the year the Czech Republic's involvement in the “Trees Instead of Mines” international UN project, consisting in reforesting demined areas in the south of Lebanon, was approved.

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

- 19 September – 22 September 2003 – visit by Minister for Local Development P. Němec.

### *Visits by representatives of Lebanon:*

- 14 April – 15 April 2003 – visit by Minister of the Economy and Trade B. Fuleihan.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	1,277,701	1,019,317	919,477	0.0327
	year-on-year index	92.0	79.8	90.2	
Exports	CZK thousands	1,268,541	1,004,608	895,448	0.0653
	year-on-year index	91.7	79.2	89.1	
Imports	CZK thousands	9,160	14,709	24,029	0.0017
	year-on-year index	141.6	160.6	163.4	
Balance	CZK thousands	1,259,381	989,899	871,419	
Foreign investments –	direct (CZK thousands)	0	600	0	



incoming	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: dried milk and other milk products, functional glassware, crystal, paper and other paper industry products, iron and steel products.

The Czech Republic's principal import commodities: rubber products, foodstuffs preparation machines, fertilisers, vegetable, fruit and nut products.

### *Cultural Relations*

Beirut hosted the "Czech-Lebanese Festival", which presented the Czech Republic as both a trade partner and an interesting tourist destination. The festival featured a performance by O. Havelka & The Melody Makers and The Havelka Sisters, an exhibition of caricatures by M. Barták and glass articles by B. Šípek. The Czech Republic provided Lebanon with four masters scholarships and one doctorate scholarship.

## **REPUBLIC OF LITHUANIA**

Lithuania is an important partner for the Czech Republic. Co-operation in all areas – political, economic, military and cultural – continued to develop in 2003. Political dialogue took place at all levels. The intensity of bilateral relations escalated in connection with the continuing process of integrating Lithuania into Euro-Atlantic structures. Overall foreign trade exchange grew over the previous year. The Czech Republic's enduring balance of trade surplus with Lithuania is a positive feature.

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

- 25 June 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

### *Visits by representatives of Lithuania:*

- 19 September – 21 September 2003 – working visit by Minister of Health J. Olekas, including participation in the Conference of Health Ministers of EU Accession States;
- 6 November – 8 November 2003 – visit by a delegation of the Committee for National Security and Defence of the Seim.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	5,541,833	5,807,973	6,914,989	0.2457
	year-on-year index	113.8	104.8	119	
Exports	CZK thousands	4,788,061	4,896,596	5 987 185	0.4366
	year-on-year index	116.6	102	122	
Imports	CZK thousands	753,772	911,376	927,804	0.0643
	year-on-year index	98.5	120.9	101.8	
Balance	CZK thousands	4,034,289	3,985,220	5,059,381	
Foreign investments – incoming	direct (CZK thousands)	0	400	3,200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-700	
	portfolio (CZK thousands)	no record	no record	500	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, sanitary fittings, household chemicals, electrical household appliances, kitchen furniture, glass and ceramics, heating boilers and radiators, tools, small hydro-electric plants, clothing, crockery and kitchen utensils.

The Czech Republic's principal import commodities: refrigerators, chemical raw materials, textile fibres and yarn, furniture and other wooden products, aluminium.

### *Cultural Relations*

The quality of cultural co-operation was high and has continued to improve. The number of exhibitions and concerts rose and contacts between towns and cities in the two countries were established.

Significant events included a concert by violinist V. Hudeček and the Lithuanian National Symphony Orchestra to mark the Czech state holiday, exhibitions titled "Jewish Literature in the Czech Lands", "Jaroslav Seifert – Nobel Prize Winner", an exhibition of bookplates titled "Prague – The Heart of Europe" and a photography exhibition called "The Velvet Revolution". "Czech Goods Days" in Senukai and "Czech Gastronomy Days" in Vilnius, combined with a performance by bagpipe group Dudlajka, helped raise awareness of the Czech Republic and increase economic co-operation. The 4<sup>th</sup> year of the international organ music festival and the "Czech Culture and Lithuania" conference also took place in 2003.

## REPUBLIC OF MALI

Relations between the Czech Republic and Mali are untroubled and centre on economic co-operation; there is interest in expanding ties on both sides. A new Czech investment in construction of a cement works is currently under negotiation.

The “Experimental Teaching Farm” development aid project is continuing; a trilateral project, with Luxembourg, to detect water and build wells is being planned.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	228,719	214,745	137,902	0.0049
	year-on-year index	148.2	93.9	64.2	
Exports	CZK thousands	51,671	41,225	32,223	0.0023
	year-on-year index	205.0	79.8	78.1	
Imports	CZK thousands	177,048	173,520	105,679	0.0073
	year-on-year index	137.1	97.8	60.9	
Balance	CZK thousands	-125,377	-132,295	-73,456	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic’s principal export commodities: tyres, caps, glass jewellery.

The Czech Republic’s principal import commodities: cotton.

### *Cultural Relations*

The Czech Republic provided Mali with four university scholarships.

## REPUBLIC OF MALTA

Czech-Maltese relations enjoy a very good standard. The two countries shared bilateral economic interest, similar views on fundamental questions of international politics and upcoming accession to the European Union.

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

- 14 November 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	475,101	593,085	282,275	0.0100
	year-on-year index	180.3	124.8	47.6	
Exports	CZK thousands	158,501	181,061	136,551	0.0100
	year-on-year index	113.4	114.2	75.4	
Imports	CZK thousands	316,600	412,024	145,724	0.0101
	year-on-year index	255.7	130.1	35.4	
Balance	CZK thousands	-158,099	-230,963	-9,173	
Foreign investments – incoming	direct (CZK thousands)	482,000	115,700	94,200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, electrical devices, machine plant, steel products, rubber industry products, plastics, textile products, glass, musical instruments, chemicals.

The Czech Republic's principal import commodities: electrical equipment and machinery, artificial fibres, knitted goods, medicaments.

### *Cultural Relations*

The main cultural event was “Czech Cultural Week”, held under the aegis of President of Malta G. de Marco. The event included a presentation of the City of Prague, attended by Mayor P. Bém.

## **REPUBLIC OF MOLDOVA**

Contacts with Moldova were mainly influenced by the unresolved problem of the constitutional arrangement of the country (the Transdnestrian question). The Czech Republic is particularly interested in expanding economic ties. The Czech Republic provides Moldova with development aid and is also engaged in the effort to resolve the Transdnestrian problem within OSCE framework.

*Visits by representatives of the Czech Republic:*

- 12 March – 14 March 2003 – visit by a delegation of the Chamber of Deputies of Czech Parliament, led by Vice-President of the Chamber of Deputies V. Filip.

*Visits by representatives of Moldova:*

- 7 August 2003 – visit by Minister of the Interior G. Papuc.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	627,935	401,114	450,407	0.0160
	year-on-year index	133.7	63.9	112.3	
Exports	CZK thousands	590,133	362,225	393,619	0.0287
	year-on-year index	154.5	61.4	108.7	
Imports	CZK thousands	37,802	38,889	56,788	0.0029
	year-on-year index	43.0	102.9	146.0	
Balance	CZK thousands	552,331	323,336	336,831	
Foreign investments – incoming	direct (CZK thousands)	600	1,100	7,100	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	500	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: motor vehicles, boilers, consumer goods (glass, chandeliers), machinery and plant, electrical devices and components thereof.

The Czech Republic's principal import commodities: wooden semi-finished products, vegetable and fruit products, spirits, clothing and clothing accessories.

*Cultural Relations*

The Czech embassy and the Czech Centre in Bucharest organised "Czech Culture Days" in Chishinau, the first major presentation of Czech culture in the independent Moldova. Czech films, music, literature and arts were presented to the Moldovan public. The Czech Republic provided Moldova with four university scholarships. There is high demand for study in the Czech Republic among Moldovan students, with the number of applicants far exceeding the offered quota.

## **REPUBLIC OF PARAGUAY**

Relations between the Czech Republic and Paraguay were held back by the current internal political and economic situation in Paraguay. Paraguay's membership of MERCOSUR represents an opportunity for further development of economic co-operation with the Czech Republic, however.

*Visits by representatives of the Czech Republic:*

- 30 November – 1 December 2003 – visit by President of the Senate P. Pithart and Vice-president J. Ruml.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	42,143	42,571	18,538	0.0007
	year-on-year index	158.0	101.0	43.5	
Exports	CZK thousands	36,607	21,154	14,044	0.0010
	year-on-year index	140.9	57.8	66.4	
Imports	CZK thousands	5,536	21,417	4,494	0.0003
	year-on-year index	808.2	386.9	21.0	
Balance	CZK thousands	31,071	-263	-9,550	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: paper industry goods, arms and ammunition, metallurgical industry products.

The Czech Republic's principal import commodities: cotton, wool, fruit, tobacco.

*Bilateral agreements signed in 2003*

- Agreement between the Government of the Czech Republic and the Government of the Republic of Paraguay Abolishing Visa Requirements for Passport Holders, Asuncion, 1 December 2003.

*Cultural Relations*

An exhibition of photographs from the collection of Czech explorer A. V. Frič was opened on the occasion of the official visit by President of the Senate P. Pithart. The Senate delegation also met with representatives of the Czech compatriot community during the official visit.

The Czech Republic provided Paraguay with three university scholarships.

## REPUBLIC OF PERU

The favourable development of relations between the Czech Republic and Peru continued in 2003, with the emphasis on expanding co-operation in the economic and trade arena.

The Czech government approved two development aid projects for Peru: a project to identify and reduce the risks of natural disasters and a project to establish an agriculture research centre in Peruvian Amazonia.

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

- 5 November – 7 November 2003 – official visit by Prime Minister V. Špidla.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	610,310	402,755	325,376	0.0116
	year-on-year index	132.9	66.0	80.8	
Exports	CZK thousands	218,957	172,001	96,456	0.0070
	year-on-year index	148.9	78.6	56.1	
Imports	CZK thousands	391,353	230,754	228,920	0.0160
	year-on-year index	125.4	59.0	99.2	
Balance	CZK thousands	-172,396	58,753	-132,464	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	600,000	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: metallurgical material, textile machinery, glassware, spare parts for diesel generators, office equipment, vaccines, chemicals.

The Czech Republic's principal import commodities: fish products, coffee, chemicals, natural dyes, fruit.

### *Bilateral agreements signed in 2003*

- Agreement Extending the Cultural, Educational and Scientific Exchanges Implementation Plan, Lima, 6 November 2003.

### *Cultural Relations*

There were two exhibitions, “Czech Tracks on the Banks of the Amazon” and “Classical Prague”, and concerts were given by the Virtuosi Sextet Prague and Guarneri Trio.

Co-operation with Czech experts from Masaryk University, Brno, in scientific research into the Antarctic continued at Peru’s Antarctic base.

The Czech Republic provided Peru with four scholarships for graduate study and one scholarship for postgraduate study. Peru offered the Ministry of Foreign Affairs of the Czech Republic one scholarship for study at the Diplomatic Academy of the Peruvian Ministry of Foreign Affairs in Lima.

## **REPUBLIC OF POLAND**

The Czech Republic and Poland enjoy superior relations; the two countries are very close and work together intensively in many areas, including the Euro-Atlantic alliance. Issues related to European Union affairs in the run-up to both states’ accession dominated contacts at political level. Additionally, Czech-Polish relations were played out through a dense web of contacts between regions, towns and municipalities, cultural and educational institutions, non-government organizations and individuals. The Czech Republic is trying to ensure that after the two countries join the EU cross-border co-operation continues to develop, making use of all the opportunities that EU membership affords.

Poland is one of the Czech Republic’s most important trading partners. In 2003 it was the Czech Republic’s 6<sup>th</sup> biggest trading partner.

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

- 6 January – 8 January 2003 – visit by a delegation of the Committee on European Integration of the Senate;
- 12 February – 14 February 2003 – visit by a delegation of the Committee for Petitions of the Chamber of Deputies;
- 3 April – 4 April 2003 – official visit by President V. Klaus;
- 29 April – 30 April 2003 – a delegation of the Senate, headed by its Vice-president J. Ruml, attends events in Auschwitz and Warsaw to mark the 60<sup>th</sup> anniversary of the uprising in the Warsaw ghetto;
- 5 May – 7 May 2003 – visit by a delegation of the Budget Committee of the Chamber of Deputies;
- 12 May – 14 May 2003 – official visit by President of the Senate P. Pithart.

### *Visits by representatives of Poland:*

- 28 January 2003 – working visit by President A. Kwasniewski on the occasion of the end of the V. Havel’s presidency;
- 21 February 2003 – official visit by Minister of Foreign Affairs W. Cimoszewicz;



- 19 May – 20 May 2003 – visit by a delegation of the European Committee of the Sejm;
- 26 September 2003 – working visit by President A. Kwasniewski;
- 30 September – 1 October 2003 – official visit by Prime Minister L. Miller.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	117,802,906	112,384,066	125,431,144	4.4574
	year-on-year index	111.9	95.4	116.6	
Exports	CZK thousands	65,788,218	59,207,620	65,702,720	4.7909
	year-on-year index	108	90	111	
Imports	CZK thousands	52,014,688	53,176,446	59,728,424	4.1403
	year-on-year index	117.3	102.23	112.32	
Balance	CZK thousands	13,773,530	6,031,175	5,974,296	
Foreign investments – incoming	direct (CZK thousands)	58,800	81,100	-105,900	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	520,800	-10,200	-33,500	
	portfolio (CZK thousands)	5,774,000	5,917,900	11,938,500	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, automobiles, metallurgical products, detergent, television sets and screens, malt, chemicals, paper hygiene products, tractors, tyres.

The Czech Republic's principal import commodities: machinery and transport equipment, mineral oils and lubricants, foodstuffs and live animals, petrochemical products and chemicals, copper wire, metallurgical semi-finished products, coal, coke, electricity, scrap iron, ammoniac, television sets, cheeses, sugar.

The Czech Republic achieved its biggest balance of trade surplus in trade in machinery and transport equipment, much of which consisted in trade in transport vehicles. The Czech Republic's biggest export article is passenger cars (around 10% of total exports to Poland). Tractor exports were very successful in 2003, rising more than threefold year-on-year and taking a 35% stake in the Polish market.

### *Bilateral agreements signed in 2003*

- Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Co-operation in Culture, Education and Science, Prague, 30 September 2003.

### *Cultural Relations*

Cultural relations between the Czech Republic and Poland take many forms at many different levels, from government to private activities. A number of published books, exhibitions, concerts, film festivals, discussions etc. could be named. Some of these events are regularly repeated and have a history stretching back many years.

One regular cultural event is the annual international theatre festival called “On the Border”, which was held for a fourteenth time in Český Těšín and Polish Cieszyn. The fourteenth “Czech-Polish Days of Christian Culture”, which helps establish ties between inhabitants of border regions, also took place. Szczecin hosted the traditional “Czech Scholars Days”, combined with a translation competition for students of Czech studies. Katowice hosted “Czech Films Week”, concentrating on the latest Czech films, in January 2003. The Worldwide Congress of Descendants of Czech Brothers was held in the Central Polish town of Zelow on 19 June – 22 June 2003. The Congress was part of the celebration of 200 years since the arrival of Czech Brethren in Zelow in 1803 in the search for religious freedom. Czech Television Ostrava started regular short broadcasts in Polish. “Czech Days” in Walbrzych was another successful and extensive event. The ceremonial opening of the 2003/2004 academic year at the State University in Leszno was an exceptionally significant event: it was attended by Polish Prime Minister L. Miller and Czech Minister of Education, Youth and Sport P. Buzková, and featured the unveiling of a statue of Comenius. The university has been renamed after him.

## **REPUBLIC OF SENEGAL**

Relations between the Czech Republic and Senegal have long been untroubled. Bilateral relations between Senegal and the Czech Republic are gradually being revived, especially in the economic sphere. The project by the Czech Agricultural University’s Institute of Tropical and Subtropical Agriculture to protect rare antelopes is going ahead. The Czech Republic provided Senegal with humanitarian aid in the form of vaccines to combat a yellow fever epidemic.

*Visits by representatives of Senegal:*

- 12 May – 14 May 2003 – visit by Minister of Transport Y. Sakho.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	32,204	41,812	47,587	0.0017
	year-on-year index	82.5	129.8	113.8	
Exports	CZK thousands	25,792	40,385	37,043	0.0027
	year-on-year index	142.4	156.6	91.7	
Imports	CZK thousands	6,412	1,427	10,544	0.0007
	year-on-year index	142.4	22.3	738.9	
Balance	CZK thousands	19,380	38,958	26,499	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: plastic-shaping machines, head covers, glass jewellery, lorries, tractors, dried milk, paper, tyres.

The Czech Republic's principal import commodities: cotton, gold.

### *Cultural Relations*

Senegal hosted concerts by J. Koubková and the Czech Clarinet Quartet and other concerts by Czech, Austrian and Senegalese musicians under the “Prague – Vienna – Senegal” project. *Otesánek* was screened at a European Film Festival in Dakar. A Senegalese rap group toured the Czech Republic during Francophone Month in 2003.

## **REPUBLIC OF SINGAPORE**

Relations between the Czech Republic and Singapore are very good. Singapore has always been one of the Czech Republic's biggest trading partners in Southeast Asia and is potentially an important investor in the Czech Republic.

*Visits by representatives of the Czech Republic:*

- 2 November – 8 November 2003 – visit by a delegation of the Senate Committee on Health and Social Policy.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	8,713,357	10,187,622	10,903,095	0.3875
	year-on-year index	97.9	116.9	107.0	
Exports	CZK thousands	3,201,936	2,774,291	3,327,622	0.2426
	year-on-year index	61.8	86.6	119.9	
Imports	CZK thousands	5,511,421	7,413,331	7,575,473	0.5712
	year-on-year index	148.2	134.5	102.2	
Balance	CZK thousands	-2,309,485	-4,639,040	-4,247,851	
Foreign investments – incoming	direct (CZK thousands)	115,100	101,600	0	
	portfolio (CZK thousands)	no record	no record	2,100	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	-300	
	portfolio (CZK thousands)	no record	1,800	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: condensers, integrated circuits, razor blades, glass products, passenger cars, sweetened condensed cream.

The Czech Republic's principal import commodities: computers and computer parts, integrated circuits and other semiconductors, natural rubber, medical instruments, electronic components.

*Cultural Relations*

The Prague-based Academia wind quartet toured Singapore. The Czech embassy put on the first "Czech Film Festival in Singapore".

**REPUBLIC OF SLOVENIA**

Relations between the Czech Republic and Slovenia are very good; the two countries share the same or very similar positions on matters concerning Central Europe, accession to the European Union and upcoming membership of NATO.

There were frequent contacts between senior political representatives of the two countries in 2003.

Trade and economic relations have traditionally been extensive and intensive. Slovenia was the Czech Republic's 23<sup>rd</sup> biggest trading partner in 2003. The Czech Republic is Slovenia's 10<sup>th</sup> biggest trading partner.

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

- 26 February 2003 – working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 5 May – 8 May 2003 – visit by a delegation of the Budget Committee of the Chamber of Deputies;
- 21 October – 22 October 2003 – official visit by President V. Klaus;
- 27 November – 28 November 2003 – visit by Minister of Defence M. Kostelka.

#### *Visits by representatives of Slovenia:*

- 21 May 2003 – official visit by Minister of Foreign Affairs D. Rupel;
- 12 June 2003 – working visit by President J. Drnovsek;
- 9 September 2003 – visit by Minister of the Interior R. Bohinc.

#### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	16,282,686	15,960,888	17,502,335	0.622
	year-on-year index	101.1	98.02	109.65	
Exports	CZK thousands	8,385,069	8,027,326	9,029,509	0.6584
	year-on-year index	95.9	96	112	
Imports	CZK thousands	7,931,666	7,933,562	8,472,826	0.5873
	year-on-year index	112.8	100.02	106.79	
Balance	CZK thousands	487,452	93,764	556,683	
Foreign investments – incoming	direct (CZK thousands)	5,500	-5,800	-31,300	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	50,600	2,142,300	-835,700	
	portfolio (CZK thousands)	10,000	1,080,700	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: steel and steel industry products, passenger cars and spare parts, tyres, chemicals, cellulose.

The Czech Republic's principal import commodities: medicines, automobiles, paper and cardboard, chemicals, detergents, household technology, machinery and electrical devices.

Trade, and Czech exports in particular, developed dynamically in 2003. The highest turnover in the history of trade exchange was achieved in 2003. The unsatisfactory commodity structure of Czech exports persists, however, with a predominance of goods with low added value (steel industry products, paper, cellulose etc.). Skoda passenger cars account for a large proportion of Czech exports, with the first major increase in exports registered after several years of decline. Skoda cars became the 5<sup>th</sup> highest-selling brand and took a 5.82% share of the market (just 3.5% in 2002).

The Central European Free Trade Agreement (CEFTA) continued to be the main platform for economic co-operation between the two countries in 2003.

#### *Bilateral agreements signed in 2003*

- Protocol between the Ministry of the Interior of the Czech Republic and the Ministry of the Interior of the Republic of Slovenia on Implementing the Treaty between the Government of the Czech Republic and the Government of the Republic of Slovenia on Readmission at the State Borders of 22 May 1998, Prague, 9 September 2003;
- Treaty between the Government of the Czech Republic and the Government of the Republic of Slovenia on Co-operation in International Combined Transport, Brussels, 24 April 2003;
- Treaty between the Government of the Czech Republic and the Government of the Republic of Slovenia on Care for War Graves, Ljubljana, 27 November 2003.

#### *Cultural Relations*

Presentations of Czech culture centred on music. The traditional violin and organ summer schools continued. There were further classical music chamber concerts, jazz concerts and performances by choirs and folk ensembles. One major event was the participation by members of the Central Musical Service of the Czech Army in the premiere of Slovenian composer I. Krivokapic's "Symphony" performed by the RTV Slovenia Symphony Orchestra. That evening of music also featured a performance of J. Ježek's piano concerto, with J. Novotný as soloist. Contemporary Czech art was presented through an exhibition of works by J. Sopek, I. Korpaczewský and Z. Šmíd. Czech cinema was featured at the Ljubljana Film Festival, with a retrospective of films by J. Švankmajer and V. Morávek's *Boredom in Brno*.

Compatriot life in Slovenia became more intensive in Slovenia in 2003. President V. Klaus met with representatives of the Czech compatriot community during his visit. The

Slovenian-Czech Society and the Maribor Slovenian-Czech League continued to be the main organizations of Czech compatriots and friends of the Czech Republic.

## REPUBLIC OF SOUTH AFRICA

The Republic of South Africa is the Czech Republic's most important political and economic partner in sub-Saharan Africa. Czech-South African relations successfully moved forward in a number of areas. Trade exchange registered further growth.

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

- 21 September – 26 September 2003 – official visit by President of the Senate P. Pithart with a delegation;
- 16 November – 21 November 2003 – visit by Minister of Transport M. Šimonovský.

### *Visits by representatives of South Africa:*

- 17 November – 19 November 2003 – working visit by Minister in the Presidency A. Pahad and Minister of Defence P. Lekota.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	1,917,018	2,752,606	2,967,340	0.1054
	year-on-year index	125.1	143.6	107.8	
Exports	CZK thousands	693,764	1,226,839	1,195,158	0.0872
	year-on-year index	117.9	176.8	97.4	
Imports	CZK thousands	1,223,254	1,525,767	1,772,182	0.1229
	year-on-year index	129.6	124.7	116.1	
Balance	CZK thousands	-529,490	-298,928	-577,024	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	1.800	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: data processing systems, spare parts for automobiles, paper, tyres, artificial silk, optical instruments.

The Czech Republic's principal import commodities: textile fibres, fruit, steel products, chrome ore.

### *Cultural Relations*

Presentations of Czech culture (a recital by rock musician P. Váně, exhibition of works by J. Šibík called “The Devil In Us”, an exhibition called “Emil Holub - Life and Work”, a cycle of piano concerts by L. Vondráčková and J. Čechová, Czech participation at a screening of short films at the Cinéacal Cinema Nouveau film festival, an exhibition of graphic works from the M. Kumbárová Gallery and a traditional showing of Czech films) and direct co-operation between scientific and educational institutions in the two countries continued. A development project for the strategic assessment of the environmental impact of various projects was successfully implemented.



## REPUBLIC OF THE SUDAN

Relations between the Czech Republic and Sudan were constrained by the current internal political situation in Sudan. The Czech Republic supported the endeavour by the international community to achieve a peace settlement in this country.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	246,986	108,708	85,246	0.0030
	year-on-year index	102.5	44.0	78.4	
Exports	CZK thousands	186,060	87,435	46,146	0.0034
	year-on-year index	86.6	47.0	52.8	
Imports	CZK thousands	60,926	21,273	39,100	0.0027
	year-on-year index	232.5	34.9	183.8	
Balance	CZK thousands	125,134	66,162	7,046	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: motor vehicles, machines and machine equipment, rubber and rubber products, electrical products.

The Czech Republic's principal import commodities: cotton, plant seeds and fruits, gum arabic.

### *Cultural Relations*

The Czech film *Wild Flowers* was shown at the festival of European films in Khartoum. The Czech Republic provided two university scholarships.

## REPUBLIC OF THE PHILIPPINES

The Philippines is an important Southeast Asian country. Relations between the Czech Republic and the Philippines are friendly, with the emphasis on trade and economic co-operation. In October 2003 the countries celebrated the 30 years of diplomatic relations.

### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	2,025,040	6,856,091	9,593,830	0.3409
	year-on-year index	182.6	338.6	139.9	
Exports	CZK thousands	390,860	261,161	570,791	0.0416
	year-on-year index	88.5	66.8	218.6	
Imports	CZK thousands	1,634,180	6,594,930	9,023,039	0.6255
	year-on-year index	123.6	403.6	136.8	
Balance	CZK thousands	-1,243,320	-6,333,769	-8,452,248	
Foreign investments – incoming	direct (CZK thousands)	no record	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	no record	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: chemicals and various industrial goods (spare parts for transport equipment, electricity generators etc.).

The Czech Republic's principal import commodities: electronics and computer components, banana chips, textile products.

### *Cultural Relations*

An exhibition of photographs of Czech baroque monuments was opened in Manila and later travelled to the city of Vigan. The celebration of 30 years of diplomatic relations was accompanied by cultural events. The 5<sup>th</sup> year of the Cinemania International Film Festival took place in Manila, featuring Czech film *Year of the Devil*. Its director P. Zelenka gave several lectures during the festival.

One Philippine scholarship student completed his engineering degree in the Czech Republic in 2003. Another two scholarship students started language preparation for university study in the Czech Republic.

## REPUBLIC OF TUNISIA

Tunisia is a traditional Mediterranean partner of the Czech Republic. The first-ever official visit by a Czech Prime Minister to Tunisia in September 2003 confirmed Tunisia's growing significance as an important partner for the Czech Republic in the region. Contacts take place at various levels. Tunisia's popularity as a destination for Czech tourists is on the rise.

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

- 10 September – 12 September 2003 – official visit by Prime Minister V. Špidla.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	672,900	975,345	1,204,318	0.0428
	year-on-year index	116.1	144.9	123.5	
Exports	CZK thousands	330,243	349,954	585,722	0.0427
	year-on-year index	120.9	106.0	167.4	
Imports	CZK thousands	342,657	625,391	618,596	0.0429
	year-on-year index	111.8	182.5	98.9	
Balance	CZK thousands	-12,414	-275,437	-32,874	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery, iron and steel, glass products, textile products, tractors, pharmaceutical products, tyres, paper and cardboard.

The Czech Republic's principal import commodities: ignition systems and installations for vehicles, clothing products, footwear, weaving machinery accessories, loudspeakers, specialised, scientific and control instruments and apparatus, fruit.

### *Cultural Relations*

The film *Otesánek* was screened in Tunisia. Three Czech films were shown at the 21<sup>st</sup> festival of amateur films; J. Nykl won an award for his *Blue Fairytale*. Eight Czech students took an Arabic summer course. Pianist P. Jiříkovský performed at a music festival in Carthage. A conference was held on the subject of "Jaroslav Seifert, Czech Poet...Voice of the Whole World". The 18<sup>th</sup> theatre festival for child audiences "Neapolis" featured Divadlo Bořivoj, which staged a play called *Mummy, Daddy and Me*.

Tunisian children took part in the "Lidice 2003" international art competition.

## REPUBLIC OF TURKEY

Relations between the Czech Republic and Turkey developed in the context of partnership in NATO and Turkey's key role in the region.

Relations developed in the area of economic co-operation, which was boosted by a visit by Prime Minister V. Špidla and Minister of Industry and Trade M. Urban, accompanied by a mission of Czech business.

Turkey is one of the Czech Republic's most important trading partners. In 2003 it was the Czech Republic's 19<sup>th</sup> biggest trading partner.

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

- 1 October – 3 October 2003 – official visit by Prime Minister V. Špidla and Minister of Industry and Trade M. Urban;
- 25 October – 31 October 2003 – visit by a delegation of the Committee for European Integration of the Chamber of Deputies.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	11,392,724	16,556,754	18,480,946	0.6568
	year-on-year index	108.4	145.3	111.6	
Exports	CZK thousands	4,866,274	8,901,069	9,248,664	0.6744
	year-on-year index	78.3	183.1	103.9	
Imports	CZK thousands	6,526,450	7,645,999	9,232,282	0.5765
	year-on-year index	152.1	117.1	120.7	
Balance	CZK thousands	-1,660,176	1,267,178	16,382	
Foreign investments – incoming	direct (CZK thousands)	30,700	200		
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	no record	
	portfolio (CZK thousands)	0	164,900	4,400	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: television screens, automobile industry products, including parts.

The Czech Republic's principal import commodities: automobile industry products, including parts, television sets, clothing.

### *Bilateral agreements signed in 2003*

- Treaty between the Government of the Czech Republic and the Government of the Republic of Turkey on Co-operation in Culture, Education, Science, Youth and Sport, Ankara, 10 February 2003;
- Treaty on Social Security, Ankara, 2 October 2003;
- Treaty on Prevention of Dual Taxation, which started to apply on 15 December 2003.

### *Cultural Relations*

There was an exhibition of photographs by L. Hovorka titled “Beauty Through Czech Eyes” and a recital by eminent Czech cellist J. Bárta. Leading Czech mezzo-soprano K. Bytnarová and pianist B. Krajný also gave performances. *Some Secrets*, a Czech film by director A. Nellis, was screened at the European Film Festival.

Co-operation at academic level and university student exchanges continue. Each country provided the other with one university scholarship.

## **REPUBLIC OF UZBEKISTAN**

Uzbekistan is an important Central Asian partner for the Czech Republic. Co-operation centres on economic ties, and new treaties are being signed to facilitate trade exchange.

The Czech Republic has for several years provided humanitarian aid in the form of packaged drinking water and water pumps for the far west region of the country, Karakalpakstan, which has found itself on the verge of an environmental catastrophe owing to the drying up of the Aral Sea.

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

- 1 June – 3 June 2003 – visit by a delegation of the Senate Committee on Foreign Affairs, Defence and Security;
- 26 November – 30 November 2003 – visit by a delegation of the Senate Committee on National Economy, Agriculture and Transport.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	1,852,574	2,125,415	806,830	0.0287
	year-on-year index	228.1	114.7	38.0	
Exports	CZK thousands	750,702	1,158,171	245,489	0.0179
	year-on-year index	7,887.2	154.3	21.2	
Imports	CZK thousands	1,101,872	967,244	561,341	0.0389
	year-on-year index	141.0	87.8	58.0	
Balance	CZK thousands	-351,170	190,927	-315,852	
Foreign investments – incoming	direct (CZK thousands)	0	0	3,200	
	portfolio (CZK thousands)	no record	no record	0	
Foreign investments – outgoing	direct (CZK thousands)	0	0	17,200	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, transport vehicles, pharmaceutical products.

The Czech Republic's principal import commodities: cotton, zinc and zinc products.

#### *Cultural Relations*

The Czech Republic provided Uzbekistan with seventeen university scholarships.

## **REPUBLIC OF YEMEN**

Czech-Yemeni relations have been stable for some time and continued to develop in 2003, centring on economic co-operation.

#### *Economic Relations*

		2001	2002	2003	Share of 2003 aggregate indicators (%)
Turnover	CZK thousands	201,054	394,053	65,739	0.0023
	year-on-year index	85.3	196.0	16.7	
Exports	CZK thousands	190,361	388,160	65,488	0.0048
	year-on-year index	81.6	203.9	16.9	
Imports	CZK thousands	10,693	5,893	251	0.0000
	year-on-year index	475.7	55.1	4.3	
Balance	CZK thousands	179,668	382,267	65,237	
Foreign investments – incoming	direct (CZK thousands)	0	0	0,	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: tyres, medicines and medicaments, fertilisers, paper, timber, building steel, medical apparatus and instruments, healthcare material, textile goods, shoes, agricultural machinery, spare parts for the automobile industry, diesel generators, pumps, crystal, glass products, pressed glass, electrical fittings, pumps.

The Czech Republic's principal import commodities: sheepskin.

Trade exchange with Yemen is low and subject to considerable yearly fluctuations. There was a sharp decline in trade in 2003.

The Czech Republic is a major participant in the "Creation of an Ecological Network on Sokotra Island" development aid project.

#### *Cultural Relations*

The Czech Republic provided Yemen with seven university scholarships.

## REPUBLIC OF ZAMBIA

Relations between the Czech Republic and Zambia are untroubled. The Czech Republic successfully executed several development co-operation projects here and Zambia was chosen as one of the possible beneficiaries of further Czech development aid.

A health clinic built in part from funds provided under Czech development aid was opened in Lusaka in March 2003.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	20,786	21,644	8,198	0.0003
	year-on-year index	100.6	104.1	37.9	
Exports	CZK thousands	9,608	19,255	6,960	0.0005
	year-on-year index	90.0	200.4	36.1	
Imports	CZK thousands	11,178	2,389	1,238	0.0001
	year-on-year index	112.0	21.4	51.8	
Balance	CZK thousands	-1,570	16,866	5,722	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: footwear, transmission devices with reception apparatus, furniture for healthcare facilities, small arms.

The Czech Republic's principal import commodities: cobalt, cut flowers, fish.

### *Cultural Relations*

An exhibition titled "Emil Holub – Life and Work" was organised in the National Museum in Livingstone; the exhibition offered an insight into the work of this Czech explorer, whose works constitute an important contribution to the study of the history of the peoples of western and southern Zambia.

## REPUBLIC OF ZIMBABWE

Relations between the Czech Republic and Zimbabwe exist, but the EU sanctions on Zimbabwe caused that relations stagnated in 2003. Ties centred on the economic sphere.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	215,673	198,605	83,538	0.0030
	year-on-year index	63.27	92.1	42.1	
Exports	CZK thousands	2,461	36,300	17,344	0.0013
	year-on-year index	4.4	1475.0	47.8	
Imports	CZK thousands	213,212	162,305	66,194	0.0046
	year-on-year index	74.9	76.1	40.8	
Balance	CZK thousands	-210,751	-126,005	-48,850	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: tractors, cigarette paper, textile machinery.

The Czech Republic's principal import commodities: tobacco, nickel, ferro-alloys, flowers.

### *Cultural Relations*

An exhibition of photographs by J. Šibík titled "The Devil In Us" was held in Harare and Bulawayo. The 2<sup>nd</sup> Czech film festival took place in Harare under the subtitle "Laugh With Us"; the festival presented the seven best Czech comedies of the 20<sup>th</sup> century. *Cutting It Short* was also successfully screened and won the audience prize at the 2<sup>nd</sup> international film festival about women, "International Images Film Festival".

In 2003 the Czech Republic again took out its own stand at the biggest African book fair, the Zimbabwe International Book Fair in Harare. The fair's organisers then accepted the invitation to take part in Book World, the book fair in Prague, in the company of writers and publishers. Czech publishers brought out two publications devoted to Zimbabwean art and literature. The Czech embassy initiated and contributed to the publication of a book of classical Czech fairytales by B. Němcová and K. J. Erben in the Shona language.

## **ROMANIA**



Romania is a traditional partner of the Czech Republic in southeast Europe. Contacts in the political arena focused on matters related to Romania's preparations to join NATO and both countries' preparations for EU membership.

Trade exchange continued to increase, with Romania now the Czech Republic's 2<sup>nd</sup> most important partner in southeast Europe. 2003 was a highly successful year for mutual trade. Romania became the Czech Republic's 27<sup>th</sup> biggest trading partner in terms of mutual turnover. Trade exchange is on a stable upward curve and the Czech Republic still has a high balance of trade surplus with Romania.

*Visits by representatives of the Czech Republic:*

- 27 January – 30 January 2003 – visit by a delegation of the Constitution and Legal Committee of the Chamber of Deputies;
- 8 April 2003 – official visit by Minister of Foreign Affairs C. Svoboda;
- 19 June – 20 June 2003 – visit by Minister for the Environment L. Ambrozek;
- 7 November 2003 – visit by Minister of the Interior S. Gross.

*Visits by representatives of Romania:*

- 17 March – 19 March 2003 – visit by a delegation of the Committee on Defence, Public Order and National Security of the Chamber of Deputies of Romanian Parliament;
- 29 September – 2 October 2003 – visit by a delegation of the Legal Committee of the Chamber of Deputies;
- 21 October – 23 October 2003 – visit by Romanian ombudsman I. Muraru.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	11,045,253	11,803,639	13,604,945	0.4835
	year-on-year index	142.6	106.9	115.3	
Exports	CZK thousands	8,890,569	9,289,021	9,726,260	0.7092
	year-on-year index	138.8	104.5	104.7	
Imports	CZK thousands	2,154,684	2,511,841	3,878,685	0.1894
	year-on-year index	160.3	116.5	154.4	
Balance	CZK thousands	6,735,885	6,783,481	5,847,575	
Foreign investments – incoming	direct (CZK thousands)	0	2,900	200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	1,600	-900	21,100	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: active-surface modified products, timber and wood products, motor vehicles and parts thereof, paper industry raw

materials and products thereof, iron and steel products, tyres, impregnated textiles and woven cotton, agricultural produce, kaolin, medicines, television sets etc.

The Czech Republic's principal import commodities: electrical devices to protect electrical circuits up to 1000 V, tyres, rolled metal and rolled stainless steel products, furniture, tank wagons, lorries, clothing, glass, timber and wood products, rubber, wine and spirits.

#### *Cultural Relations*

Czech films were shown at festivals in Bucharest and Cluj; "Czech Film Days" was held in Bucharest and Timisoara. There was much interest in concerts by organist P. Kohout and guitarist P. Steidl. An exhibition called "10 Figures of Czech Graphic Art" and an exhibition of photographs by J. Reich, J. Vřetecký and P. Hroch presented Czech art in Romania.

Four scholarships for summer language courses were offered on a reciprocal basis and Czech and Romanian language teachers worked at universities in the two countries.

Scientific co-operation consisted of study placements focusing on joint projects and participation at international conferences and symposia. In September 2003 Prague hosted a meeting of the Joint Commission Czech and Romanian Historians to discuss "Czechoslovakia and Romania in the Versailles System".

The Czech compatriot community in Banat again received a contribution towards unfinished projects in 2003. Czech teachers continued to work in three municipalities inhabited by Czech communities and cultural activities, such as a folklore festival in Berzasc, were supported.

## **RUSSIAN FEDERATION**

Top-level political dialogue continued to grow in intensity in 2003, reflected in improving ties in all areas of bilateral relations. Emphasis continued to be placed on economic co-operation, including the issue of the Russian Federation's debt to the Czech Republic.

More intensive consultations with the Russian Federation were also in evidence at multilateral level. In the EU, the Czech Republic and other acceding states asserted the demand that the Agreement on Partnership and Co-operation between the European Union and the Russian Federation (the provision on most favoured trading nation status) be automatically extended to acceding states upon joining the EU. The Russian side concentrated

on making progress in multilateral consultations in the Working Group for the Russian Federation's Accession to the WTO.

The Czech Republic concentrated on talks about minimising the possible impacts of the Czech Republic's entry to the EU on economic and trade relations with the Russian Federation and paid attention to developing contacts with economically strong regions of the Russian Federation, e.g. in the form of official exhibitions of Czech firms or business missions from the Czech Republic.

The expansion and intensification of co-operation gave rise to a need to make new treaties between the countries, or in some cases modify certain existing treaty documents. As a result, preparations started on a new intergovernmental treaty on economic, industrial and technological research co-operation between the two countries.

The Russian Federation is a major trading partner of the Czech Republic. The Federation was the Czech Republic's 9<sup>th</sup> biggest trading partner in 2003.

Talks on resolving the remainder of the former Soviet Union's debt to the Czech Republic went ahead successfully. Military technological co-operation was boosted by the agreement to repay part of the debt in kind.

*Visits by representatives of the Czech Republic:*

- 21 January – 23 January 2003 – visit by Minister of Finance B. Sobotka;
- 24 April – 25 April 2003 – visit by Minister of Foreign Affairs C. Svoboda;
- 30 May – 1 June 2003 – President V. Klaus attends celebrations to mark the anniversary of the founding of St Petersburg and the EU – Russian Federation summit in St Petersburg;
- 3 June – 7 June 2003 – visit by a delegation of the Committee for Foreign Affairs of the Chamber of Deputies;
- 18 June – 20 June 2003 – President of the Senate P. Pithart attends the Economic Forum in St Petersburg;
- 31 October – 2 November 2003 – visit by President V. Klaus and his wife at the invitation of President V. Putin and his wife.

*Visits by representatives of the Russian Federation:*

- 17 March 2003 – visit by President of the State Duma of the Federal Assembly G. Seleznyov;
- 6 October – 8 October 2003 – visit by President of the Federation Council of the Federal Assembly S. Mironov.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	94,500,917	77,004,480	82,130,643	2.9187
	year-on-year index	99.3	81.5	106.7	

Exports	CZK thousands	18,535,050	16,794,876	16,468,562	1.2009
	year-on-year index	124.3	91.1	98.1	
Imports	CZK thousands	75,965,867	59,987,512	65,662,081	4.5228
	year-on-year index	94.7	79.1	109.5	
Balance	CZK thousands	-57,430,817	-43,236,018	-49,193,519	
Foreign investments – incoming	direct (CZK thousands)	8,300	67,200	94,200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	30,600	15,900	134,200	
	portfolio (CZK thousands)	485,000	18,000	570,100	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, chemical and pharmaceutical products, various industrial products, foodstuffs products.

The Czech Republic's principal import commodities: mineral fuels, chemical products and fertilisers, rolled steel, non-ferrous metals, wood matter, rubber and rubber products, machinery and transport vehicles, various industrial products.

Even though the absolute value of Czech exports to Russia rose in 2003, the Czech Republic's balance of trade deficit also grew. That was caused by the high prices of energy industry raw materials, which traditionally account for approximately 80% of the total value of Czech imports from the Russian Federation. The pace of growth of Czech exports to Russia last year was roughly half that of the Czech Republic's total exports in 2003.

#### *Bilateral agreements signed in 2003*

- Treaty on Mutual Protection of Official Secrets between the Czech Republic and Russian Federation, Prague, 25 September 2003.

#### *Cultural Relations*

In 2003 the "Czech Cultural Season" took place in Russia under the aegis of the culture ministers of the Czech Republic and Russian Federation. This extensive project was designed to acquaint the Russian public with contemporary trends on the Czech cultural scene; it also boosted Czech cultural entities' interest in presentations on the Russian cultural scene.

The traditional "Czech Literature Days" were devoted to exile literature. The latest Czech cinema was presented at a number of international film festivals.

A monument to T. G. Masaryk was unveiled in St Petersburg, in the grounds of a local university; L. Klausová, wife of the Czech president, attended the ceremony.

The Minister of Foreign Affairs of the Czech Republic awarded the Gratias Agit prize to two leading Russian Czech scholars: I. Porochnikina and I. Ivanov.

## SERBIA AND MONTENEGRO

The Czech Republic supported Serbia and Montenegro's endeavour to move closer to European and Euro-Atlantic structures. Under the EU's common foreign policy the Czech Republic supported pro-European forces in Serbia in the efforts to resolve the internal political crisis. The Czech Republic was actively involved in the UN mission in Kosovo, where a joint Czech and Slovak KFOR battalion operated in the Podujevo region.

The Czech Republic worked hard to renew traditional cultural and business contacts in 2003.

After a period of sharp growth in 2001 and 2002, economic relations between the Czech Republic and Serbia and Montenegro registered further slight growth in 2003. The commodity structure of trade exchange remained essentially unchanged.

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

- 18 January 2003 – visit to the Czech-Slovak KFOR Battalion by Minister of Defence J. Tvrdík;
- 19 September 2003 – visit by Minister of Transport M. Šimonovský;
- 10 November – 11 November 2003 – visit to Belgrade and Podgorica by Minister of the Interior S. Gross;
- 24 November – 26 November 2003 – visit by the Senate Commission for Compatriots;
- 22 December – 23 December 2003 – visit to the Czech-Slovak KFOR Battalion by Minister of Defence M. Kostelka, Chief of Staff P. Štefka and Deputy Minister of Foreign Affairs for Security Policy J. Winkler.

### *Visits by representatives of Serbia and Montenegro:*

- 5 February – 6 February 2003 – visit by Minister of Foreign Affairs. G. Svilanovic.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	3,893,597	4,947,422	4,412,060	0.1568
	year-on-year index	115.7	127.2	89.2	
Exports	CZK thousands	3,224,328	4,084,214	3,591,739	0.3262
	year-on-year index	119.8	126.8	87.9	
Imports	CZK thousands	669,269	863,208	820,321	0.0651
	year-on-year index	99.1	129.1	95.0	
Balance	CZK thousands	2,555,059	3,224,952	2,771,418	
Foreign investments – incoming	direct (CZK thousands)	47,100	22,400	15,900	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	23,600	
	portfolio (CZK thousands)	0	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: road motor vehicles and tractors, reactors, boilers, glass, tyres, mechanical instruments and devices, fuels, oils, iron and steel products, sugar and confectionary, detergents.

The Czech Republic's principal import commodities: iron and steel products, tyres, wires, cables, electrical conductors, rubber and rubber products, paper and cardboard, wood fibres, plastics and plastic products, non-ferrous metals and non-ferrous metal products, clothing accessories.

### *Cultural Relations*

Co-operation continued between the Prague National Film Archives and the Belgrade Film Archives. A performance by the Czech Contemporary Experimental Theatre at "BELEF", the summer theatre festival in Belgrade, met with great success. The 40<sup>th</sup> Annual Meeting of Writers was attended by E. Kantůrková. *Year of the Devil*, a film by P. Zelenka, won the main prize at a film festival in Palic.

"Czech Film Days" was held in Belgrade, featuring a retrospective of films by Z. Svěrák. Three exhibitions were put on: "The Czech Republic at the Turn of the Millennium", "Noisy Isolation" and "Jaroslav Seifert".

The Czech Republic provided Serbia and Montenegro with twelve university scholarships. Interest in learning Czech at Belgrade University grew. A Czech language teacher works at this university.

Co-operation with the Czech compatriot community in Banat was intensive in 2003. Compatriots received a contribution towards unfinished investment projects (reconstruction of club buildings) from the development aid fund. A new teacher was despatched to work in Češko Selo for the 2003/2004 school year.

## **SLOVAK REPUBLIC**

Intensive political dialogue on the future of bilateral co-operation after the Czech and Slovak republics join the European Union continued; this is proof of the fact that relations between the two countries are above standard. The outcome of this dialogue was a decision to prepare a political memorandum declaring the two countries' shared interest in preserving the existing level of mutual relations after accession to the EU.

The approaching accession to the EU and Slovakia's approaching membership of NATO instigated a deepening of co-operation between the Czech Republic and Slovak Republic in economic, military, regional and internal security policy. Intensive dialogue was also opened on the problem of Roma migration from Slovakia to the Czech Republic – an expert commission of deputy prime ministers P. Mareš and P. Csáky was set up to tackle the problem.

Slovakia remained the Czech Republic's second biggest trading partner in 2003.

*Visits by representatives of the Czech Republic:*

- 29 January 2003 – official visit by President V. Havel;
- 18 March 2003 – official visit by President V. Klaus;
- 9 June 2003 – official visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 27 October – 28 October 2003 – official visit by Prime Minister V. Špidla;
- 25 November – 26 November 2003 – official visit by President of the Senate P. Pithart;
- 14 December – 15 December 2003 – working visit by Deputy Prime Minister P. Mareš.

*Visits by representatives of Slovakia:*

- 23 May – 24 May 2003 – official visit by Prime Minister M. Dzurinda;
- 6 June 2003 – working visit by President R. Schuster on the occasion of decorating of members of the 1<sup>st</sup> Czech-Slovak Chemical, Biological and Radiation Defence Battalion with departmental military decorations;
- 29 September – 30 September 2003 – working visit by Deputy Prime Minister P. Csáky;
- 19 November 2003 – working visit by President R. Schuster on the occasion of conferment of an honorary doctorate from the Technical University of Ostrava.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	176,494,573	165,975,451	183,955,000	6.5394
	year-on-year index	109.9	94.0	110.8	
Exports	CZK thousands	101,925,896	96,650,982	109,238,000	7.9631
	year-on-year index	118.4	94.8	112.9	
Imports	CZK thousands	74,568,677	69,324,469	74,717,000	5.1844
	year-on-year index	100.0	93.0	107.8	
Balance	CZK thousands	27,357,219	27,326,513	34,521,000	
Foreign investments – incoming	direct (CZK thousands)	255,900	5,136,600	4,577,900	
	portfolio (CZK thousands)	no record	no record	14,482,800	
Foreign investments – outgoing	direct (CZK thousands)	961,000	3,102,500	-835,700	
	portfolio (CZK thousands)	3,169,000	16,302,600	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: transport vehicles, iron and steel products, coal, coke, tobacco products, medicines, wires and cables.

The Czech Republic's principal import commodities: oil refinery products, motor vehicle accessories, flat rolled products, medicines, synthetic yarns, paper, Portland cement, ferro-alloys, electricity.

The countries in which Czech exports grew the most compared to 2002 were Slovakia, China, Spain and Austria. The increased trade exchange between the Czech Republic and Slovakia was mainly the consequence of increased Czech exports to Slovakia.

#### *Bilateral agreements signed in 2003*

- Agreement between the Government of the Czech Republic and the Government of the Slovak Republic Establishing a Czech and Slovak Customs Post on the Mosty u Jablunkova – Svrčinovec Road Frontier Crossing, Prague, 22 January 2003;
- Agreement between the Government of the Czech Republic and the Government of the Slovak Republic Establishing a Czech and Slovak Customs Post on the Břeclav (D2) – Brodské (D2) Road Frontier Crossing, Prague, 22 January 2003;
- Arrangement between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Slovak Republic on the Formation and Work of a Joint Czech-Slovak Chemical, Biological and Radiation Defence Battalion Abroad, Prague, 15 February 2003;
- Arrangement on Co-operation in Tax Administration between the Ministry of Finance of the Czech Republic and the Ministry of Finance of the Slovak Republic, Banská Bystrica, 28 February 2003;
- Arrangement between the Ministry of Foreign Affairs of the Czech Republic and the Ministry of Foreign Affairs of the Slovak Republic on the Implementation of Article 1 of the Arrangement between the Ministry of Foreign Affairs of the Czech Republic and the Ministry of Foreign Affairs of the Slovak Republic on Co-operation in Consular Services of 4 February 1993, settled by an exchange of communiqués, Prague 7 March 2003;
- Annex 1 to the Administrative Arrangement between the Ministry of Health of the Czech Republic and the Ministry of Health of the Slovak Republic on the Implementation of the Treaty between the Czech Republic and the Slovak Republic on the Provision of and Payment for Healthcare, Brno, 18 July 2003;
- Agreement between the Government of the Czech Republic and the Government of the Slovak Republic on War Graves, Bratislava, 23 September 2003.

#### *Cultural Relations*

Extensive Czech-Slovak cultural ties continued to be the subject of great interest on both sides of the border in 2003. Traditional events included the 8<sup>th</sup> annual “Slovak Theatre in Prague” festival, the 10<sup>th</sup> annual “Czech Theatre in Bratislava” festival, the 8<sup>th</sup> annual international festival of Czech and Slovak theatre performances called “Meeting” in Zlín and the 9<sup>th</sup> annual “Czech Days” cultural festival in East Slovakia. Events put on as part of Czech



and Slovak Cultural Co-operation Month, among a number of others, considerably helped expand Czech and Slovak cultural ties.

## **SOCIALIST REPUBLIC OF VIETNAM**

Vietnam continued to be a traditional partner for the Czech Republic in South East Asia. Economic and trade co-operation formed the core of relations. The Czech Republic provided Vietnam with development aid.

*Visits by representatives of the Czech Republic:*

- 12 March – 15 March 2003 – visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	2,478,111	2,168,538	2,104,986	0.0748
	year-on-year index	98.1	87.5	97.1	
Exports	CZK thousands	572,415	495,968	556,080	0.0405
	year-on-year index	140.5	86.6	112.1	
Imports	CZK thousands	1,905,696	1,672,570	1,548,906	0.1074
	year-on-year index	90.0	87.8	92.6	
Balance	CZK thousands	-1,333,281	-1,176,602	-992,826	
Foreign investments – incoming	direct (CZK thousands)	10,800	4,700	29,200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	0	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, metal products, pipes and tubes, glassware, tools and implements, chemicals and plastics, measuring and control instruments, lighting technology, clothing accessories.

The Czech Republic's principal import commodities: textile products, wicker furniture, tropical fruit, rice, coffee, tea, spices, foodstuffs industry products.

### *Cultural Relations*

The cultural events that were put on confirmed the good standard of Czech-Vietnamese relations and met with a favourable reception. The main cultural events included a New Year's concert by the Vietnam Symphony Orchestra, the "Lidice 2003" children's art competition, a performance by a musical trio featuring Czech classical music, the 3<sup>rd</sup> EU jazz

festival (with performances by the V. Eckert Dr. Jazz Trio, with F. Slováček appearing as a guest artist) and a hands-on glass exhibition. The Czech Republic has a specific position in Vietnam and the large community of Vietnamese citizens residing in the Czech Republic means that there is always great interest in Czech culture in Vietnam.

The Czech Republic provided Vietnam with eight university scholarships.

## STATE OF ISRAEL

Relations between the Czech Republic and Israel are very good. The two countries work closely in the economic and the political spheres. Israel has traditionally been one of the Czech Republic's most important trading partners in the Middle East.

The Czech Republic's foreign policy regarding the Middle East conflict has remained unchanged for many years. It stresses the need for objectivity in the treatment of both sides to the conflict and places the emphasis on the restoration of political dialogue to pave the way to the establishment of an independent, democratic and viable Palestinian state that will be able to guarantee Israel's security.

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

- 12 July – 14 July 2003 – visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 15 July – 19 July 2003 – visit by President of the Chamber of Deputies L. Zaorálek;
- 14 September – 17 September 2003 – visit by Minister of Agriculture J. Palas;
- 21 September – 22 September 2003 - Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda attends S. Peres's birthday celebrations;
- 18 October – 22 October 2003 – visit by a delegation of the Senate Committee on Education, Science, Culture and Human Rights and Petitions.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	4,784,022	4,323,912	3,761,757	0.1338
	year-on-year index	106.0	90.4	87.0	
Exports	CZK thousands	2,805,321	2,403,098	1,767,411	0.1289
	year-on-year index	130.1	85.7	73.5	
Imports	CZK thousands	1,978,701	1,920,814	1,994,346	0.1382
	year-on-year index	83.9	97.1	103.8	
Balance	CZK thousands	826,620	482,284	-226,935	
Foreign investments –	direct (CZK thousands)	7,900	7,800	105100,	

incoming	portfolio (CZK thousands)	no record	no record	1,700,
Foreign investments – outgoing	direct (CZK thousands)	0	0	400
	portfolio (CZK thousands)	no record	200	no record

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, plant and machinery, office machines, electrical machines, instruments and accessories, chemical industry products, iron and steel products.

The Czech Republic's principal import commodities: electrical engineering industry products (telecommunications technology, computer and office technology, instruments, parts and components for electrical products), agricultural chemicals, medicaments, plastics.

### *Cultural Relations*

Co-operation between the two countries led to a screening of films on the subject "Prague Spring – 35 Years On". The 3<sup>rd</sup> Festival of Comics, Caricature and Animation featured an exhibition of works by M. Barták. Czech cartoonist F. Kratochvíl was awarded a prize at the 8<sup>th</sup> international cartoon competition in Haifa. The anniversary of the birth of Franz Kafka was commemorated at a soiree organised in co-operation with the Diaspora Museum in Tel Aviv. The Givatayim Theatre hosted the 2<sup>nd</sup> Czech-Israeli Puppetry Festival, at which two Czech puppet theatres (Divadlo Drak and Divadlo loutek Ostrava) performed. The festival included two exhibitions: "Contemporary Czech Puppet Theatre Stage Design 1970-2003" and photographs by V. Zapletalová "Chatařství". A Czech language course was reopened at Tel Aviv University. Exchanges of scholarship beneficiaries continued successfully and research internships and language courses were organised. Czech students again attended postgraduate courses organised by the Israeli Ministry of Foreign Affairs' Centre for International Co-operation. Israeli children took part in the "Lidice 2003" international art competition.

## STATE OF KUWAIT

Relations between the Czech Republic and Kuwait have traditionally been friendly. The Czech Republic's positive image in Kuwait was boosted in 2003 by the work of the 1<sup>st</sup> Czech-Slovak Battalion mobilised to protect the Kuwaiti population from the risk of chemical, biological, nuclear and radioactive attack during the war in Iraq.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	271,225	332,429	371,457	0.0132
	year-on-year index	102.6	122.6	111.7	
Exports	CZK thousands	267,730	331,836	362,010	0.0264
	year-on-year index	102.7	123.9	109.1	
Imports	CZK thousands	3,495	593	9,447	0.0007
	year-on-year index	98.7	17.0	1,593.1	
Balance	CZK thousands	264,235	331,243	352,563	
Foreign investments – incoming	direct (CZK thousands)	0	0	200	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: foodstuffs, machinery and plant for the oil industry and healthcare.

The Czech Republic's principal import commodities: petroleum products.

### *Cultural Relations*

There was an exhibition of graphic works by I. Lexa in Kuwait. The Czech Republic provided Kuwait with two university scholarships. Kuwaiti children took part in the "Lidice 2003" international art competition.

## SWISS CONFEDERATION

Relations between the Czech Republic and Switzerland have traditionally been friendly; and extensive direct co-operation between territorial units in the Czech Republic and Swiss cantons, towns and municipalities has complemented the bilateral relations at official level.

Switzerland is one of the Czech Republic's most important trading partners. In 2003 it was the Czech Republic's 15<sup>th</sup> biggest trading partner.

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

- 21 March – 23 March 2003 – visit by a delegation of the Standing Senate Commission on Compatriots Living Abroad;
- 5 October – 6 October 2003 – Minister for Local Development P. Němec attends a presentation of the Karlovy Vary region in Basel;
- 9 October 2003 – official working visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda.

### *Visits by representatives of Switzerland:*

- 11 July – 12 July 2003 – visit by Chairwoman of the Foreign Affairs Committee of the National Council L. Habholz-Haidegger;
- 16 September 2003 – State Secretary D. Syz, Director of the State Secretariat for Economic Affairs Director and Director of the Swiss Federal Office for Economic Affairs and Employment, attends the International Machine Engineering Trade Fair in Brno.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	39,375,163	40,458,031	42,808,213	1.5213
	year-on-year index	115.1	102.7	105.8	
Exports	CZK thousands	17,478,470	19,610,387	19,680,880	1.4351
	year-on-year index	117	112	100	
Imports	CZK thousands	21,896,693	20,847,644	23,127,333	1.6031
	year-on-year index	113.6	95.2	110.9	
Balance	CZK thousands	-4,418,223	-1,237,257	-3,446,453	
Foreign investments – incoming	direct (CZK thousands)	5,255,800	-3,471,200	7,425,300	
	portfolio (CZK thousands)	no record	no record	5,400,000	
Foreign investments – outgoing	direct (CZK thousands)	500	-338,000	89,600	
	portfolio (CZK thousands)	389,000	353,100	430,000	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: machinery and transport equipment, passenger cars, textile and leatherworking machines, plant and machinery for

electricity generation, metal-working machines, ball-bearings, electrical machinery, consumer goods, industrial products, chemicals, iron, steel, aluminium and other non-ferrous metals and products of such, non-mineral fuels, clothing products and accessories, electricity, furniture.

The Czech Republic's principal import commodities: machinery and transport equipment, office machines and data processing devices, chemicals, pharmaceutical products and medicines, organic chemical products, dyes, pigments, essential oils, plastics and plastic products, electricity, clothing products, paper, cardboard, textile yarns and fabrics, precision products, orthopaedic instruments and aids, jewellery, goldsmiths' products.

Switzerland has for long been an important investor in the Czech Republic; in 2003 this trend was confirmed by a further influx of Swiss investments.

### *Cultural Relations*

Cultural exchange takes place mostly on a commercial basis. The most important Swiss institution operating in the Czech Republic as a mediator of Swiss-Czech cultural exchange is the Prague branch of the Pro Helvetia foundation. The Czech embassy in Bern organised a "Czech Evening" as part of the "Introduction to EU Accession Countries" cycle and co-organised a concert by the Sängerbund Uster choir in Uster and Zurich featuring works by A. Dvořák. Other foundations and clubs also make a major contribution to Czech-Swiss cultural co-operation. The most important ones include the Union of Czech and Slovak Clubs in Switzerland, which associates 18 compatriot clubs, most of them centred on the Sokol sports movement, the Swiss branch of the Czechoslovak Society for Arts and Sciences, the Swiss Olga Havlová Association and Sokol Solothurn.

## **SYRIAN ARAB REPUBLIC**

Syria is a traditional trading partner for the Czech Republic in the Middle East. The Czech Republic continued with its endeavour to negotiate with Syria on ways and means of deblocking Czech debts and successions into contracts; talks continue on the signing of a Treaty on Prevention of Dual Taxation and a Treaty on Supporting and Protecting Investments.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	2,023,838	4,835,711	4,819,215	0.1714
	year-on-year index	227.3	238.9	99.7	

Exports	CZK thousands	1,488,226	1,440,663	826,733	0.0603
	year-on-year index	193.8	96.8	57.4	
Imports	CZK thousands	535,612	3,395,048	3,992,482	0.2768
	year-on-year index	438.2	633.9	117.6	
Balance	CZK thousands	952,614	-1,954,385	-3,165,749	
Foreign investments – incoming	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	0	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, spare parts for complete plant installations already supplied, industrial machinery, textile yarns and fabrics.

The Czech Republic's principal import commodities: oil, cotton, textile products.

Czech exports to Syria were adversely affected by the conflict in neighbouring Iraq in 2003.

### *Cultural Relations*

Three Czech photographers attended the 7<sup>th</sup> International Photo Gathering in Aleppo. Syrian children took part in the "Lidice 2003" international art competition. The Czech Republic provided Syria with two university scholarships.

## **UKRAINE**

The standard of co-operation is good. The Czech Republic supports Ukraine's pro-European orientation.

The Czech Republic provided Ukraine with development aid that went toward projects designed to modernise its nuclear power plants, retraining and professional training, reconstruction of buildings used by the Czech community in Ukraine etc.

Ukraine provided the Czech Republic with assistance in the form of a Ukrainian passenger airplane to transport the Czech field hospital to Kuwait and from Afghanistan.

The Czech Republic desires to expand its trade and economic ties with Ukraine. Ukraine is its second biggest trading partner among the former Soviet Union states and represents an important and traditional partner for a number of Czech businesses. The Czech Republic organised several business missions to various parts of Ukraine to support the drive to increase trade. Czech debts to Ukraine were definitively resolved at the end of 2003 as part of nuclear power co-operation.

### *Visits by representatives of Ukraine:*

- 23 April – 24 April 2003 – official visit by Minister of Foreign Affairs A. M. Zlenko;
- 15 December – 16 December 2003 – visit by Minister of Education and Science V. Kremen to sign a bilateral Treaty on Co-operation between the Ministry of Education, Youth and Sport of the Czech Republic and the Ministry of Education and Science of Ukraine.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	16,815,842	16,347,504	17,118,528	0.6083
	year-on-year index	114.1	97.1	104.7	
Exports	CZK thousands	7,046,114	6,904,582	7,321,096	0.5338
	year-on-year index	125.8	97.6	106.0	
Imports	CZK thousands	9,769,728	9,442,922	9,797,432	0.7120
	year-on-year index	107.0	96.7	103.8	
Balance	CZK thousands	-2,723,614	-2,570,159	-2,476,336	
Foreign investments – incoming	direct (CZK thousands)	37,800	659,300	7,500	
	portfolio (CZK thousands)	no record	21,900	no record	
Foreign investments – outgoing	direct (CZK thousands)	27,600	22,100	67,200	
	portfolio (CZK thousands)	11,000	21,900	2,300	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: industrial machinery, parts and components of nuclear reactors, hygiene products made from paper, cellulose wadding etc., electrical devices, instruments and appliances, metal products, medicaments and pharmaceutical products, road vehicles, plastics, rubber products (tyres), aluminium foil.

The Czech Republic's principal import commodities: iron ore, iron and steel, petroleum products, aluminium, organic and inorganic chemicals, clothing products, timber, industrial machinery.

### *Bilateral agreements signed in 2003*

- Treaty between the Government of the Czech Republic and the Cabinet of Ministers of Ukraine on Protection of Official Secrets, Prague, 14 May 2003;
- Arrangement between the Ministry of Education, Youth and Sport of the Czech Republic and the Ministry of Education and Science of Ukraine on Co-operation in Education and Science for 2003-2006, Prague, 15 December 2003;
- Administrative Arrangement Regarding Implementation of the Treaty on Social Security between the Czech Republic and Ukraine, Prague, 25 June 2003.

### *Cultural Relations*



A number of film, theatre and music performances were put on in Kiev. The Czech embassy and the French Institute in Ukraine co-organised several seminars for photography students. The Czech embassy in Kiev continued to actively co-operate with Czech compatriot organizations in Ukraine and played a major role in developing knowledge of the Czech language and Czech life. A total of nineteen Ukrainian students studied in the Czech Republic in 2003, four of them on government scholarships.

## UNITED ARAB EMIRATES

Relations between the Czech Republic and United Arab Emirates are developing very dynamically, especially in the economic sphere.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	5,968,699	8,004,741	8,824,921	0.3139
	year-on-year index	111.1	134.1	110.2	
Exports	CZK thousands	5,539,756	7,185,225	7,180,363	0.5236
	year-on-year index	117.9	129.7	99.9	
Imports	CZK thousands	428,943	819,516	1,644,558	0.1140
	year-on-year index	63.6	191.1	200.7	
Balance	CZK thousands	5,110,813	6,365,709	5,535,805	
Foreign investments – incoming	direct (CZK thousands)	0	2 800	1400	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-682400	
	portfolio (CZK thousands)	no record	no record	no record	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: passenger cars, machinery, foodstuffs.

The Czech Republic's principal import commodities: petroleum products (in particular lubricants), foodstuffs, chemicals.

### *Cultural Relations*

*Otesánek* was screened during the 2<sup>nd</sup> season of European films in Abu Dhabi. Children from the UAE took part in the "Lidice 2003" international art competition.

## UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Relations between the Czech Republic and the United Kingdom developed successfully at bilateral and multilateral level in the context of European integration and partnership in NATO. The United Kingdom was one of the Czech Republic's most important political and economic partners in 2003. Relations between the Czech Republic and the United Kingdom are intensive and well balanced. Co-operation between the two countries takes place at all levels: from top-level representatives to partnerships between towns and a wide variety of institutions. Two of the most widely discussed issues were the predicted – especially by the British media – influx of Roma population from Central and Eastern Europe and the free movement of labour. United Kingdom continued to declare its intention not to apply any restrictions on free movement of labour against the Czech Republic.

The United Kingdom has long been one of the Czech Republic's most important economic partners. In 2003 it was the Czech Republic's 7<sup>th</sup> biggest Czech Republic's trading partner.

*Visits by representatives of the Czech Republic:*

- 9 March – 11 March 2003 – visit by City of Prague Mayor P. Bém;
- 28 April – 30 April 2003 – visit by a delegation of the Senate Committee for European Integration;
- 6 May – 8 May 2003 – visit by a delegation of the Committee for Foreign Affairs of the Chamber of Deputies;
- 5 June 2003 – visit by Deputy Prime Minister and Minister of Foreign Affairs C. Svoboda;
- 12 July – 14 July 2003 – Prime Minister V. Špidla attends the Progressive Governance Summit.

*Visits by representatives of the United Kingdom:*

- 18 February 2003 – visit by Member of House of Commons I. Caplin;
- 15 April – 16 April 2003 – visit by Members of House of Commons D. Amess and R. Spink;
- 30 April 2003 – visit by Secretary of State for Defence G. Hoon;
- 30 June – 1 July 2003 – visit by Secretary of State for Education A. Johnson;
- 11 September – 13 September 2003 – visit by Special Representative for International Trade and Investment of United Kingdom Trade and Investment, His Royal Highness the Duke of York.

*Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	124,746,217	114,397,000	113,100,000	4.0000
	year-on-year index	125.5	91.1	98.9	
Exports	CZK thousands	69,358,550	72,791,000	73,914,000	5.4000

	year-on-year index	144.2	103.9	101.5	
Imports	CZK thousands	55,387,667	41,586,660	39,186,000	2.7000
	year-on-year index	107.9	75.1	94.2	
Balance	CZK thousands	13,970,883	30,469,196	34,728,000	
Foreign investments – incoming	direct (CZK thousands)	2,436,200	8,937,600	7,655,600	
	portfolio (CZK thousands)	no record	no record	36,800,000	
Foreign investments – outgoing	direct (CZK thousands)	2,200	87,200	991,400	
	portfolio (CZK thousands)	6,517,000	10,236,800	14,531,300	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: road vehicles, information technology products, office equipment, electrical products, metal products, clothing and apparel, non-metal products, rubber products.

The Czech Republic's principal import commodities: information technology products, office equipment, non-ferrous metals, medical and pharmaceutical products, specialised technology and instruments for science purposes, textile fibres and yarn, metal products.

One positive factor in foreign trade between the Czech Republic and the United Kingdom is that high-value-added products account for the majority of mutual trade. The number of British entities doing business in the Czech Republic rose again in 2003.

### *Cultural Relations*

In keeping with tradition, the Czech Republic's cultural presence in United Kingdom centred on the areas of classical music and film; architects of Czech origin have also found success in Britain. Conductor J. Bělohlávek and mezzo-soprano M. Kožená were invited to perform in London, including her appearance in London's prestigious Wigmore Hall. The Royal Opera House in Covent Garden staged Dvořák's *Rusalka* and Janáček's *The Cunning Little Vixen*. The BBC showed the latter work in a novel format – an animated film. Other events worth mentioning include the music festival in Leamington (as usual with Czech themes) or Study Days at Leeds University focusing on operas by A. Dvořák and combined with the British premiere of his "Stubborn Lovers" opera. A project by Chetham's School of Music called "Brundibar" concentrated on Czech Jewish composers (Klein, Krása, Ullmann, Haas). The "New Bohemians" festival was the most important presentation of Czech cinema, featuring recent Czech films (*Pupendo*, *Cosy Dens* and others) and attended by the films' directors. The festival also involved an exhibition of Czech film posters.

## UNITED STATES OF AMERICA

The United States of America is a strategic partner of the Czech Republic. The development of good relations and close co-operating between the Czech Republic and the USA and between the EU and the USA is one of the priorities of Czech foreign policy. The United States remain the most important member of NATO, which is the main guarantor of the Czech Republic's security. The USA views the Czech Republic as a reliable ally.

The culmination of bilateral contacts in 2003 was an official visit by Prime Minister V. Špidla, accompanied by the ministers of foreign affairs, defence, and industry and trade. President G. W. Bush received the Czech prime minister in the White House.

The United States was the fifth biggest foreign investor in the Czech Republic and a major trading partner. Trade exchange between the two countries grew sharply in 2003, making the USA the Czech Republic's 11<sup>th</sup> biggest trading partner.

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

- 5 March – 9 March 2003 – working visit to Washington D.C. by Minister of Foreign Affairs C. Svoboda;
- 18 June – 22 June 2003 – President V. Klaus attends the AEI World Forum at Beaver Creek, Colorado;
- 14 July – 21 July 2003 – official visit to Washington D.C., Tennessee and Texas, by Prime Minister V. Špidla, accompanied by Minister of Foreign Affairs C. Svoboda, Minister of Defence M. Kostelka and Minister of Industry and Trade M. Urban;
- 17 September – 23 September 2003 – official visit to Tennessee and Texas by President V. Klaus, attending the annual meeting of the Mont Pelerin Society in Chattanooga and a conference organised by the National Centre for Political Analysis in Houston;
- 12 October – 18 October 2003 – working visit to Washington D.C. and Florida by Vice-president of the Senate M. Topolánek;
- 18 November – 22 November 2003 – working visit to Washington D.C. by President V. Klaus; the programme included a meeting with Vice-president R. Cheney; the visit was linked to a conference of the CATO Institute.

### *Visits by representatives of the USA:*

- 15 December – 16 December 2003 – working visit by Secretary of Commerce D. Evans.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	93,212,556	79,014,976	78,338,743	2.7839
	year-on-year index	110.8	84.8	99.1	
Exports	CZK thousands	38,016,369	35,743,500	33,406,349	2.4359
	year-on-year index	120.4	94.0	93.8	

Imports	CZK thousands	55,196,187	43,271,476	44,932,394	2.9995
	year-on-year index	105.1	78.4	103.5	
Balance	CZK thousands	-17,179,818	-7,527,976	-11,526,045	
Foreign investments – incoming	direct (CZK thousands)	9,144,600	4,549,300	5,745,300	
	portfolio (CZK thousands)	no record	21,500,000	39,100,000	
Foreign investments – outgoing	direct (CZK thousands)	727,600	388,100	390,700	
	portfolio (CZK thousands)	20,985,000	27,108,800	18,310,700	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)

2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: electrical and electronic products, computer technology, agricultural tractors, trolleybuses, compression ignition engines and pumps for compression ignition engines, aircraft structural components, sporting aircraft, organic and inorganic chemicals, healthcare technology, steel and steel products, household glass, glass jewellery, machine tools and textile machines, pumps, fittings, furniture, light fittings, sporting arms and ammunitions, toys, musical instruments, textile, tyres, plastic industry products, household electrical appliances, electrical hand-tools, automobile components, air conditioning units, beer, chocolate products etc.

The Czech Republic's principal import commodities: civil aircraft and aircraft parts, industrial machinery, electrical machinery, office equipment and computer technology, healthcare technology, medicaments and pharmaceutical products, telecommunications equipment, power-system equipment, industrial machinery and plant, transport vehicles etc.

### *Cultural Relations*

The Scena Theatre staged a performance of V. Havel's play *Memorandum* in Washington D.C. The capital also hosted performances by jazz vocalist E. Suchánková, rock band Psí vojáci, folk-rock band Čechomor and singer/songwriter J. Nohavica. Jazz pianist E. Viklický performed in Hollywood. One special event was a performance by guitarist G. Lucas, who presented original renditions of Czech musical works ranging from B. Smetana to the Plastic People of the Universe to mark the 14<sup>th</sup> anniversary of the Velvet Revolution. The "Czech Music Series" also continued, featuring works by A. Dvořák, L. Janáček and B. Martinů. Other successes included a performance by violinist I. Ženatý and a concert by the Škampa Quartet. A group of Czech musicians from the Janáček Academy of the Performing Arts visited California, where, in an innovative project, they presented the works of the youngest generation of Czech composers in the form of concerts and seminars.

There were exhibitions of photographs by J. Šibík and J. Všetěčka, titled “The Devil In Us” and “Prague Pedestrian” respectively. The “Permanent Festival of Czech Films on Video” continued in Los Angeles, opened with an evening devoted to director J. Weiss.

Czech is taught at eighteen universities in the USA. There is great demand for language courses in the Czech Republic.

Czech compatriot community, organizations and individuals were urged to help preserve Czech archival holdings in the USA. In order to achieve this goal the Czechoslovak Society of Arts and Sciences organised a conference in Washington in November. The National Czech and Slovak Museum in Cedar Rapids, Iowa, put on an international conference titled “The Twentieth Century of Czechs and Slovaks in Retrospective”.

## UNITED STATES OF MEXICO

The Czech Republic has for long had friendly relations with Mexico and these developed in a number of areas in 2003.

Trade and economic ties were positively influenced by the Czech Republic’s preparations to join the European Union; this led to an increase in trade exchange. Mexican firms are behind major investments in the Czech Republic.

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

- 29 September – 6 October 2003 – visit by a delegation of the Senate Constitutional Committee;
- 23 October – 28 October 2003 – working visit by Deputy Minister of Foreign Affairs P. Vošalík;
- 3 November – 6 November 2003 – Deputy Prime Minister P. Mareš attends the Global Forum as part of the National Week on Innovation and Quality in Government.

### *Economic Relations*

		2001	2002	2003	Share of 2003 Aggregate Indicators (%)
Turnover	CZK thousands	3,017,211	2,577,157	3,457,149	0.1229
	year-on-year index	107.3	85.4	133.7	
Exports	CZK thousands	1,106,783	935,616	1,462,988	0.1067
	year-on-year index	115.5	84.5	156.4	
Imports	CZK thousands	1,910,428	1,641,541	1,994,161	0.1382
	year-on-year index	103.1	85.9	121.5	
Balance	CZK thousands	-803,645	-705,925	-531,173	
Foreign investments – incoming	direct (CZK thousands)	200,000	29,500	150,000	
	portfolio (CZK thousands)	no record	no record	no record	
Foreign investments – outgoing	direct (CZK thousands)	0	0	-9,700	
	portfolio (CZK thousands)	113,000	398,600	243,600	

Sources: 1) General Directorate of Customs, January 2004 (foreign trade figures)  
2) Czech National Bank, March 2004 (investment figures)

The Czech Republic's principal export commodities: components for the power sector, machine engineering products, textile machinery, footwear-manufacturing machinery, leatherworking machinery, machine tools, other machinery and plant, glass and metal jewellery, chemical and pharmaceutical products, polygraphic machines, glass, porcelain, metal pipes, ball-bearings, musical instruments, consumer goods.

The Czech Republic's principal import commodities: machine engineering products, transistors, diodes, electrical instruments, telecommunications apparatus, chemicals, paper and cardboard.

### *Cultural Relations*

The most prestigious Mexican daily *El Reforma* published a special supplement on the Czech Republic in February 2003, dedicated to the 80<sup>th</sup> anniversary of the establishment of diplomatic relations with Czechoslovakia and the 10<sup>th</sup> anniversary of relations with the Czech Republic.

The Czech String Duo of Martin Sedlák and Lucie Sedláková gave a concert during the May Cultural Festival in Guadalajara.

An exhibition of photographs titled "Retrospective" by Czech photographer J. Koudelka opened in Mexico City.

Direct co-operation between universities is going ahead very successfully. More than one hundred students spent a month studying in the Czech Republic in summer 2003 under co-operation between Charles University and the Monterrey Institute of Technology. Two Czech students studied in Mexico under co-operation between the Prague School of Economics and the Monterrey Institute of Technology.

### **III. THE ECONOMIC DIMENSION OF THE MINISTRY OF FOREIGN AFFAIRS' FOREIGN POLICY**

#### **1. Economic diplomacy and pro-export activities of the Ministry of Foreign Affairs**

Economic diplomacy is one of the fundamental tools of the Czech Republic's external economic relations and pro-export activities. In 2003 the Ministry of Foreign Affairs continued to regard actively protecting and asserting Czech economic interests abroad, including direct and indirect support for Czech firms on foreign markets, as one of its priority tasks. The Ministry focused primarily on improving the quality of the work of diplomats in economic sections ensuring that their work is more effectively co-ordinated. In doing so, it worked closely with other departments, most notably the Ministry of Industry and Trade of the Czech Republic.

Looking after the economic dimension of bilateral relations was therefore one of the main tasks for Czech embassies abroad. Czech embassies in 66 countries – important or potentially important trading partners – have economic sections with over a hundred diplomats are engaged solely in this work. In other countries the economic and trade agenda comes under the care of diplomats who are assigned to tasks in other areas as well, e.g. visa, consular, political or cultural work. One new element in 2003 was that the offices of foreign branches of state agencies dealing with export support and incoming foreign investment (Czech Trade, Czech Invest) were integrated into the structure of the Czech Republic's embassies.

2003 was the fifth year of implementation of the Co-operation Agreement between the Ministry of Foreign Affairs and the Ministry of Industry and Trade in matters related to the execution of foreign-trade policy, foreign trade and export support in the work of the Czech Republic's foreign service. Both the Ministry of Foreign Affairs and its embassies treated supporting Czech exports as a priority and exercised effective synthesis and co-ordination of all the dimensions of the work of foreign missions. The Ministry advocates the thorough and intensive use of the existing network of embassies and looks for synergies in export support. Effective synthesis and co-ordination of all dimensions of the work of Czech embassies was exercised, including the work of the foreign branches of budget-subsidised organizations of the other concerned departments.



## **Embassies**

The common goal of Czech embassies' liaison, information and pro-export activities is to assert Czech economic interests and raise the general awareness of the Czech economy, including its production potential and opportunities for imports from the Czech Republic.

In their liaison work, the embassies' main task was to establish and strengthen personal contacts at ministries, in economic institutions and in important firms abroad. Embassies conducted talks on possible new forms of co-operation with representatives of economic chambers, professional federations and other enterprise organizations in the country they operated in. They mainly concentrated on raising awareness of business opportunities. Their goal was to present the Czech Republic externally as a developed country with strong cultural, democratic and industrial traditions and a skilled workforce, as a reliable trading partner and a safe destination for foreign investments.

In conducting their liaison work, embassies actively worked with other representations of Czech pro-export organizations in their country of operation. The foreign branches of the state agencies promoting exports and incoming investments, CzechTrade and CzechInvest respectively, were incorporated into embassy structures in 2003. The aim was to ensure that the work of institutions carrying out the supporting role of the state in foreign trade, promoting exports and attracting foreign investments was better co-ordinated and more effective. Embassies played a major role in adapting treaty arrangements in connection with the Czech Republic's accession to the European Union.

In their information work, embassies supplied state authorities and the enterprise sphere in the Czech Republic with key information on trade policy in individual countries, investment opportunities, customs rules, the opportunities and conditions for exports, and in some cases about changes affecting the business environment, the terms of public tenders and trade or other business opportunities. Embassies also monitored the implementation of existing bilateral treaties or commitments stemming from multilateral agreements. They also monitored information about standards and certification of local products and passed on information about new legal, tax and customs matters related to importing and exporting. Last but not least, embassies also sought out and recommended suitable international trade fairs and exhibitions for Czech exporters to show at.

In their promotional work, embassies strove to raise awareness of the standard of the Czech economy and the diversity of the enterprise sphere and its production and export potential. The most widely used method was organising acquisition events, specialist seminars

and what are known as “Czech Days” in their country of operation. Embassies also played an active role in organising business missions both in the Czech Republic and in their country of operation.

Co-operation with local business media was also important. Embassies saw to the necessary publicity, particularly in connection with Czech firms’ participation in trade fairs and exhibitions, with visits from the Czech Republic and significant anniversaries.

### **Economic sections of embassies**

Economic sections are an integral part of embassies in countries that are important or potentially important trading partners for the Czech Republic. Their work is mainly composed of monitoring, information and analysis work regarding economic developments in a given country and bilateral economic relations with the Czech Republic; promoting and asserting the interests of Czech enterprise on the local market; giving advice for establishing contacts and export support; maintaining contacts with foreign partners in the interests of expanding bilateral ties; presenting the state as a reliable trading partner and a good potential country for investors; conceptual work in bilateral economic relations; performing tasks set by Czech state authorities etc.

### **Consulates General**

General Consulates are another part of the network of the Czech Republic’s official representation abroad. Although the work of General Consulates focuses primarily on consular and visa matters, asserting the Czech Republic’s economic and trade interests in the area in question also forms part of their work.

### **Honorary Consulates**

Honorary Consulates are established to promote the Czech Republic’s interests in regions of foreign countries or in countries where the Czech Republic does not have any other diplomatic mission. Honorary consuls are usually citizens of the host country with extensive

experience of industry and trade in their country. The choice of honorary consuls accents more and more these people's ability to manage not just the representational and consular agendas but also, if possible, the agenda of economic diplomacy. Unfortunately, the potential of honorary consuls has not yet been put to use systematically for Czech pro-export objectives.

### **Permanent Missions to international organizations**

The Czech Republic also actively asserts its political, economic and trade interests in international organizations. The Czech Republic is a member of more than 100 international organizations; in 56 such institutions it operates at governmental level (the WTO, OECD, IMF etc.). The Czech Republic has permanent missions to the most important organizations; there are currently six Permanent Missions: to the European Commission in Brussels, to NATO in Brussels, to the OECD in Paris, to the UN in New York, to the UN and other international organizations in Geneva, and to the UN and UNDCP in Vienna. Through these missions, the Czech Republic adopts standpoints on the broad range of issues dealt with in these international organizations and presents and defends the relevant policies of the Czech government. This exacting area of multilateral diplomacy makes an effective contribution towards positive perceptions of the Czech Republic's economic environment and political culture abroad.

In its work with permanent missions and representations in 2003, the Ministry of Foreign Affairs actively supported the trade activities of Czech firms seeking to register and engage in the supply systems of international organizations, programmes, funds and peace missions. Nearly twenty Czech firms were awarded the necessary certification in 2003 and are now included in the lists of contractors for these systems. Successful registration in the systems and certification of Czech products bring the opportunity to regularly compete in the announced tenders. Several Czech businesses have already won tenders and their products are now in use. Even though the contracts to date have not been extensive, this is an initiative with important non-economic impacts as well.

One enduring task shared by the Ministry of Foreign Affairs and all diplomatic missions to international organizations is to increase the number of Czech experts in these organizations – not just in their secretariats, but also in missions, development programmes and projects.

## **Czech Centres**

As regards pro-export activities, Czech Centres concentrated chiefly on corporate presentations or providing general information on trade and economic matters. In 2003 Czech Centres continued to promote the regions of the Czech Republic and broker appropriate contacts. This was done under the “Regions” project, whereby, for example, the Vysočina Region was presented in France. Czech Centres also continued to carry out long-term projects, such as presenting Bohemian and Moravian viticulture and winemaking abroad.

The Czech Centres Administration actively contributed to a publication called *Doing Business in the Czech Republic* and other publications and helped distribute them in the place of their offices abroad. The [www.export.cz](http://www.export.cz) internet server operated by the Czech Centres Administration offered an up-to-date database of demand enquiries by foreign candidates interested in co-operating with Czech firms and territorial information mediated by embassies. This website was technically modernised and its visual design improved. The system for inputting data was changed and the amount of time needed for their publication was reduced. Access to the server is constantly increasing.

## **Scientific research**

The Ministry of Foreign Affairs supported scientific research into the world economy, including certain historical aspects. The following projects, approved in 2002, continued in 2003:

- Analysis of cross-border co-operation with neighbouring countries.
- Migration to the Czech Republic from Asian countries.
- Offset talks between Czechoslovakia and the USA, Great Britain, France, the Netherlands, Belgium, Switzerland and Austria from 1945 to 1982 and their relation to property matters in the post-war period.
- The Aryanisation and Germanisation of securities as a tool for suppressing the Jewish and Czech element in large-scale enterprises in the Protectorate of Bohemia and Moravia and the Sudeten German Province.

Under public tender, the Ministry of Foreign Affairs’ Scientific Council awarded grants to the following research projects with economic themes in 2003:

- Czech economic-policy strategy regarding the current process of enlargement of the European (Monetary) Union.
- Analysis and expected development of regions on the Czech-German border.
- Analysis of the implementation of OECD recommendations from the point of view of the formation of the Czech government's economic policy.
- The boom in the world economy.
- Czech foreign aid in connection with accession to the EU.
- Marketing the Czech Republic – challenges and tasks for Czech economic diplomacy.
- The debate on the future of Europe and the Czech Republic.
- Expected impacts of EU accession on the Czech population's standard of living.
- Analysis of cross-border co-operation with individual neighbouring countries.
- The impacts of the Czech Republic's accession to the EU on Czech foreign trade with developing countries, concentrating on sub-Saharan Africa.
- International sanctions (UN, EU, OECD, unilateral sanctions) as a tool of coercion in disputes in international relations and their place, role and impacts on Czech foreign policy.
- Migration to the Czech Republic from Asian countries.
- Offset talks between Czechoslovakia and the USA, Great Britain, France, the Netherlands, Belgium, Switzerland and Austria from 1945 to 1982 and their relation to property matters in the post-war period.
- The Aryanisation and Germanisation of securities as a tool for suppressing the Jewish and Czech element in large-scale enterprises in the Protectorate of Bohemia and Moravia and the Sudeten German Province.
- The role of banks in the process of the Aryanisation and confiscation of enemy property from 1938 to 1945.

### **Internal co-ordination of external economic relations and foreign trade**

In its co-ordinating role in external economic relations the Ministry of Foreign Affairs makes active use of a number of interdepartmental instruments. The body dealing with the implementation of the Co-operation Agreement between the Ministry of Foreign Affairs and the Ministry of Industry and Trade in exercising foreign-trade policy and supporting exports in

the work of the Czech Republic's foreign service is a joint working group of the two ministries. The working group operates at the level of deputy ministers of the two ministries and concentrates on matters related to making the work of the economic sections of Czech embassies more effective. The Ministry of Foreign Affairs is also a member of the Czech Council for Enterprise and Export Support, which is an interdepartmental co-ordinating and advisory body for state support for enterprise and exports. It analyses the situation in various areas of state support and issues recommendations for the appropriate bodies and institutions. In the Council the Ministry of Foreign Affairs also contributes to the Integrated Information System for Czech entrepreneurs.

In 2003 the Ministry made active use of its shareholders' rights in the Export Guarantee and Insurance Company and the Czech Export Bank. The Ministry of Foreign Affairs was also a member of the interdepartmental offset commission headed by the Ministry of Industry and Trade. The foreign ministry also worked closely with the Economic Chamber of the Czech Republic, mixed chambers of commerce and trade unions in organising business missions to accompany foreign visits made by members of government and the President of the Czech Republic. Representatives of the Ministry took part in tenders for official participation of the Czech Republic at international trade fairs and exhibitions (coming under the authority of the Ministry of Industry and Trade).

## **2. Selected statistical indicators of economic development in the Czech Republic in 2003**

### **Gross domestic product**

Gross domestic product grew by 2.9% at fixed prices. In current price terms, it grew by CZK 134.5 billion to CZK 2,410.1 billion.

On the supply side, gross added value at fixed prices increased by 2.6%, mainly owing to its growth in the transport, warehousing, communications, motor vehicles trade and repair sectors, and in the processing industry. Conversely, agriculture registered a decline in gross value added.

Developments in aggregated demand (at 1995 fixed prices) were differentiated; expenditure on end consumption and on generation of capital both rose by 4.1%. Household

expenditure was up 5.5%. Expenditure by government institutions remained at the level of the previous year. Generation of gross investment capital rose by 3.7%.

## **Industry**

Industry's successful development from previous years continued in 2003. Industrial output increased by 5.8%; industrial enterprises' revenues were up 5.4%.

The growth in industrial output was accompanied by a sharp increase in work productivity and a fall in wage costs.

Revenues from direct exports of industrial enterprises rose by 8.8% in real terms and 9.7% at current prices to account for 46.3% of industrial enterprises' total revenue. The biggest increase at current prices was achieved in the following sub-sectors: manufacture of electrical and optical instruments and apparatus (up 17.1%), manufacture of rubber and plastic products (up 16.2%) and electricity, gas and water generation and distribution (up 15.3%).

Revenues from industrial activities of enterprises under foreign control increased by 7.1% in real terms (7.0% at current prices) to account for 48.5% of their total revenue. Revenues from direct imports in these enterprises grew by 10.3% (10.6% at current prices) to make up 70.0% of their total revenue.

## **Construction**

Construction registered substantial growth in 2003 – 8.9%. This growth was the second biggest since 1993. Construction output increased mainly as a result of the concentration of work in large-scale engineering and land building projects (bypasses around big cities, railway corridors, the metro and tram track in Prague, Europark-style commercial and leisure centres), and the expansion of housing construction supported by mortgages and building saving.

Large building firms with 500 plus employees made substantial improvements in work productivity.

## **Agriculture**

The harvested area of cereal crops, including corn maize, fell by 102,400 hectares, i.e. 6.6%, to 1,459,700 hectares in 2003. The total harvest was 1,008,400 tonnes smaller than in 2002, i.e. a fall of 14.9%. The yield per hectare of cereal crops was 0.38 tonnes lower than in 2002. Fruit and vegetable production, including small growers, was also down from the previous year.

Pork production in 2003 remained at almost exactly the same level as in the previous year. Pork imports rose by 17.6% year-on-year, whereas exports fell by 43.1%.

Beef and veal production in 2003 fell by 1.3% year-on-year. Beef imports were up 59.0% on the previous year, while exports fell by 68.6%.

Purchases of milk rose by 0.3% in 2003.

### **The consumer prices index in 2003**

The average year-on-year rate of inflation in 2003 was 0.1%. Overall, goods prices were 1.4% down, while the price of services was up 2.9%. The deflationary impact of this part of the consumer basket was to a large extent compensated by an increase in housing costs. Net rent was 4.2% higher in 2003, with the rise in the first six months of the year amounting to 8.7%. The price of water supplies rose by 5.5%, sewerage by 5.4% and garbage collection by 8.3%.

### **Unemployment, real and nominal wages**

The rate of registered unemployment rose to 10.3% at the end of last year. There were 542,000 people registered unemployed with the labour offices in December 2003, which is 0.6 percentage points higher than in 2002. The slowdown in the rate of growth of average nominal wages continued in 2003. The average wage was CZK 16,917, which is CZK 1,083 (6.8%) more than in the previous year. In 2002 the average wage rose year-on-year by 7.2% and in 2001 by 8.7% even. However, the increase in real wages accelerated as a result of developments in consumer prices. With the consumer prices index up by 0.1%, real wages in 2003 grew by 6.7%, in 2002 by 5.3% and in 2001 by 3.8%.

### **Foreign trade development in 2003**

Foreign trade turnover grew by CZK 233.9 billion, i.e. 9.1%, to CZK 2,814.0 billion, whereby the rate of export growth exceeded the rate of import growth by 0.5 percentage points. The foreign trade deficit remained roughly the same as in 2002.

In terms of the territorial structure of foreign trade, developed market economies, and particularly EU countries, took a greater share of total exports. Conversely, their position in total Czech imports weakened. The foreign trade surplus with EU countries grew sharply. In terms of commodity structure, machinery and transport vehicles came to account for a greater proportion of both total exports and total imports. The foreign trade deficit in chemicals and related products increased.



Foreign trade in 2003 was affected by a number of external and internal factors, among them:

- changes in prices of various commodities on world markets;
- the Czech crown's continuing different development against the Euro and the US dollar;
- the economic situation in the world, chiefly in the USA and EU countries;
- strong domestic consumer demand;
- the influence of direct foreign investments on economic activity;
- the growth in industrial output and revenues from industrial activity.

A considerable part of the strong domestic consumer demand was covered by imports of industrial and foodstuffs consumer goods (up 8.7% year-on-year). By contrast, the weak domestic investment demand, influenced by a lack of finances in Czech firms, resulted in reduced imports.

Exports in 2003 rose by CZK 117.0 billion from 2002 (9.3%) to reach CZK 1,371.4 billion. The increase in exports accounted for more than half the overall growth in the foreign trade turnover. The overall export growth was aided by the above-average increase in exports to developed market economies (10.2%), mainly EU countries. Exports to EFTA states and other developed market economies were down by 3.4% and 4.9% respectively, however. The below-average growth in Czech exports to European transition economies and states of the Commonwealth of Independent States was largely due to a fall in exports to Russia. Exports to CEFTA states rose by an above-average degree (10.0%, 12.9% in the case of exports to Slovakia). Exports to developing countries fell again (by 8.5%).

Imports rose by CZK 116.9 billion (8.8%) to CZK 1,442.6 billion. Imports from China registered high relative growth and above-average growth was also evident in imports from developing economies and European transition economies and the Commonwealth of Independent States (altogether these states accounted for 41.3% of the year-on-year increase in imports).

The foreign trade deficit amounted to CZK 71.2 billion. In terms of individual states, the foreign trade deficit is highest relative to China (CZK 68.5 billion) and Russia (CZK 49.2 billion). The balance of trade was positively affected mainly by the increased surpluses with Austria (up CZK 12.0 billion) and Germany (up CZK 10.9 billion), as well as the Netherlands, Slovakia and Great Britain, and by the fall in the balance of trade deficit with Italy.

The following are the most notable features of the commodity structure of foreign trade in 2003 compared to 2002:

- above-average growth in exports of machinery and transport vehicles;
- below-average growth in exports and imports of market products categorised by type of material;
- a fall in the foreign trade surplus in industrial consumer goods by approximately CZK 1 billion;
- higher growth of imports of chemicals and related products;
- increased imports of raw materials and mineral fuels and the positive difference between import growth and export growth in agricultural and foodstuffs raw materials and products.

#### *Development of price indexes in foreign trade in 2003*

The year-on-year indexes of monitored world prices of industrial raw materials and foodstuffs registered growth of as much as 17.3% in 2003.

In terms of yearly averages, export prices have been ahead of import prices since 2001, so rates of exchange have remained in positive values. They are most favourable in machinery and transport vehicles, where they reached a value of 102.3% in the yearly average for 2003.

#### **Balance of payments development in 2003**

The balance of payments current account ended with a deficit of CZK 157.2 billion in 2003. Besides the negative balance in trade and positive balance in services and ordinary transfers, this was largely due to the CZK 116.6 billion deficit in the balance of revenues. The balance of payments capital account finished the fourth quarter almost even, with little change to the volume of collections and payments during the year. The balance of payments financial account achieved a surplus of CZK 163.9 billion. Direct foreign investments (DFI) achieved a positive balance of CZK 66.4 billion, with an influx of CZK 72.9 billion worth of DFI to the Czech Republic in 2003. Of this, registered capital and reinvested profit amounted to CZK 66.8 billion and other capital CZK 6.1 billion. The main volume of DFI was channelled into the commercial sector and expanding commercial networks, into real estate trade, business-to-business services, financial brokerage etc. In terms of the territorial structure of DFI, Germany, France and Great Britain strengthened their positions. Outgoing DFI by Czech enterprises

more than doubled (to CZK 6.55 billion), particularly as a result of financial credits provided to foreign subsidiaries.

### **State budget**

The state budget finished 2003, in treasury terms, with a deficit of CZK 109.1 billion. Compared to 2002 there was a further CZK 63.3 billion increase in the state budget deficit. Compared to the approved, modified budget, however, this deficit was CZK 22.6 billion lower. The state budget deficit represented 4.5% of nominal GDP, which is an increase of 2.5% from 2002.

### **Public budgets deficit and the state debt**

The public budget deficits continued to worsen in 2003; the tempo was slower than in previous years, however. The total public budgets deficit, including net loans, reached CZK 134.2 billion in 2003, i.e. 5.6% of GDP.

The government debt for 2003 amounted to CZK 554.3 billion, i.e. 23.0% of GDP, according to preliminary estimates. The year-on-year growth of the government debt was set to reach as much as 24.7% of GDP in nominal terms, which represents the biggest acceleration since 1993.

## **IV. HUMAN RIGHTS IN THE CZECH REPUBLIC'S FOREIGN POLICY**

Human rights remained one of the Czech Republic's foreign policy priorities in 2003. The Czech foreign policy on human rights was exercised mainly in multilateral forums, particularly within the UN, the Council of Europe and the OECD, and at a wide variety of international conferences. The Czech Republic took part in negotiating treaties, talks and information activities. The Czech Republic strove to bolster its activities in the Working Party on Human Rights of the Council of the European Union (COHOM). The Czech Republic continued to strengthen its standpoints on issues still open, such as the rights of the child, protection from torture and other inhuman treatment, the fight against racial discrimination (including the Roma question) and the issue of refugees.

### **THE UNITED NATIONS ORGANISATION**

*59<sup>th</sup> session of the UN Human Rights Commission in Geneva (20 January 2003 and 17 March – 25 April 2003)*

In 2003 the Czech Republic continued to be one of the most active countries from the Central and Eastern Europe regional group, particularly in terms of the number of resolutions it co-sponsored.

A total of 68 resolutions, 18 decisions and 3 presidential declarations were made during the session of the UN's Human Rights Commission. The most closely watched resolutions focused at individual countries were, in view of current developments, those on the situation in human rights in Iraq, Cuba and North Korea.

The Commission's session was influenced by the current international political situation. Some countries, headed by Syria, Libya and Cuba, tried to take advantage of the special session on the Iraqi question to criticise the coalition of countries waging war on the Iraqi regime. The Cuban delegation even tried to exploit developments in Iraq in its speech against the draft resolution on the situation in human rights in Cuba, even though the legitimacy of this resolution was enhanced in 2003 by the Cuban government's repressive treatment of opponents of the regime; what is more, the text of the resolution, prepared by

Latin American countries, was very soft, and essentially procedural. Even Costa Rica's attempt to propose an annex condemning the ongoing repressions in Cuba failed.

The most controversial thematic resolution was the Brazilian draft on human rights and sexual orientation. Although entirely anti-discriminatory, it aroused a backlash of opposition in Muslim countries in particular. The deferral of this draft "on procedural grounds" until the next session of the Human Rights Commission created a dangerous precedent for striking troublesome resolutions off the agenda. Another controversy surrounded the resolution on racism, at which the African group successfully lodged an objection to the tabling of a resolution (what is called a "non-action motion"), for the first time in the history of the Human Rights Commission. Consequently, the resolution was not tabled for discussion. This problematic precedent was repeated at the end of the session by Muslim countries during the debate on the resolution on sexual orientation, this time unsuccessfully.

Of the resolutions co-sponsored by the Czech Republic (which also supported all the resolutions tabled by the EU), those on Chechnya, Zimbabwe and Sudan were not adopted and the resolution on matters of sexual orientation was deferred. The Czech Republic joined EU in all thirteen speeches; it also delivered one speech on two topics (the rights of the disabled and the organization of the Commission's work). The Czech Republic was not the main author of any resolution in 2003.

The close co-operation between the Czech Republic and the European Union was a new element of the Czech participation in the Commission's sessions in 2003. This made the Czech Republic's presentation of the Czech foreign policy on human rights easier.

#### *58<sup>th</sup> session of the 3<sup>rd</sup> Committee of the UN General Assembly*

In the debate on individual items, the most controversial issues in 2003 were the family, violence against women, the resolution on the human rights situation in Iran, Turkmenistan, Myanmar, the Democratic Republic of Congo and the Japanese text on improving the human rights situation in Cambodia (the Czech Republic supported all these resolutions). The Committee adopted a total of 75 resolutions and 13 decisions.

The Czech Republic was the most active of all the EU accession countries in the Committee in 2003. Besides its involvement in joint EU speeches, the Czech Republic delivered one speech of its own on the implementation of instruments in human rights. In the case of split EU voting positions, the Czech Republic was usually party to the wing that demanded stronger formulations and sought to prevent dualities in the work of the Human

Rights Commission and the General Assembly, to minimise the budgetary implications of adopted decisions and to confine its co-sponsorship to texts with considerable added value, both substantive and political.

#### *The Czech Republic's candidacy to the Anti-torture Committee*

In 2003 there was a campaign to elect the Czech Republic's candidate to the Anti-torture Committee. Elections for the 2004-2007 term of office took place on 26 November 2003 in Geneva at the 9<sup>th</sup> sessions of signatories to the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment. Experts from the USA, Chile, Senegal, Cyprus and Ecuador were elected to the Committee. The Czech candidate won 68 voices, 3 fewer than was necessary for election, and finished in 6<sup>th</sup> place, one place below the cut.

#### *Convention on Protection of the Human Rights of the Disabled*

The second session of the Ad Hoc Committee of the General Assembly of the United Nations took place in New York on 16 June – 27 June 2003 and considered proposals for a comprehensive and integral international convention on the promotion and protection of the rights and dignity of persons with disabilities. The Czech Republic's categorical support for the adoption of the new convention to protect the human rights of the disabled was also declared through the Czech representative holding the position of vice-chairwoman of the Ad Hoc Committee's office.

#### *Review of the 2<sup>nd</sup> periodical report on measures adopted to implement the Convention on the Rights of the Child in the Czech Republic*

On 24 January 2003 the 2<sup>nd</sup> periodical report on measures adopted to implement to the Convention on the Rights of the Child in the Czech Republic was discussed in the UN Committee for the Rights of the Child in Geneva. The Committee appreciated the high level of the delegation despatched by the Czech Republic, headed by the government's human rights commissioner, and commended the amendment of applicable legislation and the adoption of new legislation to reinforce the rights of children. The Committee identified socio-economic problems related to the transition to market economy as factors preventing full implementation of the Convention; at the same time it took note of the extensive floods that had serious social, economic and ecological impacts.

The Committee regarded the fact that some of its previous final recommendations were not sufficiently acted upon as a fundamental shortcoming, whereby it drew attention primarily to the persisting legislative and organizational defects in the protection of children's rights in the Czech Republic.

The Committee recommended that the Czech Republic submit its 3<sup>rd</sup> and 4<sup>th</sup> reports together by 30 June 2003. The Czech government received a list of the Committee's final recommendations and instructed individual departments to implement them.

*Discussion of the 5<sup>th</sup> periodical report on implementation of the International Convention on Elimination of All Forms of Racial Discrimination in the Czech Republic*

The report was discussed in the UN Committee on the Elimination of Racial Discrimination in Geneva on 7 August – 8 August 2003.

The Committee welcomed the Czech Republic's legislative efforts designed to implement the provisions of the Convention, especially in the area of protection of national minorities, as well as the amendment of the criminal code adopted in 2002 and the amendments of the civil court procedural rules concerning the reversal of onus. The Committee commended the existence of a number of government advisory bodies dealing with human rights and specific measures, programmes and strategies designed to improve the situation of Roma citizens.

The Committee was particularly interested in the social, security and legislative aspects of the status of Roma in Czech society and affirmative action programmes.

The Committee summarised its appraisal of the Czech Republic in terms of the upholding of the human rights as contained in the Convention in its final recommendations and recommended that the Czech Republic submit its 6<sup>th</sup> and 7<sup>th</sup> reports together by 1 January 2006.

*Regional seminar of the UN High Commissioner on implementation of the conclusions of the World Conference against Racism*

On 24 September – 26 September 2003 the Ministry of Foreign Affairs of the Czech Republic hosted a regional seminar organised by the UN High Commissioner for Human Rights. The seminar was devoted to implementation of the conclusions of the UN World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance (NB: the conference took place in 2001 in Durban, South Africa). The seminar was conceived for

the group of East and South European states, so its content was proposed with regard to this region's specific problems.

The basis for the discussion were speeches by experts on a range of subjects concerning the rights of persons belonging to national, ethnic, religious and linguistic minorities, increasing Roma participation in political and economic life, xenophobia etc.

At the end of the seminar, recommendations were adopted on individual areas; these recommendations will be submitted to the 60<sup>th</sup> session of the UN Human Rights Commission (spring 2004) as a regional contribution to the implementation of the Conference's conclusions.

## **THE ORGANISATION FOR SECURITY AND CO-OPERATION IN EUROPE**

Throughout the entire year the Czech Republic was actively involved in the work of the Human Dimension of the OSCE as organised by the OSCE Office for Democratic Institutions and Human Rights. Czech delegations took part in all meetings during the year and presented actions performed in the Czech Republic in order to improve the state of human rights. The delegations informed about attitudes in the Czech Republic in individual areas of the protection of human rights and were prepared to react constructively to any criticism.

The Czech Republic was actively involved in drawing up two OSCE Action Plans adopted at the December OSCE Ministerial Council. These plans deal with procedures for tackling human trafficking and the disadvantaged status of Roma in society.

The core of the Action Plan against Human Trafficking is to ensure that perpetrators are successfully prosecuted, victims are helped effectively and the phenomenon as a whole is prevented. Given the cross-border nature of human trafficking, great emphasis is placed on effective co-operation between states. The National Strategy to Combat Human Trafficking for the Purposes of Sexual Exploitation, adopted by the Czech government in September 2003, conforms to this Action Plan.

The Action Plan to improve the status of Roma and Sinti stresses the principle that members of the Roma community actively participate in preparing and implementing projects and measures to improve their position and propose specific measures to do in legislation, the police, the media, social issues, education and other areas. An additional session of the Human Dimension dealing with Roma and Sinti (Vienna, 10 April – 11 April 2003) was devoted to discussing this issue; there an appeal was heard for increased Roma participation



in the election process. As every year, the Czech Republic gave a voluntary contribution of USD 10,000 to the work of the Contact Point of the OSCE Human Dimension for Roma and Sinti.

*OSCE Conference on Anti-Semitism (Vienna, 19 June – 20 June 2003)*

Besides Ministry of Foreign Affairs staff, the Czech delegation also included experts from key institutions and associations dealing with this issue. The Czech delegation helped formulate the joint declarations of the EU and acceding countries expressing support for the fight against anti-Semitism and for engaging governments, non-governmental organizations and the media and the general public in the fight against anti-Semitism.

The Czech delegation presented successful projects executed in the Czech Republic and distributed information materials on the “Vanished Neighbours” and “The Terezin Monument Seminar for Teachers in the Czech Republic”. J. Munk gave a lecture on anti-Semitism and rightwing extremism in the Czech Republic as a contribution to the education bloc called “Why Teach the Holocaust”.

*Additional session of the Human Dimension – Freedom of Belief and Religion (Vienna, 17 July – 18 July 2003)*

The Czech delegation distributed a material informing about the implementation of the freedom of faith and religion in the Czech Republic and was involved in formulating this conference’s recommendations. These urged states to concentrate more on facilitating enforcement of the law on religious freedom, applying restrictions on the right to freedom of religion only in exceptional and well-founded cases and by law, promoting dialogue, investigating and punishing cases of religious intolerance, actively supporting a culture of tolerance and guaranteeing churches access to the media and equal treatment by the state for all churches, rather than merely monitoring religious expression.

*Additional session of the Human Dimension – Prevention of Torture (Vienna, 6 November – 7 November 2003)*

The meeting dealt with compliance with the ban on torture in the OSCE region. The meeting agreed that torture was not unknown in developed democratic societies. The Czech delegation informed about the prepared ratification of the Optional Protocol to the UN Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment from 1984.

*Implementation session of the Human Dimension of the OSCE (Warsaw, 6 October – 17 October 2003)*

This was an annual meeting reviewing implementation of the human rights commitments assumed by states in the OSCE. The Czech delegation distributed two materials, “The Concept of Roma Integration in the Czech Republic” and “Measures Adopted in the Czech Republic to Combat Racism”, and took part in compiling the speech by the EU and acceding countries. The delegation also attended informal meetings on the OSCE Anti-Trafficking Mechanism, the official programme and additional informal events organised by individual states and non-governmental organizations.

There were also several consultations between the Czech delegation and non-governmental organizations (the European Roma Rights Centre, the Belarus Human Rights Education Centre).

*OSCE Conference on Racism, Xenophobia and Discrimination (Vienna, 4 September – 5 September 2003)*

The Conference was a complement to and culmination of the series of OSCE meetings in 2003 dealing with the fight against various forms of discrimination and intolerance. The chief aim of the Conference was to allow exchanges of information and experience among various participants in the fight against racism and discrimination. That also predetermined the nature of individual speeches, in which states and organizations presented their activities and measures adopted in this regard.

The European Roma Rights Centre and the International Helsinki Federation for Human Rights criticised the Czech Republic’s anti-discrimination legislation and protection for the Roma minority. In response to this criticism, the Czech delegation prepared a written document clarifying the latest legislative measures to improve the situation of Roma citizens in the Czech Republic and to boost protection for victims of racism. The delegation also distributed a “Report on the Extremism Situation in the Czech Republic in 2002” and information on the activities of the Czech government in combating discrimination, xenophobia and racism. The Czech Republic was actively involved in preparing all speeches by the EU, which it also endorsed.

Besides the aforementioned activities, in 2003 the Czech Republic also took part in two plenary sessions of the International Task Force on the Holocaust in Washington, at which it presented both new projects by Czech research and educational institutions dealing with the Holocaust and the national position on the further working of the International Task

Force. It was also active in the Seminar on the Human Dimension of the OSCE – Women's Participation in Public and Economic Life, held in Warsaw on 13 May – 15 May 2003.

### **Legislative work by the Ministry of Foreign Affairs regarding human rights**

#### *Second Optional Protocol to the International Pact on Civil and Political Rights and 13<sup>th</sup> Protocol to the European Convention on the Protection of Human Rights and Fundamental Freedoms*

The Ministry prepared a government proposal to the Second Optional Protocol to the International Pact on Civil and Political Rights regarding abolition of the death penalty and a government proposal for ratification of the 13<sup>th</sup> Protocol to the European Convention on the Protection of Human Rights and Fundamental Freedoms regarding abolition of the death penalty under any circumstances. (Both protocols are what are known as “presidential treaties”). The Ministry presented these proposals to Parliament on 7 March 2003. The Chamber of Deputies of Parliament expressed its approval of the government proposals on 17 March 2003 and passed them on to the Senate for discussion before the end of the year.

#### *Optional Protocol to the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment*

On 1 January 2003 the UN General Secretary introduced a new international pact for signing and subsequent ratification – the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment, which creates a worldwide system of protection and prevention of torture.

## **V. THE CZECH REPUBLIC'S FOREIGN CULTURAL POLICY**

### **1. Presenting the Czech Republic and its culture abroad**

The cultural dimension of foreign policy is an integral part of diplomacy; as there is increased integration worldwide, there is also a greater need for multicultural communication, motivated by the endeavour to understand different cultures, partly in order to facilitate political and economic contacts.

The Ministry of Foreign Affairs initiates, supports and co-ordinates the involvement of departments and institutions in multilateral programmes under European and worldwide organizations. As regards international cultural events in 2003, the Ministry co-organised the tenth annual film festival of European Union countries, "European Film Days", and helped prepare and organise the "Lidice" International Children's Art Competition and Exhibitions and the "Prague Quadriennial", an international exhibition of stage design and theatre architecture.

In co-operation with the Czech Republic's embassies, the Ministry also staged cultural events in its own exhibition premises in the Tuscany Palace in Prague. The following exhibitions were staged here in 2003: "The Price of Light", "Czech Tracks on the Banks of the Amazon", "Laureates of the Gratias Agit 2003 Prize", "Australian Aboriginal Art", "Czech Art for Brazilian Lidice" and an exhibition of photographs by Albanian artist P. Nače.

Exhibitions form the main component of the Ministry's cultural events abroad. A total of 43 exhibitions were presented in 2003. The Ministry concentrated on presenting various genres, and new exhibitions included "Czech Film Posters", "The Beauties and Mysteries of the Czech Republic", "Contemporary Czech Graphic Art", "The Czech Authors Book", "Václav Havel in Photographs by Tomki Němec", "Czech Tracks on the Banks of the Amazon", "A Collection of Contemporary Czech Photography", "The Humour of Miroslav Barták" and more.

Screenings of Czech films have traditionally been very popular. In 2003 it was mainly new Czech films and films from the 1960s and 1990s that were presented abroad. Close co-operation with the National Film Archives also continued in 2003. Of the dozens of foreign screenings of Czech films that were organised by Czech embassies and met with great success, the 9<sup>th</sup> year of "Czech Film Week" in Zagreb, "The Czech Film Festival" in

Singapore or the series of screenings of Czech films in Latin American countries deserve a special mention.

Authors' book readings and concerts of Czech music, presentations of literature, theatre, puppet theatre, folklore and Czech cuisine are other cultural activities conducted abroad.

The emphasis is placed on combining events in geographical regions and linking them with other promotional activities, such as promotion of tourism and the economy, especially in the form of "Czech Days". One new phenomenon in foreign cultural policy is the "Czech Season", which are specially targeted, multi-genre presentations of Czech culture in partner countries (France in 2002, Russia in 2003).

The main EU programmes to protect cultural diversity are monitored and actively used in connection with the Czech Republic's preparations for EU entry. Special attention was paid to the Czech Republic's involvement in Community cultural programmes (Culture 2000, Media Plus and Media II – Training); in selected EU cultural events (e.g. as part of European Cities of Culture); and as part of the planned Cultural Tourism Network. In science and education, the Czech Republic was again actively involved in the Leonardo, Socrates and Youth for Europe programmes and framework programmes for science and research. Upon joining the EU, the Czech Republic will have the opportunity to take part directly in the formation of European cultural policy strategies.

The work of the Visegrad Group (V4), the Central European Initiative and the Council of Europe also went ahead in 2003. As every year under the Central European Cultural Platform, a joint cultural programme was presented, whose Czech component was prepared by the Ministry of Foreign Affairs. The International Visegrad Fund was again in 2003 an effective tool for supporting co-operation at non-state level.

The promotion of Czech culture abroad is also aided by bilateral, government-level cultural agreements, which declare the common interest of the two concerned states to work together in the field of culture, education, science and, as a rule, youth and sport. Such treaties were signed with Estonia, Poland and Turkey in 2003.

## **2. The media and information**

The overall media image of the Czech Republic during 2003 can be regarded as balanced. In connection with the expected accession to the EU the Czech Republic was

generally presented as a new, full member of this grouping in all political, economic and cultural contexts, including information about the advantages, disadvantages and concerns regarding EU enlargement. Foreign media mainly reacted to the following topics or events: the change of Czech president, the Czech Republic's involvement in the conflict and subsequent reconstruction of Iraq, the referendum on the Czech Republic's accession to the EU and the Czech Republic's final preparations for EU entry. Compared to the previous year, there was less media interest in affairs such as the so called Beneš Decrees, the Temelín nuclear power plant, corruption, prostitution etc. The Czech Republic is the focus of unwavering attention in the fields of culture, music, literature and sport. The Czech Republic, and particularly Prague, has also traditionally the focus of interest from foreign tourists. The trend of presenting the Czech Republic as a reliable trading partner and suitable place for foreign investment is continuing. Mutual bilateral visits without doubt help raise awareness of the Czech Republic.

Czech diplomatic missions seek to create a good image of the Czech Republic abroad: they organise various kinds of events to help actively promote the country, and thus positively influence the image of the Czech Republic in the given territory. Work placements for foreign journalists in the Czech Republic, co-organised by the Ministry, proved an extremely useful way of introducing foreign publics to the Czech Republic.

The Czech Republic has traditionally enjoyed most attention in the European region, principally in the media of neighbouring countries. The Czech Republic's media image in Austria was somewhat more favourable than in 2002, thanks to the drop in tension in mutual relations.

The Czech Republic's image in German media was boosted by the growing stability of Czech-German relations.

There was strong and enduring interest in the Czech Republic in Slovakia, Hungary and Poland. Generally speaking, the media in these countries focused mainly on comparative studies in connection with the approaching accession to the European Union; both the successes and tactics of negotiators in different countries and their overall prospects in the soon-to-be-enlarged Community came in for attention. Awareness of goings-on in the Czech Republic has always been notable, partly owing to the availability of Czech media there. Reports about the Czech Republic appeared regularly in Hungarian media, both informative articles and analyses. Czech news in Poland remained at the existing level. Despite the high level of official contacts, bilateral political relations are not give much room in the Polish

media, yet there was progress in the standard of awareness of the Czech Republic in economic and political terms.

The media in the Baltic states perceived the Czech Republic as a reliable partner in the political, military, economic and cultural spheres.

Other European countries where increased interest in the Czech Republic was registered include Italy, France, the Netherlands, Spain and Portugal. With EU enlargement drawing closer, the local media turned a closer eye to the new member states, especially in the second half of 2003; the electronic media in particular prepared a number of news programmes about the new members that were broadcast in reportage cycles. Compared to the past, these reports stood out by their attempt to differentiate between the future EU members. This is all the more valuable because the media in these West European countries had for long been characterised by a marked tendency to concentrate on domestic topics, and foreign news – bar news about genuinely important events – was not given much room.

In South East Europe the Czech Republic received somewhat haphazard and sporadic attention. Croatia, Albania and Serbia and Montenegro were exceptions. The media in Serbia and Montenegro devoted the Czech Republic more attention than it did to other countries in Central and Eastern Europe, and most of the news cast the Czech Republic in a positive light.

In Eastern Europe, news about the Czech Republic has a specific position in the Russian Federation. The Russian media's interest in the Czech Republic has generally risen, including interest in Czech internal political affairs. The dynamic expansion of political, trade, economic and cultural ties between the two countries played a major role in enhancing the Czech Republic's presence in the Russian media.

The Czech Republic's media image on the American continent varied greatly from country to country and region to region. There were fewer negative news reports in the USA and more positive information. The American media mainly registered the election of a new Czech president and Prime Minister V. Špidla's visit to the USA and meeting with President G. W. Bush. The continuing American investments in the Czech economy were also rated positively. In Central and South America reports about the Czech Republic were usually restricted to coverage of visits by Czech representatives. The Czech Republic continued, however, to be presented as a recommended tourist destination with a good deal to offer in the way of culture, and what is more as a new member state of the EU.

Awareness of the Czech Republic in the Middle East was highest in Israel, Lebanon and Saudi Arabia, where its image was positive. Besides information on political, economic, cultural and sporting life, the Czech Republic was often presented as a representative of the

“New Europe”. The Czech Republic’s endeavour to pursue an even-handed policy on the region and its role in the fight against terrorism were commended.

Despite the low rates of coverage, the Czech Republic enjoyed a generally positive image in Asian countries, mostly in connection with accession to the EU. In Vietnam, South Korea and Thailand, for example, the Czech Republic was given more attention than any other accession country.

As in previous years, the Czech Republic was not at the centre of attention for African media; the level of awareness is comparable with that of other Central and East European states.

### **3. Internet presentation of the Ministry of Foreign Affairs**

The Ministry of Foreign Affairs strives to make its internet presentation as diverse as possible. For that reason the department’s website constitutes a complete information system consisting of 129 different presentations. It is one of the most extensive systems of its kind in the world.

Most of this system is made up of the websites of Czech diplomatic missions; the vast majority of Czech missions abroad operate their own website (e.g. [www.mzv.cz/Washington](http://www.mzv.cz/Washington)), generally using the respective national language, which makes this system entirely unique.

One key website in 2003 was [Euroskop.cz](http://Euroskop.cz), which covers the Czech accession to the European Union and the EU itself. It gave high-quality information on the issue of the referendum on joining the EU, especially at the start of the communication campaign. Other specialised portals include [Export.cz](http://Export.cz), designed to support exports and covering demand for goods and services abroad, among other things. [Czechcentres.cz](http://Czechcentres.cz) presented Czech Centres abroad and mainly cultural activities being undertaken by the Czech Republic abroad. [NATOaktual.cz](http://NATOaktual.cz) informs about NATO and covers the Czech membership of and activities in NATO. [Czech.cz](http://Czech.cz) present the Czech Republic abroad in English.

The Ministry of Foreign Affairs’ hub site [www.mzv.cz](http://www.mzv.cz) offers a wide range of up-to-date information, with detailed coverage of foreign relations issues, a press service for media and a description and calendar of the Ministry’s activities. It also gives the public access to the full set of information on the conditions for travelling abroad (documents, visas, customs and currency regulations, contacts). The parallel English-language version contains information for foreign visitors to the Czech Republic and is used, among other things, as an



important tool for relaying the Ministry's positions to diplomatic missions in the Czech Republic.

In 2003 the Ministry's websites were among the most frequently visited in the state administration system. "Hits" to individual information blocs varied according to the season and the level of public interest in a particular topic at a particular time. By far the most frequently visited section was "Travelling Abroad"; "News", "Information about the Ministry" and "Diplomatic Missions" were also visited frequently. The "States of the World" encyclopaedic handbook also grew in popularity.

As regards specific news topics, in 2003 the Ministry's website brought information on the Czech standpoint on the Iraq conflict and the opportunities for involvement in the post-war reconstruction of Iraq for Czech firms, among other things. The Ministry's website was often quoted by other news servers in 2003.

#### **4. Czech Radio international broadcasting**

One of the important ways of presenting the Czech Republic is international radio broadcasting by Czech Radio 7 – Radio Prague. The purpose of the broadcasts is to provide qualified and objective information about political, economic, cultural and social developments in the Czech Republic. The audience of listeners from Czech communities abroad and friends of the Czech Republic plays an important role in programming. Radio Prague brings information in half-hour news programmes broadcast on shortwave and in six languages: Czech (12 programmes per day); English (13); German (5); French (5), Spanish (8); and Russian (4). Each programme has a fixed structure of content – they contain news reports, news features (including interviews); a selection of Czech press articles and sections dedicated to economics, culture, sport etc. The programmes, which are broadcast at various times and on various shortwave frequencies, cover the main target areas: Europe, the European part of Russia, the eastern part of North and South America and the Middle East. CZK 62 million was released from the state budget for the operation of Radio Prague in 2003.

2003 was a year rich in important events, which Radio Prague duly covered: the presidential elections, the referendum on joining the EU, the government's financial reform, 80 years of Czech Radio, EU summits and meetings, a Week of Czechs Living Abroad etc.

Contacts with Czech compatriots around the world were successfully maintained. Journalists from Czech Radio visited Czech communities in Poland, Croatia, Austria,

Switzerland and Ukraine on various occasions in 2003. The wealth of audio material gathered during these visits was mainly used in Radio Prague's Czechs Abroad section, which systematically maps the activities of Czechs abroad, and partly also in the Czech News magazine.

Co-operation with Czech compatriot radio stations around the world continues; Radio Prague creates regular and occasional programmes for these radio stations, mainly by recycling its own programme stock (Australia: Radio SBS, Radio 4EB Brisbane, broadcasts by the Czechoslovak Club in Adelaide; USA: Radio WCEV Chicago; Croatia: Radio Duruvar; Romania: Radio Timisoara). 145 hours of programmes were sent to Czech compatriot radio stations in 2003.

Radio Prague brought information about the Czech involvement in the international military missions in Kuwait and Iraq and provided a direct communication link between the troops and their nearest and dearest.

A new cultural magazine programme was launched on RFI (Radio France Internationale) in November 2003. The magazine is prepared by the French service of Czech Radio 7. It is the first co-operation of its kind that RFI has undertaken anywhere in the world.

International co-operation in Radio E continues, with contributions supplied by the German and French services. Insight Central Europe, a co-production of six radio stations partly funded by the EU, is by far the most popular programme. In July 2003 Radio Prague launched a website for this programme.

Radio Prague's website received more than 300,00 hits in 2003 – compared to around 180,000 in 2002. In July 2003 the modified version of [www.romove.cz](http://www.romove.cz) was launched in four languages (Czech, English, German and French). Preparatory work started on a website for Czech compatriots abroad.

Other innovations on Radio Prague's website include the "Radio Prague Today" newsletter, featuring news, links to new articles and trailers for coming programmes.

In letters sent to Radio Prague, listeners responded in a very lively fashion to broadcasts (17,000 letters were received in 2003), with, as ever, most letters coming from English- and German-speaking areas.

Radio Prague undertook several technical measures to improve reception of radio broadcasting in areas of Latin America, Germany and Russia, whereby Radio Prague broadcasts, in full or in part, are used by local radio stations abroad; the six stations (three in Russia, two in Spain and one in Mexico) that already did this re-broadcasting have been joined by five more: two in Argentina, and one each in Chile, Mexico and Bolivia.

Radio Prague also pursued its own marketing activities: these were competitions, presentations, participation in international events (meetings of Czech compatriots abroad, media fairs), media co-operation etc.

Radio Prague became the media partner of the “Czech Tracks on the Banks of the Amazon” expedition. The first part of the expedition was a visit to the Amazon basin in search of the tracks left behind by Czech missionaries in this area. The second part of the expedition consisted in exhibitions in South American countries.

Two journalists from the Spanish service of Czech Radio 7 played an important part in a documentary film called *La Primavera de Cuba (Cuban Spring)*, mapping compliance with human rights in Cuba.

## **5. Czech Centres**

The Czech Centres Administration (CCA) is an organization subsidised out of the budget of the Ministry of Foreign Affairs. Its mission is to use the network of Czech Centres to create a good name and positive image for the Czech Republic abroad, along with actively asserting the Czech Republic’s interests and exercising public diplomacy in line with the state’s general diplomacy and foreign policy priorities. Under the statute approved on 28 December 2000, the organization’s main mission is to present the Czech Republic abroad primarily in the areas of culture, trade and tourism. In 2003, 16 Czech Centres operated in 14 European countries, with 1 in the USA and the Czech Centre – Czech House in Moscow, all under the direction of the CCA. In December 2003 a new Czech Centre in Madrid joined the existing network.

In their programme work, Czech Centres put on events presenting the Czech Republic as a developed, democratic and creative country, highlighting its best cultural and social values and its intent to share and also develop this wealth. By supporting Czech exporters and promoting the Czech Republic as an attractive tourist destination Czech Centres helped advance external economic relations.

In 2003 the CCA performed a “CzechDesign” project as part of the third phase of an extensive programme to support the Czech presentation abroad under the title “CzechIdea”. At the start of 2003 the CCA announced a competition for design students – “The Czech Republic and Me”. The aim of the project was demonstrate personal views of Czech identity and to find out how young people perceived their country and how they would like to present

it abroad. Students of graphic design departments of Czech art universities from Prague and Zlín took part in the competition. In the next phase, young artists from abroad will add their views of the Czech Republic.

In collaboration with Jazz Section – Artforum, the CCA organised the 6<sup>th</sup> year of “non-stop reading”; in 2003 the theme was “Life in Truth – A Tribute to Václav Havel”. The aim of the project was to present Czech literature abroad in an interesting way. The event as a whole was supported by an on-line internet broadcast on the CCA website [www.nonstopczech.cz](http://www.nonstopczech.cz). With the help of the Czech Centres abroad, readers took part in the event in Bratislava, Moscow, Rotterdam, Berlin, Stockholm and Warsaw as well as in Prague. 500 readers took part in the literary marathon, which ran for five days and five nights. Another 4800 Czech literature enthusiasts followed the event on-line.

The CCA and Czech Centres were also active in the education and science fields. The CCA organised 98 events during the year, mostly discussions and seminars and mainly targeted at young people.

The website of the CCA and Czech Centres was modernised and unified in 2003. All Czech Centres now have the same visual style and publishing system, which makes it possible to up-date the information published about Czech Centres’ work and programmes effectively and cost-effectively. The system also makes it possible to statistically assess the work of individual Czech Centres and provides full information on their work and programmes. The website also allows active communication with foreign visitors in the form of automatic sending of electronic newsletters and programmes. Visitors are also able to send specific queries using an interactive form located on the Czech Centres’ website.

As regards support for external economic relations, especially Czech exports and tourism, Czech Centres work closely with budget-subsidised organizations of the Ministry of Industry and Trade (CzechTrade, CzechInvest) and the Ministry for Local Development (CzechTourism), chambers of commerce, the Federation of Industry and Transport of the Czech Republic and trade unions and associations.

During 2003 the CCA and Czech Centres drew up 1,000 enquiries of demand and supply regarding domestic firms and the same quantity of demand and supply enquiries regarding foreign firms. Czech Centres provided foreign entities with general information on trade and the economy in the Czech Republic, including contacts to institutions and organizations. Anyone wanting to do business with Russia could also make use of the Czech Centre – Czech House, which supplied the full range of services, including an information service.

Czech Centres continued to work with regional authorities in organising presentations of Czech regions abroad. As usual, the South Moravian and Vysočina regions were the most active in this regard. One highly successful event of this kind was an excursion by diplomats working in Bratislava to South Moravia. This excursion was organised by the Bratislava Czech Centre in collaboration with the South Moravian regional administrator.

Czech Centres offer Czech exporters help with staging corporate presentations abroad (e.g. organising press conferences, providing premises for presentations or an interpreting service); there were a total of 272 such events in 2003. Czech Centres took out their own stands at five trade fairs. Czech Centres published or mediated 600 advertisements for Czech exporters (in the press or on the internet). Czech Centres registered a total of 3000 media reactions to their work in the foreign press or electronic media in 2003.

In 2003 Czech Centres organised – independently or in collaboration with Czech and foreign partners – more than 1600 events presenting the Czech Republic as a country with a creative potential and a rich cultural tradition. Czech Centres concentrated mainly on widening the range of foreign publics they reached in 2003. This goal was achieved by means of cultural events organised in co-operation with eminent foreign partners. Whereas in 2002 events organised by Czech Centres were attended by approximately 600,000 foreign visitors, in 2003 the figure rose to approximately 1,500,000.

## VI. CZECH COMPATRIOTS ABROAD

There are almost two million people abroad - Czech compatriots – who claim Czech origins. Many of them do not speak Czech but retain an awareness of their link with the Czech nation and their forebears' culture. Czechs living abroad have often had an impact on political events in Czech history and engaged in the defence and building of democracy in the Czech Lands. They also played an indispensable role in the Czech Republic's integration into NATO and the EU and into the broader community of democratic states. The Czech Republic appreciates their help and strives to conduct meaningful and constructive dialogue with Czech communities abroad.

The framework principles for dealing with Czech compatriots and foreign friends of the Czech Republic were first identified in 1992 and laid down in Resolution of the Government of the Czech and Slovak Federative Republic no. 375/1992. These principles can be summarised in four basic points:

- maintaining a permanent information link and good relations between the Czech Republic and Czechs abroad (e.g. records of Czech compatriot clubs, supporting mutual contacts in the non-profit sector, honouring eminent personalities with the foreign ministry's *Gratias Agit* award);
- helping Czech compatriots who display an interest in maintaining their cultural, language and historical ties with the Czech Republic (scholarships, language courses, sending teachers to Czech communities abroad);
- reasonable indulgence of other expectations of Czech communities relative to the Czech Republic (financial contributions to clubs for specific projects designed to promote the Czech Republic and contributions to promote the development of the life of Czech communities – e.g. to develop the Czech-language press);
- preserving the Czech national and cultural heritage abroad (help with repairing Czech communities' schools and cultural facilities, assistance with looking for new kinds of activities for Czech compatriots, e.g. in regions with high unemployment – pilot project in Romania).

The issue of Czech compatriots is handled in the Ministry of Foreign Affairs' Department for Cultural Relations and Czechs Living Abroad, which works both with parliamentary institutions dealing with Czech compatriots (Subcommittee for Contact with

Compatriots Living Abroad of the Committee for Foreign Affairs of the Chamber of Deputies and the Senate Permanent Commission on Compatriots Living Abroad), and with state administration offices that are only partially touched by the diverse range of issues concerning Czech compatriots. Contacts with citizens' associations and societies of friends in the Czech Republic that co-operate with foreign countries also play an important and indispensable role, as does co-operation with the international broadcasting service of Czech Radio and press publications issued by Czech compatriots abroad.

One aspect of the Ministry's work devoted to Czechs abroad that has traditionally been appreciated is help to compatriots maintain their Czech language and cultural awareness in the form of scholarships, language courses and sending teachers to Czech communities. The five-year programme of language teaching for Czech compatriots (1995 – 2000), which was sponsored by the Czech government to a value of CZK 50 million, was followed in 2001 by another programme, which the government allocated CZK 80 million to. Under this programme, 65 people from more than 40 countries attended a language course in Dobruška in 2003. A total of 21 Czech compatriot students from Argentina, Belarus, Bulgaria, Bosnia and Herzegovina, Cyprus, Serbia and Montenegro and Ukraine undertook a one-term study course at Charles University in Prague and Masaryk University in Brno. Ten Czech teachers worked in six countries in the 2003 academic year (2 in Croatia, 1 in Poland, 2 in Ukraine, 3 in Romania, 1 in Russia and 1 in Serbia). The importance of the teachers' work is not confined to their class-work – they also help Czech clubs revive folklore, musical and theatrical activities and initiate activities for children, help the local Czech press etc.

The Ministry continued to work with the publishers of Czech Newspaper (*České listy*), the magazine for Czechs abroad. This monthly's editorial board continued to strive for a substantive and unbiased exchange of opinions and to keep readers informed of goings-on in Czech communities abroad. The Ministry paid for the printing and distribution of free copies to Czech clubs, societies of friends, Czech embassies, Czech Centres and the Czech departments of foreign universities (2300 units are distributed to approx. 320 recipients every month).

In 2003 the Ministry again gave financial support to specific projects by Czech compatriot clubs abroad, societies of friends and foreign and Czech citizens' associations co-operating with foreign countries, including Czech scholars clubs or foreign graduates of Czech universities.

Compatriot clubs and societies of friends from all over the world applied for support from the Ministry in 2003 – and approximately CZK 8.5 million was set aside for projects

from 128 applicants. Contributions towards Czech compatriot magazines, information bulletins and other club publications accounted for a considerable portion of this support. The Ministry also contributed to other major club projects, such as the World Congress of Descendants of Czech Brethren in Zelow, Poland; Czech Days in eastern Slovakia; Czech Days in Rheinland-Westphalia, Germany, and the local society of friends of the Czech Republic; a symposium on Jan Hus and Comenius organised by the Korean-Czech Society in Seoul; and more. The Ministry also supported Czech citizens' associations organising summer camps in the Czech Republic for children from Czech communities from Croatia, Serbia, Romania and Ukraine. Contributions were also provided for projects by 53 citizens' associations from the Czech Republic co-operating with foreign countries in 2003.

The Ministry contributed a considerable sum, in excess of CZK 700,000, towards the third "Week of Czechs Living Abroad" – a conference that took place from 28 September – 4 October 2003 at Charles University. Czech compatriots in legislative, political, economic, social and cultural sections discussed in detail how to improve ties between Czechs abroad and their original homeland. At the end of the conference, they submitted conclusions and recommendations to the government and parliament of the Czech Republic. This document was also published in Czech News, which, along with Czech Radio, gave the conference substantial coverage.

Besides financial contributions, Czech communities abroad also receive Czech language course books and other publications, audio and video media, magazines and folk costumes from Czech embassies – worth a total of approximately CZK 1 million in 2003. Some Czech embassies also helped maintain local Czech libraries or video libraries, enabled regular meetings of Czech compatriots, helped teach Czech etc. As a matter of course, compatriots were invited to cultural and social events and, *vice versa*, Czech diplomats were invited to important events staged by Czech communities abroad.

One important demonstration of the long-term interest in Czech compatriots abroad is the Czech Republic's aid earmarked for repairing what are often historical buildings of schools and cultural facilities of Czech communities. From 1996 to 2001 this aid was given as part of the Czech government's foreign development aid. In 2002, however, aid to compatriots was taken out of this programme. 2003 brought a further cut in finances to the bare minimum for unfinished long-term projects, which are now financed solely by the Ministry of Foreign Affairs. A sum of CZK 7.5 million was divided among projects in Romania, Croatia, Bulgaria, Serbia and Ukraine.



The Ministry's Department for Cultural Relations and Czechs Living Abroad helped compatriots gain permanent residence in the Czech Republic. To this end it issued 366 confirmations of membership of a Czech compatriot community in 2003 – 166 to Romanian, 125 to Ukrainian and 42 to Slovak Czechs.

Since 1997, the Ministry of Foreign Affairs has awarded its departmental honour, the GRATIAS AGIT prize, as an expression of gratitude to devoted Czech compatriots, friends of the Czech Republic, Czech scholars, ambassadors of Czech culture and clubs and other citizens' associations in the Czech Republic and abroad. The Minister hands out the awards in person at a gala ceremony in the Černín Palace. A further thirteen individuals and three citizens' associations (the Czech Cultural Centre in Houston, USA, Polish-Czech Solidarity and the Hungarian Society of Friends of Bohemia), from a total of fifteen countries, joined the ranks of laureates in 2003. Both prominent Czech compatriot and non-Czech ambassadors of the Czech language, culture, mutual relations and charitable co-operation were honoured.

The Ministry of Foreign Affairs also keeps records of Czech compatriot clubs, societies of friends of the Czech Republic and similar organizations abroad – these include chambers of commerce, honorary consulates run by Czech compatriots, Czech bookshops, museums and other cultural institutions, publishers of Czech press abroad, Czech compatriot schools and education centres. The assembled information was published in autumn 2003 as a four-part directory on the Ministry's website at [www.mzv.cz/kultura](http://www.mzv.cz/kultura) which is updated once a month.

## **VII. THE INTERNATIONAL LAW AND CONSULAR DIMENSIONS OF THE CZECH REPUBLIC'S FOREIGN POLICY**

### **1. The international law dimension of the Czech Republic's foreign policy**

International law is one of the fundamental pillars of the Czech Republic's foreign policy and constitutes the framework within which this policy is executed. The Ministry of Foreign Affairs, in line with its powers, ensures that the Czech Republic abides by its commitments under international law and monitors developments in international law, as well as trying to help develop international law in response to the challenges presented by globalisation.

The international community continues to strive to stamp out terrorism as one of the gravest antisocial phenomena in today's world. Even though there were no new universal conventions against terrorism in 2003, the endeavour to ensure that existing universal anti-terrorism agreements are upheld as effectively as possibly continues. The Czech Republic also focused its efforts on this area. Some steps designed to lead to the Czech Republic's accession to the Protocol for the Suppression of Unlawful Acts Against the Safety of Fixed Platforms Located on the Continental Shelf had already been taken before 2003. Work went ahead on bringing Czech legislation into line with the commitments stemming from the International Convention for the Suppression of the Financing of Terrorism, which came into effect in 2002 and can be regarded as the most important anti-terrorism treaty of recent years.

Besides measures targeting terrorism, the fight against transnational organised crime is another essential part of foreign policy. In 2003 the Czech Republic took part in sessions of the Ad Hoc Committee on the Negotiation of a Convention against Corruption, which was adopted at the end of 2003 at a conference in Merida, Mexico. Once it starts to apply, the Convention will join the UN Convention against Transnational Organised Crime and its three protocols as an instrument of international co-operation. Although the Czech Republic did not sign the UN Convention against Corruption at the conference, it declared its desire to do so as soon as possible.

The Czech Republic took some further measures in 2003 designed to contribute to the work of international justice authorities. As far as the International Criminal Tribunal for the Former Yugoslavia is concerned, the Czech Republic is currently preparing to negotiate an

agreement with the United Nations' tribunal on the loan of prison service staff for its custodial detention centre. The Czech Republic is also negotiating an agreement on witness protection with the Tribunal. The Czech Republic also monitors and supports the work of the International Criminal Tribunal for Rwanda. In 2003 a Czech representative was elected to the International Criminal Tribunal for Rwanda as ad litem judge. This person was the second ad litem judge operating in the international criminal justice system, after the Czech ad litem judge at the International Criminal Tribunal for the Former Yugoslavia. At the end of 2003 the Czech Republic donated voluntary financial contributions to these tribunals and to the recently established Special Court for Sierra Leone.

Non-ratification of the Rome Statute of the International Criminal Court remains an unresolved problem. This is one of the most important multilateral international law documents of recent years, which constituted the basis for establishing the first permanent international criminal court authorised to bring individuals to justice for the gravest international crimes. The fact that the Czech Republic is the only country in its region that is not a signatory to the Rome Statute is lamentable. The Ministry of Foreign Affairs of the Czech Republic, in collaboration with other government bodies concerned, is going ahead with consultations, primarily with Members of Parliament of the Czech Republic, designed to pave the way for this international treaty to be ratified.

The Czech Republic took some important steps in 2003 towards closer involvement in the applicable regime on Antarctica, which is based on using Antarctica for peaceful and scientific purposes and protecting its environment. The Antarctica Act, which is intended to ensure that all the Czech Republic's commitments under international law on the Antarctic are upheld, was enacted and took effect in 2003. The Czech government also approved and put before Parliament a proposal to ratify the Protocol on Environmental Protection to the Antarctic Treaty. The Protocol and the Treaty, which the Czech is already party to, constitute the basic document governing Antarctica. Along with the growing amount of scientific work done by Czech academic institutions in the Antarctic, these steps should enable the Czech Republic to become a consultative party under the Antarctic Treaty, i.e. a fully fledged co-architect of the legal regime of the Antarctic.

The Czech Republic was also involved in the work of the United Nations body dealing with space – the Legal Subcommittee of the UN Committee for the Peaceful Uses of Outer Space.

At the end of 2003 Czech representatives took part in the 28<sup>th</sup> international Red Cross and Red Crescent conference and made a statement in the Czech Republic's name regarding

the development of humanitarian law and raising awareness about it and about the provision of a financial contribution to support humanitarian programmes (the fight against the use of antipersonnel mines) and backed a similar joint declaration by the European Union.

Fundamental components of the Czech Republic's preparations for entry to the European Union in 2003 included aligning Czech law with the law of the European Community and European Union, institution building and ensuring commitments in external relations, or international public law, were compatible. In the talks on accession to the EU the Czech Republic undertook to rescind or renegotiate any international treaties with third countries that do not conform to the *acquis communautaire*. A total of approximately 300 documents needing to be terminated (in full or in part) or renegotiated were identified in collaboration with other ministries. Starting in February 2003, treaties that were incompatible with EC/EU law have gradually been terminated. Besides terminating treaties that do not conform to the *acquis*, it will also be necessary for the Czech Republic to accede to multilateral treaties made by the EC/EU or member states. The Czech Republic has already acceded to many treaties and is gradually signing up to the remainder.

In 2003 the Czech Republic became a member of the UN's International Commission on International Trade Law (UNICTRAL) for a six-year term, starting on 14 June 2004 and finishing on the last day before the start of the Commission's 2010 session.

The Czech Republic also signed a number of international treaties in various areas in 2003. The following two are particularly important:

- Framework Treaty on Co-operation between the Czech Republic and the International Bank for Renewal and Development – Prototype Carbon Fund (Prague and Warsaw, 31 July 2003) – under the authority of the Ministry of the Environment of the Czech Republic; implementation of the Kyoto Protocol;
- European Co-operating State Agreement between the Czech Republic and the European Space Agency (Prague, 24 November 2003) – under the authority of the Ministry of Education, Youth and Sport of the Czech Republic; the Agreement enables Czech firms to take part in activities of the European Space Agency on favourable terms.

Furthermore, the Czech Republic signed treaties on mutual aid in the event of catastrophes and major emergencies with Germany and Poland, a treaty on co-operation in the fight against organised crime with Romania, a readmission agreement with Slovakia, treaties on social security with Canada and Ukraine, aviation agreements with Iran and Lebanon, agreements on

co-operation in international combined transport with Bulgaria and Slovenia, a treaty on legal aid with Uzbekistan, treaties to prevent dual taxation with Slovakia and the Philippines, and an agreement on support and mutual protection of investments with Malta, for example. Regarding multilateral treaties, the Czech Republic signed up to the European Convention on Cross-border Television (Strasbourg, 5 May 1989).

## **2. The consular dimension of the Czech Republic's foreign policy**

Consular affairs remained an integral part of the Czech Republic's foreign policy in 2003. The Ministry of Foreign Affairs formulates the concept of the Czech Republic's consular service and sees to its implementation through its consular division and the consular offices of its embassies abroad. In so doing, the Ministry collaborated with other state administration bodies. Most of the consular service's attention was paid to consular tasks stemming from the Czech Republic's accession to the European Union.

The core tasks were aligning visa policy with that of EU member states and providing consular protection for Czech citizens. The key issue was preparing the Czech Republic for taking on the Schengen rules on visa policy. This work was done in collaboration with the Ministry of the Interior and other state authorities. The outcome of the work was the Czech parliament's approval of several draft acts or amendments in 2003 designed to put in place the right legislative conditions for implementation of the Schengen *acquis* in the Czech Republic. This led to further tasks for the Ministry of Foreign Affairs that were monitored using the Implementation Questionnaire.

In terms of harmonising the Czech Republic's visa policy with that of the European Union, the main task was to ensure that the list of countries not requiring visas to enter the Czech Republic conformed to EC Council Regulation 539/2001 of 15 March 2001, as amended, which sets out a list of third countries whose state citizens must have a visa to cross the frontier and a list of those third countries whose state citizens are exempted from the visa requirement. The Ministry reviewed its treaties in this area and subsequently started talks on new visa-free travel agreements or on renegotiating agreements. So far it has not been possible to achieve full alignment in terms of third countries whose citizens are exempted from the requirement to have an EU member state visa.

Protection of the state borders in accordance with EU standards was further enhanced by continued integration of Czech diplomatic missions abroad into the "MVP/EVC" national visa system. Installation of this system in all 108 Czech missions where visas are issued was

completed in 2003. The system is being expanded and will come to include the VISION system, which makes it possible to consult visa applications with the central authorities of other parties to the treaty. The new version of the system, MVP/EVC2 was introduced at the Czech Republic's General Consulate in Dresden.

In connection with EU accession, the Ministry prepared to implement the provision of consular protection and assistance to EU citizens. This requirement is laid down in the Treaty Establishing the European Community.

In 2003 the Ministry's Consular Department, at Czech diplomatic missions abroad and in headquarters, intensively worked on the technical organization of the referendum on the Czech Republic's accession to the European Union.

The Consular Department was also actively involved in implementing a pilot project titled "Active Selection of Qualified Foreign Staff", which is being executed at the Czech Republic's embassies in Alma Ata, Sofia and Zagreb. The project is co-ordinated by the Ministry of Labour and Social Affairs of the Czech Republic, in collaboration with the foreign affairs and interior ministries.

The network of honorary consuls was enlarged again in 2003. There were a total of 123 honorary consuls working for the Czech Republic in various parts of the world in 2003.

Another part of the consular service is caring for Czech citizens abroad. These services are provided to persons who are on short-term stays and those who have long-term or permanent residence in a foreign country. This area also covers care for "Czech compatriots abroad", which is chiefly a matter of personal contacts, advisory services and relaying information about life in their former homeland.

## **VIII. THE CZECH FOREIGN SERVICE**

### **1. Staffing**

The high demands placed on new staff were maintained in 2003. Attention was also paid to training employees of the Ministry of Foreign Affairs. Among other things, new employees were recruited to the new divisions specialising in international and Community law.

When the Czech Republic was invited to take part in the renewal and post-war reconstruction of Iraq, the Ministry of Foreign Affairs was put in charge of selecting a team of Czech experts. In May 2003 there was a tender in the professional categories of public administration, human rights, education, power generation, oil extraction, water management, defence and the interior and the following month the mission of Czech specialists started its work in the bodies of the international administration in Iraq.

A staff rotation plan formed the basis of the regular replacement of staff at head office and in the Czech Republic's embassies abroad, including Czech Centres. Rigorous application of the plan in 2003 ensured that all sections worked smoothly and sufficient room was provided for staff training. The duty to undergo vetting by the National Security Office before leaving for foreign postings acted as a constraint on the search for new staff outside the structure of the Ministry.

As far as asserting the Czech Republic's economic and trade interests abroad are concerned, the Ministry of Foreign Affairs continued to work with the Ministry of Industry and Trade in selecting suitable specialists from both departments.

The Ministry of Foreign Affairs also has a National Contact Point, which creates and maintains a database of work opportunities for Czech citizens in international organizations and institutions, most notably the OSCE, EU and UN.

### **2. The Diplomatic Academy**

In 2003 the Diplomatic Academy (DA) continued to contribute to the professionalisation of the diplomatic service. Besides courses in basic and advanced diplomatic training, which are mandatory, the DA reacted to the needs of the Czech foreign service by devising special courses for junior diplomats and economic section staff. In view

of the approaching date of the Czech Republic's accession to the European Union the DA extended the range of European training courses to include Comitology, European Affairs Management and French language courses focusing on EU issues; these courses were attended by staff from other departments as well.

#### **A. Basic training modules**

The Diplomatic Academy ran six training modules in 2003:

1. basic diplomatic training (DA1);
2. advanced diplomatic training (DA2);
3. individual course for junior diplomats (DA IN);
4. training in EU issues under government resolution no. 841/1999;
5. computer training;
6. diplomatic training for economic section staff.

##### *1. Basic diplomatic training (DA1)*

Basic diplomatic training courses DA1/2002 and DA1/2003 took place in 2003. 16 DA1/2002 students underwent internships in various divisions of the Ministry of Foreign Affairs and at Czech embassies. Five of them were despatched as interns to the Czech Republic's Permanent Mission to the EU in Brussels, where they took part in work related to preparing the Czech Republic for EU accession. 19 applicants were selected to join DA1/2003 and started theory training in September 2003.

##### *2. Advanced diplomatic training (DA2)*

The fifth year of DA2 began in January 2003; 23 members of the Ministry's diplomatic staff were admitted to the course. Besides four compulsory seminars, students could also choose from three optional seminars – international law, security policy and the world economy. 25 students completed their advanced diplomatic training in 2003.

##### *3. Individual course for junior diplomats (DA IN)*

In 2003 39 diplomats applied for the DA IN course, which is designed for junior diplomats who have not yet acquired basic diplomatic training. In 2003 15 diplomats successfully completed DA IN, which is composed of 7 seminars and lectures.



#### *4. EU issues training*

In 2003 the Diplomatic Academy organised compulsory training in EU issues for new management staff, graduates of DA2, DA1 and DA IN, other staff from the Ministry of Foreign Affairs and other departments. The courses were organised in collaboration with the International Centre for European Training (CIFE) in Nice under the methodological guidance of its vice-president Prof. F. Kinský. 111 members of the Ministry's staff were trained in EU issues in 2003.

Again in collaboration with CIFE, the DA organised an intensive interdepartmental EU module for management staff in the form of a European studies summer school, which was held in Horažďovice. 33 members of the Ministry's staff were awarded course certificates in 2003.

74 Ministry employees attended other short courses in EU issues.

Besides compulsory basic training, the DA, in collaboration with the French embassy, organised other departmental courses for Ministry staff: "Decision-making Processes and the Introduction of European Regulations" and "European Affairs Management". The courses stressed French language training as well as their specialised subject matter and were attended by 28 members of the Ministry of Foreign Affairs' staff and 11 from other departments.

The Diplomatic Academy helped the first Czech applicants for jobs in EU institutions; in conjunction with the French embassy it organised a course in which French specialists taught 51 Czech candidates about the course of the selection process for EU institutions.

#### *5. Computer training*

A total of 637 employees of the Ministry's head office and embassies were given computer training in 2003. The courses stressed training in MS Word, MS Excel and MS PowerPoint. Given the increasing demand from the Ministry, new preparatory courses for the European Computer Driving Licence were introduced.

#### *6. Course for economic section staff*

The DA has introduced a new special preparatory module for economic section staff. 19 employees from the Ministry of Foreign Affairs and 26 from the Ministry of Industry and Trade participated in the introductory course. The course will run every year.

## **B. Other DA training activities**

### *1. Course for staff who will represent the Czech Republic in EU committees*

In 2003 the DA organised for the Ministry of the Interior another preparatory course for staff who will work in EU committees. 38 interior ministry managers attended the course.

## **C. Other DA activities**

### *1. Assistance in organising important Ministry of Foreign Affairs conferences and events*

In what has become a tradition, students of DA1/2003 helped organise the Prague FORUM 2000 conference, summer meetings of heads of the Czech Republic's embassies and a regional seminar of the Office of the UN High Commissioner for Human Rights on implementation of the conclusions of the Worldwide Conference against Racism.

### *2. Promoting the diplomatic profession*

The Diplomatic Academy organised an Open Day for university students considering a career in the diplomatic service. 70 students attended the event. It also organised a number of lectures on the diplomatic profession at universities in Prague, Brno and Olomouc.

## **D. Foreign activities of the DA**

The Diplomatic Academy put together a programme for a doctorate course of the Vienna Diplomatic Academy. Reciprocally, the Viennese academy trained DA1 students in Vienna. At the invitation of the European Academy the DA1/2003 course underwent a study placement in Berlin. The DA organised the admission and presentation of the International Relations Faculty from Zagreb, Croatia. In 2003 the DA again sent its students on study placements to partner diplomatic training institutions (DA Berlin, DA Lima, DA Vienna, College d'Europe Bruges).

## **3. The Ministry of Foreign Affairs' budget and operations**

On 17 December 2003 the Chamber of Deputies of the Parliament of the Czech Republic passed Act no. 579/2002 Coll., on the Czech Republic's state budget for 2003.

Under this Act, the main binding indicators of the Ministry of Foreign Affairs' budget for 2003 were set as follows:

Total incomes	CZK 200,000,000
Total expenditure	CZK 4,642,724,000

Most of the expenditure in the chapter was made in foreign currency, so the final drawdown was highly dependent on developments in the Czech crown exchange rate. Other important factors influencing the budget:

- the performance of tasks related to the Czech Republic's accession to the European Union;
- the growing workload of Czech embassies in connection with the Czech Republic's future membership of the EU;
- the expansion in co-operation with international organizations, including honouring financial commitments in respect of these organizations;
- support for the state's pro-export policy, linked with an enlargement of embassies' economic sections;
- the increased consular agenda and related expenditure, on-going modernisation of the visa process;
- safeguarding embassies abroad in connection with Act no. 148/1998 Coll. and ensuing regulations;
- operating the Ministry of Foreign Affairs' information system and expanding it for security reasons;
- buying or leasing new buildings in connection with the concept of Czech foreign policy;
- managing and maintaining state real property in the Czech Republic and abroad;
- providing humanitarian aid to foreign countries;
- implementing development foreign aid projects;
- assisting Czech citizens abroad.

#### **Incomes of organizational components of the state and budget-subsidised organizations**

The state budget for 2003 set a total figure of CZK 200,000,000 for Ministry of Foreign Affairs chapter incomes. Total achieved incomes amounted to CZK 188,383,000.

Achieved incomes were mainly linked to the sale of state property, which brought in CZK 50,632,000. Other incomes came from lets of surplus real estate of certain embassies, incomes arising from the rebating of consumer taxes and value added tax from previous years and incomes from the sale of surplus movable property.

Besides budget incomes, the Ministry paid CZK 583,896,000 worth of administrative fees for administrative acts directly into the state budget in 2003.

### **Non-investment expenditure**

The total volume of state budget ordinary expenditure in 2003 was CZK 4,958,598,000. This expenditure consisted of purchases of services (rent for buildings and flats of foreign-based staff, expenditure linked to summit visits, communication strategy regarding accession to the EU, Czech Radio international broadcasting and other, worth CZK 1,204,513,000 in total); material (expenditure on replacing petty tangible assets and purchase of ordinary material equipment for embassies and head office, worth CZK 300,707,000 in total); purchases of water, fuel and energy (CZK 79,924,000); wages for Ministry staff (CZK 518,531,000); expenditure on reimbursements (reimbursements for increased living costs for foreign-based staff pursuant to Government Order no. 62/1994 Coll., training fees abroad – worth CZK 1,123,955,000 in total); other purchases (expenditure on local staff at embassies, repairs and maintenance of own or leased real estate, travel expenses *et al.*, worth a total of CZK 495,075,000); and other non-investment expenditure (includes transfers to international organizations, contributions to budget-subsidised organizations etc., worth a total of CZK 1,036,676,000).

### **Expenditure on financing asset replacement programmes**

The budget for capital expenditure in the Ministry of Foreign Affairs budget chapter for 2003 amounted to CZK 792,820,000. The final limit was CZK 1,096,378,000 and CZK 1,066,475,000 was drawn down, i.e. 97%.

A major part of these funds (58%) was used to finance reconstruction and technical amelioration of real estate that the Ministry has in its portfolio abroad and in the Czech Republic, and on information and communication technology (27%). The remainder was spent primarily on the necessary replacement of the vehicle fleet in the Czech Republic and abroad, on preparing and executing the Czech Republic's participation at EXPO 2005 in Japan and on replacing petty tangible fixed assets.

Under government resolution no. 421 of 28 April 2003, CZK 20,000,000 was freed up from the government's budget reserve to cover the sending of Czech specialists to Iraq; CZK 3,000,000 of this was capital expenditure.

### **Subordinate budget-subsidised organizations**

There were five budget-subsidised organizations operating within the Ministry of Foreign Affairs department in 2003; the Ministry provides these organizations with investment and non-investment contributions. In 2003 the Ministry provided its subordinate budget-subsidised organizations with a contribution for operations worth CZK 169,849,000 and CZK 46,500,000 in the form of a system investment appropriation.

### **Czech Centres Administration**

This organization is in charge of the work of Czech Centres abroad, which concentrate on promoting the Czech Republic and developing cultural and trade contacts. The contribution towards operations of the Czech Centres Administration in 2003 was CZK 110,440,000.

### **International Relations Institute**

The Institute is a budget-subsidised organization devoted to the study of international relations; the Diplomatic Academy is part of it. The contribution to the Institute in 2003 amounted to CZK 34,816,000.

### **Office of the Commissioner General for EXPO 2005**

The Office prepares the Czech participation at 2005 World Exposition in Aichi, Japan. The contribution towards the operation of the Office of the General Commissioner in 2003 was CZK 16,000,000.

### **Diplomatic Service**

The budget-subsidised Diplomatic Service is remunerated under Act no. 1/1992 Coll. and did not receive any contribution towards operations in 2003. Expenditure on activities was covered by lettings of state property in the Czech Republic for the purposes of foreign countries' embassies in the Czech Republic.

### **Štiřín Conference Centre**

The Centre provides conference, congress and contact services both for the Ministry of Foreign Affairs and other central authorities. It also provides commercial accommodation and restaurant and congress services. It received a total of CZK 8,593,000 for operations and to cover losses from previous years in 2003.

### **Research and development support**

Every year the Ministry's budget provides funds for research and development support. In 2003 the International Relations Institute and the Ministry drew such tied funds to the value of CZK 2,292,000 and CZK 4,379,000 respectively.

Institutional funds for research and development were drawn down by the International Relations Institute, a budget-subsidised organization of the Ministry, to the total value of CZK 9,600,000.

### **Humanitarian aid expenditure**

In 2003 the Ministry of Foreign Affairs budget chapter released financial or material humanitarian aid in a total of 12 cases to 10 countries in Latin America, Asia, Europe and the Middle East. Most of the material aid was foodstuffs, healthcare articles and medicines.

In 2003 the Ministry also provided humanitarian aid towards resolving consequences of the Kosovo crisis and to Iraq, worth CZK 5,724,000 and CZK 20,577,000 respectively. Most of the aid was supplied through non-governmental organizations or through the international organizations for activities under the Stability Pact.

### **Foreign development aid expenditure**

The Czech Republic's objective in this area is to contribute to the international community's efforts to reduce poverty in less well-developed parts of the world by means of economically and socially sustainable development. Funds worth CZK 6,687,000 were drawn from the Ministry of Foreign Affairs' budget chapter for foreign development aid in 2003.

### **Non-investment transfers abroad**

Non-investment transfers abroad mainly comprise payments to international organizations which the Czech Republic is a member of and contributions to societies of friends (Czech compatriot clubs).

The Ministry allocated a total of CZK 766,719,000 to these purposes in 2003. CZK 727,792,000 of this amount was used.

#### **Non-investment appropriations to citizens' associations**

In 2003 the Ministry of Foreign Affairs provided citizens' associations with non-investment appropriations worth a total of CZK 9,049,000 to support activities by Czech compatriots abroad, such as printing and distributing bulletins and books, organising cultural events involving Czech artists etc.

#### **Non-investment appropriations to enterprise**

Funds worth CZK 4,379,000 were released for research and development projects in 2003.

#### **Visegrad Fund**

The contribution to the Visegrad Fund was CZK 19,028,000.

#### **International broadcasts by Czech Radio**

Funds to finance foreign broadcasts by Czech Radio are provided by the Ministry of Foreign Affairs; CZK 62,000,000 was provided in 2003.

#### **Summit visits**

A total of CZK 41,764,000 was provided for foreign visits by senior representatives of the Czech Republic and top-level visits to the Czech Republic.

#### **Final assessment of execution of the Ministry of Foreign Affairs' budget**

The principal binding expenditure indicators for the Ministry's budget chapter for 2003 were not overstepped. Incomes were achieved to 94.19% and the Ministry covers unfulfilled incomes using finances for ordinary expenditure. Total expenditure was not exceeded even after unachieved incomes were offset against ordinary expenditure finances.

Developments in each quarter of 2003 corresponded to the specifics and requirements of the Ministry's work, including payables to international organizations, in line with the tasks and objectives that make up the Czech Republic's foreign policy.

## APPENDIX

### Overview of the Czech Republic's diplomatic relations

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established 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	1996	Madrid	not designated
Angola	1975	1993	Luanda	Berlin
Antigua and Barbuda	no diplomatic relations	1993	Caracas	London (working)
Argentina	1924	1993	Buenos Aires	Prague
Armenia	1992	1993	Tbilisi	Vienna
Australia	1972	1993	Canberra	Warsaw (HC Prague)
Austria	1920	1993	Vienna	Prague
Azerbaijan	1992	1993	Ankara	not designated
Bahrain	no diplomatic relations	1993	Riyadh	not designated
Bangladesh	1972	1993	Delhi (HC Dacca)	Berlin
Barbados	1977	1996	Caracas	London (working)
Belarus	1992	1993	Minsk	Prague
Belgium	1919	1993	Brussels	Prague
Belize	no diplomatic relations	1996	San José (HC Orange Walk Town)	not designated
Benin	1962	1993	Abuja	Moscow
Bolivia	1935	1993	Lima (HC La Paz)	Vienna
Bosnia and Herzegovina	no diplomatic relations	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
Cambodia	1956	1993	Bangkok	Berlin
Cameroon	1990	1993	Abuja	Moscow
Canada	1942	1993	Ottawa	Prague
Cape Verde	1975	1993	Dakar	Berlin
Central African Republic	1970	under negotiation	Kinshasa	not designated
Chad	1967	under negotiation	Abuja	Moscow
Chile	1924	1993	Santiago	Prague
China	1949	1993	Beijing	Prague
Columbia	1934	1993	Bogotá	Vienna
Comoros	1977	1995	Nairobi	Moroni
Costa Rica	1935	1993	San José	Berlin
Ivory Coast	1984	1993	Abidjan	Bonn
Croatia	1992	1993	Zagreb	Prague
Cuba	1920	1993	Havana	Prague
Cyprus	1960	1993	Nicosia	Prague
Democratic Republic of the Congo	1960	1993	Kinshasa	Prague
Denmark	1920	1993	Copenhagen	Prague
Djibouti	1977	1997	Addis Ababa (HC Djibouti)	not designated
Dominica	no diplomatic relations	1996	Caracas	not designated
Dominican Republic	1942	1993	Caracas (HC Santo Domingo)	Berlin (GC Prague)
Ecuador	1935	1993	Bogotá (HC Guayaquil)	Warsaw (HC Prague)
Egypt	1922	1993	Cairo	Prague
Equatorial Guinea	1970	1993	Abuja	not designated
Eritrea	no diplomatic relations	1993	Addis Ababa	Berlin
Estonia	1928	1993	Tallinn	Prague
Ethiopia	1944	1993	Addis Ababa	Berlin
Fiji	1970	1996	Canberra	not designated
Finland	1921	1993	Helsinki	Prague
France	1918	1993	Paris	Prague

Gabon	1976	1993	Abuja	Libreville
Gambia	1972	1993	Dakar	Brussels
Georgia	1992	1993	Tbilisi	Vienna
Germany	GDR 1949 FRG 1973	1993	Berlin	Prague
Ghana	1959	1993	Accra	Prague
Great Britain	1918	1993	London	Prague
Greece	1920	1993	Athens	Prague
Guatemala	1927	1993	Mexico (HC Guatemala City – temporarily closed)	Vienna (HC Prague)
Guinea	1959	1993	Dakar (HC Conakry)	Bonn
Guinea Bissau	1973	1994	Dakar	Brussels
Guyana	1976	1993	Caracas	London
Haiti	1943	no diplomatic relations	Caracas (consular)	not designated
Honduras	1930	1993	San José (HGC Tegucigalpa)	Berlin
Hungary	1922	1993	Budapest	Prague
Iceland	1921	1993	Oslo (HC Reykjavík)	Oslo (HGC Prague)
India	1947	1993	Delhi	Prague
Indonesia	1955	1993	Jakarta	Prague
Iran	1925	1993	Tehran	Prague
Iraq	1933	1993	Baghdad	Prague
Ireland	1947	1993	Dublin	Prague
Israel	1948	1993	Tel Aviv	Prague
Italy	1918	1993	Rome	Prague
Jamaica	1975	1993	Caracas	Berlin
Japan	1920	1993	Tokyo	Prague
Jordan	1964	1993	Amman	Vienna (HC Prague)
Kazakhstan	1992	1993	Almaty	Prague
Kenya	1964	1993	Nairobi	The Hague
Kuwait	1963	1993	Kuwait City	Prague

Kyrgyzstan	1992	1993	Almaty	Vienna
Laos	1962	1993	Bangkok	Warsaw
Latvia	1927	1993	Riga	Prague
Lebanon	1946	1993	Beirut	Prague
Lesotho	1982	to be specified	Pretoria	Rome
Liberia	1972	1993	Accra (HC Monrovia)	not designated
Libya	1960	1993	Tripoli	Prague
Lithuania	1927	1993	Vilnius	Prague
Luxembourg	1922	1993	Luxembourg	Prague
Macedonia (FYROM)	no diplomatic relations	1994	Belgrade	Vienna
Madagascar	1976	1993	Addis Ababa	Moscow
Malawi	1991	1993	Harare	Bonn
Malaysia	1971	1993	Kuala Lumpur	Prague
Maldives	1975	1993	Delhi	Male
Mali	1960	1993	Dakar	Moscow
Malta	1968	1993	Rome (HC Naxxar)	Berlin (HC Prague)
Mauritania	1965	1993	Rabat	Moscow
Mauritius	1976	1993	Pretoria (HC Port Louis)	Berlin (HC Prague)
Mexico	1922	1993	Mexico City	Prague
Moldova	1992	1993	Bucharest	Budapest
Monaco	no diplomatic relations	1993	Paris (HC Monte Carlo)	not designated
Mongolia	1950	1993	Ulaanbaatar	Prague
Morocco	1959	1993	Rabat	Prague
Mozambique	1975	1993	Harare	Berlin
Myanmar	1955	1993	Bangkok	Berlin (working)
Namibia	1990	1993	Pretoria (HC Windhoek)	Moscow
Nepal	1959	1993	Delhi (HC Kathmandu)	Berlin
Netherlands	1919	1993	The Hague	Prague

New Zealand	1958	1993	Canberra (HC Auckland) (HC Wellington – temporarily closed)	Berlin (HC Prague)
Nicaragua	1930	1993	San José (HC Managua)	Vienna (HC Prague)
Niger	1975	to be specified	Abidjan (HC Niamey)	Bonn
Nigeria	1961	1993	Abuja	Prague
North Korea	1948	1993	Beijing	Prague
Norway	1921	1993	Oslo	Prague
Oman	no diplomatic relations	1993	Riyadh	Vienna
Pakistan	1950	1993	Islamabad	Warsaw
Palestinian Autonomous Territories	1983	1993	Ramallah (liaison office to the Palestine autonomous territories)	Prague
Palau	no diplomatic relations	2003	Manila	not designated
Panama	1929	1993	San José (HC Panama)	Vienna (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
Philippines	1973	1993	Manila	Prague
Poland	1919	1993	Warsaw	Prague
Portugal	1920	1993	Lisbon	Prague
Qatar	no diplomatic relations	1993	Kuwait	Bonn
Republic of Congo	1964	to be specified	Kinshasa	Bonn
Romania	1919	1993	Bucharest	Prague
Russia	1934	1993	Moscow	Prague
Rwanda	1965	under negotiation	Nairobi	Bonn
Salvador	1930	1994	San José (HC San Salvador)	Berlin
Samoa	no diplomatic relations	1995	Canberra	not designated
San Marino	1991	1993	Vatican	San Marino
Saudi Arabia	no diplomatic relations	1995	Riyadh	Prague

Senegal	1967	1993	Dakar	Bonn (HC Prague)
Serbia and Montenegro	1919	1993	Belgrade	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
Solomon Islands	no diplomatic relations	1996	Canberra	Brussels (working)
Somalia	1960	2002	Nairobi	not designated
South Africa	1991	1993	Pretoria	Prague
South Korea	1990	1993	Seoul	Prague
Sovereign Order of the Knights of Malta	1990	1993	Vatican	Prague
Spain	1919	1993	Madrid	Prague
Sri Lanka	1957	1993	Delhi (HC Colombo)	Vienna (HC Prague)
Sudan	1956	1993	Cairo (HC Khartoum)	Vienna
Suriname	1976	1996	Caracas	not designated
St Kitts and Nevis	no diplomatic relations	1993	Caracas	not designated
St Lucia	no diplomatic relations	1996	Caracas	not designated
Sao Tomé and Príncipe	1975	1993	Luanda	not designated
St Vincent and the Grenadines	no diplomatic relations	1995	Caracas	not designated
Swaziland	1991	1993	Pretoria	Copenhagen
Sweden	1920	1993	Stockholm	Prague
Switzerland	1919	1993	Bern	Prague
Syria	1946	1993	Damascus	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 (HC Port of Spain)	not designated
Tunisia	1959	1993	Tunisia	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
United Arab Emirates	1988	1993	Abu Dhabi	Vienna
USA	1919	1993	Washington D.C.	Prague
Uzbekistan	1992	1993	Tashkent	not designated
Vanuatu	no diplomatic relations	2002	Canberra	not designated
Vatican	1920	1993	Vatican	Prague
Venezuela	1929	1993	Caracas	Prague
Vietnam	1950	1993	Hanoi	Prague
Yemen	PDRY 1956 YAR 1968	1993	Sanaa	Prague
Zambia	1965	1993	Harare	Berlin
Zimbabwe	1981	1993	Harare	Vienna

NB:

- 1) The table does not give information about periods during which diplomatic relations were suspended.
- 2) The offices listed are the supreme residential offices. If residential offices are headed by honorary officials, these are given in brackets, beneath the respective non-residential mission accredited to the given country. Accordingly, in the case of the Dominican Republic the non-resident embassy and resident general consulate are listed. Abbreviations used: HC – consulate headed by an honorary official, HGC – general consulate headed by an honorary official.
- 3) The table shows the state as at the end of 2003.

**Ambassadors Extraordinary and Plenipotentiary of the Czech Republic as  
at 31 December 2003**

seat official name of country	name
<b>EMBASSY, PERMANENT MISSION (PM)</b>	
Abu Dhabi United Arab Emirates	<b>LESZCZYNSKI Roman</b>
Abuja Federal Republic of Nigeria <u>competence:</u> Nigeria, Benin, Chad, Cameroon, Equatorial Guinea, Gabon	<b>KARYCH Alexandr</b>
Addis Ababa Federal Democratic Republic of Ethiopia <u>competence:</u> Ethiopia, Republic of Djibouti, Eritrea, Madagascar	<b>KŘENEK Miroslav</b>
Accra Republic of Ghana <u>competence:</u> Ghana, Liberia, Togo, Sierra Leone	<b>JUNEK Jindřich</b>
Alma Ata Republic of Kazakhstan <u>competence:</u> Kazakhstan, Kyrgyzstan	<b>SEDLÁČEK Milan</b>
Algiers People's Democratic Republic of Algeria	<b>MAREK Jaromír</b>
Amman Hashemite Kingdom of Jordan	<b>LANĚ Tomáš</b>
Ankara Republic of Turkey <u>competence:</u> Turkey, Azerbaijan	<b>BRAUN Jozef</b>
Athens Hellenic Republic	<b>BULENOVÁ Jana</b>
Bangkok Kingdom of Thailand	<b>ŠITLER Jiří</b>
Beirut Republic of Lebanon	<b>SKOLIL Marek</b>

Belgrade Serbia and Montenegro <u>competence</u> : Serbia and Montenegro, Former Yugoslav Republic of Macedonia	<b>ŠTOURAČOVÁ Judita</b>
Beijing People's Republic of China <u>competence</u> : China, North Korea	<b>SMETÁNKA Tomáš</b>
Berlin Federal Republic of Germany	<b>LAZAR Boris</b>
Bern Swiss Confederation <u>competence</u> : Switzerland, Liechtenstein	<b>KREUTER Josef</b>
Bogota Republic of Colombia <u>competence</u> : Colombia, Ecuador	<b>RYCHTAR Josef</b>
Brasilia Federative Republic of Brazil	<b>HUBINGER Václav</b>
Bratislava Slovak Republic	<b>SLÁNSKÝ Rudolf</b>
Brussels Kingdom of Belgium	<b>HAVLÍK Jiří</b>
Brussels Mission to the EC European Community	<b>TELIČKA Pavel</b>
Brussels Permanent Delegation to NATO	<b>KOVANDA Karel</b>
Bucharest Romania <u>competence</u> : Romania, Moldova	<b>PECH Radek</b>
Budapest Republic of Hungary	<b>HUBÁČKOVÁ Hana</b>
Buenos Aires Argentine Republic <u>competence</u> : Argentina, Paraguay	ambassador designate <b>PADELEK František</b> to present credentials at the start of 2004



Cairo Arab Republic of Egypt <u>competence:</u> Egypt, Sudan	<b>KARFÍK Jakub</b>
Caracas Republic of Venezuela <u>competence:</u> Venezuela, Dominican Republic, Grenada, Barbados, Guyana, Trinidad a Tobago, Surinam, Jamaica, Antigua a Barbuda, Dominica, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines	<b>BLAŽEK Antonín</b>
Canberra Commonwealth of Australia <u>competence:</u> Australia, New Zealand	<b>SLÁDEK Josef</b>
Copenhagen Kingdom of Denmark	<b>KOŠŤÁLOVÁ Marie</b>
Damascus Syrian Arab Republic	<b>KOUTSKÝ Josef</b>
Delhi Republic of India <u>competence:</u> India, Bangladesh, Maldives, Nepal, Sri Lanka	<b>NOVOTNÝ Jaromír</b>
Dublin Republic of Ireland	<b>HAVLAS Josef</b>
Geneva Permanent Mission Office of the UN and other international organizations based in Geneva	<b>SLABÝ Alexander</b>
The Hague Kingdom of the Netherlands	<b>KUBERNÁT Petr</b>
Hanoi Socialist Republic of Vietnam	<b>NOVÝ Luboš</b>
Harare Republic of Zimbabwe <u>competence:</u> Zimbabwe, Angola, Malawi, Mozambique, Sao Tomé and Príncipe, Zambia	<b>OLŠA Jaroslav</b>
Helsinki Republic of Finland	<b>PROUZOVÁ Alena</b>
Islamabad Islamic Republic of Pakistan <u>competence:</u> Pakistan, Afghanistan	<b>LANGER Alexandr</b>

Jakarta Republic of Indonesia <u>competence:</u> Indonesia, Brunei Darussalam, Papua-New Guinea, East Timor	<b>VESELÝ Jaroslav</b>
Kiev Ukraine	<b>ŠTINDL Karel</b>
Kuala Lumpur Malaysia	<b>GREPL Vítězslav</b>
Kuwait State of Kuwait <u>competence:</u> Kuwait, Qatar	<b>HYBÁŠKOVÁ Jana</b>
Lima Republic of Peru <u>competence:</u> Peru, Bolivia	<b>KOPECKÝ Jan</b>
Lisbon Portuguese Republic	<b>KVAPIL Jaromír</b>
Ljubljana Republic of Slovenia	<b>SZUNYOG Tomáš</b>
London United Kingdom of Great Britain and Northern Ireland	<b>FÜLE Štefan</b>
Luxembourg Grand Duchy of Luxembourg	<b>ŠEPELÁK Pavol</b>
Madrid Kingdom of Spain	<b>POVEJŠIL Martin</b>
Manila Republic of the Philippines, Republic of Palau	<b>SLAVICKÝ Stanislav</b>
Mexico United States of Mexico <u>competence:</u> Mexico, Guatemala	<b>ZEMANOVÁ Věra</b>
Montevideo Eastern Republic of Uruguay	ambassador designate <b>KORSELT Vít</b> to present credentials at the start of 2004
Moscow Russian Federation <u>competence:</u> Russia, Belarus, Turkmenistan	<b>BAŠTA Jaroslav</b>

Nairobi Republic of Kenya <u>competence:</u> Kenya, Burundi, Comoros, Rwanda, Seychelles, Somalia, Tanzania, Uganda, UNEP, UNCHS	<b>KOPŘIVA Petr</b>
New York Permanent Mission United Nations Organization	<b>KMONÍČEK Hynek</b>
Nicosia Republic of Cyprus	<b>VÁVRA Martin</b>
Oslo Kingdom of Norway <u>competence:</u> Norway, Iceland	<b>HORÁK Jaroslav</b>
Ottawa Canada	<b>KOTZY Vladimír</b>
Paris French Republic	<b>FISCHER Pavel</b>
Paris Permanent Mission Organization for Economic Co-operation and Development (OECD)	<b>MACEŠKA Jiří</b>
Pretoria Republic of South Africa <u>competence:</u> South Africa, Botswana, Lesotho, Mauritius, Namibia, Swaziland	<b>SIRO Jaroslav</b>
Rabat Kingdom of Morocco <u>competence:</u> Morocco, Mauritania	<b>URBANOVÁ Eleonora</b>
Riga Republic of Latvia	<b>FINFERLE Jan</b>
Riyadh Kingdom of Saudi Arabia <u>accreditation:</u> Saudi Arabia, Bahrain, Oman	<b>POLÁČEK Zdeněk</b>
Rome Republic of Italy <u>competence:</u> Italy, Malta	<b>SEČKA Libor</b>

San José Republic of Costa Rica <u>competence:</u> Costa Rica, Honduras, Nicaragua, Panama, Salvador, Belize	<b>EISENBRUK Vladimír</b>
Santiago de Chile Republic of Chile	<b>HLADÍK Lubomír</b>
Sarajevo Bosnia and Herzegovina	<b>BUCHTA Alois</b>
Seoul Republic of Korea	<b>HOTĚK Ivan</b>
Sofia Republic of Bulgaria	<b>DOKLÁDAL Petr</b>
Stockholm Kingdom of Sweden	<b>CHATARDOVÁ Marie</b>
Strasbourg Permanent Mission Council of Europe	<b>ŠTĚPOVÁ Vlasta</b>
Tallinn Republic of Estonia	<b>LABUDEK Vladislav</b>
Tbilisi Georgia <u>competence:</u> Georgia, Armenia	<b>NEKVASIL Jiří</b>
Tel Aviv State of Israel	<b>ŽANTOVSKÝ Michal</b>
Tirana Republic of Albania	<b>ŠINDELÁŘ Miroslav</b>
Tokyo Japan	<b>ŽEBRAKOVSKÝ Karel</b>
Tripoli Great Socialist People's Libyan Arab Jamahiriya	<b>ŘEZÁČ Pavel</b>
Tunis Republic of Tunisia	ambassador designate <b>PŘÍVRATSKÝ Jaromír</b> to present credentials at the start of 2004

Vatican Holy See <u>competence:</u> Holy See, Sovereign Order of the Knights of Malta, San Marino	<b>JAJTNER Pavel</b>
Vienna Republic of Austria	<b>GRUŠA Jiří</b>
Vienna Permanent Mission Office of the UN, OSCE and other international organizations based in Vienna	<b>VACEK Pavel</b>
Vilnius Republic of Lithuania	<b>VOZNICA Petr</b>
Warsaw Republic of Poland	<b>KOPECKÝ Bedřich</b>
Washington D.C. United States of America	<b>PALOUŠ Martin</b>
Zagreb Republic of Croatia	<b>BURIÁNEK Petr</b>