

Introduction

In 1999 Czech foreign policy was based on the Government's policy statement of August 1998 and on the Concept of Foreign Policy, which was approved by the Government in February 1999 and noted by the Chamber of Deputies of the Parliament of the Czech Republic in June 1999. This was the first time that a comprehensive document of this kind had been published. In line with this document, the Ministry of Foreign Affairs, as the main executive and legislative governmental authority in the field of foreign policy, emphasised its major priorities – incorporation of the Czech Republic in the European Union, membership of the Czech Republic in the North Atlantic Alliance, good and stable relations with neighbouring states, and regional cooperation. The Ministry also paid more attention to external economic relations.

In 1998–1999, a number of positive results were achieved in implementing the tasks arising from the Government's policy statement.

The Czech Republic tried to pursue an active foreign policy within the limits of its possibilities. It made use of its position in international organizations as well as of the quality of the bilateral relations it had achieved with other countries, and in this way helped to create international conditions for internal political stability, and for the security and prosperity of its citizens. For this, the Czech Republic had the necessary prerequisites. In 1999 it was a member of 56 inter-governmental organizations and had diplomatic relations with 176 states. It had 112 representative offices abroad.

The year 1999 went down in the history of Czech foreign policy as one of radical changes in the political and security position of the Czech Republic. On the basis of the decision of the Madrid NATO summit in 1997, and following the completion of the ratification process in the member states, the Czech Republic, together with Poland and Hungary, was ceremoniously admitted to the North Atlantic Treaty Organization on 12. March 1999. The Czech Republic became a full member of the most significant political and security organization in the world. For the first time in its history, it obtained effective security guarantees of its existence while, in accordance with the North Atlantic Treaty, it took upon itself its share of responsibility in ensuring the security of its NATO allies. This introduced new dimensions – European and Trans-Atlantic – in Czech policy as well as in the perception of the interests of the state.

Accession to NATO meant that one of the priority objectives of Czech foreign policy had been accomplished. Following admission to NATO, the representatives of the Czech Republic stated the determination of their country to act as a responsible and reliable ally, and to continue to work for more profound and effective participation in the work of the Alliance. The Czech Republic joined NATO's integrated military structure and all its political and military bodies, institutions and agencies. Membership in the Alliance introduced considerable changes in the Czech Republic's system of external relations. Bilateral relations with eighteen states in Europe and North America became alliance relations, the factor of common interests and common responsibilities, especially in the field of security, now becoming an integral component.

Thanks to thorough preparatory work, the Czech Republic has been able to carry out all the commitments arising from the North Atlantic Treaty from the day of its admission to NATO. The process of adapting the legislation of the Czech Republic to the regulations and treaties in force within NATO was inaugurated. Membership in NATO, moreover, underscored the need to accelerate the transformation of the Czech army and has increased opportunities for cooperation in the defence industries and in other related spheres.

The NATO military operation against the Federal Republic of Yugoslavia was launched on 24. March 1999, shortly after the admission of the Czech Republic to NATO. This was aimed at putting a stop to the extensive ethnic cleansing being carried out by the Milošević regime in Kosovo, and to avert a humanitarian catastrophe in the area. The Czech Republic joined the operation immediately, opening its air space to allied aircraft and dispatching a field hospital as well as an unarmed aircraft to the crisis area. The Czech Republic simultaneously strove to make its own contribution to the political settlement of the crisis. In doing this, it proceeded from the objectives of the North Atlantic Alliance and proposals put forward by the G-8 countries. On 23. May 1999 it submitted a peace initiative, jointly with Greece; many important elements of this were reflected in the final peace document which terminated the NATO military operation against the Federal Republic of Yugoslavia. Czech diplomacy therefore rightly considers this initiative to have been successful. After the conclusion of the military operation, the Czech Republic took part in the formation of the international KFOR and UNMIK operations. As the presiding state of the Central European Initiative, it participated in drawing up the Stability Pact for South-East Europe, which aims to consolidate the political situation and to support the economic advancement of the region, as well as promoting its incorporation in the European political and economic framework.

A special NATO summit was held in Washington in 1999 to mark the 50th anniversary of the Alliance. The Czech delegation was headed by President Václav Havel, and the Minister of Foreign Affairs was also present. The summit adopted a new strategic concept for NATO, and the Czech Republic participated in its preparation. The fundamental direction of Czech foreign policy is in accordance with this concept and with the conclusions of the Washington summit, whether this applies to the further enlargement of NATO, to the development of a European Security and Defence Identity, or to promoting partnership with Russia and Ukraine. The Czech Republic has stated its readiness to pass on its experience of incorporation in NATO to other countries in Central and Eastern Europe that are interested in joining this international organization.

In 1998–99, following the signing of the Amsterdam Treaty, the security and military dimension of a common foreign and security policy of the European Union began to be formulated. The North Atlantic Alliance welcomed the strengthening of the European flank and the creation of a European defence identity. The Czech Republic expressed its readiness to accept its share of responsibility for the common European defence and security policy. As a non-member of the European Union, it placed great emphasis on the close links and dialogue between the member states of the Union and the other European NATO member states, as well as on maintaining the trans-Atlantic relationship. The Czech Republic considered the Associate Membership in the Western European Union (WEU), granted in May 1999 following its admission to NATO, as a suitable platform for discussions on a common European defence and security policy.

The fact that the Ministry of Foreign Affairs established an efficient Czech diplomatic mission at NATO and the WEU in Brussels can be seen as another success.

From the day of its admission, the Czech Republic has been contributing a proportionate amount of 0.9% to three NATO budgets (the civilian budget, the military budget and the programme of NATO security investments). (In the case of the military budget and the programme of security investments the contribution has been recalculated, and as a result of France's non-participation in NATO military structures it amounts to approx. 1.15%). In 1999 the proportionate part of this share in the civilian budget, i.e. 46.9 million crowns, was covered from the resources of the Ministry of Foreign Affairs for membership contributions to international organizations.

The foreign policy of the Czech Republic has also focused on its European agenda, including first and foremost preparations for admission to the European Union and negotiations on joining that body. EU membership is among the fundamental long-term foreign policy objectives formulated by the Czech Republic at the time of its establishment in 1993. In January 1996, an official application was made for membership. In December 1997, the European Council, following a proposal by the EU Commission, resolved to include the Czech Republic in the group of six applicant countries with whom negotiations on admission to the Union were started in March 1998. By the end of 1999 the Czech Republic had submitted a total of 29 position documents on individual chapters of the *acquis communautaire* to the European Union (of a total of 31). Talks began on 23 chapters, of which 10 chapters were preliminarily closed. At the end of 1999, the Czech Republic was among the most successful applicant countries as far as the number of these closed chapters was concerned.

Preparation for membership in the EU is an exceptionally demanding task. Its successful accomplishment requires the close cooperation and effective coordination of all ministries. Moreover, it requires a high degree of consensus among the decisive political forces, since this is a decision affecting the fundamental interests of the state and all its citizens. Membership in the EU represents the greatest challenge confronting the Czech Republic since its foundation. The Government is well aware of this and its policy has been guided by this. Preparations for admission to the EU have been set as the first priority of foreign policy, and 1. 1. 2003 is the target date for admission to the Union. It has geared its coordination efforts towards this date. An updated version of the National Programme of preparations for membership in the EU has been approved. To underscore responsibility for the progress of preparations and increasing their effectiveness, the Government Committee for European Integration has been reorganized with the Prime Minister as chairman and the newly appointed Vice-Premier of the government, Jan Kavan, who is also Minister of Foreign Affairs, acting as executive Vice-Chairman. A negotiating team has been appointed, headed by the State Secretary for European Affairs and first Deputy Minister of Foreign Affairs, Pavel Telička. It was further decided to increase the staff of departments involved in preparations for admission to the European Union, including the EU section at the Ministry of Foreign Affairs.

In 1998 and 1999, the Government of the Czech Republic concentrated on eliminating the shortfall in preparations for membership in the European Union as quickly as possible, and improving the quality of all preparatory work in the legislative and non-legislative spheres, with the aim of attaining the requisite degree of readiness to join the Union by the proposed target date.

Another sphere of priority interest of Czech foreign policy was the promotion of good relations with neighbouring states. In 1998 and 1999 considerable progress was made in this

respect, and bilateral relations with all neighbouring states reached a relatively high standard. As a result of the admission of the Czech Republic to NATO in March 1999, two neighbouring states – Poland and Germany – became allies, and this has determined the nature of these relationships.

Relations between the Czech Republic and Slovakia improved considerably. The Czech government was anxious for these relations to become special. The political changes in Slovakia made it possible to settle the sensitive problem of the division of former federal assets. The signing of the Treaty on the joint procedure in dividing assets on 24 November 1999, and the Protocol on handing over the remaining part of the gold from the former Czechoslovak State Bank, solved the last serious area of conflict in Czech-Slovak relations. Contacts at all levels were intensified. The unambiguous Czech support for Slovak efforts to join NATO and the European Union also did much to reinforce mutual relations.

The further strengthening of relations with Germany was also a success of Czech foreign policy in 1999, especially the orientation of these relations towards the future. Czech-German relations have not been closer or better for several decades. They were particularly close at the highest political level. The official visit of the Czech Prime Minister Miloš Zeman to Bonn early in March 1999 and a similar visit by the German Chancellor Gerhard Schröder to Prague at the beginning of October 1999 played a major role in this respect. A strong impulse to directing relations towards the future was given by the declaration by Zeman, proceeding from the Concept of the Foreign Policy of the Czech Republic, that the validity of the Decrees of the President of the Republic of 1940–1945, which are part of the legal system of the Czech Republic, had become extinguished; the same can be said of the position of Gerhard Schröder, who declared that the German government would not permit Czech-German relations to be burdened by problems of the past, especially when it came to the admission of the Czech Republic to the EU.

In 1998–1999, Germany was the biggest single economic partner of the Czech Republic and the biggest foreign investor in the Czech economy. Czech-German regional cross-border cooperation also developed successfully.

In 1998 and 1999 good relations between the Czech Republic and Poland developed successfully. In certain spheres they were really special. An intensive dialogue was conducted between the Prime Ministers as well as between the Ministers of Foreign Affairs as part of the revived Visegrad group. Czech-Polish economic cooperation made further progress.

The closeness of interests in the process of European integration, the comparable geopolitical position and the long common history were all decisive factors in the development of relations between the Czech Republic and Austria. Czech-Austrian economic cooperation was especially successful. Notwithstanding certain partial problems (differing views on the completion of the nuclear power station at Temelín and the excessive attention the Austrian side devoted to the post-war decrees of the President of Czechoslovakia) Czech-Austrian relations made further progress.

Similar foreign policy positions, moving towards Euro-Atlantic political, economic and security structures, as well as analogous features in the transformation of their economies brought the Czech Republic and Hungary closer together; Hungary also became a member of NATO in March 1999. An intensive dialogue took place both on the highest political level

and within the revived Visegrad group. Further progress was made in Czech-Hungarian economic cooperation.

Czech foreign policy played a most active part in the revival of the so-called Visegrad group, including the Czech Republic, Hungary, Poland and Slovakia. The objective of the group is to promote and support cooperation between the countries concerned not only in the field of foreign and domestic policy but also in building the necessary infrastructure, mainly in transport, and in protecting the environment. The countries concerned also attach great significance to cultural cooperation. The Visegrad group has become a major forum for supporting the efforts made by Slovakia to integrate in Euro-Atlantic structures.

The Czech Republic has shared in regional economic cooperation within the Central European Free Trade Agreement (CEFTA). In 1998 it chaired the organization.

In 1999 the Czech Republic presided over the Central European Initiative (CEI), comprising 16 countries in Central and Eastern Europe. It concentrated on making the activity of this free association of states more effective and took part in formulating the Action Programme of the CEI for 2000–2001. As the presiding country, it participated in drafting the Stability Pact for South-East Europe.

The accession of the Czech Republic to the North Atlantic Alliance was reflected in the new quality of relations with the member states of this organization. Relations with major European powers and historical allies – France and Britain, as well as with other members of the Alliance – were consolidated and expanded. Mutual relations with the United States and Canada were substantially extended and intensified. Negotiations on accession to the European Union had a positive impact on relations with West European states. The Czech Republic took part in the EU common foreign and security policy to the extent that this was in accord with its status as an associated state. In the field of trade and economic relations, the European Union further consolidated its position in the Czech economy. Almost two-thirds of the foreign trade of the Czech Republic was with the European Union, and together with the CEFTA this share approaches 70%. EU member states, furthermore, had a decisive share in direct foreign investments in the Czech economy. In 1999 the Czech Republic could show a positive trade balance with the European Union for the first time since the early 1990s.

The Czech Republic has intensified its relations with the candidate countries in Central and Eastern Europe, which are undergoing a similar process of political and economic transformation.

The Czech Republic has also taken an active part in the policy of NATO and the European Union, aimed at stabilizing the South-East European region, especially in connection with the preparation of the Stability Pact for the area.

In its relations with the Russian Federation, the Czech Republic has advocated principles analogous with those upheld by the states of the North Atlantic Alliance and the European Union. It has maintained that cooperation and partnership with the Russian Federation are a significant prerequisite for security and stability in Europe. It endorsed the promotion of relations in the economic sphere, mainly with certain specific Russian regions. Supplies of fuel and energy-generating raw materials from the Russian Federation are of utmost importance for the economy of the Czech Republic. The Czech Republic also has also given

full attention to promoting partnership relations with Ukraine, recognizing its active role in European politics.

In accordance with the Concept of Foreign Policy, the Czech Republic has also paid considerable attention to relations with the countries of Asia, Africa and Latin America, which had been neglected in the earlier period. It proceeded from the premise that trade and economic relations were the most natural form of cooperation. It concentrated on regaining markets in these countries and restoring economic ties which had been severed. In the light of the economic interests of the Czech Republic, the Ministry of Foreign Affairs has revised the decisions of previous governments, which had planned to close some embassies. The representations in Montevideo and Sana'a were retained and the embassy in Ulan Bator was reopened.

International organizations play an increasingly effective role in determining global developments, and consequently it is in the interest of small and medium-size countries to take effective advantage of these organizations. Hence, in accordance with the government's policy statement and the Concept of Foreign Policy, the Czech Republic has recently paid increased attention to multilateral diplomacy and stepped up its activities in international organizations, on a global, European and regional scale. In practice, this applied to work in the UN, the OSCE, the Council of Europe, the Visegrad group and the Central European Initiative.

The Czech Republic has taken an active part in the work of the UN. The visit by the UN Secretary General to the Czech Republic in the summer of 1999 was an event of major significance. On 13. April 1999, the Czech Republic became a signatory of the so-called Rome Statute of the international criminal court. Initiating and achieving a resolution on the state of human rights in Cuba at the 55th session of the UN Commission on Human Rights in April 1999 was a great success for the Czech Republic. The good work of Czech diplomacy received international recognition: the Czech Republic was elected to serve on the commission for a further term in 2000–2002. Re-election to the Economic and Social Council similarly recognized for the work of the Czech Republic in this significant UN body. Activities in UNESCO were rewarded by the election of the Czech representative, Senator Jaroslava Moserová, as Chairman of the General Conference of this organization for a two-year period.

The Czech Republic has paid constant attention to the Organization of Security and Cooperation in Europe (OSCE). It has stated its position in this organization on a number of problems, among others, on the situation in Kosovo, Chechnya and Belarus; it has participated in long-term missions; and, within the organization it has put forward a recommendation on the Roma problem. The Czech Republic has been actively involved in issues concerning refugees and asylum-seekers. In common with NATO and EU states, it has recognized that the advantages of this organization are its extensive membership and its flexibility, due to the political nature of commitments within the OSCE. The Czech Republic has tried to take advantage of the possibilities offered by the OSCE, especially in discussions of political-security matters, preventive diplomacy and post-conflict resolution. The OSCE has played a major role in monitoring elections. A number of representatives of the Czech Republic have been members of various OSCE missions. The crisis in Kosovo gave a significant impulse for the role of the OSCE. The climax of OSCE activities came with the summit held in Istanbul in November 1999, where the European Security Charter was adopted. The Czech Republic was involved in advocating its pragmatic concept. The

initiative, launched by President Václav Havel, and supported by the Ministry of Foreign Affairs, secured the presence of a delegation from Montenegro and of representatives of all the major Serb opposition groups at the summit. This initiative received a positive response. The signing of the amended version of the Treaty on Conventional Armed Forces in Europe, in the formulation of which the Czech Republic took an active part, was a major contribution to reinforcing European security.

The Czech Republic has developed greater activity also in the Council of Europe which plays a significant role in supporting pluralist democracy, the rule of law and human rights on the European continent. The present government has thus made up for shortcomings which previous governments had accumulated vis-a-vis this organization. The incorporation of the Czech Republic in the system of CE treaties has made considerable progress. Of the total number of 174 CE instruments, the Czech Republic had ratified altogether 56 CE treaties by the end of 1999, and had signed another 22. In the group of member states in Central and Eastern Europe, the Czech Republic took second place in the number of treaties ratified, just behind Slovenia. In 1999, the Czech Republic ratified the European Social Charter and two of its protocols, and in this way settled its long-standing obligations in this area. It also ratified the European Charter on local administration and signed the European accord on state citizenship as well as the Criminal law agreement on corruption. Most of the treaties signed and ratified in 1999 are on the list of treaties which the European Union regards as significant. The Czech Republic has continued its initiative towards establishing a general judicial authority which would ensure a uniform interpretation of the accords of the Council of Europe and their uniform application in individual member states. The election of the Czech deputy, Vlasta Štipová, as Vice-Chairman of the Parliamentary Assembly of the Council of Europe in 1999 recognized her personal contribution to the work of this institution as well as the general contribution of the Czech Republic to the Council of Europe.

Czech foreign policy attaches great importance to the question of human rights. The country defends and promotes human rights and is therefore strongly committed in its relations with specific countries and regions and in relations to some specific issues. The Ministry of Foreign Affairs was also involved in activities on the domestic political scene, especially in collaboration with the Government Commission for Human Rights, the Council for Human Rights and the Council for Nationalities.

The Ministry of Foreign Affairs coordinated development and humanitarian aid offered by the Czech Republic to countries abroad; 90% of all development aid was organized mainly on a bilateral basis. Multilateral aid, amounting to 30 million crowns, was directed mainly to UN organizations. Humanitarian aid took on new proportions in 1999. In addition to the financial resources hitherto made available through inter-governmental and non-governmental international humanitarian organizations, humanitarian aid was augmented by material and relief elements, used predominantly to ease the plight of refugees from Kosovo in Albania, Macedonia and Montenegro, and for eliminating the effects of the earthquakes in Turkey, Greece and Taiwan and the floods in Vietnam and the Korean People's Democratic Republic. Considerable financial aid was offered to Turkey, Colombia, Mexico, Venezuela, Ghana and the Philippines during natural disasters, as well as to East Timor to help the victims of the armed conflict there.

In accordance with the government policy statement and the Concept of the Foreign Policy of the Czech Republic, there has been a substantial strengthening of economic diplomacy; and its significance in Czech foreign policy was evaluated in line with this change. Economic

relations became a significant part of talks which the Prime Minister and the Minister of Foreign Affairs conducted with foreign partners. An agreement was concluded between the Ministry of Foreign Affairs and the Ministry of Industry and Trade in October 1998 on trade and economic missions of the Czech Republic abroad, and on strengthening the trade and economic sections of Embassies. International activities in the economic field have concentrated on creating political and legal conditions for promoting the economic interests of the state, both on a multilateral level (especially the World Trade Organization), and on a bilateral level. Emphasis was placed on promoting the economic interests of Czech subjects abroad and furthering an export policy. The foreign service of the Czech Republic was confronted with an important task – to help create favourable conditions for the effective growth of the Czech economy and increase its export capacity.

The international economic position of the Czech Republic gradually improved in 1999. The trade deficit dropped to 70 thousand million crowns, thus attaining the lowest level since 1994. Czech exports achieved their highest level in history and came close to one thousand billion crowns, while 80% of all Czech exports went to nine European countries and the US. The structure of the foreign trade of the Czech Republic also improved. The share of raw materials and foodstuffs in Czech exports was reduced and the share of machinery and means of transport and commodities with a higher added value rose in 1999. In 1999 the Czech Republic recorded the highest influx of direct foreign investments since its foundation. According to information provided by the Czech National Bank, during the first three quarters direct foreign investments reached almost 122 billion crowns (USD 3.5 billion). The Czech Republic thus took a leading place among the Central European states.

An effective foreign policy cannot be achieved without a high-quality foreign service. The foreign policy programme, as defined in the government's policy statement and in the Concept of the Foreign Policy of the Czech Republic, places great demands on the Ministry of Foreign Affairs as well as on the missions abroad. A number of measures therefore were adopted in 1998 and 1999 to raise the quality of the Czech foreign service. A reorganization of the Ministry of Foreign Affairs was carried out with the aim of excluding duplication in its activities, of improving both horizontal and vertical lines of communication, and improving the standard of administration. The day-to-day conceptual and operative work of the ministry was improved. Considerable attention was devoted to raising the standards of personnel management. A career schedule was issued for diplomats, together with similar regulations for the administrative and technical staff. The role of the Diplomatic Academy in training and raising the qualifications of diplomats was redefined. Basic ministerial regulations were updated, especially the organizational and documentation rules. A project for establishing a modern information system of the Ministry of Foreign Affairs was drawn up.

The Ministry of Foreign Affairs has also turned its attention to improving its media activities. An internet website for the ministry became available on 31 December 1999 (address: www.mzv.cz). The Ministry has played a responsible part in preparing the implementation of Law No. 106/1999 on freedom of information, which came into force on 1 January 2000.

This brief review of Czech foreign policy during the period of 1998–1999 can be concluded by underscoring the general objectives formulated by the Concept of the Foreign Policy of the Czech Republic: “The Czech Republic intends to enter the 21st century as a stable, full and active member of the international community, and will be a reliable support for its allies as well as a trustworthy partner of other states. The primary objective of its foreign policy is to create the conditions for the security, stability and prosperity of the state and all its

citizens, and create the conditions for achieving the concept it has set itself: to assist in creating an international community of peace, security, cooperation, democracy and prosperity. It will place emphasis on contributing to creating a world order based on the principle of the rule of law and inalienable human rights, perceptive to demands of social justice, showing respect for the requirement to protect the environment, and open to a civil society.”

I. MULTILATERAL COOPERATION

1. Summary information on multilateral cooperation

In 1998–1999 the Czech Republic devoted increased attention to the multilateral dimension of international relations, in accordance with the Government's policy statement and the Concept of the Foreign Policy.

Pride of place was given to joining the North Atlantic Treaty Organization (NATO), of which the Czech Republic became a member on 12. March 1999. Admission to NATO constituted a considerable reinforcement of the international political and security position of the Republic, as well as acceptance of commitments towards its allies.

Throughout the 1998–1999 period, joining the European Union was among the priority tasks of Czech foreign policy. Negotiations on accession began in March 1998; by the end of 1999 these talks reached the phase of introducing the majority of negotiation chapters and defining outlines of the problems in individual chapters on which negotiation will centre once all chapters are broached. At the same time, mutual integration on the basis of the provisions of the European accord was also intensified.

The Czech Republic devoted great attention to regional cooperation. It took the initiative in helping to revive the activity of the Visegrad group, comprising the Czech Republic, Poland, Hungary and Slovakia. In 1999, the Czech Republic presided over the Central European Initiative (CEI). Its presidency contributed to promoting further cooperation among the member countries. By virtue of its presidency, the Czech Republic was able to participate in drawing up the Pact of Stability for South-East Europe.

The Czech Republic was active in the UN and its associated international organizations. It supported speeding up the process of UN reform, especially of the Security Council. It endorsed the idea of general and total disarmament. It initiated a resolution on the state of human rights in Cuba in the UN Commission on Human Rights.

Compared to the preceding period, the Czech Republic devoted far greater attention to the OSCE which, as an international organization for cooperative security, plays a major role in preventive diplomacy and post-conflict renewal. It stressed the human rights dimension of OSCE activities, and participated in drawing up the European Security Charter.

Activities in the Council of Europe were stepped up in 1998–1999. When considering the number of accords ratified, the Republic took second place among the member states from Central and Eastern Europe, just behind Slovenia.

The Czech Republic took part in international discussions on disarmament and arms control. In November 1999, it signed the adaptation of the Treaty on conventional armed forces in Europe (CFE), which is a crucial component of the European security structure. From the Czech point of view, the treaty eliminates the last link, albeit an indirect one, with the former Warsaw Treaty.

The Czech Republic continued to offer development and humanitarian aid. The priority destinations of its development aid were countries which were advancing towards

establishing or consolidating democracy and human rights. Humanitarian aid went primarily to countries hit by natural catastrophes and suffering the effects of military operations.

2. The Czech Republic and the European Union

Incorporation in the European Union is the main priority of Czech foreign and domestic policy; this is reflected in the fundamental programme documents – both in the Government's declaration (12. 8. 1998) and in the Concept of Foreign policy (Decision of the Government of the Czech Republic, No. 124 – 17. 2. 1999). Membership in the EU is in the Czech national interest, and this is directly reflected in the tasks of the Czech foreign service. A broad consensus among the major political forces in the country is fundamental in implementing this priority task.

Efforts to achieve accession to the EU are inseparably linked with the process of internal preparation for membership. The interdependence and mutual links between domestic and foreign activities, connected with negotiations on EU membership, mean that in many cases it is difficult to separate foreign policy aspects from the domestic activities of Parliament, the Government, individual ministries and the entire state administration. Relations with the EU are not confined to foreign policy aspects, they are more extensive and more multilateral.

A responsible and effective preparation for entry to the European Union and completing negotiations on the treaty of accession is at present among the most important political tasks of the Czech Government. January 1 2003 has been set as the target date when it intends to be ready for membership. This is the most important challenge facing society since the establishment of the independent state.

Preparation for membership in the EU represents a difficult complex of key social and economic measures, linked to the overall transformation process which took place in the Czech Republic during the 1990s. This process is reflected in fundamental legislative changes. The prerequisite for membership in the EU is, in the first place, the adoption and implementation of the legislation of the European community and the *acquis* relating to the second and third pillars. This is one of the most difficult and, at the same time, most complex parts of the preparatory process. It is essential to create an effective legislative base, compatible with the legislation of the European community and facilitating full integration in the EU within an historically very short period of time.

The specific feature of relations with the EU, an association of 15 member states, is interlinking relations with the EU as a whole with those established with individual member states on a bilateral level. Activities in support of the Czech Republic's bid to achieve membership in the EU have become a significant part of bilateral relations with member states. This factor is a substantial component of all negotiations conducted during visits and bilateral contacts with individual countries (they are listed below in the chapter *Bilateral Relations of the Czech Republic*); they belong to the content of everyday work of all Czech diplomatic missions.

Incorporation in the European Union will strongly influence the international position of the Czech state as well as the creation of favourable conditions for its further economic progress.

Visits by representatives of the Czech Republic:

- 29. 9. 1998 – a working visit by Prime Minister Zeman, the Vice-Premier for foreign and security policy Egon Lánský and Minister of Foreign Affairs Jan Kavan to the European Commission and the European Parliament in Brussels;
- 7. 10. 1999 – Minister of Foreign Affairs Kavan visited the European Commission in Brussels (to mark the inauguration of the new building of the Mission of the Czech Republic to the EC);
- 9. 11. 1999 – Vice-Premier and Minister of Finance Mertlík visited the European Commission in Brussels (on the occasion of signing the joint evaluation of the priorities of the economic policy of the Czech Republic).

Visits by representatives of EU institutions:

- 28.–29. 9. 1998 – visit by K. van Mieert, member of the European Commission, dealing with economic competition;
- 12.–13. 10. 1998 – visit by H. van den Broek, responsible for relations with the countries of Central and Eastern Europe in Prague;
- 22.–23. 2. 1999 – Neil Kinnock, member of the European Commission visited the Czech Republic;
- 11.–12. 10. 1999 – M. Schreyer, member of the European Commission responsible for the budget, visited the Czech Republic;
- 10.–11. 11. 1999 – Gunter Verheugen, member of the European Commission dealing with the enlargement of the EU, visited the Czech Republic (he made several visits but this time he had official talks with representatives of the Czech Republic).

Meetings of joint bodies and negotiations:

- 10. 11. 1998, 22. 6. 1999 and 7. 12. 1999 Minister Kavan attended the Inter-governmental conference on accession to the EU in Brussels and Luxembourg;
- 10. 11. 1998 and 7. 12. 1999 Minister Kavan attended a meeting of the Council on Association of the Czech Republic – EU in Brussels;
- 23. 11. 1998, 8.–9. 11. 1999 The Parliamentary committee on association of the Czech Republic to the EU met in Brussels, and 17.–19. 3. 1999 it met in Prague;
- 29. 5. 1999 The Committee on Czech Republic – EU Association met in Brussels.

Multilateral activities:

- 12. 12. 1998 – Prime Minister Zeman and Minister of Foreign Affairs Kavan attended a meeting with members of the European Council in Vienna, and on 11. 12. 1999 in Helsinki;
- 6. 10. 1998 and 19. 7. 1999 – Minister of Foreign Affairs Kavan attended the session of the European conference in Luxembourg and Brussels;
- 9.–11. 11. 1998 – Speaker of the Chamber of Deputies Václav Klaus attended a meeting of the Speakers of the Parliaments of candidate countries with the President of the European Parliament in Vilnius;
- 26.–28. 4. 1999 – Chairman of the Senate, Libuše Benešová took part in the meeting of Speakers of the Parliaments of candidate countries with the President of the European Parliament in Sofia;
- 30. 11. 1999 – Speaker of the Chamber of Deputies Klaus attended a meeting of Speakers of the Parliaments of candidate countries with the President of the European Parliament in Brussels.

Current state of negotiations on an agreement on the accession of the Czech Republic to the EU, position documents

On 31. 3. 1998 negotiations opened on the accession of the Czech Republic to the EU in the form of a bilateral inter-governmental conference at ministerial level. The first phase of the negotiation process – the technical part of the negotiations, the so-called *acquis* screening (a comparison of the EC legislation and the *acquis* of the 2nd and 3rd EU pillar with Czech legislation, and a verification whether at the time of accession to the EU the Czech Republic would be capable of taking over all commitments arising from membership) were commenced on 3 April 1998 and completed on 8 July 1999. In September 1999 an additional screening of the Agriculture and Regional Policy chapters took place in connection with Agenda 2000, and in October and November 1999 screening of the plant welfare legislation. At the same time supplementary screening was commenced in written form to the new community legislation, i.e. legislation adopted after 1 March 1998 (the bilateral screening of individual chapters related to legislation valid on 1 March 1998).

Under the Austrian presidency in the Council of the EU, the second phase of negotiations was started in the second half of 1998, i.e. the actual negotiations on the conditions of the future membership of the Czech Republic in the EU. The actual negotiations are taking place in the form an inter-governmental conference at the level of foreign ministers and of representatives (i.e. the chief negotiators for the candidate countries and ambassadors of the EU member states [Committee of permanent representatives – COREPER] for the EU.)

In accordance with the mandate for the negotiations of the Czech delegation, the following position documents of the Czech Republic were drawn up and gradually submitted to the European Union, with the EU subsequently reacting in common:

- 11. 9. 1998 – Science and Research; Telecommunications and Information Technology; Education; Specialized Training; Youth; Culture and Audio-Visual Issues; Industrial Policy; Small and Medium-Sized Enterprises; the Common Foreign and Security Policy (CFSP);
- 4. 12. 1998 – The Law on Commercial Enterprises, Statistics, Fishing;
- 29. 1. 1999 – the Free Circulation of Goods, External Relations, the Customs Union, Competition Policy, Consumer Protection;
- 28. 5. 1999 – Social Policy and Employment, Economic and Monetary Union, Transport Policy;
- 13. 7. 1999 – Energy, Environment, Free Circulation of Services;
- 30. 7. 1999 – Free Circulation of Capital, Taxes;
- 27. 10. 1999 – Financial Control and Financial and Budget Regulations;
- 3. 11. 1999 – Regional Policy;
- 30. 11. 1999 – Free Circulation of Persons, Cooperation in the Field of Judicial and Internal Matters, Schengen;
- 3. 12. 1999 – Agriculture.

This means that the Czech Republic (as the first among applicant countries) submitted all position documents on all negotiation chapters (except for two technical ones). In the position documents, the Czech Republic stated its readiness to adopt the EC legislation – in other words, the *acquis* of the 2nd and 3rd pillars of the EU – by the date of accession, i.e. 1 January 2003; though in a few justified instances it requested periods of transition for adopting the commitment arising from concrete EC/EU legal regulations. The Czech Republic applied for a transition period only where it considered this absolutely essential. These requests are limited as regards time and scope.

The head of the Czech Republic negotiating team, Deputy Minister of Foreign Affairs Telička, discussed the positions on seven negotiating chapters with the ambassadors of the 15 EU member states during the first negotiations of the inter-governmental conference at the level of representatives. These chapters had been the subject of the first round of the talks. Subsequently, at the inter-governmental conference at ministerial level on 10 November 1998, when the Czech delegation was headed by Foreign Minister Kavan, it was possible to agree on the preliminary conclusions of the following chapters: Science and Research, Education, Specialized Training, Youth, and Small and Medium-Sized Enterprises. The chapters on Telecommunications and Information Technology, Industrial Policy, the CFSP, and Culture and Audio-Visual Issues were not completed, as the EU requested additional information from the Czech Republic.

The second round of negotiations of the inter-governmental conference at the level of representatives took place in Brussels on 19 April 1999 under the German presidency; that is when the proposed chapters on Telecommunication, Statistics and Fishing were suggested for preliminary conclusion, and on 19 May 1999 when the chapters on Consumer Protection,

Customs Union, External Relations, the Law on Commercial Enterprises and Competition Policy were discussed. While the chapter on Consumer Protection was proposed for preliminary conclusion, the EU requested additional information on the remaining chapters.

A further session of the inter-governmental conference on the accession of the Czech Republic at ministerial level took place in Luxembourg on 22 June 1999. The meeting summed up and confirmed the results of the negotiations at the level of representatives of 19 April and 19 May, i.e. the preliminary conclusion of the chapters on Telecommunications, Statistics, Consumer Protection, Fishing and Industrial Policy was confirmed. At the same time the extensive chapter on Free Circulation of Goods was opened (i.e. for the first time the position of the Czech Republic and the EU were discussed in plenary session).

Under the Finnish presidency in the second half of 1999, the pace of negotiations was kept up, regardless of complications in opening certain chapters. On 30 September 1999, the proceedings of the inter-governmental conference at the level of representatives opened the chapters on Social Policy and Employment, Economic and Monetary Union and Free Circulation of Capital.

The second meeting of the inter-governmental conference under the Finnish presidency at the level of representatives, which was originally planned for 4 November 1999, was postponed to 12 November 1999 owing to lack of time for the preparation of common positions on the part of the EU. During the proceedings, four new chapters were opened: Energy, Taxes, Transport and Free Circulation of Services, while the conference also returned the chapter on the Law on Commercial Enterprises for further discussion.

On 7 December 1999, a meeting of the inter-governmental conference on the accession of the Czech Republic to the EU took place at ministerial level. It discussed all chapters, which had been the subject of the previous two rounds of the conference at the level of representatives and the chapter on Environment was opened. It was possible to complete provisionally the chapter on Economic and Monetary Union and the chapter on Free Circulation of Goods, which is seen as one of the fundamental factors of a single market.

Between the start of negotiations and the end of 1999 a total of 29 Czech position documents has been submitted, and 23 chapters have been opened, of which 10 have been concluded provisionally.

While preparing for the negotiations the Czech team learned from experience passed on by the partners in EU member states; it also took advantage of these meetings to present the Czech positions. The negotiating team had consultations, among others, with its Irish and Italian partners. Members of the team had regular meetings with their partners in member countries and they explained and specified the Czech Republic positions in the negotiation process.

Institutional and organizational provisions

The negotiations on membership in the EU were necessarily anchored in their complex institutional and organizational provisions, directly interlinked with the domestic process of preparing for membership. The government involved all sectors of the state administration in

these preparations. The government committee for European integration meets regularly at ministerial level. Prime Minister Zeman was appointed its chairman in December 1999 in order to underscore overall responsibility for the process of integration in the EU. In order to reinforce the coordination role, at present carried out by the Ministry of Foreign Affairs, Minister of Foreign Affairs Kavan was at the same time appointed Vice-Premier responsible for foreign and security policy, and also Executive Vice-Chairman of the Government Committee for European Integration.

The government appointed a Delegation for negotiating the agreement on the accession of the Czech Republic to the EU, headed by Deputy Minister P. Telička, appointed in October 1999 State Secretary for European Affairs, and First Deputy Minister of Foreign Affairs. The operational body, ensuring the coordination and organization of all tasks connected with preparations for membership is the Working Committee for the Integration of the Czech Republic in the EU.

Cooperation with Parliament has also intensified. These Bills are passed on to the Committee for European Integration of the Chamber of Deputies of Parliament for information, parallel with sending them out for inter-departmental comments. When submitting a bill to Parliament, the government draws attention to its possible connection with the future membership of the Czech Republic in the EU.

At the Ministry of Foreign Affairs, the European Union Section deals with relations with the EU; it comes directly under the First Deputy Minister and State Secretary for EU matters, P. Telička. The Section consists of the department for the coordination of relations with the EU and a department of political relations with the EU. After a staff reorganization at the Ministry of Foreign Affairs, which added 20 employees, the Section now has a staff of 51.

The ongoing negotiations on membership have increased the demands on the Mission of the Czech Republic with the EC in Brussels, which has 19 diplomatic officials. Working negotiations with the Brussels EU bodies at all levels have become far more intensive. Specialized negotiations and consultations of experts in all fields have become an everyday necessity. They have concentrated on harmonizing legislation, issues connected with implementing the European accord, drawing upon EC funds, consultations on foreign policy, etc. The mounting intensity of mutual cooperation has required an increase in the number of diplomats sent to the Czech Republic Mission in Brussels, including specialists from various ministries.

Regular report of the European Commission on the progress of the Czech Republic in preparing for membership in the EU, National Programme

A special instrument in relations of the EU with applicant countries are regular reports in which the European Commission assesses the progress made in preparation for membership during the past year. The European Commission published its first regular report on 4 November 1998, the second on 13 October 1999. Following a proposal by the Czech side, since 1999 the report also partly assesses the overall state of preparedness in addition to the annual assessments, and this in areas where such an assessment is possible or relevant.

The regular report of the European Commission for 1998 was critical on certain aspects in the Czech Republic, especially the state administration, the judiciary, protection of classified information, intellectual ownership, copyright and others. On the basis of the position expressed by various ministries, the Ministry of Foreign Affairs drew up a document entitled "Measures arising from the Regular Report of the European Commission" which contained a timetable, setting defined tasks for ministers to overcome delays in preparing for membership in specific areas. Progress was regularly assessed by the Government Committee for European Integration.

The Report of the European Commission for 1999 also noted limited progress or none at all in several areas. It pointed to inadequate progress in harmonizing Czech law, reform of the public administration and the judiciary as well as to an absolute need to complete structural reforms. The Czech Republic considers the Regular Report as an objective, well-balanced document, even though in a number of cases the European Commission could not avoid inaccuracies or errors. In some instances, it failed to take note of information provided subsequently which could well have given rise to certain amendments. The Czech Republic drew attention to these shortcomings at talks with the European Commission.

In response to the Report, the Government took several concrete steps to speed up preparations in the legislative and non-legislative fields. It instructed all members of the government and heads of other state administration bodies to eliminate shortcomings by tackling concrete tasks. It also reduced some deadlines in its legislative plans for the years 2000 to 2002.

In May 1999 the Government approved an updated version of the National Programme for Preparation for Membership in the European Union, containing short-term and medium-term tasks in spheres where full preparation for membership had not yet been achieved, especially as regards the harmonization of legislation, including its implementation, enforcement and institutional realization. The National Programme took into account the process of screening legislation as well as the actual negotiations on accession of the Czech Republic to the EU and lessons drawn from earlier assessments of the Czech Republic by the European Commission.

The EU is using the so-called accession partnership to direct the applicant countries towards the tasks which are most significant for coming closer to the EU from the Union's point of view. Following a recommendation of the European Commission, in December 1999 the Council of the EU adopted an updated document: *Accession Partnership*, which, together with the National Programme, constitutes the basis for assessment of preparation for membership by the Czech Republic. It is also the basis for offering EU assistance under the PHARE programme, reorientated to support the pre-accession strategy. The Czech Republic has done its utmost to align the objectives and timetables of the accession partnership and the National Programme.

Implementing the Europe Agreement

The Europe Agreement, defining the association of the Czech Republic with the EC and its member states, is the contractual document on the basis of which relations with the EU have been developing since 1 February 1995. Its objective is to form a framework for the gradual

integration of the Czech Republic in the Community and by 2002 create a free trade area between the Czech Republic and the EU.

The implementation of the provisions of the Agreement is regularly discussed by the Council of Association at the level of ministers of foreign affairs of the Czech Republic, of EU member states and one member of the European Commission. At its sessions in November 1998 and December 1999, the Council dealt, among other things, with problems arising from the implementation of the Europe Agreement (the interpretation of its Article 34, the introduction of preliminary protective measures for the import of sugar, valid as of 12 March 1999, the compatibility of the law on lotteries with the Europe Agreement, the amendment of the law on employment, anti-dumping investigations, etc.). The Committee on Association, another body set up under the Europe Agreement, and composed of senior officials of both parties, assists the Council in its activities; its 5th session was held in May 1999. Sub-committees of the Committee on Association provide support.

A regular dialogue between the Parliament of the Czech Republic and deputies of the European Parliament organized by the parliamentary committee on the Czech Republic – EU association, contributes to achieving the objectives of the Europe Agreement; this committee is made up of a permanent delegation of the Chamber of Deputies and the Senate of the Czech Republic and of a permanent delegation of the European Parliament. It generally meets once every six months; in the period discussed here there were meetings in Brussels in November 1998, in March 1999 in Prague and in November 1999 in Brussels.

The Czech Republic and the European Commission jointly prepared a common assessment of the priorities of the Republic's economic policy, which was signed by Vice-Premier Mertlík and P. Solbes Mira, member of the European Commission in Brussels, on 9. November 1999. The document outlines the prospects for the Czech Republic's economic policy in the medium term.

Harmonizing the legislation of the Czech Republic with that of the EC is one of the most important commitments of the Czech side, and a relatively good standard has been attained in the country's overall state of preparation, including the transposition of its legislation. The Czech Republic considers acceptance of the *acquis communautaire* to be a fundamental prerequisite for EU membership.

The completion of expert negotiations on the Protocol to the Europe Agreement on Conformity, Assessment and Acceptance of Industrial Products in October 1999 was a step towards implementing the Europe Agreement as well as the result of progress made in the preparation for membership; this Protocol will help to simplify the free circulation of goods between the Czech Republic and the EU. When approved by both sides, the Protocol could come into force in the third quarter of 2000. However, a number of further new legal regulations or amendments will have to be passed first.

The protocol on health and plant protection measures as well as veterinary measures in relation to the Europe Agreement, signed in July 1998, simplifies trade in foodstuffs.

Cooperation with the Delegation of the European Commission in Prague is helpful in the exchange of information and the coordination of joint activities.

Mutual economic relations

The exceptional significance of the European Union for the Czech Republic is also given by the extent of mutual economic cooperation. The Union is the biggest economic partner of the Czech Republic and in 1999 accounted for 66.5% of the total turnover of Czech foreign trade, as against 63.4% in 1998. Two-way trade reached the sum of 1,134 billion crowns in 1998. Czech exports to the EU amounted to 546 billion crowns (64.2% of Czech exports) and imports from the EU to the Czech Republic were worth 589 billion crowns (63.5% of imports to the Czech Republic). The growth of two-way trade continued in 1999 (by 13%) and amounted to 1,282 billion crowns, i.e. 66.7% of the Czech foreign trade turnover, exports reached 642.4 billion crowns (i.e. 69.2% of exports) and imports 639.6 billion crowns (i.e. 64% of imports). In 1999 it was possible to achieve an active trade balance, amounting to 2.8 billion crowns, while in 1998 the deficit had reached the sum of 42 billion crowns. The major groups of EU exports in 1998 were machines and electrical equipment, means of transport, basic metals, industrial goods and chemical products. Czech exports concentrated primarily on machinery and electrical equipment, transport installations, basic metals and industrial goods as well as textiles. The composition of commodities in two-way trade differs according to the member countries (see relations with individual countries).

Pre-accession aid: PHARE programme, twinning

In 1998–1999 the PHARE programme of aid offered by the Community served to accomplish the aims of the Europe Agreement; it remained the principal instrument in support of the pre-accession strategy of the Czech Republic. During the period under review, the programme concentrated on the priorities of accession partnership intended to help the applicant countries fulfil the Copenhagen criteria for EU membership. Roughly 30% of the resources earmarked under the PHARE programme were destined for establishing institutions designed to ensure the application and implementation of community law in the future member states. The remaining 70% were earmarked to finance investments to consolidate infrastructures necessary to secure compatibility with the *acquis*, and to support economic and social stability, including restructuring major branches of the economy.

The PHARE programme for 1999 (contracting up to the end of 2000) represents concrete financial assistance for the Czech Republic amounting to 21 million Euros, focused on the following priorities: consolidating the democratic system, the Rule of Law, human rights and the protection of minorities, mainly Romanies; economic and social cohesion, including support for small and medium enterprises and measures to boost employment; increasing the capacity of institutions and the public administration to adopt the *acquis*, especially in the field of public finances, plant protection, health and safety at work, and the environment; the judiciary and internal affairs including the struggle against organized crime and economic crime, border protection and reinforcing the judiciary; the Tempus programme and a contribution to participation in various programmes of the Community.

A further 29.4 million Euros were earmarked for cross-border cooperation (CBC) with Germany, 10.6 million Euros for cooperation with Austria, 3 million Euros for cooperation with Poland and 2 million Euros for cooperation with Slovakia.

Twinning forms a significant component of the process of creating institutions, aimed at intensifying and promoting the quality and capability of the state administration which will have to be prepared to apply and impose the *acquis communautaire*. This involves cooperation between partner departments in the Czech Republic and in EU member states (long-term visits by experts, specialists/officials from EU member states in the Czech Republic), originally in four specified priority areas: finance, environment, agriculture, the judiciary and interior. Twinning as an instrument for implementing projects is gradually being expanded to other branches – for example, preparation for the exploitation of structural funds and the cohesion fund, social affairs, and others.

A number of member states such as the Netherlands, Denmark, Belgium, France, Greece and Germany, are interested in bilateral cooperation. But in these cases, cooperation is different from sending experts on a long-term basis. The exchange of judges between France and the Czech Republic is an exception (each side covers its own costs). This type of cooperation is not part of the PHARE programme (in most cases, the expenditure is covered by funds of member states earmarked to help the Central and East European countries, and by Czech resources).

Education in European Affairs

The Committee for European Integration has instructed the Ministry of Foreign Affairs to coordinate educational projects dealing with EU affairs for state administration officials. The Ministry of Foreign Affairs coordinates a number of relevant projects and strives to achieve at least a certain measure of general knowledge about the EU by all state administration officials who deal with these matters in their daily work. In this way, the Ministry of Foreign Affairs takes a decisive share in the preparation of the Czech negotiating team and its base.

The second PHARE project for the training of 80 civil servants and 10 instructors has been in progress since October 1999. PHARE resources are also being used to prepare an advanced programme for some 50 officials. In addition, a cycle of short-term courses is under preparation for some 500 officials at central and local institutions which deal with issues related to the EU in their work; the purpose is to make them familiar with some basic information about the EU.

A series of one-off actions is also carried out in cooperation with EU member states. These are in the main brief seminars, directed at passing on experience gained in negotiations, the coordination of EU affairs or specific areas with regard to “European” problems. In this, the Ministry of Foreign Affairs collaborates closely, for example, with the Netherlands, Britain, Sweden, Denmark and France. These education programmes are financed to a greater or lesser extent by resources of member states earmarked for technical aid to Central and East European countries. A proportion is also provided by Czech resources.

The Ministry of Foreign Affairs also coordinates participation in events organized by TAIEX (Technical Assistance Exchange Office).

Information Strategy

As preparations for the integration of the Czech Republic into the EU progress, informing the public about the European Union becomes increasingly important. Not only the population at large, but also selected target groups according to age, profession, region, etc. have to be addressed with the aim of objectively explaining both the advantages and the problems and pitfalls connected with the Czech Republic's integration in the EU. Consequently, since 1997 the Ministry of Foreign Affairs has been engaged in an information strategy prior to accession to the EU, with the aim of providing citizens with easily accessible objective information about the EU, and leaving it to them how to decide in a possible referendum.

Over the past few years, the Ministry of Foreign Affairs has organized a number of projects financed by PHARE funds, for example, publications on the EU, a collection of video-cassettes and so on. After the Government and Parliament endorsed the information strategy, providing the sum of 30 million crowns from the 1999 state budget, information activities have been substantially expanded. Projects carried out include a plan for publications, to be provided free of charge in the distribution centre or in information centres which the ministry also supports. In addition, there is a Czech-language Internet server on European affairs (Euroskop) and projects of so-called European Days, information stalls in district towns, discussion gatherings, seminars, conferences and other events, directed at the public as well as at target groups of experts.

Multilateral diplomatic activities

A number of fora have emerging at the level of the European Union as well as in countries applying for membership in the EU; they serve to facilitate meetings of representatives of member and applicant countries, to exchange views and hold discussions not only on topical issues of the accession process but on a broad spectrum of European and global problems. The Czech Republic took an active part in these activities during the period under review, using them to present its positions and to attain a general rapprochement with EU member states. An extensive dialogue is taking place at the highest level within the framework of meetings with the European Council, held generally once a year (the last time in Helsinki on 11 December 1999, before that in Vienna on 12 December 1998), where the European Council informs the representatives of applicant countries about its basic decisions and enables them to state their views on topical issues.

The European Conference

The European Conference provides an opportunity for political consultations among EU members and candidate states on matters of common interest. On 6 October 1998 a meeting of foreign ministers took place to discuss the struggle against organized crime. The next meeting of the European conference took place in Brussels on 19 July 1999 and its main topic was the Kosovo crisis, the return of Kosovo refugees and the chances for political stability in the region.

Parliamentary cooperation

Meetings of the Speakers of the Parliaments of associated countries with the President of the European Parliament have become a regular feature on the multilateral level, taking place once every six months. For the Czech side the Speaker of the Chamber of Deputies and the Chairman of the Senate of the Czech Republic Parliament took turns in attending these meetings. The chairmen of the foreign relations committees of the parliaments of member and applicant countries also meet at six-month intervals. Similar meetings are arranged for the chairmen of committees on European integration. These meetings have been attended regularly by the chairmen of the appropriate committees of the Chamber of Deputies of the Czech Parliament.

Cooperation of candidate countries, negotiating membership in the EU

The Czech Republic took the initiative and suggested a new form of cooperation in preparing for accession to the EU in order to facilitate the sharing of experience and to strengthen mutual confidence. Meetings of the chief negotiators from countries applying for membership (the Czech Republic, Poland, Hungary, Estonia, Slovenia and Cyprus) were the result. Seven such meetings were held during the period under review; they focused on exchanging information and experience regarding the domestic preparations in the applicant countries, including an exchange of information on national negotiating positions. The most recent meetings of the chief negotiators have concentrated increasingly on specific subjects, and concrete issues of a technical nature are discussed.

The first meeting at ministerial level attended by the six countries applying for membership, took place in Tallinn on 11 October 1999. The ministers called in a joint letter on the chairman of the European Commission, Romano Prodi, to speed up the process of expansion.

Cooperation was extended by introducing meetings of expert members of the negotiating teams – following an agreement reached by the chief negotiators of the six applicant countries. These meetings concentrated on specific subjects pertaining to the negotiations. Exchanges of views on issues related to the environment, held in Budapest towards the end of 1998, a meeting in January 1999 on the chapter on External Relations held in Ljubljana or one in Warsaw in April 1999 on public tenders can serve as examples.

Cooperation on European affairs takes place also within the Visegrad group – the Czech Republic, Hungary, Poland and Slovakia at the level of State Secretaries.

Incorporation of the Czech Republic in a common foreign and security policy

The Czech Republic has cooperated with the EU common foreign and security policy insofar as this is made possible by its status as an associate country. Shared values enabled the Czech Republic to achieve almost complete compatibility with the *acquis* as far as the everyday implementation of foreign policy is concerned. By endorsing common action, positions, declarations and measures, and translating them into practical reality, the Czech Republic demonstrates its preparedness for accession to the EU in the field of CFSP and accepts its

share of responsibility for developments in Europe and the world. An intensive dialogue is in progress with the EU member states and other applicant countries on a CFSP with the participation of the Czech Republic and other applicant countries; this takes place in working groups and deals with major problems such as disarmament, nuclear proliferation, terrorism, the trade in conventional weapons, human rights, the Western Balkans, the UN. The dialogue is sponsored by regular meetings of the political directors of the Ministries of Foreign Affairs and by the European correspondents at least once under each presidency. The Czech Republic monitored the introduction of a common European security and defence policy closely, and as a NATO member and an associate member of the WEU, it works towards incorporation in the process of safeguarding security in Europe.

3. The Czech Republic and the North Atlantic Treaty Organization

On 12. March 1999, the Czech Republic became a member of the North Atlantic Treaty Organization (NATO). This brought about a fundamental change in the security position of the state. The Czech Republic is part of a political-military association whose members guarantee to assist each other in the event of a military attack under the terms of Article 5 of the North Atlantic Treaty. The Czech Republic has thus fulfilled one of its crucial tasks in foreign and security policy after 1989. It is symbolic that this step was taken precisely ten years after November 1989.

During 1998 the Czech Republic, together with Hungary and Poland, was able to be an active observer in practically all proceedings of NATO bodies and institutions (with the exception of the NATO – Russia Permanent Joint Council, the NATO – Ukraine Commission and some aspects of defence planning), including the North Atlantic Council at ministerial level.

In 1998, the Czech Republic was already partly involved in the NATO defence planning system. In the second half of 1998 the implementation of Target Force Goals was taken in hand by the Ministry of Defence; it was primarily directed at reinforcing the inter-operability of the Czech army with NATO standards. In the implementation of these goals, priority was accorded to goals which ensured Minimum Military Requirements of membership and which had to be fulfilled as of the first day of membership.

The adoption of Law No. 148/1998, and the establishment of the National Security Office, were followed by preparations to secure the fundamental prerequisites of membership in NATO in this sphere. As a result of the relatively late establishment of the National Security Office, the strict national standards (in a number of spheres above the minimum standards stipulated by NATO) and certain administrative shortcomings, the minimum NATO requirements were met only with a considerable effort by the day of the Czech Republic's accession to NATO and in some cases to a less than satisfactory degree.

During the second half of 1998, preparations for membership in NATO on the domestic level were coordinated by the Committee of the Czech Republic for integration in NATO, from September 1998 under the chairmanship of Vice-Premier for foreign and security policy, Egon T. Lánský.

The then 16 NATO member states concentrated throughout 1998 on the ratification of protocols on the accession of new members to the North Atlantic Treaty. This process was completed early in December 1998 and noted by the foreign ministers of the Alliance member states at their regular session in Brussels during that same month. This was followed by political negotiations between the three invited states, member states and the International Secretariat about depositing the ratification documents with the instrument on the accession of the Czech Republic, Hungary and Poland in the keeping of the US government as the depository of the North Atlantic Treaty. It was agreed that the Ministers of Foreign Affairs of the three new NATO members would hand over these documents to the US Secretary of State in the American town of Independence (Harry Truman's birthplace) on 12 March 1999. By this act, the Czech Republic, Hungary and Poland formally became members of NATO. The Czech Republic was represented by Minister of Foreign Affairs Jan Kavan. A solemn session of the North Atlantic Council took place at NATO headquarters in Brussels on 16 March 1999, attended by the Prime Ministers of the three new member states.

The Czech Republic is now a full member of NATO with equal rights, sharing all rights and duties arising from the North Atlantic Treaty and the related legal, political, security and military documents. The Czech Republic is fully involved in the integrated NATO military structure as well as in all political and military bodies, NATO institutions and agencies. The only two decisions which concern specifically the new member states were of a political nature and were adopted even before their accession to NATO. The first was agreed on 10 December 1996 by the foreign ministers of NATO member states, as follows: "Enlarging the Alliance will not require a change in NATO's current nuclear posture and therefore, NATO countries have no intention, no plan, and no reason to deploy nuclear weapons on the territory of new members nor any need to change any aspects of NATO's nuclear posture or nuclear policy – and we do not foresee any future need to do so." The second was adopted by the North Atlantic Council on 14. March 1997: "In the current and foreseeable security environment, the Alliance will carry out its collective defense and other missions by ensuring the necessary interoperability, integration and capability for reinforcement rather than by additional permanent stationing of substantial combat forces."

From the day of its accession, the Czech Republic has been contributing a proportionate sum of 0.9% to three NATO budgets (civilian, military and the Programme of NATO security investments) (in the case of the military budget, this proportion and the Programme of security investments, this is further converted owing to the non-participation of France in the NATO military structures, and so amounts to approx. 1.15%). In 1999 the resources of the Ministry of Foreign Affairs earmarked for membership fees in international organizations covered the proportionate part of this share in the civilian budget, i.e. approx. 46.9 million crowns.

The Czech Republic has been in a position to fulfill all its commitments arising from the North Atlantic Treaty from the first day of its membership. However, in a number of spheres, this capability is at a minimum or low level. That is why, even after accession, efforts to ensure full integration and attain all NATO standards in several dimensions have continued.

After the establishment of the State Security Council and its working bodies, in accordance with the Constitutional Law on the Security of the Czech Republic, and after accession to NATO, the government resolved in June 1999 to terminate the operation of the government committee for NATO integration. All activities which need to be coordinated on an international scale were transferred to the State Security Council.

The Ministry of Foreign Affairs also cooperates with the State Security Council in building up a comprehensive system of Crisis Management. The Ministry was the main coordinator in drawing up the Security strategy of the Czech Republic, which was approved by the government in February 1999; it also had a share in drafting the Military Strategy, submitted by the Ministry of Defense. It also participates in the work of specialized groups which operate under the defense planning and civilian emergency planning systems. The coordination of humanitarian aid abroad and the dispatching Czech relief teams to crisis areas has played a significant role in the security system of the Czech Republic in 1999. On the basis of experience accumulated during relief work after the earthquake in Turkey, the jurisdiction of the Inter-ministerial crisis staff of the State Security Council was more precisely defined, and the Ministry of Foreign Affairs was entrusted with preparing a Concept for providing humanitarian aid abroad. These questions should be definitively resolved by the laws on crisis management, on an integrated emergency system and on mobilization procedures, which are being prepared.

On the political side of NATO membership, the Ministry of Foreign Affairs is responsible for preparing policies on issues discussed within NATO at all levels. A coordination mechanism has been established at the Ministry so that documents and positions can be processed efficiently, enabling Czech representatives in NATO bodies to promote the Czech Republic's interests and policy goals. The main body of inter-departmental coordination is the Committee of the State Security Council for the Coordination of Foreign Security Policy and its two sub-committees.

Membership also has legal implications. It was essential to start dealing with the technical and status treaties and agreements valid within NATO (the so-called *acquis NATO*). The Ministry of Foreign Affairs was responsible for two status treaties. (The Agreement on the legal position of NATO, representatives of states and international personnel – the so-called Ottawa agreement – and the Agreement on the legal position of missions and representatives of third countries at NATO – the so-called Brussels agreement). The ratification process of these two agreements was completed in the course of 1999. The Ministry of Foreign Affairs also collaborates with the relevant departments (especially the Ministry of Defense and the National Security Office) in preparing documentation relating to other legal documents, both within NATO and on a bilateral level.

Adaptation of domestic legislation to full membership in NATO forms a significant aspect of full integration in the Alliance. The main coordinator in this area is the Ministry of Defense, with whom the Ministry of Foreign Affairs collaborates closely. In 1999 marked progress was made with the adoption of laws on defence matters and resolutions by both chambers of the Czech Parliament on sending Czech armed forces abroad and receiving foreign armed forces on Czech territory.

The continuing reform of the armed forces and the full integration of the Czech army in the military institutions and the integrated military structure of NATO represent significant aspects of the endeavour to reach NATO standards in the field of security. In this respect, the Ministry of Foreign Affairs participates in preparing documents dealing with conceptual issues connected with the development of the defense sector. It also cooperates with the Ministry of Defense in drawing up planning documents for NATO and during expert negotiations with representatives of NATO (as well as of individual member states).

Cooperation between the Ministry of Defense and the Foreign Ministry also covers preparing and securing the participation of Czech units in NATO military operations in Bosnia and Herzegovina (SFOR) and in Kosovo (KFOR). In view of the complex nature of efforts by the international community to achieve long-term peace and stability in South-East Europe, cooperation between the Foreign Ministry and other sectors (the Ministries of Interior, Industry and Trade, etc.) was increased in 1999. The substantial improvement achieved in 1999 in cooperating with non-governmental organizations in sending out Czech representatives to monitoring and observer missions of international organizations was also very important.

The admission of the Czech Republic to NATO has fundamentally increased opportunities for developing a military infrastructure, the defense industry, normalization, standardization and cooperation in the field of military development and research. As far back as 1999, the relevant NATO bodies decided to carry out certain projects intended to improve the quality of the Czech Republic's infrastructure. These programmes are wholly financed by the Programme of NATO Security Investments. A number of Czech firms have already been

involved in some of these projects. The Ministry of Foreign Affairs shares in the work of the interdepartmental specialized groups dealing with these problems.

From the material point of view, the following three themes predominated in the work of NATO in 1999, apart from the addition of three new members:

1. The Kosovo crisis. Since mid-July 1998, the activities of NATO were to a large extent determined by decisions adopted at the May session of the NATO foreign ministers, held in Luxembourg, attended by the Czech Republic as an observer. On the basis of a decision of the ministers in the summer of 1998, the relevant NATO bodies prepared a number of options for possible military operations, which served as a basis for NATO in the course of September 1998. This phase of the Kosovo crisis came to a head with the NATO ultimatum and the subsequent signature of the Milošević-Holbrooke accord in October 1998, on the basis of which an OSCE verification mission was sent to Kosovo. In accord with a Government decision, Czech observers also participated in this mission – either officials of the defense department or experts selected by the foreign ministry on the basis of proposals made by non-governmental organizations.

Despite the efforts made by the international community, it proved impossible to find a political solution of the crisis in the first half of 1999. At the same time, violence, organized by Belgrade, escalated in Kosovo, and the operations by Kosovo armed groups also increased in intensity. In this phase, the position of NATO was dependent on negotiations at Rambouillet and in Paris, while the threat of the use of force by the Alliance was part of the pressure applied by the international community to bring about a political settlement. In view of the unwillingness of the Yugoslav/Serb side to accept the proposals of the international community and in view of the organized and gross violation of human rights in Kosovo which began to trigger extensive waves of refugees fleeing into neighbouring countries, the North Atlantic Council authorized the NATO Secretary General at the end of January to use force against the Federal Republic of Yugoslavia. After the failure of Holbrooke's last mission to Belgrade, Javier Solana, the NATO Secretary General, after consulting the allies, decided to launch the NATO air operations against Yugoslavia on 23 March 1999.

The Czech Republic participated in all discussions on a NATO solution of the situation in Kosovo from the very beginning (that is to say, since the beginning of 1998) as an active observer, and as of 12 March 1999 as a full member of the organization which takes decisions on the basis of consensus.

Senior representatives of the Czech Republic took part in all negotiations on the Kosovo crisis (talks by foreign ministers in April 1999, negotiations at the Washington summit in April 1999, a joint session of the foreign and defence ministers in June 1999) and the highest constitutional representatives were informed via the State Security Council and its working bodies as well as through reports by the Permanent delegation of the Czech Republic at NATO.

On 23 May 1999, the Czech-Greek initiative was announced. This was an attempt to solve the Kosovo problem on a wider scale and in a global context.

The characteristic feature of this was the attempt to incorporate the initiative in the alliance endeavour to settle the Kosovo problem by political means and make sure that submitting an initiative of their own did not jeopardize any united action of the NATO states. Contrary to,

for example, Italy or Germany, Prague did not come forward with its initiative unilaterally, or without prior consultation with its major alliance partners.

While the conflict was in progress, the Czech Republic gave overflying and transit rights to allied forces; and it dispatched a field hospital and an unarmed transport aircraft to the crisis area.

After the termination of the air operations when the Yugoslav leadership accepted the conditions of the international community, the Czech Republic energetically joined efforts to build up a democratic and multi-ethnic Kosovo within the Federal Republic of Yugoslavia. A Czech unit (a reinforced company) was among the first to reach the area early in July. Six Czech police officers are working in the UN police forces in Kosovo, Czech OSCE observers are in the region and non-governmental organizations are also very active there. The Czech Republic made a considerable contribution to the work of the international community in giving aid to refugees. In view of its presidency of the Central European Initiative, it was possible for it to be involved in the Stability Pact from the very beginning. The Ministry of Foreign Affairs was entrusted with the coordination of economic activities in the region; programmes are under preparation to assist in developing and consolidating democratic institutions in Kosovo.

2. The summit which met in Washington in April 1999 to mark the 50th anniversary of the organization was somewhat overshadowed by the Kosovo crisis. In addition to discussing NATO strategy in Kosovo, the summit approved several basic documents determining the shape of NATO at the beginning of the 21st century. The Czech delegation, headed by the President of the Republic, joined actively in the deliberations of the summit and contributed to its success. One of the key documents, approved by the highest representatives of the member states, was unquestionably the NATO Strategic Concept. It redefines NATO's fundamental tasks. These tasks (to be one of the vital pillars of Euro-Atlantic security, to serve as a forum for Trans-Atlantic consultations and ensure the defence of member states against any possible attack) were complemented by further activities in the Euro-Atlantic area (managing crises in regions outside the territory of member states, and cooperation and partnership). In the course of negotiations on the Strategic Concept, the Ministry of Foreign Affairs, in collaboration with other departments, worked out a number of position documents and promoted Czech interests. The resulting text is fully in keeping with Czech views. The Washington summit also approved new activities in regard to future NATO enlargement as well as strengthening defence capabilities, reinforcing defence capacities and supporting the non-proliferation of weapons of mass destruction.

3. Following certain national, bilateral and multinational initiatives (especially the British-French declaration adopted at St. Malo in December 1998), the European Security and Defence Initiative (ESDI) were increasingly discussed within NATO in the course of 1999. This discussion proceeds from the political interest of the European Union, backed by relevant provisions in the Amsterdam treaty which stipulate that an active part must be taken in managing crises in the Euro-Atlantic region. NATO welcomed this initiative as a positive step intended to contribute to the essential reinforcement of European capabilities to solve crises in Europe; it offered the EU some of its assets and the means of its implementation. The Czech Republic is of the opinion that, following the conclusion of negotiations in the European Council in Helsinki in December 1999, it is important that the initiative should concentrate on building and consolidating concrete crisis management capabilities in the military and non-military spheres.

In the course of 1999, the Ministry of Foreign Affairs prepared several documents on this issue in consultation with representatives of other sectors, Parliament and with its allies and partners. In the Czech view there are some key issues at stake: the preservation of the trans-Atlantic link, the inclusion of non-members of the EU that are members of NATO in a European security and defence policy, and the creation of direct links between NATO and the EU. The question of incorporating European members of NATO/non-members of the EU in mechanisms of a Common European security and in crisis management was dealt with in general terms in the conclusions reached in Helsinki. The Helsinki statement says, inter alia that “appropriate arrangements will be defined that would allow, while respecting the Union’s decision-making autonomy, non-EU European NATO members and other interested states to contribute to EU military crisis management.”

The Ministry of Foreign Affairs, in collaboration with the Ministry of Defence and other departments, focused its attention last year on the enlargement of NATO and passing on the Czech experience and knowledge to other countries in Central and Eastern Europe. The documents of the Washington summit describe 9 countries (Slovakia, Slovenia, Bulgaria, Romania, FYROM, Albania, Lithuania, Latvia, Estonia) as candidate countries. The Ministry of Foreign Affairs has offered its assistance to practically all these countries. Considerable progress was achieved in 1999, especially with Lithuania, Latvia, Slovenia and Slovakia. The experience of the Czech Republic which had its accession talks in 1997, is highly appreciated. With regard to Lithuania and Latvia, the transfer of Czech experience was institutionalized in the form of “round tables”, held regularly with the participation of officials from the foreign and defence ministries. Several consultation rounds on various matters were arranged in 1999 with Slovakia. Slovenia took advantage of the Czech experience, mainly with regard to the protection of classified information. The Ministry of Foreign Affairs intends to proceed with these activities in 2000.

In view of the changing security climate and the state of disarmament talks, a discussion was started within NATO on the basis of the conclusions of the Washington summit, focusing on NATO’s approach to the problem of disarmament and weapons of mass destruction. The Czech Republic actively joined this discussion and supported the proposal requesting NATO to prepare a comprehensive report on the matter by the end of 2000.

The fact that it has been possible by the day of the Czech Republic’s accession to NATO to establish a fully operative Permanent Delegation to NATO and the WEU in a relatively short span of time (since September 1997), can be seen as a success of the Czech foreign service, achieved in conjunction with other departments. By the end of 1999 the Ministry of Foreign Affairs drew up the proposal for new statutes of the Permanent Delegation which takes due account of the country’s full membership in NATO.

4. The Czech Republic and regional cooperation

Visegrad cooperation

The changes in the political situation in Central Europe (with parliamentary elections in the Czech Republic and in the Slovak Republic) in 1998 made it possible to revive the Visegrad cooperation which had played a significant role in the first years of transformation in the Central European countries (1991–1992). At a summit of the Prime Ministers of the Czech Republic, Hungary and Poland in Budapest on 21. October 1998 a declaration was signed which recalled the Visegrad declaration of 15. February 1991. The adherence of Slovakia to the Visegrad group was also announced there.

The Budapest meeting was followed by a summit of V4 Prime Ministers (14. 5. 1999) which progressed from rhetoric to adopting a programme of practical cooperation. The summit also adopted a declaration announcing the preparedness of the V4 countries to cooperate across a broad spectrum of integration issues, and announced the interest of the Czech Republic, Hungary and Poland in doing their utmost to help the Slovak Republic in making up for its delay in integrating into the Euro-Atlantic structures.

The current priority of the Visegrad group is assistance to Slovakia in its integration endeavour. This is of considerable practical significance for all the countries concerned. But help for Slovakia is not the only substantial concept of the V4. The key concept will be cooperation in practical projects and joint activities directed towards further European integration.

Incorporation in existing European and Euro-Atlantic groupings, rather than the expedient of detaching themselves from this process by forming new institutional organizations as an alternative to European integration, is the key interest and long-term common objective of all V4 states. This fact must be specially underlined: Visegrad cooperation is part of the all-European integration efforts, and consequently does not aim at creating any form of structures parallel to the EU.

Suggestions for themes of concrete cooperation are contained in the document “Content of Visegrad Cooperation”, adopted at the summit of Prime Ministers in Budapest on 14. May 1999. The document defines a broad range of cooperation, including short-term, medium-term and long-term plans. In the foreseeable future it envisages the following themes:

- a) cooperation in the protection of the environment (including flood prevention);
- b) scientific cooperation (grants and scholarships);
- c) cultural cooperation (a joint cultural fund);
- d) joint educational projects;
- e) media cooperation (website, launching the flow of information about V4 and its members in the media);
- f) cooperation in combating organized crime.

On most of these issues, cooperation is already in progress in the form of V4 meetings at all levels. The Visegrad fund should represent a major incentive for greater activity; it ought to stimulate the interest of the V4 countries in deciding and carrying out joint projects.

The Czech side considers an additional two themes as most important; both with short-term and long-term prospects in view:

- a) mutual assistance in introducing the Schengen standards;
- b) political consultations, possibly joint political declarations on certain problems.

The Visegrad Fund

The meeting of Prime Ministers in Bratislava (14. 5. 1999) agreed to set up a joint fund, promoting activities in education, culture and sport. It is expected that the Fund will start to function in 2000.

It is evident that the sphere of cultural, scientific and regional cooperation will be one of the most prominent aspects of Visegrad cooperation, and consequently, corresponding conditions will have to be created. Initiatives promoting cultural cooperation of regions are of particular interest.

Meetings of representatives of the Visegrad group states

- 21. 10. 1998 – summit of the Prime Ministers of the Czech Republic, Hungary and Poland in Bratislava;
- 14. 5. 1999 – summit of the V4 Prime Ministers in Bratislava;
- 7.–8. 5. 1999 – participation of Minister for the Environment Kužvart at a meeting of the V4 environment ministers in Banská Štiavnica;
- 25.–26. 9. 1999 – participation of Minister of Culture Pavel Dostál at a meeting of V4 culture ministers in Nitra in connection with the Theatre Festival there;
- 9. 10. 1999 – participation of Vladimír Vetchý, the Czech Republic Minister of Defence, in the celebration of the 55th anniversary of the Carpathian-Dukla operation at Svidník;
- 8.–9. 10. 1999 – participation of the Slovak Minister of the Environment, L. Mikloš in a meeting of V4 environment ministers in Český Krumlov;
- 8.–9. 10. 1999 – participation of Slovak Minister of Culture, M. Kňažko, at a meeting of V4 countries culture ministers in Český Těšín and Ostrava;
- 15.–16. 10. 1999 – informal meeting of the V4 Prime Ministers in the High Tatra mountains;
- 15. 10. 1999 – participation of the Slovak Interior Minister L. Pittner at a meeting of interior ministers of the V4 countries and Austria in Židlochovice;
- 4. 11. 1999 – participation of the Defence Minister of the Czech Republic V. Vetchý at a meeting of the defence ministers of the V4 countries in Przemysl (Poland);

- 6. 11. 1999 – participation of Czech Justice Minister O. Motejl at a meeting of justice ministers of the V4 countries in the High Tatra mountains;
- 3. 12. 1999 – meeting of the Presidents of the Visegrad cooperation group in the High Tatra mountains.

Central European Free Trade Agreement (CEFTA)

The purpose of CEFTA, signed on 21. 12. 1992 in Cracow, is to create a free trade area for industrial commodities between the Czech Republic, Hungary, Poland, the Slovak Republic, the Slovene Republic, Romania and Bulgaria after the end of the transition period, *i.e.* 1. January 2001. It is expected that in agriculture extensive but not total liberalization will have been achieved by that same date. In industrial production it is anticipated that this intention will be attained in the car industry, with some exceptions; there liberalization will be reached by 1 January 2002. The liberalization of trade is to facilitate easier access of CEFTA states to the European Union. CEFTA as a free trade area is not an international organization and therefore has neither a secretariat nor any other permanent bodies. All negotiations which are conducted at expert or other levels refer only to eliminating obstacles to mutual trade.

A session of the Joint Committee meets generally once a year and is attended by ministers from individual countries responsible for external trade relations, dealing with topical problems in mutual trade. In 1999 this meeting took place on 18 June in Budapest. Its participants stated their satisfaction at the liberalization achieved in the area of industrial commodities. A sub-committee for agriculture was set up for solving urgent problems in trade in agricultural goods. Furthermore, new procedural regulations were accepted, which govern the implementation of CEFTA.

It has become a tradition over the past few years to hold a meeting of Prime Ministers of CEFTA countries in the autumn, where trade issues are discussed. The Czech Republic was the presiding country of CEFTA in 1998. That is why the meeting was held in Prague on 11–12 September 1998 at the invitation of the Prime Minister of the Czech Republic. The Prime Ministers agreed to continue work on a common interpretation of some of the provisions of the CEFTA agreement, and on preparing a new version of the procedural rules of the Joint Committee. They also agreed to intensify bilateral negotiations on certifying industrial and agricultural products, including recognition by all sides of the findings of tests and certificates, and also on supporting conferences on investment possibilities in CEFTA countries and on supporting activities. They also approved the establishment of the Sub-committee of the Joint committee of CEFTA for agricultural trade.

To date, the last meeting of Prime Ministers was held on 19 and 20 October 1999 in Budapest. They reaffirmed their conviction that economic cooperation under CEFTA contributed to the integration process in Europe and promoted the preparation of their countries for accession to the European Union. They also discussed current trade issues, especially problems which had arisen in agricultural trade. They again stated their support for joint conferences on capital investment in their countries. The Prime Ministers confirmed their readiness to cooperate and participate in the Stability Pact for South-East Europe and in the economic revival of the region. They also endorsed efforts to ensure free shipping on the Danube.

The Czech side defends at all times the degree of liberalization achieved in trade and advocates the further advancement of liberalization in agriculture, in view of the current situation mainly on a bilateral level, in accordance with its belief that the elimination of obstacles to trade among CEFTA states assists the advancement of integration in Europe.

The Central European Initiative (CEI) and the Stability Pact for South East Europe

The Czech Republic attaches major importance to relations with the Central and East European countries belonging to the Central European Initiative. Special attention has been devoted to the South-East European region and the restoration of peaceful relations there, which could serve to bring about greater cooperation.

On 20.–21. November 1998 a meeting of Prime Ministers and Ministers of Foreign Affairs of the CEI countries (hereafter summit) took place in Zagreb; it dealt mainly with the problem of Kosovo. Exceptional significance was also attached to relations between the CEI and the EU. In the course of the session, the foreign ministers of the CEI “Troika” met with the EU presiding country, Austria, and a representative of the European Commission. They discussed ways and means of expanding mutual relations. In addition to the summit, an Economic forum was held as well as a meeting of ministers responsible for the economy and foreign trade.

In 1999, the Czech Republic was the presiding country of the CEI, and it set out the primary directives of its activity in a document entitled “The Intentions of the Czech Presidency”.

A great deal of space was given in the CEI to promoting a political dialogue among the member countries, centring on current problems in the region. Views were exchanged at the level of Prime Ministers and Foreign Ministers as well as at sessions of political directors. At meetings of political directors in Skopje in June and in Rome in October 1999, problems of Kosovo, the humanitarian situation in the region as a result of the conflict, the Stability Pact for South-East Europe, the situation in the Sub-Dniester region and the CEI mission to Moldova, were all given pride of place.

A meeting of the foreign ministers of CEI countries on 24 June 1999 in Karlovy Vary was especially significant. It focused its main attention on latest developments in the region, particularly in Kosovo, but also on the contribution of the CEI to the Stability Pact for South-East Europe, adopted on 10 June 1999 in Cologne. The ministers welcomed the end of the war in Kosovo and decided on the participation of the CEI in all the “round tables” of the Stability Pact. They recommended preparing a CEI project and considering the creation of a corresponding mechanism. The contribution of the CEI was laid down in the “Declaration on implementing the Stability Pact”. The adoption of the new concept of the Stability Pact was welcomed by the CEI countries as demonstrating the correctness of their regional approach. The Czech Republic stressed in particular concrete forms of cooperation in the restoration of the Balkans and the preparation of really effective projects.

The Czech Republic as the presiding country of the CEI, took an active part in the preparation of the Stability Pact and in negotiations on its implementation, including coordination meetings of regional organizations and OSCE and EU initiatives in Vienna on 7 May 1999, as well as initiative meetings in Rome on 24 May 1999. The Czech Republic also

took part in the Stability Pact summit on 29–30 July 1999 in Sarajevo where the international community accepted responsibility for developments in South-East Europe. The Czech delegation was led by President Václav Havel, while Minister of Foreign Affairs Jan Kavan headed the CEI delegation.

The culmination of the Czech presidency of the CEI in 1999 was a summit of Prime Ministers of the CEI countries on 5–6 November 1999 in Prague. In addition to the member countries, it was attended by representatives of several international organizations. The summit, held in the year of the 10th anniversary of the CEI, was designed mainly to evaluate developments in the region and the part played by the CEI in the Stability Pact. The participants endorsed the long-term stabilization of the region, its security, the promotion of democracy and economic progress, together with endeavours to create the conditions for a lasting peace and democracy in multi-ethnic Kosovo, and for the observance of rights and liberties, especially of persons belonging to national minorities. The parties concerned were called upon to contribute actively to the process of peaceful development and the establishment of stability and economic progress. A number of CEI countries stressed the significance of their integration in European and Euro-Atlantic structures, which they regard as the basic prerequisite for successful development. Efforts by the Czech Republic in implementing the mission of the CEI “Troika” to Moldova, headed by deputy foreign minister Martin Palouš, were recognized, and the conclusions of the mission, which had talks with the Moldova authorities and Tiraspol representatives, were approved in a special document of the summit. Efforts by the CEI to assist the solution of the Trans-Dniester problem is yet another activity in collaboration with the OSCE and the EU.

Much attention was paid to the participation of the CEI in the Stability Pact for South-East Europe. A Consultative committee for the preparation of CEI projects was formed to boost the active participation of the CEI in the Pact.

The speediest possible restoration of the navigability of the Danube is also in the forefront of the interests of member states; this had been obstructed by the destruction of bridges, and also affected by the threat of spring floods. It was, therefore, stressed that the Federal Republic of Yugoslavia should restore navigability as rapidly as possible.

The fulfillment of the CEI Action plan for 1998–1999 was assessed favourably, and a new plan for 2000–2001 was adopted; this includes the participation of the CEI in carrying out the objectives of the Stability Pact. The summit confirmed the validity of the CEI strategy, directed towards unity and solidarity in Europe and avoidance of new dividing lines on the continent, and at promoting cooperation among member countries, including support for less advanced countries, in order to speed up their economic progress and their incorporation in the process of European integration.

Relations between the CEI and international organizations have recently become closer. The CEI has collaborated closely with the European Bank for Reconstruction and Development (the Secretariat for CEI projects in the EBRD) in financing a number of projects. Progress has also been made in relations with the UN Economic Commission (a study for the Economic Forum, methodology of projects, etc.), the OECD (conference on women-entrepreneurs and the development of industrial regions), the OSCE (missions to northern Albania and Moldova). Contacts with the Council of Europe have been useful, mainly with regard to building up democratic institutions and legal awareness. The CEI strives to establish a synergy with further regional initiatives and organizations (The Initiative for

Cooperation in South-East Europe (SECI), the Royaumont process, the Organization for Black Sea Economic Cooperation (BSEC), and the South-East European Cooperation Process (SEECF). The Czech Republic, in cooperation with CEI and the European Economic Commission, organized a seminar on experiences in the transformation of small and medium enterprises in the Czech Republic. It also financed a study on partnership in the public and private sectors, prepared in collaboration with the UN Economic Commission for the Economic Forum.

In the course of its presidency, the Czech Republic focused on stepping up a regional political dialogue on cooperation and security and in support of transformation endeavours by the less advanced countries in the region, the aim being to establish a democratic society and functioning market mechanism, to protect human rights, create democratic institutions and come closer to European standards.

The Czech Republic came out in favour of making the activities of the CEI and its working groups more effective by submitting concrete projects and determining priorities. This was the task of the Committee of National Coordinators, responsible for the activities of the CEI. The discussion at the conference on cooperation within the CEI, with the participation of the chairs of all working groups, gave rise to recommendations to improve the work of the organization.

The Czech Republic took part in the work of the CEI in promoting human resources and training, especially as chair of the working groups responsible for the education programme on matters of European integration and of economic transformation. A number of seminars were organized in the course of 1998 and 1999 (small and medium enterprises, trade in a market economy; trade and legal aspects, the municipal system in the Czech Republic, small and medium businesses in the Czech Republic, transformation experiences of the Czech Republic, promotion of the banking sector, institutional and legal aspects of approximating to European standards and the EU, economic policy and coming closer to the conditions of the EU, management and marketing; the CEI also approved a project oriented on developing information mechanisms). A seminar on the role of the ombudsman is under preparation for the year 2000 in collaboration with Parliament.

The Czech Republic financed a study on partnership in the public and private sectors, dealing with financing large infrastructural projects in the energy field and in transport. This study was drawn up by the UN Economic Commission for the Economic Forum. In 1998 and 1999, the Czech Republic again offered a voluntary contribution of USD 6,000 to the CEI solidarity fund, which facilitates the incorporation of less developed member countries in CEI activities.

The Czech Republic paid maximum attention to the economic cooperation among CEI countries, demonstrated primarily by the broadly conceived Economic Forum, directed at supporting investments and trade. The forum met during the summit in Prague and was accompanied by talks between ministers of the economy and trade, agencies to promote foreign investments and chambers of commerce of the CEI countries.

In 1999 there was a further intensification of cooperation among the CEI countries in the parliamentary dimension. Meetings of the CEI parliamentary committee and the parliamentary assembly were held in the Czech Republic.

The Czech presidency of the CEI did much towards the further expansion of cooperation among member countries at a time when they had to grapple with many problems and challenges; it helped to make the work of CEI bodies more effective.

5. The Czech Republic and other European institutions

OSCE

Between July 1998 and December 1999 the Czech Republic took an active part in all aspects of OSCE activities which concentrated mainly on attempts to solve the critical situation in the Balkans, on the preparation of documents for the Istanbul OSCE summit (18–19. 11. 1999) and on completing the adaptation of the Treaty On Conventional Armed Forces in Europe (the Czech Republic is one of 30 signatory countries). In its activities within the OSCE, the Czech Republic collaborated closely with its partners and allies in NATO, the EU and the Visegrad group.

The Czech Republic frequently took the initiative with regard to a number of problems in the OSCE region, several times including Chechnya and Belarus. In the same way as other associated countries, it frequently endorsed the positions of the EU on various aspects of the organization's work or its statements on events or problems discussed in the OSCE; the Czech Republic often added its own declaration to these positions.

The Czech Republic took part in the work of the OSCE mainly through its Permanent Mission to the UN, the OSCE and other international organizations in Vienna, as well as through various departments at the Foreign Ministry. Activities within the OSCE on a parliamentary level were carried out by Deputies and Senators of the Czech Parliament – members of the permanent delegation to the OSCE parliamentary assembly. The Czech Republic was also involved in OSCE missions, particularly in Kosovo, Croatia, Albania and other states in the Balkan and Central Asian region.

In 1999, the attention of the Czech Republic centred on the preparation of the OSCE Istanbul summit (18.–19. 11. 1999) and on the formulation of documents which were to be adopted by the summit. The Czech delegation was led by President Václav Havel; it further included Foreign Minister Jan Kavan. In connection with the Czech participation in the Istanbul summit, it is worth recalling the initiative of the President of the Czech Republic, on the basis of which the OSCE presidency invited the President of Montenegro as well as representatives of the Serb opposition to Istanbul, giving them the opportunity to meet delegations of member states and other international organizations present there. This initiative met with a favourable response.

The Czech Republic as well as several other states regards the flexibility of the OSCE (proceeding from the premise that its functioning is not founded on international legal documents but on political commitments) as a great advantage which makes it possible to continue working on the innovation of its instruments and jurisdiction as well as on defining future objectives. The maintenance of the flexibility and effectiveness of the organization remains the priority interest of the Czech Republic in relation to the OSCE, in conformity with the position of NATO and EU member states.

Previous significant OSCE documents were augmented by the European Security Charter, adopted by the Istanbul summit in November 1999. Negotiations about the Charter had gone on for several years, but in 1998 they reached an intensive stage. The Czech Republic was most active in these negotiations; it presented its own recommendations on various aspects of the document in all three dimensions which make up the comprehensive approach of the OSCE to security and stability in the region: military-political, human rights and economic.

The European Security Charter should become the foundation for the future reinforcement of the organization's operational capacities and the optimization of its organizational structures; this should apply first and foremost to its primary responsibility, in other words, to forestalling conflicts, managing crises and post-conflict reconstruction. The operational document – Platform of Cooperative Security – which is a major component of the Charter, underscores the principles of non-hierarchical cooperation of the OSCE with other international organizations in the field of security.

The Czech Republic, in common with the great majority of other OSCE member states, has promoted the Charter from the very beginning as a political document, containing the political vision for the OSCE for the coming century; this document aims to define the future priorities of this organization and its place in the existing security system. The objective was to confirm the “acquis” of the OSCE, which already is a fairly vast collection of political commitments, norms and rules; from the beginning of its activity, the OSCE/CSCE proceeded from the political and not any legally binding nature of its documents. The European Security Charter is not a fundamental breakthrough in formulating new commitments and principles; it is more of a confirmation and definition of these aspects.

One of the concrete decisions mentioned in the Charter is the establishment of the Rapid Expert Assistance and Cooperation Teams (REACT), i.e. national teams of experts in the OSCE countries who would specialize in establishing democratic institutions, a legal system, legislation, elections, etc. and who, if the need arose, could be sent at short notice to a given area. The purpose of the establishment of REACT is to enable the OSCE to be far more effective and to act promptly in the sphere of preventive diplomacy. The Czech Republic gave its active support to the idea of establishing REACT from the very beginning and is interested in including the Prague office of the OSCE Secretariat in this project.

It was decided to establish an operations centre for the planning and direction of regional operations and to set up a new political committee – the Preparatory Committee with the task of preparing the agenda of the Permanent Council as the main OSCE body for political decision-making and to make it more efficient. The Charter furthermore contains the decision to reinforce the OSCE in the field of policing and to assist states needing such assistance to build up and promote the principles and attributes of the rule of law.

From the point of view of the Czech Republic, it is important that (in collaboration with the Slovak Republic) we took steps which led to formulations referring to the problems of the Roma community being included in the text. The US initiated a discussion on the role of the OSCE in the fight against corruption and did this in the light of its long-term policy; the Czech Republic fully endorsed this idea.

The monitoring of elections in countries which are only in the process of creating a democratic environment belongs unquestionably to the concrete and long-term contributions of the OSCE to stability in the region. This issue is high on the agenda of the Office for Democratic Institutions and Human Rights (ODIHR) which assesses the preparation and course of elections; in other words, whether these countries meet fundamental democratic standards, including transparency, equal competition among political parties, etc. The Czech Republic was involved in a series of short-term OSCE monitoring missions through observers from the Ministry of Foreign Affairs, parliamentary observers (deputies and senators) as well as participants from non-governmental organizations. However, there have

been several problems in sending Czech citizens to take part in missions (for example, in the field of labour law, insurance cover, etc.) which affected not only officials of the state administration but also members of missions from non-governmental organizations. This is a complex set of problems which will have to be solved systematically as soon as possible.

In the long term, the OSCE is also an institution where treaties and agreements on arms control and disarmament in Europe are negotiated. The Treaty On Conventional Armed Forces In Europe (CFE) is the most significant disarmament treaty; it is rightly considered as one of the pillars of security on our continent. The Czech Republic participated continually in drafting the adapted version (see section on Disarmament and arms control).

Politically binding military security agreements were also concluded under the umbrella of the OSCE. A series of interlinked Vienna documents are among the most important; they provide for confidence – and security-building measures. The last of these, the 1999 Vienna document, was adopted by the Istanbul OSCE summit in November 1999. The Czech Republic also took an active part in the preparation of this document.

The economic dimension, too, is part of the comprehensive perception of security within the OSCE. The office of the OSCE coordinator for economic affairs has been functioning for several years. The Czech Republic is among those countries advocating its further reinforcement. Regardless of the reluctance of some member states, mainly the EU countries, it has been possible to create the conditions for intensifying OSCE activities in this field, especially with regard to integrating them in more long-term programmes. Ongoing seminars and other OSCE events must create a framework for the preparation of the Economic forum in each year, and that should be a genuine culmination of these activities. The Economic forum meets every year in Prague and the Prague OSCE secretariat is responsible for its preparation; the Ministry of Foreign Affairs participates in its preparation and organization. The 7th Economic forum took place at the end of May 1999, and the date of the 8th Economic forum was set for 11–14. April 2000, with the theme of “Economic aspects of post-conflict rehabilitation: challenges of transformation”. The crucial territories to be covered within the economic dimension of the OSCE are, first and foremost, the countries of the CIS, whereas for most of the others the significance of the OSCE economic dimension is apparently small.

One of the cardinal tasks of the Ministry of Foreign Affairs, arising from the interest in reinforcing the operative aspects of OSCE activities, is to make sure that the Czech representatives take a more active part in OSCE activities and, above all, be involved in long-term missions. The part played by Czech members of OSCE missions is generally assessed favourably by those in charge. This applies, above all, to verifiers in the Kosovo verification mission (KVM), including their participation in humanitarian operations in Albania and FYROM following the withdrawal of the KVM, but also to other missions (UNMIK, the OSCE mission in Croatia, etc.) The Czech Republic is also interested in a high-level participation of Czech diplomats and other officials in OSCE structures and bodies, and the Foreign Ministry will proceed in this direction.

The Czech Republic devotes constant attention to all aspects of the OSCE human rights dimension. It takes an active part in the work of this organization in this area and gives all-round support to the work of ODIHR, the OSCE High Commissioner for national minorities and the OSCE representatives for the freedom of the media.

The Czech Republic will continue its active work, linked with its proposals concerning the Roma problem, perceived as an all-European issue affecting all OSCE members, as reflected in the documents of the Istanbul OSCE summit. The Czech Republic is ready to continue offering its firm and all-round support for the work of the contact point for Roma and Sinti (CPRSI) within the ODIHR and in this connection takes an active part in the preparation of an action programme of targeted CPRSI activities. In 1999, the Czech Republic backed the activities of CPRSI by offering a voluntary donation of US\$ 10,000; the Ministry of Foreign Affairs also deems it appropriate for the Czech Republic to offer voluntary contributions to this activity in future years.

The existence of the Prague office, which serves as an OSCE archive and documentation centre as well as a support for “Prague” actions of the organization, shows that Prague is one of the centres of the OSCE agenda. The Czech Republic has undertaken to finance entirely the salary of its director, and it fully supports the activity of the office.

Western European Union

The Western European Union (WEU) is a defence alliance where, under Article 5 of the amended Brussels treaty on economic, social and cultural cooperation and collective self-defence (of 17. 3. 1948, amended on 23. 10. 1954), member states offer each other mutual guarantees of aid in the event of an attack. However, after the signing of the North Atlantic Treaty (1949), the functions of collective defence were transferred to NATO, and until the end of the Cold War the WEU was, above all, a platform for political consultations by member states. After 1989 and following the Petersberg declaration (1992), there has been a gradual transformation of the WEU into an organization oriented mainly on crisis management, peace-keeping missions and humanitarian and relief operations.

Today, the WEU has 10 full members. Full membership is conditional on a country's membership in the EU and NATO. A further 18 countries have links with the organization on three different levels. This applies to 6 associate members (members of NATO, non-members of the EU), 5 observers (members of the EU, non-members of NATO and Denmark) and 7 associate partners (associate members of the EU in Central and Eastern Europe).

The Czech Republic, which has ranked as an associate partner of the WEU since 1995, declared its wish to become an associate member following its accession to NATO. This was expressed in accordance with the government's policy statement of 12. August 1998. The Czech Republic, Hungary and Poland have gradually joined the activities of WEU bodies since the spring of 1998, over and above their actual status. The ministerial meeting in November 1998 in Rome welcomed the wish of the three invited countries to become associate members of the organization. On 23 March 1999, the WEU Council (at ambassador level) adopted a decision on incorporating the three latest members of NATO in the work of WEU bodies as associate members. The official confirmation was given in a special ministerial declaration at the meeting of the WEU Council of Ministers on 10–11 May 1999 in Bremen.

The change of the status of the Czech Republic from associate partnership to associate membership does not imply accession to the amended Brussels treaty. From the point of view of the Constitution and the Czech Republic legal system, this was an exclusively political act.

Acceptance of the status of an associate WEU member implied the following commitments for the Czech Republic:

1. accepting the role of the WEU as an EU defence component and a means of strengthening the European pillar of the Atlantic alliance as defined in the WEU Brussels declaration of 22 July 1997;
2. total acceptance of paragraphs A, part III of the Petersberg declaration of June 1992 which stipulates that relations between members and associate members of the WEU will be based on settling mutual conflicts by peaceful means in accordance with commitments arising from the amended Brussels treaty, the North Atlantic Treaty, the UN Charter, the Helsinki Final Act, the Paris Charter and other generally recognized principles and rules of international law, and that in their mutual relations they will refrain from the threat of using force in keeping with the UN Charter. In paragraph A, the declaration further underlines that security guarantees and defence commitments in treaties, binding the member states within the WEU and the Atlantic alliance, reinforce each other;
3. accepting the status of associate member of the WEU. The status of associate member of the WEU permits:
 - a) full participation in meetings of the WEU Council and its working groups and bodies without, however, being able to block decisions which are a matter of a consensus of member states, endorsing decisions taken by member states and participating in their implementation, unless the majority of the member states or half the member states, including the presidium, decide otherwise;
 - b) appointing officers to WEU military bodies (WEU planning cell),
 - c) taking part in WEU military operations (to which the Czech Republic provides military forces), exercises and planning on the same basis as full WEU members;
 - d) joining the telecommunication system of WEU member states (WEUCOM, WEUNET) for the use of all sessions and activities in which it participates;
 - e) taking part in the activities of the WEU satellite centre.

Associate members contribute to the WEU budget. The contribution of the Czech Republic as an associate member to the WEU, determined on the basis of GDP, amounts to 0.52% of the total budget. In 1999 the amount stood at 123,961.98 Euro (proportionate contribution for 8 months of the year 1999), i.e. approx. 4,705,000 crowns.

Over the past period, the Czech Republic has participated in the work of all WEU political and military bodies. The Czech Republic also took advantage of the possibility of sending its representative to the WEU Military Staff. It took part in drafting the WEU audit for conducting independent European military crisis management operations. The Czech Republic provided military forces (three formations) as well as civilian means for the WEU audit of means at the disposal of the WEU as an organization. The audit pointed out certain shortcomings in the command and management systems of the European forces, in strategic transport capabilities and in strategic intelligence.

The Parliament of the Czech Republic sends its representatives (a permanent delegation) to all regular and special meetings of the Paris-based WEU Assembly.

WEU operational activities are limited. It is presently involved mainly in Albania, through the multinational consultative police contingent (MAPE) whose members train the Albanian police. The extended mission in which all 28 WEU countries can take part, has some 170 police experts. In this way MAPE assists the process of stabilization and democratic reforms in Albania. The Czech Republic has been participating in MAPE financially on a long-term basis and since the end of August 1998 it has also sent a two-member medical team of the Czech Ministry of Defence to the region (a doctor, an assistant and an ambulance).

Associate membership in the WEU allows the Czech Republic to participate in other bodies or organizations “under the heading” of WEU, such as the WEU Trans-Atlantic Forum (TAF), EUROCOM, EUROLONGTERM or the West European Logistics Group (WELG). In 1999, the Czech Republic took steps leading to membership in the West European Armaments Group (WEAG) which could significantly promote the development of the domestic defence industry.

The Czech Republic prepared to participate in joint NATO and WEU manoeuvres as part of the CMX/CRISEX 2000 crisis management exercise. Participation gave a further political signal, confirming the incorporation of the Czech Republic in the process of building a new security climate in the Euro-Atlantic region and in NATO collective defence operations. The exercise helped in the application and fine-tuning of NATO and WEU crisis management procedures, linked with the crisis management bodies of individual participating countries. For the first time, the planning of a military exercise was executed under the leadership of the WEU with the use of forces and assets provided by the North Atlantic Alliance, linked to the context of promoting a European security and defence identity within NATO.

In line with decisions by the European Council in Cologne in June and in Helsinki in December 1999, rapid developments took place in the European Union in the course of 1999 in outlining a joint European security and defence policy, so as to facilitate its formal adoption by the end of 2000. The Czech Republic welcomed the new initiatives aimed at strengthening the common foreign and security policy and European defence identity; it supports endeavours to reinforce European defence capacities for managing crises wherever NATO will not act as an entity. It is expected that with the gradual reinforcement of an EU joint security and defence policy, the WEU will disappear.

In 1999 the Czech Republic did its utmost to influence the results of negotiations about European security within the EU by means of bilateral and multilateral talks and consultations within the WEU. It presented its document on European security and defence identity to EU member states; in it the country stated its interest in the incorporation of NATO members who are not members of the EU in political consultations at all levels (including the level of foreign and defence ministers, the EU Political and security committee and the EU Military committee) which precede decisions on operations within EU, including decisions on the utilization of NATO assets. The Czech Republic is further of the opinion that all members of NATO who are not members of the EU should be given the opportunity to take part in operations led by the EU with the use of NATO assets and capacities, on an equal basis with EU members. This should include participation in EU bodies responsible for the political control and strategic direction, planning and execution of such operations. Discussions of these questions will continue in 2000.

Council of Europe

Activities on the political agenda

The Czech Republic supports the role of the Council of Europe in the process of a rapprochement among the European states in pursuing the fundamental targets which this organization set itself at the time of its inception: pluralist democracy, the rule of law and human rights.

Only a few months after his appointment as Minister of Foreign Affairs Jan Kavan attended the 103rd session of the Council of Europe Ministerial Committee in November 1998, where he declared that the new government of the Czech Republic was determined to reinforce the multilateral dimension of its foreign policy and intensify relations with international organizations, being aware of their significance in defending and promoting human rights. He stressed that the Czech Republic was prepared to combat serious threats to international security such as drugs, illegal migration, money laundering, corruption and international terrorism. This declaration became the point of departure for the Czech Republic's foreign policy activities in the Council of Europe in 1999.

The Czech Republic backs the present political priorities of the Council of Europe, aimed at solving the currently most pressing problems in Europe. This applies primarily to the active participation of the Council of Europe in the Stability Pact for South-East Europe. The Council of Europe has been participating from the very outset in solving the Kosovo crisis (it opened its office in Pristina in August), in close collaboration with UNMIK in the area of civil administration, the judiciary, education, the establishment of the office of an ombudsman, etc. The Council of Europe maintains close contacts with democratic forces in the Federal Republic of Yugoslavia and offers them every possible support. It intends to open offices in Belgrade and Podgorica. All these activities are being conducted in increasingly institutionalized collaboration with the EU and the OSCE.

The permanent delegation of the Czech Parliament in the parliamentary assembly of the Council of Europe takes an active part in the work of this significant body. In 1999, the head of the Czech delegation, Mme. Vlasta Štěpová, deputy of the Czech Parliament, was appointed Vice-chairman of the parliamentary assembly, and she remains in this post in 2000. Members of the delegation addressed plenary sessions and committees, on several occasions they acted as rapporteurs on various resolutions and recommendations of the parliamentary assembly and participated in its missions. The delegation of the Union of towns and localities represents the Czech Republic in the Congress of European Local and Regional Authorities.

The Czech Republic values the help given by the Council of Europe to the new democracies by means of programmes of inter-governmental cooperation in which most Czech ministries participate. Representatives of various sectors represent the Czech Republic in expert groups. The participation of the Czech Republic in the ADACS programmes for the promotion of democratic stability is also significant.

The activities of the Council of Europe have focused throughout the year on commemorating the 50th anniversary of the Council. The Czech Republic has been involved in the celebrations through many events at the level of the executive, Parliament as well as local

administration. In May 1999, Foreign Minister Kavan attended the 104th session of the ministerial committee in Budapest where these celebrations culminated.

The Parliamentary Assembly of the Council of Europe continued to discuss the Czech initiative, proposing the establishment of a general judicial body, which would cover the entire system of treaties. The intention of the proposal is to ensure an effective monitoring and control of the Council's legally binding instruments and create a mechanism, which would provide for their uniform interpretation and application in individual countries. Only a few treaties have such a mechanism. According to the Czech proposal, the interpretation and application of these instruments should be entrusted to an independent judicial body, either an already existing one or one set up for this purpose. The Czech initiative was debated as a proposed recommendation in the ministerial committee and in its group of rapporteurs dealing with the reform of the organization, as well as in the Parliamentary Assembly.

The Austrian Deputy Walter Schwimmer submitted a draft recommendation in the Parliamentary Assembly, based on the Czech initiative. If the recommendation is accepted, the Assembly would ask the ministerial committee to set up a "general judicial body" with a competence that would at the outset cover not all new treaties of the Council of Europe, but only a selected number of already existing treaties. In view of the fact that Deputy Schwimmer left the Parliamentary Assembly to take up the post of Secretary General of the Council of Europe, his proposal was passed on to the newly appointed rapporteur, Deputy Cyril Svoboda, for further consideration. It is expected that the proposal will be debated in the committee for legal matters, and after that presented to the plenary session of the Parliamentary Assembly.

Contractual activity

Of the total number of 174 Council of Europe accords, the Czech Republic has so far ratified 56 and signed a further 22. Among the group of member countries in Central and Eastern Europe, the Czech Republic takes second place in the number of ratifications, following Slovenia. After a certain pause in 1996 and 1997, the position of the Czech Republic saw a marked improvement in the number of ratified and signed accords in 1998 and 1999. Since in most cases, the treaties need to be discussed and approved by Parliament, or their ratification made conditional on further legislative amendments, it is not unusual for one or two years to elapse between the signature of a document and its ratification. However, with five ratifications, the Czech Republic still is in an above average situation. The same applies to its signatory activities – in 1999 it signed nine documents and this placed it in third place among the countries of Central and Eastern Europe, after Croatia and Slovenia.

The contractual activities of the Czech Republic in 1999 marked a significant dividing line, especially with regard to quality. With one exception, all signed and ratified treaties are part of a list of treaties which the EU considers important from the EU point of view (the so-called "hard core"); this applies in particular to the European social charter and its two protocols. By ratifying it in 1999, the Czech Republic settled its oldest debt in this sphere: the point is that the Charter had been signed as far back as 1992. These treaties also included the European local administration charter which the Czech Republic ratified in 1999. Among the treaties signed, special significance is attached to the European agreement on state citizenship and the accord on corruption.

6. The Czech Republic and international organizations

The UN and its associated organizations

At the 53rd UN General Assembly in the autumn of 1998, Minister of Foreign Affairs, Jan Kavan, head of the Czech delegation, summed up in his speech (23. 9. 1998) in the general debate the problems with which the international community was grappling at the time – the consequence of the Asian crisis and economic crises in the Russian Federation, nuclear tests and arms control in general, armed conflicts, especially on the African continent, and the humanitarian catastrophe in Kosovo, terrorism, the violation of human rights, the devastation of the environment and disparities between rich and poor countries. He pointed out that the UN had to be in a position to respond to these problems in a flexible manner; for this purpose it had to set itself realistic objectives while at the same time possessing the necessary authority. He paid special attention to reforming the UN system, primarily the Security Council. In this context he submitted the position of the Czech Republic on enlarging the Security Council on the basis of an equal geographic representation, and he again underlined the support the Czech Republic gave to the permanent membership of Germany and Japan in the Security Council.

A major event was the 50th anniversary of the Universal Declaration of Human Rights, recalled by the UN at a special session at which UN prizes for human rights were awarded. One of the six recipients was the former dissident and co-founder of Charter 77, Anna Šabatová.

The Czech Republic was re-elected to the UN Economic and Social Council.

The 54th UN General Assembly session took place in the autumn of 1999 at UN headquarters in New York. Among the new members were Nauru, Kiribati and Tonga (thus bringing the total UN membership to 188).

The key themes of the general debate were the impact of globalization and the need to make its advantages available equally to all nations, the problem of poverty as a fundamental cause of most worldwide problems, the need for reform of the international financial and monetary system, the situation in East Timor, the conflict in Kosovo and the ensuing theme of “humanitarian intervention”, the defence of human rights and the situation of children in armed conflicts, the need for complete and general disarmament and reform of the UN system at the threshold of the 21st century. The head of the Czech delegation, Foreign Minister Kavan, in his address on 22 September 1999, recalled the historic first enlargement of NATO by the addition of Central European states. Referring to the conflict in Kosovo, he pointed out that the principle of the personal security of every human being and its guarantee were the prerequisites for peace and security in the world. He also stressed that the systematic violation of human rights could not be tolerated, no matter where it occurred. The Kosovo conflict revealed that at present the UN was not capable of fully exploiting its potential to be the exclusive instrument of achieving the targets set out in the UN Charter. The Czech Republic felt that the UN should in the first place be capable of reacting to the changed nature of current conflicts which come much closer to civil wars. In this connection it was essential to define clearly the relationship between “the sovereignty of the state versus the defence of human rights”. The UN would have to accelerate the process of reform, above all, of the Security Council; the inadequacy of the Council was reflected in the role it played at the outbreak of the Kosovo conflict. Moreover, an effective mechanism should be created

for the prevention of conflicts; here attention should be given to problems such as discrimination, poverty, access to natural resources or the arms trade. Last but not least, it was essential to reinforce the role of the UN in the field of human rights as part of a broader concept of human security; the role of law in international relations should also be strengthened. The Minister highlighted the need to overcome stagnation in disarmament talks and for the nuclear powers to adopt a more positive stance which would improve the atmosphere in the disarmament process and result in the adoption of clear, practical disarmament measures, capable of being fulfilled in the new millennium.

Vladimír Galuška, the permanent representative of the Czech Republic at the UN, was elected chairman of the third committee.

At the proceedings of the two General Assembly sessions, the Czech Republic became co-author of a number of resolutions. It put forward independent positions on several points in accordance with its foreign policy priorities (for example, disarmament, reform of the Security Council, crime prevention and combatting drugs, human rights, the eradication of racial discrimination, the peaceful utilization of outer space, the report of the commission on international law, the establishment of an international criminal court). As in previous years, the Czech Republic endorsed most joint positions of the EU and collaborated with delegations of EU states, demonstrating a greater coordination of positions on the major problems of foreign policy under discussion. The head of the delegation, Foreign Minister Kavan, had bilateral talks with his partners from Belgium, Greece, Malta, Peru, Jordan, with Deputy UN Secretary General, Mme L. Frechett, Deputy UN Secretary General K. Prendergast and UNDP Administrator M. Brown.

Visit by the UN Secretary General Kofi Annan to the Czech Republic

UN Secretary General Kofi Annan paid an official visit to the Czech Republic in July 1999 at the invitation of Foreign Minister Kavan (this was the very first official visit by a UN Secretary General to the independent Czech Republic). During his visit he had talks with Foreign Minister Kavan and Defence Minister Vetchý. The UN Secretary General was informally received by President Václav Havel; at a special dinner he met Prime Minister Miloš Zeman as well as the chairs of the two chambers of Parliament. Kofi Annan further met members of the diplomatic corps and Czech experts; on this occasion he was awarded the “Jan Masaryk Medal”.

In the talks pride of place was given to the reform of the UN, especially the restructuring of the Security Council to make it more effective, the consequences of the Kosovo crisis and the Balkans as a whole, the role of UN peacekeeping operations, including the participation of the Czech Republic, and the preparation of the so-called Millennium assembly in 2000. During the visit an agreement was signed between the Czech Republic and the UN on the UN Information Centre; this formally adapts the activity of the UN Centre in the Czech Republic.

UN Committee for the peaceful utilization of outer space (COPUOS)

All the activities of COPUOS bodies were focused in the long term on the preparation of the UNISPACE III world conference, which was held after almost twenty years in Vienna in July 1999 and became the event of the decade in this area. The conference was preceded by the Bucharest regional preparatory conference. Minister of Education, Youth and Physical Training E. Zeman headed the Czech delegation at UNISPACE III. The Czech Republic submitted to the conference a national report on outer space activities; it also had a stand at an exhibition of space technology and its application, which was held simultaneously with the conference.

UN conferences and special sessions

20th special UN General Assembly session on drugs

A special session of the UN General Assembly met in New York in June 1998; it was devoted to the problem of drugs. Its purpose was to reinforce existing instruments of the international community on the control of drugs by adopting new strategies, methods and concrete measures in specified areas. A political declaration became the crucial document; in it member states confirmed their determination to continue cooperating in the struggle against drugs on the basis of an approach balanced between prevention and repression; they also outlined concrete deadlines for the achievement of these aims. The Czech Republic as a member of the UN commission on narcotics took an active part in drafting these documents.

The Czech Republic delegation stressed at the session that the adoption of international accords on the control of drugs and their consistent fulfilment were the basic prerequisites for an effective struggle against drugs. The delegation provided information on the anti-drug policy of the Czech Republic, it also mentioned the law against money laundering and the amendment of the criminal law which made the possession of drugs for personal use a crime; these are measures in full accord with the relevant international drug control agreements and which place the Czech legal system in harmony with European Union regulations.

Economic and Social Council (ECOSOC)

The ECOSOC meets every year in July, alternately in New York and in Geneva. A new aspect of recent years has been independent sessions devoted to humanitarian matters, demonstrating the attention the international community devotes to the gradual reinforcement of the ECOSOC coordination function in the economic and social activities of the UN. In 1999 the session dealt with the question of employment and its role in eliminating poverty, with special emphasis on the position of women.

ECOSOC is furthermore a key forum for a dialogue between the UN and the Bretton Woods institutions (BWI); this dialogue has been gradually intensified, partly in response to financial crises. In this connection, high-level meetings proved particularly valuable; they are convened not only when ECOSOC meets and in the course of the ECOSOC and BWI dialogue, but also to discuss selected themes such as the financing of operational activities.

The previous three-year Czech membership in ECOSOC, when the Czech Republic held the presidency, terminated in 1998. The re-election of the Republic to ECOSOC for the 1999–

2001 period was a token of recognition for the country's activities. Membership in ECOSOC is a significant part of the work of the Czech Republic on a multilateral scene while simultaneously creating favourable conditions for its election to other bodies established by ECOSOC.

ECOSOC commissions and bodies

UN Commission for Sustainable Development (UNCSD)

The main event at the 7th UNCSO session in April 1999 was the adoption of an international working programme for the promotion of sustainable tourism. Other documents contain, among other things, the recommendation to incorporate the concept of sustainability in the UN directives for the sphere of consumer protection and to formulate a concept for an integrated approach to regulating human activity on the oceans and in coastal areas. The representative of the Czech Republic became a member of the presidium of the UNCSO working group for energy and sustainable development, with the task of preparing the major foundations for the main themes on the agenda of the UNCSO session in 2001.

UN commission for human habitation (HABITAT)

While the assessment of how far the conclusions of the HABITAT II conference had been carried out after five years was in the stage of preparation, the main event was the session of the UN Commission for Human Settlements (UNCHS) in May 1999; the conference will take place at a special session of the UN General Assembly in 2000 (the so-called "Istanbul + 5"). The session completed a further phase of the revitalization of UNCHS and outlined the major programmes for the achievement of the "Habitat Agenda" – a high-quality management of towns and completion of the world charter of local administration. The concept of the housing policy of the Czech Republic proceeds from the Agenda; the Czech Republic government took note of it in October 1999. Its realistic and controlled implementation is one of the tasks of the emerging National Centre in Brno.

European Economic Commission (EEC)

The reform of the EEC was completed in 1998; it consisted of reducing the number of auxiliary specialized bodies and increasing their decision-making authority. Every programme activity is newly subordinated to a regular assessment, especially in the light of the interests of member states, the utilization of their performance and effectiveness of the spent resources. During the period under assessment, a number of new contractual documents were signed which supplemented several dozen binding EEC acts; this applies in particular to the agreement on access to information, the participation of the public in decision-making and access to legal protection in matters of the environment, the protocol on the emission of heavy metals, the protocol on persistent organic polluting agents, the amendment of the TIR agreement, the so-called Global agreement on homologizing.

The retired permanent representative of the Czech Republic at the UN in Geneva, Somol, initially held the post of EEC vice-chairman and as of October 1998 until December 1999 he

was its chairman. It was also thanks to his presidency that a record number of EEC events have taken place in the Czech Republic during the past period, and the EEC Executive Secretary has visited the Czech Republic on several occasions. The joint EEC/CEI seminar on experience gathered in the transformation period, held in Geneva in June 1999, was also significant.

UN programme

UN environment programme

At the May 1999 session of the UNEP management council, held at its seat in Nairobi, the Czech Republic was elected to the management council, while senior representatives of the Czech Ministry for the Environment joined a 36-member committee of ministers and of senior representatives of UNEP.

While reform of the UN system is taking place, the role of UNEP is being reinforced as a controlling and coordinating organization in matters of the global and regional protection of the environment in relation to other bodies and organizations of the UN. In this respect, UNEP, for example, has become the centre for preparing an assessment of the results of the UN conference on the environment and development (UNCED, Rio de Janeiro 1992) after ten years.

World Food Programme (WFP)

When it comes to the World Food Programme, the decision by the Czech Government to allocate resources to financing the solution of the Kosovo crisis was a major step taken by the Czech Republic. The earmarked sum of 20 million crowns served as a contribution to food aid. Since in the past few years, budget savings have not permitted the levying of a regular voluntary contribution by the Czech Republic to the World Food Programme, this is the first major financial commitment which will, moreover, be made up of Czech commodities.

UN Development Programme (UNDP)

The Czech Republic, in collaboration with UNDP, has for the past three years been issuing a report on the human development of the Czech Republic, summing up the main direction of social and economic transformation in the country. The report for 1998 was drawn up by the Prague Economics University Research Centre for the Integration of the Czech Republic into the European Economy. Currently an extensive Gender in Development Report is being prepared, is intended to sum up the position of women in the Czech Republic over the past ten years.

As a result of the successful membership of the Czech Republic on the presidium of the UNDP executive council, the Czech Republic will preside over the executive council in 2000.

A UNDP Liaison Office has been functioning in Prague since the middle of 1998; it is run by the UNDP regional office in Bratislava which controls the implementation of three major UNDP projects in the Czech Republic, concerning the environment, support of local initiatives and reinforcing the capacities of the Czech Republic for offering development aid and acquiring practical experience in carrying out multilateral and bilateral development programmes. Sending experts from the Czech Republic to countries receiving development aid and their direct incorporation in existing programmes is a key component of the project.

UN Fund for Population (UNFPA)

A special session of the UN General Assembly was held in June–July 1999 with the collaboration of UNFPA with the aim of implementing the conclusions of the international conference on population and development (ICPD), held in Cairo in 1994. Its concluding documents are meant to inspire a public discussion on population issues in the Czech Republic and assist the inauguration of work on outlining a state population policy.

UN Volunteers programme (UNV)

In order to arrange cooperation with UNV, the Ministry of Foreign Affairs organized a public competition to select a national contact venue for cooperation with UNV (the competition was not concluded in 1999). Its activities will concentrate on the selection of volunteers on the territory of the Czech Republic, to ensure formal procedures for suitable volunteers to be included in the UNV register, to train and offer medical preparation to these, to send and arrange the stay of UN volunteers abroad and provide for the public to be informed about UNV programmes.

UNICEF

In 1997–99, the Czech Republic was represented in the UNICEF control body, the Executive Council. The Czech committee for cooperation with UNICEF coordinates this work.

International specialized organizations of the UN system

International Atomic Energy Agency

The two-year term of office of the Czech Republic on the Board of governors of the Atomic Energy Agency terminated in September 1998 (in 1998 the Czech Republic held the post of vice-chairman) which is the governing body between conferences. The Czech Republic attends the October sessions of the general conference of the Agency every year. At the 43rd session in 1999, the Czech Republic signed the supplementary protocol to its agreement with the Agency on the application of guarantees.

Under the Agency's programme of technical aid and cooperation, the Agency participates in a project aimed at increasing nuclear safety in Ukraine. In December 1999 a four-year

technical cooperation project was completed in cooperation with the Agency which provided for the opening of a radio-diagnostic centre PET at Na Homolce hospital, where a cyclotron is financed in part by the Agency with a sum of approx. 60 million crowns (USD 1.69 million).

In April 1999 the first assessment conference was held at the Agency, centring on the agreement on nuclear safety, where the Czech Republic successfully defended its national programme on nuclear safety.

UNESCO

The status of the Czech UNESCO commission was revised in 1999; this resulted in making its activity more effective and in a change-over of the composition of the commission and its specialized sections. The members of the commission are representatives of central and other foremost scientific, cultural and educational institutions as well as prominent personalities in Czech science and culture.

From 1995–99, the Czech Republic was a member of the UNESCO executive council. The election of Senator Mme Moserová as chairman of the 30th UNESCO general conference in the autumn of 1999 was a sign of appreciation of active involvement; this can be regarded as a substantial international success. The Czech Republic scored a success also in elections to the governing councils of major inter-governmental programmes and other UNESCO bodies, for example, it was elected to the prestigious “UNESCO for the 21st century” working group.

The Czech Republic participated in outlining the Second supplementary protocol to the agreement on the protection of cultural monuments in the event of an armed conflict; the protocol was adopted at the diplomatic conference in March 1999 in The Hague.

The meetings of the committee on world heritage in 1998 and 1999 approved the inclusion of the gardens and castle at Kroměříž, the village of Holašovice and the castle at Litomyšl in the distinguished world heritage register (the number of monuments on the territory of the Czech Republic, listed in the register thus rose to nine); the conference expressed recognition for the legislative provision for the protection of cultural monuments in the Czech Republic.

UNESCO highly appraises the regular granting of 10 government study scholarships under the UNESCO development aid.

International Telecommunication Union

A conference of government representatives of the ITU met in Minneapolis in the US in the autumn of 1998; it amended its basic documents, thus consolidating the role of the organization in the development of telecommunications. The Czech Republic regained its membership in the ITU Council which it had lost after the partition of Czechoslovakia; this membership is all the more significant since the Council runs the operation of the ITU between conferences. The four-year interval between conferences nowadays seems to be too long.

Universal Postal Union (UPU)

The XXIIInd UPU congress in Beijing in the summer of 1999 was expected to make substantial changes in multilateral instruments, adapting all international postal communications in the context of an increasingly evident elimination of the state from the postal services. Unfortunately it did not make any headway in the reform of the UPU; as a result of the opposition, mainly by some of the developing countries, it failed to adopt more substantial decisions, opening the door to private operators. Because of a shortage of personnel at the Ministry of Transport and Telecommunications, the Czech Republic did not even seek to be included in the elected UPU bodies.

World Meteorological Organization (WMO)

The 13th world meteorological congress, the supreme body of the WMO, met in Geneva in May 1999. The Czech Republic, which takes advantage of the WMO programme for its meteorological service, participates in the work of the WMO with several projects, including Czech experts and selected specialized institutions.

World Health Organization (WHO)

The Czech Republic is involved in a number of WHO programmes, predominantly on a regional level; it has its representative on the standing committee of the regional commission. In 1999, Health Minister David attended the 52nd annual meeting of the World Health Assembly, the supreme body of WHO, as well as the 49th session of the regional commission of WHO for Europe.

UN Food and Agriculture Organization (FAO)

In the course of the 30th FAO conference in November 1999 it was possible to benefit from the past extensive commitment of the Czech Republic to the organization by being elected a member of the governing body – the FAO Council. The inclusion of Czech institutions and experts in bilateral and multilateral FAO projects is steadily expanding. This covers the representation of Czech officials in the FAO Secretariat, currently most likely the highest of all organizations in the UN system. Through the FAO trustee fund, the Czech Republic also offers development aid.

International Labour Office (ILO)

The 87th International Labour Conference met in Geneva on 6–17 June 1999; this is the supreme body of the ILO. The conference (meeting every year at ministerial level) passed in the first place a resolution on banning all forms of child labour. The Czech Republic plans to ratify this.

International Civil Aviation Organization (ICAO)

One of the major documents adopted by the 32nd ICAO assembly in September 1998 was a comprehensive amendment of the Montreal protocols on the so-called Warsaw system accords concerning the unification of certain regulations in international aviation. The regulations of particular importance for the Czech Republic concern the insurance of aviation operators. In order to harmonize our legislation with the international accord, work began in 1999 on amending the law on civil aviation and the law on commercial enterprise.

International Maritime Organization (IMO)

The participation of the Czech delegation at the 21st IMO assembly in 1999 was significant in the light of harmonizing our legislation with international legal, technical, security and environmental standards for the transportation and roll-on-roll-off of cargo by sea.

Other significant UN negotiations

The first world conference of ministers on youth affairs met in Lisbon in August 1998 under the auspices of the UN. On the basis of the conference declaration and the world action programme for youth up to the year 2000 and subsequently, a document entitled “State policy vis-a`-vis the young generation in the Czech Republic” was drawn up in this country.

The UN declared the year 1999 as the international year of senior citizens and around 2 thousand million persons through them world participated in events connected with it. In the Czech Republic a national coordination council was set up with the participation of the Ministry of Foreign Affairs; its activities were inspired by the international action programme for the problem of ageing, which was adopted by the world assembly on the problem of ageing, held in Vienna in 1982.

In November 1999 the UN General Assembly adopted a resolution on follow-up measures after the UN international decade on limiting natural catastrophes, (IDNDR, 1990–1999); since it proved necessary to continue the activities of the decade, an International Strategy for the limitation of catastrophes was adopted – the Czech national committee for the limitation of catastrophes will be motivated by this document in its future activities.

WTO, OECD

World Trade Organization (WTO)

An agreement on the establishment of the World Trade Organization (WTO) was signed in Marrakesh (Morocco) on 15 April 1994; this was the culmination of endeavours to transform the General Agreement on Tariffs and Trade (GATT) into an international organization. It came into being on 1 January 1995 and the Czech Republic was one of the founding member states. The results of the so-called Uruguay round of multilateral negotiations adopted at Marrakesh provide the basis for the work of the WTO. The WTO creates the basic contractual outline under which the Czech Republic pursues its foreign trade policy. The negotiation of all agreements on international trade is governed by the rules of the WTO. The Czech Republic pursues its trade, political and economic interests within the WTO and this is where it conducts bilateral trade and political negotiations.

The prompt and complete implementation of the Uruguay round agreements and of the conclusions of the ministerial conference by the WTO members is one of the prerequisites for strengthening the multilateral trade system. The Czech Republic carries out all the commitments adopted by the WTO.

Customs duties on industrial commodities were reduced in keeping with the timetable and conditions agreed upon in the Czech Republic list of concessions. The last cut (with the exception of textiles, pharmaceutical and chemical products where the period is ten years) was carried out on 1 January 1999 which meant that the commitment to reduce customs tariffs for these commodities was fulfilled.

The Czech Republic fulfils all commitments arising from the agreement on agriculture. As far as access to the market is concerned, the country reduces import tariffs in accordance with the timetable and the conditions agreed upon in the Czech Republic list of concessions; under the provisions of the list the Czech Republic ensures access to the market for selected items. Observance of commitments concerning the extent of annual domestic support and export subsidies does not appear to be a problem. Their gradual reduction is also problem-free. The Czech Republic has so far applied no special protective measures as regards imports of agricultural produce, but general protective measures are currently applied to sugar imports.

Licensing procedures are carried out in the Czech Republic in accordance with the agreement on import licensing procedures; moreover, the agreement on the anti-dumping article VI of GATT of 1994, has been incorporated in the domestic legal system (Law No. 152/97). The Czech Republic has not so far adopted any anti-dumping measures. The agreement on protective measures will be included in Czech legislation once the draft law on measures concerning the import of commodities and on licensing procedures (covering also agricultural trade), which Parliament began to debate in 1999, is adopted.

In order to apply equalizing measures, the agreement on subsidies and equalizing measures will have to be included in the Czech legal system. The bill to this effect was submitted to the Czech Parliament in 1999.

The commitments accepted by the Czech Republic under the General Agreement on Trade with services and by the relevant protocols consist in the consolidation of previous autonomous liberalizing measures, i.e. in maintaining the standard of access to the market and national treatment by the date these agreements were signed. The Czech Republic, furthermore, has undertaken to refrain from introducing new restrictions on access to the

market in these areas, and has met these commitments, including the duty to provide notification on new legal adjustments to the relevant service sectors. Over the past period, Czech suppliers of services have failed to utilize adequately their opportunities for access to foreign markets.

The agreement on commercial aspects of the rights to intellectual property committed member states to secure a minimum standard of protection and of enforcement of rights to intellectual property as the prerequisite of unobstructed international trade. Its full implementation must be ensured in countries with an economy in the process of transformation by 1 January 2000. The Czech Republic achieved this by introducing partial amendments to laws adjusting the right to intellectual property and by passing a law on commodities violating these rights. The agreement will be fully incorporated in Czech legislation after the adoption of amendments of laws on the protection of industrial property and the introduction of a new copyright law which have already been approved by the Czech government. Law no. 191/1999 on measures concerning imports, exports and the re-export of goods violating certain rights of intellectual property came into force on 1 December 1999.

On 30 November to 3 December 1999, the IIIrd. conference of ministers of WTO member states met in Seattle. Its prime objective was to evaluate the implementation of the agreements and arrangements which are part of the treaty establishing the WTO, but also to take a decision on a new round of trade negotiations as regards its material content, organization and timetable.

On the initiative of the Ministry of Industry and Trade, a coordinated preparation was launched in September 1998. Eight expert interdepartmental working groups for individual sectors were formed: they included business organizations, non-governmental organizations, the trade unions, professional chambers and other organizations. The principles underlying the procedure of the Czech delegation at the conference were approved by the Czech government. It was decided to stress the share of the Czech Republic in eliminating obstacles to world trade and in creating a contractual international trade system. The Czech Republic underlined its interest by proceeding with the reform process in agriculture and the liberalization of trading in services, and especially in non-agricultural commodities; this was to apply to reducing customs tariffs and eliminating non-tariff barriers. The Czech delegation intended to advocate the principle of the so-called "uniform commitment" which had to be applied by all WTO members, and the principle of transparency when all negotiations must be open to all members. In this way, the Czech Republic supported the position of the EU which also advocated the inclusion of areas such as trade and investment, economic competition and the transparency of public tenders.

Despite great efforts, the conference in Seattle did not achieve the expected results, because contradictions in key areas – from subsidies to agriculture to the anti-dumping problem and minimum labour standards – could not be solved. The majority of developing countries were not interested in launching a broadly conceived new round of multilateral trade negotiations, as proposed by the European Union together with several other advanced countries, including the Czech Republic.

The developing countries advocated a new round only to a limited degree, emanating from the conclusions of the Uruguay round – i.e. appraising the results of the implementation of the agreements and decisions of the WTO as well as the further liberalisation of trade in agricultural produce and services. At the same time they pointed to the disproportionate

distribution of advantages arising from the opening up of markets as agreed so far. The recommendations on labour standards by the US delegation also did not contribute to a compromise among specific interest groups. After the failure of the conference, the WTO countries planned to continue their negotiations at WTO headquarters in Geneva in 2000. The limited range of negotiations proposed by some developing countries can yield no more than minimal results. Only a broadly conceived new round of multilateral trade negotiations, aimed at a further liberalization of trade and ensuring the security as well as the prospect of access to foreign markets, is the best way of achieving a significant and balanced development of international trade.

Organization for Economic Cooperation and Development (OECD)

The Czech Republic has intensified its activity in its relations with OECD, an organization comprising the 29 most advanced countries in the world. It took part in the activities of practically all 200 OECD working bodies. There has been a substantial improvement in the quality of cooperation between the Ministry of Foreign Affairs, the Permanent Mission at the OECD in Paris, Ministries and other Czech state institutions and the OECD.

OECD, which is frequently characterized as a permanent inter-governmental conference on problems of economic and social development, provides a platform for assessing “the best practice” in shaping policies in various spheres on the basis of analyses prepared by the OECD secretariat. Moreover, by means of “peer pressure”, it provides for the coordination of national economic policies and courses of action with the aim of enlarging a homogeneous economic environment.

The work of the Czech Republic within OECD should be viewed above all in the context of negotiations on accession to the EU. The EU perceives the accomplishment of commitments vis-a-vis OECD as establishing good initial conditions for preparation for EU membership; the EU and the European Commission also assess the state of preparation of associate countries on the basis of their performance in the OECD. Formal cooperation exists between the OECD and the European Commission, which benefits the associate countries; this cooperation is anchored in the SIGMA programme (Support for Improvement in Governance and Management in Central and Eastern European Countries). The Czech Republic takes active advantage of the opportunities offered by SIGMA in the state administration, financial control, the budget, etc., and in November 1999 it hosted the regular session of the SIGMA liaison group in Prague.

The Czech Republic advocates the admission of Slovakia to the OECD. The Czech Republic also participates in OECD cooperation with the Baltic countries and in programmes to assist South-East Europe.

In view of the fact that the interests of three major world economic centres (EU, US, Japan) come together within the OECD, the Czech Republic has a chance to draft its policies in a broader context of relations with these territories. Certain smaller states use the so-called G10 group (it includes 11 countries: G7 + Belgium, the Netherlands, Sweden and Switzerland) for a more detailed dialogue with the G7 states to whom the Czech Republic has access via its membership in the Belgian constituency of the International Monetary Fund (IMF).

The working contacts between the Czech Republic and OECD are demonstrated by the visit of the Deputy OECD Secretary General, Mrs. J. Shelton, to Prague in March 1999 on the occasion of the European banking and finance forum. She had talks with senior representatives of the government and the Czech National Bank on the economic situation in the Czech Republic, the revitalization of industry, the administration and management of society, the preparation of an economic review of the Czech Republic, the role of the Central Bank, the reform of the finance and banking sphere and the professional skills of Czech managers. The working meeting with OECD Secretary General Johnston in Prague in June 1999, at the invitation of Foreign Minister Kavan, also did much towards intensifying cooperation between the Czech Republic and OECD. The occasion was used for meetings with the Prime Minister and Deputy Prime Ministers, the Governor of the Czech National Bank and the Ministers for the Environment and Finance.

In November 1999 members of the Committee for European Integration of the Chamber of Deputies of Czech Parliament paid a visit to the OECD; the delegation was received by the Deputy OECD Secretary General H. Schlögl, and by the management of the economic department of the OECD secretariat.

A delegation, headed by Vice Premier Mertlík attended the annual session of the OECD council at ministerial level in May 1999. Subjects such as growth, employment and social solidarity were high on the agenda as these are the priorities of the governments of OECD countries. The ministers discussed the possibilities and potential consequences of macroeconomic and structural changes created by technical progress; they also dealt with experiences accumulated in implementing the OECD employment strategy programme. Another topic was the reconstruction and reinforcement of the economies of countries in South-East Europe and the role of OECD in the restoration of the region. This consists primarily in recommendations concerning the macroeconomic, structural and social policy of individual states, in assistance in creating an essential legal and institutional framework and in supporting their regional and global economic integration. Existing cooperation programmes should be intensified, or rather programmes for other badly affected countries in the region should be introduced. Future development of the multilateral trade system at the negotiations of the WTO was also discussed.

The council meeting was preceded by a so-called special dialogue among OECD member countries with invited non-member countries (Argentina, Brazil, China, India, Indonesia, the Russian Federation and Slovakia) at ministerial level on the subject "Coherence of policies in global economies: opportunities and challenges arising from mutual dependence".

The session of the committee for scientific and technical policy at ministerial level in June 1999 was devoted to innovations and their significance for sustainable development and employment, for globalization and international cooperation and regulatory reforms. The conclusions underscore the need for better communication between the state administration, scientists, representatives of the private sector, consumers and the public at large in formulating policies of science and technology, and pointing to the growing significance of international cooperation.

As regards work in expert committees and working groups in many spheres of economic policy, the Czech Republic has been involved in the following activities:

– report on the environmental situation of the Czech Republic to the working group assessing environment policy in November 1998; the result was the publication “Policy, state and development of the environment – Czech Republic”;

– discussion of the economic review of the Czech Republic in 1999–2000 in December 1999 in the committee on economic reviews. The review offers comprehensive information on the macroeconomic and structural development of the Czech Republic, and points to risks contained in current policies. The main section is oriented on the situation in the fiscal area. The head of the Czech delegation in negotiations on economic reviews was Deputy Finance Minister Mládek. The economic review was issued in book form in the spring of 2000. The next economic review will be discussed in the first half of 2001;

– the Czech Republic fulfilled the conditions for membership of the International Energy Agency (IEA) which is associated with the OECD. In November 1999 its governing body decided to invite the Czech Republic to join the agreement on the International Energy Programme of 1974 and thus enabled it to become the 25th member state.

After many years of activity, the OECD held a ministerial conference in Ottawa in October 1998 on electronic trade, which set itself the task of formulating the basic operational rules for electronic trade. This was achieved only in part owing to differing views of the participants (for example, proposed directives for consumer protection) or because of inadequate technological standards. The conference nevertheless adopted a number of recommendations, which are to be directives for the work of OECD and other international organizations and require the participation of the state in their preparation. The progress achieved was evaluated by the OECD forum on electronic trade (Paris, 11.–13. 10. 1999) where representatives of both member and non-member states defined their priorities for their subsequent work and endeavoured to promote contacts between state bodies as the authors of a regulatory framework and those involved in electronic trade, i.e. traders and customers.

The OECD reacted to the financial and economic crisis in 1997–1998 which hit several Asian countries, Latin America and the Russian Federation by starting to investigate the situation of management at a microeconomic level. The work resulted in formulating the OECD Principles for Corporate Governance, adopted by the OECD Council in 1999. Representatives of the Czech Republic took an active part in their preparation. A seminar was held in Prague in October 1999 in collaboration with OECD on the administration and management of society, in order to become familiar with these principles and launch a discussion which would promote the cultivation of a “good” administration and management in the Czech Republic.

The OECD also became involved in the worldwide anti-corruption drive. It was agreed to work out an agreement on the struggle against the bribing of foreign public officials in international business transactions; this was signed in Paris on 17 December 1997 and entered into force on 15. February 1999. Most countries concerned have ratified the agreement; the Czech Republic deposited the ratification documents on 21 January 2000.

Other major international organizations

International Monetary Fund (IMF)

The IMF and the International Bank for Reconstruction and Development (World Bank), established in 1944, are described as Bretton Woods institutions (BWI). The IMF concentrates on monitoring rates of exchange and supervising the international payments system; it offers short-term credits for improving the balance of payments. Czechoslovakia was one of the founding members of the BWI; in 1954 its membership was suspended and restored in 1990. The independent Czech Republic became a member on 1. January 1993.

The supreme body of the IMF is the Council of Governors; Josef Tošovský, governor of the Czech National Bank, is governor of the IMF for the Czech Republic; J. Mládek, First Deputy Minister of Finance, is his deputy. The voting potential of the Czech Republic within the IMF is determined by its membership quota and amounts to 0.39% of voting rights. The last annual meeting was held in September 1999; the next joint annual meeting of the council of IMF governors and the World Bank will take place in the autumn of 2000 in Prague.

Cooperation between the Czech Republic and the IMF has been based on regular and occasional IMF missions to the Czech Republic. Their result was an analysis of the state of the Czech economy and the financial sector, published and available to the public. The Czech Republic became a participant in the second part of the project on transparency of the economy and joined the subsequent allocation of special drawing rights. In this way it raises its currency reserves by 240.2 million SDR.

International Bank for Reconstruction and Development (World Bank)

The World Bank promotes the development of the economies of developing and transforming countries, mainly in the form of long-term financing. It offers long-term credits (it can offer also grants for selected objectives) and carries out minority capital deposits. The same applies to the membership of the Czech Republic in the World Bank as in the case of the IMF; the council of governors is the supreme body of the World Bank – Vice Premier and Minister of Finance Mertlík is the governor of the World Bank on behalf of the Czech Republic, his deputy is Deputy Governor of the Czech National Bank Dědek. The voting potential of the Czech Republic is determined by the size of its capital deposit and amounts to 0.41%.

Cooperation between the Czech Republic and the World Bank now concentrates on the field of technical assistance, combined with drawing PER grants (Public Expenditure Review, the reform of the legislative framework of restructuring). Cooperation in the field of the environment has been most significant; here the Czech Republic drew a total of four grants from the GEF (Global Environment Facility) fund between 1993–1998. In 1999 the World Bank offered the Czech Republic a grant, amounting to USD 70,000, for the solution of computer problems connected with the transition to the year 2000. The World Bank has prepared a study entitled “The Czech Republic: Toward EU Accession”, dealing with the state of preparation of the Czech Republic to accession to the EU. In 1991 the World Bank granted Czechoslovakia a Structural Adjustment Loan amounting to USD 450 million to finance structural changes of the economy; of this, USD 300 million went to the Czech Republic, and today USD 225 million remains to be repaid. The Czech Republic is not currently drawing any loans from the World Bank.

European Bank for Reconstruction and Development

Contrary to the global reach of the IMF and the World Bank, the European Bank of Reconstruction and Development, devised to help transforming countries in Central and Eastern Europe and the countries of the former USSR during their transition to a market economy, operates in 26 countries. Apart from the above countries, members of the EBRD include advanced countries in Europe, the EU, the US, Canada, Australia, Mexico, Egypt, Japan, the Korean Republic, Israel, New Zealand, Morocco and the European Investment Bank.

The Council of Governors is the supreme body, and the Czech Republic is represented there by Vice Premier and Minister of Finance Mertlík, his deputy is Governor of the Czech National Bank Tošovský. The share of the Czech Republic in assigned capital of the EBRD is 0.89%. The most recent annual session of the Council of Governors was held on 17.–20. April 1999 in London and the next will be in 2000 in Riga.

In the Czech Republic the EBRD concentrates mainly on financing the private sector; since its foundation, it has already approved 28 projects in the Czech Republic to the total value of 480.99 million Euro. Of these, 15 projects were financed by a capital deposit of the EBRD (235.12 million Euro), and 14 projects by a loan (245.87 million Euro). With regard to the public sector, the EBRD concluded three contracts in the Czech Republic: 41.99 million Euro on the development of Czech telecommunications, a capital deposit of 23.95 million Euro awarded to Czech airlines and 51.91 million Euro to financing the Czech railways.

7. Disarmament and arms control

The non-proliferation of weapons of mass destruction and their carriers, disarmament, arms control, achieving maximum transparency in trading with materials, equipment and technologies capable of being employed in arms programmes, and preventing the stockpiling of certain types of conventional arms in sensitive area are long-term priorities of Czech foreign policy. In addition to international contractual instruments, where the Czech Republic has become a contractual party, and membership in international organizations responsible for supervising their observance, the Czech Republic takes advantage of its incorporation in international control regimes in order to attain these objectives.

1. Weapons of mass destruction

a) Nuclear weapons

As part of preparations for the follow-up conference on the Treaty on Non-Proliferation of Nuclear Weapons in 2000, the 3rd session of the preparatory committee for the Treaty met in May 1999. As at the previous meeting in 1998, this time again no substantial progress was achieved and the draft of the final document was not approved. The Czech Republic delegation endorsed the position of the EU and submitted its own idea on unlawful transfers of fissionable materials and on international cooperation in the peaceful utilization of nuclear energy.

In October 1999 the first conference of the signatories of the Comprehensive Nuclear Test-Ban Treaty met in Vienna. The Czech Republic underscored the urgent need for the Test-Ban Treaty to come into force at the earliest possible time and for its universality. Another conference is due to be convened in 2000, unless the Test-Ban Treaty comes into force before, which is unlikely. (Note: the Comprehensive Nuclear Test-Ban Treaty was opened for signature at a special session of the UN General Assembly in September 1996. The Czech Republic completed its ratification process in September 1997 as the first European country and the seventh in the world.) In 1999 the Czech Republic concentrated on completing the text of the treaty between the Czech Republic and the preparatory commission of the organization for the total ban on nuclear tests and resulting activities, including post-certificate activities, with reference to international monitoring equipment for the Treaty on a Comprehensive Ban of Nuclear Tests. It is on the basis of these provisions that conditions will be amended for the operation of the seismological monitoring station at Vranov near Brno, which has been included in the CTBTO international monitoring system which is to verify observance of the treaty.

At the meeting of the Zangger Committee in October 1999 the list of sensitive items, the so-called Trigger List, was updated, while questions connected with enlargement were also solved (Note: the Zangger Committee is an association of states, concentrating on the non-proliferation of nuclear weapons; its existence was motivated by Art. III 2.b. of the NPT. It meets in Vienna twice a year and discusses political and technical questions).

In May 1999, a delegation of the Czech Republic attended a plenary session of the control regime of the Nuclear Supplier Group (NSG) in Florence which dealt primarily with political issues (membership, transparency, communication system) while certain technical problems

were discussed marginally. (Note: NSG is a loose association of states concentrating on exports of materials, equipment and technologies, specifically allocated to nuclear programmes, but also of items coming under the dual use regime.)

One of the subjects most discussed at the 1st committee (for disarmament and security) of the 53rd and 54th UN General Assemblies was the resolution “For a world without nuclear weapons: the need for a new agenda”. While at the 53rd UN General Assembly, the Czech Republic cast its vote against the resolution, at the 54th UN General Assembly the Czech Republic abstained because of the modifications made in the text of the resolution. The Czech Republic sees this resolution as a manifestation both of discontent with the current situation in the disarmament process in relation to the non-proliferation of nuclear weapons and nuclear disarmament, and of fears of the subsequent deterioration of the situation in international security.

b) Chemical and biological weapons

In the first half of 1998, the Czech Republic was elected for a two-year term to the executive council of the Organization for the Prohibition of Chemical Weapons – OPCW which meets five times a year under the terms of the Chemical Weapons Convention (agreement on the prohibition of the development, manufacturing and stockpiling of chemical weapons and their destruction). Then 4th conference of the signatory countries met in The Hague at the end of June /beginning of July where a letter of invitation from the Czech Minister of Industry and Trade was handed to the OPCW Director General Bustani to visit the Czech Republic in May 2000. In October 1999 the Czech Republic organized practical training of inspectors of the organization for the OPCW secretariat at the training premises at Vyskov; the training concentrated on liquidating the effects of an attack by chemical weapons.

From roughly the middle of 1998 the ad hoc group of government experts, including those from the Czech Republic, stepped up their activities in Geneva with the aim of negotiating an internationally and legally binding Verification Protocol (VP) to reinforce the agreement on the prohibition of the development, manufacture and stockpiling of bacteriological (biological) and toxic weapons and on their destruction (Biological Weapons Convention – BWC). Since adoption of the Verification Protocol will have its consequences especially for security and trading interests, the negotiations are extremely difficult and politically demanding. At the November 1999 session, the Czech delegation joined the EU members, the US and Australia, in calling for the termination of talks on the text of the Biological Weapons Convention Verification Protocol up to the end of 2000. The Czech Republic has already started preparations for an independent control body.

In October 1998 and 1999 the Czech Republic attended a plenary session of the Australian group in Paris which discussed certain measures to make the activities of this control body more effective (Note: the AG centres on coordinating the export policy of member states in the field of materials, equipment and technologies, which can be misused for the manufacture of chemical and biological weapons).

No firm progress was made between July 1998 and December 1999 on the non-proliferation of weapons of mass destruction and disarmament. Somewhat more promising progress was

made on the banning of chemical and biological weapons, at least as regards fulfilling the provisions of the relevant treaties and intensifying verification measures, On the other hand, there was stagnation in the sphere of nuclear weapons and their non-proliferation and total liquidation. This unfortunate state of affairs has its long-term impact, especially on the negotiations of the main disarmament forum, that is to say, the Disarmament Conference in Geneva. The Czech Republic expressed its concern at the possible revival of the arms race at the turn of the millennium, roughly ten years after the end of the Cold War; it also expressed disquiet lest there would be a repetition of the squandering of financial, material and human resources which would be needed far more urgently to solve urgent global problems. The Czech Republic, in collaboration with EU member and associate states and with NATO members, intends to strive at the Disarmament Conference to overcome the present unfavourable state of affairs and to support universality, the consistent implementation of the NPT and Comprehensive Test Ban Treaty as well as prompt negotiations on the treaty banning the manufacture of fissile material for military purposes.

2. Mass destruction weapons carriers and anti-missile defence

Plenary sessions of the Missile Technology Control Regime (MTCR) were held, the first in October 1998 in Budapest, and the second in October 1999 in Noordwijk in the Netherlands. The Czech Republic reported its experience in carrying out the measures adopted by the regime concerning the compatibility between the national control system and the MTCR requirements; the Czech delegation supported the major orientation of the control regime. (Note: MTCR is an informal agreement which concentrates on ballistic missile technology, materials and equipment to be used for missile manufacture and operation.)

At the 1st committee (for disarmament and security) of the 54th UN General Assembly, the Russian Federation submitted a very controversial resolution – “The maintenance and implementation of the Treaty on Limiting Anti-ballistic Missile Defence Systems” (ABM) – which was passed by a majority. The Czech Republic, alongside the majority of EU members and associate members as well as other states, abstained, because it is of the opinion that the treaty in question should be discussed primarily on a bilateral basis between the Russian Federation and the US; it nevertheless admits that maintaining a strategic balance affects, in the last analysis, the entire international community.

In its endeavour to halt the proliferation of weapons of mass destruction carriers, the Czech Republic has concentrated in the period in question on the further consolidation of domestic legislation in connection with international obligations, stemming from membership in the relevant control regime.

The Czech Republic favours the preservation of a strategic balance and welcomes a speedy solution of all disputes between the Russian Federation and the US connected with the Treaty on Limiting Anti-ballistic missile defence systems (ABM) which could have a positive influence on future disarmament negotiations.

3. Conventional weapons

On 26. October 1999 the Czech Republic ratified the Agreement on Banning the Use, Stockpiling, Manufacture and Transfer of Land Mines and on their destruction (hereafter Ottawa agreement) which came into force in March 1999. The proposed procedural law on the Ottawa agreement was due to come into force early in 2000. The Czech Republic has contributed approx. USD 105,000 to the international fund for the destruction of mines and for aid to the victims of land mines in Bosnia and Herzegovina and Kosovo. The second regional conference on land mines met in Zagreb with the participation of the Czech Republic; it helped to provide better information and to coordinate the work of participating countries.

In December 1999 a Czech delegation attended the first annual conference on Protocol II in Geneva (on banning or limiting the use of mines, booby traps and other means) of the agreement on certain conventional weapons (CCW) ratified by the Czech Republic in 1998. The Czech delegation reported that the country had fulfilled the commitments arising from the said protocol, and backed a speedy start of complementary talks on the transfer of land mines to the agenda of the Geneva Disarmament Conference.

Several conferences and working seminars on the destabilizing stockpiling, uncontrolled proliferation, unlawful trade in and utilization of hand and light weapons have been held in the course of 1999 and attended by Czech experts. (Note: The preparation of a partial concept by the Czech Republic on hand and light weapons started at the Foreign Ministry in the second half of 1999; its objective is to provide for the coordination of the internal state sectors and bodies and unify the position of the Czech Republic on various moves by the international community, above all, the UN, OSCE, EU and NATO as part of preparations for the proposed international UN conference on the subject, planned for 2001.)

The efforts of the international community on conventional weapons are currently mainly focused on the problem of hand and light weapons which in many countries, especially in crisis areas, cause immense suffering to the civilian population and give rise to instability, while being an obstacle to political, economic and social development. The interest of the international community will grow as preparations for the proposed UN conference on the subject make further headway. The Czech Republic, which shares the sense of concern about this issue, regards inadequate control of the transfer of military hand and light arms as being the crux of the problem. That is why it intends to improve interdepartmental coordination, make trading with hand and light arms more transparent and intensify international cooperation.

4. Treaty on Conventional Armed Forces in Europe

Intensive negotiations (started in 1996) by 30 parties to the Treaty on Conventional Armed Forces in Europe continued in 1998–1999. These negotiations have resulted in the signing of an Agreement on the Amendment of the Conventional Armed Forces on 19 November 1999 (hereafter Agreement) and in the Final Act of the Conference of Contractual Parties on Conventional Armed Forces as part of the OSCE Istanbul summit. The Agreement contains the principles for adjustment of the provisions in the original agreement on Conventional Weapons, reflecting the transformation of the political and security situation in Europe since the signing of the agreement. The amended Treaty on Conventional Armed Forces is a significant component of the security structure in Europe. Since the Agreement on

Conventional Armed Forces was concluded, many states, mainly members of NATO, have reduced their conventional arms to a greater extent than stipulated by the original treaty.

The original treaty was negotiated on the basis of group limitations (for the states of NATO and of the former Warsaw Treaty); the objective of these limitations has been to reduce the concentration of conventional arms, especially in Central and Eastern Europe, and lay down a collective threshold to the equipment. The amendment of the Treaty on Conventional Weapons eliminates this so-called group approach. In the same way as the original Treaty on Conventional Armed Forces, its amended version contains numerical limitations for five basic categories of conventional weapons (tanks, infantry combat vehicles, artillery systems, combat aircraft and combat helicopters). As far as the Czech Republic is concerned, the amendment eliminates one of the last, albeit indirect, links with the former Warsaw Treaty. The new system of restrictions is based on the legally binding substantiation of the standard applicable to each signatory state. In view of the fact that armed forces from other signatory states could be permanently deployed on the territory of some signatory states, the treaty makes a distinction between the so-called national and the territorial levels.

The amended treaty stipulates ceilings individually. In the event of crisis situations it provides for the possibility of the so-called temporary stationing of the forces of another state over and above the declared territorial level. This allows the Czech Republic to deploy on its territory possible alliance reinforcements temporarily if the need arises, without violating the treaty. The temporary deployment is accompanied by a number of transparent measures which, it is hoped, will rule out its misuse.

The amendment of the treaty, furthermore, reinforces verification mechanisms, and the notification and expansion of an exchange of information between the signatory countries, which reflects of a higher degree of confidence among them.

The amendment further creates the prerequisites for the accession of new states which can be seen as a substantial contribution to greater stability and security in Europe. Accession is open to OSCE member states situated between the Atlantic ocean and the Urals.

Even though it was, above all, the Russian Federation which applied pressure on Central European states (especially the new members of NATO), insisting that the same binding limitations apply to this region as to the flank area, the Czech Republic and its allies have succeeded in reaching a compromise, namely that legal commitments should be supplemented “only” by political commitments on specific regional limitations, without denying the right to use those mechanisms of the treaty which provide an essential flexibility in safeguarding national security (temporary deployment). They succeeded also, in the course of the negotiations, to persuade other states to accept political commitments. The Czech Republic, Poland, Hungary, Germany, Slovakia, Belarus, Ukraine (on a section of the territory outside the flank area) and the Russian Federation (for the Kaliningrad and Pskov area) undertook not to exploit the possibility, which the amended treaty makes possible under certain circumstances, of gradually increasing their ceilings. For more or less the same reasons, the Czech Republic (as well as Poland, Hungary and Slovakia) have agreed to curtail the technical hardware in territorial categories limited by the treaty. This curtailment is fully in keeping with the concept of building up the defence sector; it has been discussed with the other allies in NATO.

The Agreement has to be ratified by all signatory countries in accordance with their domestic legal system and will come into force 10 days after the last ratification document has been handed over to the treaty depositary, i.e. the government of the Netherlands. Under the Czech legal system, the Agreement has to be ratified by both chambers of Parliament. As pointed out by President Clinton in a speech after the signing of the Agreement, the US will commence the ratification process once the Russian Federation starts to implement the provisions of the treaty in the flank area (Northern Caucasus) and reduces its equipment to the legal level stipulated by the treaty, possibly the amended treaty. Some other NATO states are of the same opinion, especially those which do not intend to accelerate the ratification process so long as the Russian Federation continues to violate the treaty by its military operations in Chechnya. The Czech Republic will coordinate the ratification process with its allies, with the proviso that the beginning of the ratification process should be determined by the State Security Council.

8. Development and Humanitarian Aid

Development aid

Development aid granted by the Czech Republic is governed by the Principles of Foreign Development Aid, approved by the Czech government's resolution No.153 of 15. March 1995. This aid is given predominantly to countries which aim to introduce or consolidate democracy, human rights and a market economy. Concrete development cooperation projects are part of Czech foreign policy and today constitute a significant component of international political commitments.

Development aid projects are approved annually and coordinated by the Ministry of Foreign Affairs in a development aid project plan. The projects are proposed and carried out by the various departments, depending on their purpose; they take the form of bilateral or multilateral cooperation. The government of the Czech Republic approves the amount of the resources earmarked for these projects as part of the state budget. After approval, the resources are transferred from the chapter of the general accounts administration to the budgets of the individual departments – which then administer the projects. In 1999, the sum of 326 million crowns was set aside in the budget for development projects. This sum is expected to be higher in the years to come, depending on the state of the economy, so that it should gradually reach an adequate level of development aid as granted by the other OECD or EU countries. Development aid projects are carried out in accordance with Law No. 199/1994 on public orders as specified by subsequent regulations.

The system of granting development aid, its principles, operational procedure and organizational provisions will be reassessed and modified in the near future to make the integral effectiveness of development aid higher and to make its principles and organizational provisions compatible with development aid procedures in the OECD and EU states. The new development aid concept is to take account of the experience of these organizations, especially their organizational provisions and cooperation between governmental and non-governmental organizations as well as the public at large.

Humanitarian aid

In keeping with its foreign policy and within the limits of its possibilities, the Czech Republic participates in formulating and implementing a new international development strategy which includes the struggle against poverty, supporting access to education, removing inequalities in the status of women, reducing infant and maternal mortality, making health services available and promoting sustainable development. Development and humanitarian aid are an inseparable component of Czech foreign policy. The objective is to prevent humanitarian disasters and to assist the long-term stabilization and prosperity of regions in the process of development. The Ministry of Foreign Affairs is responsible for the coordination of humanitarian aid abroad. The Czech Republic grants humanitarian aid depending on the gravity of the situation and the threats to human lives or to health; this aid is granted either to the affected state or as part of an international coordinated effort. It is offered in keeping with the principles of the international community, the International Red Cross and Red Crescent as well as with UN resolutions. All Czech organizations and associations involved in humanitarian aid are asked to respect the principles governing humanitarian aid, above all, the principle of impartiality.

So far, the Czech Republic had not experienced such strong pressure to provide flexible and effective material, rescue and financial humanitarian aid as in 1999. While in the second half of 1998 the sum of 25.2 million crowns was earmarked for financial aid, in 1999 this sum reached 38.3 million crowns, used to cover all recorded types of humanitarian aid. As a result of military operations in Kosovo, natural calamities in various parts of the world, especially after the earthquakes in Turkey, Greece and on Taiwan, after the floods in the Philippines, Ghana, Vietnam, the Korean People's Democratic Republic, Mexico and Colombia, or the elimination of the consequences of conflicts of war in East Timor and Chechnya, the Czech Republic not only exceeded the budget reserves of the general accounts administration for humanitarian aid by 30 million crowns, i.e. by roughly 25%, but used 654 million crowns out of the total of 2 billion crowns approved under government decision No. 765/1999 of 21 July, intended for humanitarian aid and the reconstruction of the Balkans.

The Foreign Ministry, in collaboration with other departments, is preparing a new concept of foreign humanitarian aid, in order to achieve the maximum integrated effect of all types of humanitarian aid. Government institutions and ministries assess the experience they have accumulated with sending out rescue teams, offering material aid abroad and cooperating with non-governmental humanitarian organizations. An analysis of the legislative framework is also being made. The proposed new concept is to ensure the effective functioning of all bodies involved in humanitarian aid as well as long-term and permanent cooperation of government bodies with non-governmental humanitarian organizations and institutions based on contractual links, so-called accreditations, and on qualification conditions. It is expected that this institutionalized cooperation will have a positive impact on the quality and speed of aid. The new concept will come closer to the standard of economically advanced OECD and EU countries.

II. Bilateral Relations of the Czech Republic

1. Summary information on bilateral relations

Bilateral relations represent the foundation of contacts between the Czech Republic and the outside world. At the end of 1999 it had diplomatic relations with 176 states. Under the terms of the Concept of Foreign Policy priority attention was devoted to relations with neighbouring states and with members of the North Atlantic Alliance and the European Union.

Significant changes took place in 1998 and 1999 in the bilateral relations of the Czech Republic with other states. As a result of accession to NATO on 12 March 1999, relations of the Czech Republic with 18 European and North American states – Belgium, Denmark, France, Italy, Iceland, Canada, Luxembourg, Germany, the Netherlands, Norway, Hungary, Poland, Portugal, Greece, Spain, Turkey, the US and Great Britain – were transformed from partnership relations to those of allies.

Bilateral relations with 15 members of the European Union – Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, Germany, the Netherlands, Portugal, Austria, Greece, Spain, Sweden, Great Britain – also underwent substantial changes in connection with the opening of talks on accession to the European Union in March 1998.

The restoration of regional cooperation within the Visegrad group also helped to promote bilateral relations with Slovakia, Hungary and Poland; the Czech Republic did its utmost to establish a special relationship with Slovakia.

The Czech Republic maintained intensive political, economic as well as full cultural relations with neighbouring states and members of the North Atlantic Alliance, the European Union and the Visegrad group. More than 80% of the total foreign trade turnover is with these countries and the countries in this region have played a substantial role in direct foreign investments in the Czech Republic.

The Czech Republic has maintained and promoted relations with countries in Eastern and South-East Europe. The objective of Czech foreign policy in its relations with the Russian Federation and Ukraine has been to promote normal contacts with special emphasis on expanding and intensifying economic cooperation.

The Czech Republic has placed special emphasis on upgrading relations with countries in South-East Europe and on reinforcing relations with its traditional partners in the region. It used bilateral relationships within the framework of international organizations to increase stability in the region, especially in connection with the crisis in Kosovo. The Czech Republic identified with the priorities of the Stability Pact for South-East Europe which includes, above all, lasting peace, prosperity and stability in the region, the promotion of effective regional cooperation and anchoring the region in Europe.

The Czech Republic has stepped up its relations with countries in Asia, Africa and Latin America in line with the Foreign Policy Concept. The main emphasis in bilateral relations has been on the economic sphere. In the period under review, contractual foundations have been complemented, mainly in the visa and trade spheres.

The chapter on bilateral relations mentions fundamental data on the relations of the Czech Republic with individual countries. It leads with relations with neighbouring countries. Then

follow relations with NATO and EU member states, the Baltic countries and Eastern and South-Eastern Europe. A separate section is devoted to relations with the countries of Asia and the Pacific, as well as with the countries of the Near East and North Africa, relations with sub-Saharan countries in Africa, and with Latin America. The various countries are listed in the appropriate sections in alphabetical order with the exception of the first section. The first section does not contain a list of visits by departmental ministers.

2. Relations of the Czech Republic with the Central European countries

Slovak Republic

Czech-Slovak relations have reached a special level. The establishment of qualitatively new relations culminated in the signing of a treaty, completing the division of the property of the former federal republic. The treaty eliminated the last serious historical burden and concentrated on promoting future relations.

At present it has not been possible to adjust the functioning of the customs union where difficulties persist as regards the consistent observance of the meaning of the treaty (introduction of import supplements on Czech commodities, or quantitative limitations on some exports).

A number of bilateral issues are gradually becoming the subject of multilateral negotiations in various international organizations. Following the revival of the Visegrad group, new opportunities for cooperation now arise within this organization, which helps Slovakia to catch up with its delayed integration.

In 1998 and 1999, Slovakia remained the second biggest foreign trade partner of the Czech Republic.

Visits by Czech Republic representatives

- 7. 11. 1998 – President Václav Havel visited the Slovak Republic;
- 23. 11. 1998 – an official Czech government delegation, led by Prime Minister Zeman, visited Slovakia;
- 8–9. 12. 1998 – visit by a delegation of the Foreign Relations Committee of the Czech Parliament in Bratislava;
- 11–12. 3. 1999 – the Committee for Defence and Security of the Czech Parliament visited Slovakia;
- 28–30. 4. 1999 – working visit by a delegation of the Czech Parliament Economic Committee, led by its Vice-chairman, J. Hojdar;
- 14–15. 5. 1999 – meeting of Czech and Slovak Prime Ministers in Bratislava and at Starý Smokovec in connection with the Visegrad countries summit;
- 15. 6. 1999 – Václav Havel attended the swearing in of Slovak President Schuster;
- 17–18. 9. 1999 – official visit by President Havel in Slovakia;
- 20–22. 9. 1999 – working visit by a delegation of the Czech Senate Committee on Public Administration, Regional Development and the Environment, under its chairman, P. Smutný;
- 27–29. 9. 1999 – working visit by a delegation of the Constitutional and Legal Committee of the Senate, led by its chairman, J. Vyvadil;

- 5–7. 10. 1999 – visit by a joint delegation of the Senate and Chamber of Deputies Committees on the Health Services and Social Policy in Bratislava;
- 15–16. 10. 1999 – an informal meeting of the Prime Ministers of the V4 countries in the High Tatra mountains;
- 24. 11. 1999 – official visit of Prime Minister Zeman to Slovakia;
- 3. 12. 1999 – meeting of the Presidents of the Visegrad countries in the High Tatra mountains.

Visits by representatives of the Slovak Republic:

- 11. 9. 1998 – talks of Czech Prime Minister Zeman and Slovak Prime Minister Mečiar at a CEFTA session in Prague;
- 30. 11. 1998 – Chairman of the Czech Senate Pithart received the Vice-Chairmen of the Slovak National Council Hrušovský and Bugár;
- 4–5. 3. 1999 – At the invitation of the Committee for European Integration of the Czech Chamber of Deputies, a delegation of the equivalent Slovak Committee, led by J. Šebej, visited Prague;
- 19. 4. 1999 – working visit by the Slovak Foreign Minister Kukan in the Czech Republic;
- 29. 4. 1999 – meeting of Prime Ministers Zeman and Dzurinda at Uherské Hradiště;
- 5–6. 5. 1999 – working visit by a delegation of the Constitutional and Legal Committee of the Slovak National Council, led by its chairman, L. Orosz;
- 21. 5. 1999 – official visit by the chairman of the Slovak National Council, J. Migaš in the Czech Republic;
- 16–18. 6. 1999 – joint working visit by the committee of the Slovak National Council for European Integration and the Foreign Relations Committee of the Slovak National Council in Prague;
- 23–25. 6. 1999 – working visit by the Slovak National Council committee for Culture and the Media;
- 7. 7. 1999 – official visit by Slovak President Schuster;
- 5–7. 10. 1999 – visit by a delegation of the Slovak National Council Committee for the Economy, Privatization and Business, led by its chairman P. Prokopovič;
- 7–8. 10. 1999 – official visit by Prime Minister Dzurinda in the Czech Republic;

– 8. 10. 1999 – the Foreign Ministers met on the occasion of the official visit of Prime Minister Dzurinda in the Czech Republic;

– 5. 11. 1999 – the Prime Ministers met on the occasion of the CEI summit in Prague.

Meetings of the Council of the Customs Union continued throughout 1999 as well as meetings of the Commission for the Completion of Settlement of the Property of the former Czechoslovak Federation.

Bilateral economic relations

During the period under review, Slovakia was the second biggest trade partner of the Czech Republic. From the point of view of economic relations, Slovakia was in an exceptional position, since the Czech Republic and the Slovak Republic are trading under the terms of a customs union. However, the importance of the Slovak Republic for the Czech economy is steadily falling and its share now amounts to no more than 7.2% of the overall trade turnover of the Czech Republic (in 1993 it was 18.9%, in 1994 15.2%, in 1995 14.5%, in 1996 13.6%, in 1997 11.8% and in 1998 8.8%). Up to February 1998, the Czech Republic was Slovakia's biggest trade partner, nowadays it takes second place, after Germany.

In 1998 Czech exports amounted to 90.5 billion crowns, and imports to 67 billion crowns. Trade turnover reached the value of 157 billion crowns. The balance of trade ended in credit amounting to 23.5 billion crowns. In 1999 Czech exports to Slovakia amounted to 76.5 billion crowns while imports were 61 billion crowns. With a turnover of 137.5 billion crowns, the Czech credit balance amounted to 15.5 billion crowns.

The commodities most in demand were machinery and equipment (25.7%), market products (29.1%) and chemicals (13.6%). Škoda cars were the most significant export, and their sales have risen steadily.

Trade in agricultural products and food was the most sensitive aspect; it accounted for roughly 11% of total trade. Problems in this sphere have been regularly discussed at meetings of the Customs Union Council as well at sessions of its Committee for the Coordination of Agricultural Policy.

A problem which in part influenced the results of mutual trade was caused by several protectionist measures introduced by the Slovak Republic. Quantitative limitations, certification, and as of June 1999 import supplements were among the non-tariff measures applied by Slovakia.

Quantitative limitations affected imports of pork (4,200 tons), live pigs (5,200 tons), cane or beet sugar (3,500 tons), sweetened non-alcoholic beverages (540,000 hl) and beer (532,000 hl).

Certification (which concerns all imports to Slovakia) has greatly hampered all imports as a result of the lengthy and costly tests required at state testing stations. Certification concerned all imported goods and only the Slovak certificate confirming the quality of imported commodities was recognized. Following adoption of the new law on technical requirements for products and on

assessing conformity, the directive on the certification of goods is to be abolished, and certification will remain in force only for goods which represent special health risks.

As from 1 June 1999 a 7% import surcharge has been reintroduced for all products imported to the Slovak Republic with the stipulation that on 1 January 2000 it has been reduced to 5%, as from 1 July 2000 it is expected to be reduced to 3% and as from 1 January 2001 to 0%.

Bilateral agreements concluded during this period

- Supplement No. 1 to the agreement between the government of the Czech Republic and the government of the Slovak Republic on future procedure in equalizing the balance of clearing accounts and balancing remaining claims between the Czech Republic and Slovakia of 4 February 1993, signed on 14 December 1995 in Brno, 24 September 1998 in Bratislava;
- Treaty between the Czech Republic and the Slovak Republic on cooperation and mutual assistance during exceptional events, 23 November 1998, Bratislava;
- Protocol between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Slovak Republic on cooperation in the field of technical development, 30 November 1998, Znojmo;
- Agreement between the government of the Czech Republic and the government of the Slovak Republic amending certain provisions in the Protocol on the definition of the concept “original products” and the methods of administrative cooperation, mentioned in Article 1 of the Agreement between the government of the Czech Republic and the government of the Slovak Republic of 21 December 1996, modifying the stipulation in Article 1 of the Agreement between the Czech Republic and the Slovak Republic on regulations on the origin of goods and methods of administrative cooperation of 22 February 1993, 7 December 1998, Bratislava;
- Protocol between the Ministry of Education, Youth and Physical Training of the Czech Republic and the Ministry of Education of the Slovak Republic on cooperation in education, youth, physical training and sport for 1998–2001, 15 January 1999, Bratislava;
- Supplement No. 1 to the Agreement between the government of the Czech Republic and the Slovak Republic on the transfer of government claims vis-a-vis other countries, under the jurisdiction of the Czech Republic and the Slovak Republic, and on arranging internal financing of agreed government credits of 7 April 1993, 1 February 1999, Prague;
- Agreement between the government of the Czech Republic and government of the Slovak Republic on the Status of the Commission on concluding the settlement of the property of the Czech and Slovak Federal Republic following the discontinuation of the Czech and Slovak Federal Republic, 16 April 1999, Prague;
- Treaty between the Czech Republic and the Slovak Republic on simplifying border formalities in road and rail transport and in shipping, 24 May 1999, Bratislava;
- Treaty between the Ministry of Industry and Trade of the Czech Republic and the Ministry of Construction and Public Works of the Slovak Republic on methods and conditions of authenticating and utilizing the document on assessing the equivalence of building materials, or on

the findings of the testing of building materials which are the subject of trade between manufacturing and trade firms in the Czech Republic and the Slovak Republic, 25 May 1999, Prague;

– Agreement between the government of the Czech Republic and the government of the Slovak Republic, amending certain provisions of the Protocol on the definition of the concept “original products” and methods of administrative cooperation, mentioned in Article 1 of the Agreement between the government of the Czech Republic and the government of the Slovak Republic of 7 December 1998, changing the provisions in Article 1 of the Agreement between the government of the Czech Republic and the government of the Slovak Republic of 21 December 1996 which modifies the provision of Article 1 of the Agreement between the government of the Czech Republic and the government of the Slovak Republic on the regulations on the origin of goods and methods of administrative cooperation of 22 February 1993, 8 November 1999, Bratislava;

– Agreement between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Slovak Republic on the conclusion of the division of the property of the Czech and Slovak Federal Republic administered by the former Federal Ministry of Defence, 19 November 1999, Bratislava;

– Treaty between the Czech Republic and the Slovak Republic on common procedure in dividing the property of the Czech and Slovak Federal Republic between the Czech Republic and the Slovak Republic and its transfer to the Czech Republic and the Slovak Republic, 24 November 1999, Bratislava;

– Agreement between the government of the Czech Republic and the Slovak Republic on the construction of the junction of road 1/70 on the territory of the Czech Republic, and on the construction of the junction of road II/426 and the premises of the joint road border crossing on the territory of the Slovak Republic in the locality of Sudoměřice-Skalica, 14 December 1999, Bratislava;

– Agreement between the Ministry of Transport and Communications of the Czech Republic and the Ministry of Transport, Post and Telecommunications of the Slovak Republic on cooperation in preparing and modernizing railway lines, 14 December 1999, Bratislava;

– Agreement between the government of the Czech Republic and the government of the Slovak Republic on cooperation in border waterways, 16 December 1999, Židlochovice.

Cultural relations

A common language environment, history, traditions and personal contacts provide for exceptionally intensive contacts precisely in the cultural field.

Official exchanges are guaranteed by an inter-departmental programme. It is determined primarily by the financial possibilities of the contracting parties and by mutually agreed priorities, for example, traditional guest performances by the National Theatres of the two countries, sponsoring theatre festivals, the film festival at Trenčianské Teplice, support for cultural activities in the border regions, etc.

Lively contacts were arranged on a commercial basis organized by agencies. This applied mainly to popular music, folk and country concerts, performances by theatrical agency presentations, exhibitions arranged by private galleries, etc. The third sector, too, (non-profit organizations) played a significant part in mutual cultural exchanges by amateur or minority groups.

Republic of Poland

The Polish Republic is among the most significant partners of the Czech Republic. It is its second biggest neighbour. Czech-Polish relations reached their historically most active level and can be described as special. They attained a new dimension by the entry of both countries to NATO. The two countries organized successful cross-border cooperation under the Visegrad cooperation and as part of their efforts to be admitted to the European Union. Bilateral trade is complemented by the participation of both countries in CEFTA.

Czech-Polish relations are of great significance for the present and future situation in the Central European region, and it is, therefore, in the interest of the Czech Republic to maintain and develop the quality of contacts which has already been achieved: contacts which are not burdened by major problems.

In 1998 Poland was in fifth place among the foreign trade partners of the Czech Republic, and in 1999 it held sixth place.

Visits by Czech Republic representatives.

- 9–11. 3. 1998 – President Havel visited the Polish Republic;
- 21. 8. 1998 – Foreign Minister Kavan went on a working visit in Poland;
- 19–20. 2. 1999 – a group of deputies of the Czech Chamber of Deputies Economic Committee visited Poland;
- 24–26. 2. 1999 – a delegation of the Foreign Relations, Defence and Security Committee of the Czech Senate visited Poland;
- 10. 9. 1999 – a working meeting of the Prime Ministers took place at Jawor in Poland.

Visits by representatives of the Polish Republic

- 11. 9. 1998 – Prime Ministers Zeman and Buzek met at the CEFTA summit in Prague;
- 1. 10. 1998 – Foreign Ministers Kavan and Geremek met at Liberec on the occasion of the “2+2” talks (Foreign and Defence ministers of the Czech and Polish Republics);

– 2. 11. 1999 – the Foreign Ministers of the two countries had a bilateral meeting in Prague.

Mutual economic relations

Poland is among the significant and traditional partners of the Czech Republic. There has been a dynamic increase in trade: after the political and economic transformations of the past ten years in both countries, which resulted in a certain decline in economic relations, trade is now picking up dynamically. Poland is the biggest trading partner of the Czech Republic (with the exception of Slovakia) among the countries which are undergoing an economic transformation.

Poland, in the same way as the Czech Republic, is an associate member of the EU, a member of the OECD and was a founding member of CEFTA. Trade between the two countries is governed by the rules of that agreement.

In 1998, Czech exports amounted to 48.1 billion crowns, imports to 31.1 billion crowns. The latest indicators of annual growth once again reveal a rise in mutual trade (by 3.8%). Czech exports in 1999 stood at 50.8 billion crowns, while imports reached 35.1 billion crowns

Czech imports were oriented mainly on market products (31.6%) and machinery and equipment (17.4%). In exports, market products reach 32.3% and machinery and equipment 29.9% (Skoda cars account for approx. 10% of Czech exports).

The trade balance was favourable for the Czech Republic to the amount of 13.7 billion crowns in credit.

There are no problems of substance in mutual economic relations which would hamper the further development of trade. Complications have emerged in some marginal issues. There has been a slow down of liberalization in the sphere of customs tariffs for foodstuffs and agricultural products, and tariff restrictions have even been introduced. Yet another form of protecting the Polish market are concealed measures in the form of licences, certificates, hygiene measures, etc. In 1999 these tariff restrictions, for example, took on the form of abolishing preferential customs duties and the simultaneous increase of the contractual customs rate on imports of wheat from the Czech Republic or the reciprocal introduction of an import quota for coal from the Czech Republic.

Bilateral agreements concluded during this period

– Agreement between the Czech Ministry of Defence and the Polish Ministry of National Defence on the protection of classified information, 1. 10. 1998, Liberec;

– Treaty between the Czech Republic and the Polish Republic on cooperation in border issues, 25. 5. 1999, Prague;

– Treaty between the Czech Republic and the Polish Republic on cooperation in border formalities, 25. 5. 1999, Prague.

Cultural relations

Relations in the field of culture, education and scientific cooperation are based on the Programme for Cultural, Educational and Scientific Cooperation.

For example, the theatre festival “On the Border”, arranged every year since 1990 simultaneously in the towns of Czech and Polish Těšín has been an example of successful cultural cooperation. This is a review of the most interesting performances by Czech, Polish and Slovak ensembles, plus creative seminars, gatherings and discussions by drama experts from the participating countries. The festival has been financially supported mainly by the Polish Ministry of Culture and Art, local institutions and sponsors. The latest festival was also attended by Hungarian theatre artists, and thus became a “Visegrad” event, something which will continue in future.

Federal Republic of Germany

Czech-German relations have developed dynamically of late in the political, economic and cultural fields. There have been more intensive contacts at all levels, and these relations have been augmented by contractual documents.

As a result of the admission of the Czech Republic to the North Atlantic Alliance in 1999, the partnership with Germany has for the first time in our modern history turned into an alliance. Moreover, Germany has concluded an agreement to support the accession of the Czech Republic to the European Union. In this context, Germany can today be identified as one of the most consistent champions of the enlargement of the Union, or rather of the accelerated internal preparation of the EU for this decision.

After the conclusion of the Treaty on Good Neighbourhood, Friendly Cooperation on 27 February 1992, the Czech-German Declaration on Mutual Relations and their Future Development, signed on 21 January 1997 is a crucial milestone on the road to overcoming the problems of the past. It stated the readiness of both parties not to burden these relations “by political and legal questions stemming from the past”. The declaration by the Prime Minister of the Czech Republic and the German Chancellor in Bonn on 8 March 1999 did much towards a relaxation of relations in this sphere; the declaration points out that the Federal Government has no intention of making any material claims or other demands vis-a`-vis our Republic arising from events which it considers to be a closed chapter of history; at the same time, the Czech side declared the post-war decrees of the President of the Republic, referring to certain sections of the German minority in the Czechoslovak Republic, as legally “extinguished”. Both sides agree that increasingly marginal problems of the past must not block the expanding chances for future cooperation. This is one of the reasons why Czech-German relations can now be described as the best since the end of the war.

In connection with the Czech-German Declaration, its success in other spheres must also be mentioned: mainly the work of the Czech-German Future Fund which, among other things, finances the social project for Czech citizens persecuted by the Nazi regime, and the work of the

Czech-German Discussion Forum allowing the Czech and German public to get to know each other and cultivate a common dialogue.

Germany is the biggest trading partner of the Czech Republic; in 1999 Czech-German trade accounted for 37.8% of all Czech foreign trade, and this figure continues to rise. In 1993–1998, Germany was the biggest foreign investor in the Czech economy. In addition, regional and cross-border cooperation are also expanding, whether between individual German *länder* (Saxony, Bavaria) or among the five common Euro-regions along the Czech-German border.

Visits by Czech representatives

- 30. 7. 1998 – Foreign Minister Kavan visited Berlin upon taking up office, where he met Foreign Minister Kinkel for talks;
- 3. 10. 1998 – President Havel spoke in Hannover on the Day of German Unity;
- 4. 12. 1998 – President Havel and President Herzog attended the opening of the annual conference of the Czech-German Discussion Forum in Dresden;
- 25. 2. 1999 – President Havel and President Herzog addressed the Berlin conference on the European cultural dimension;
- 8. 3. 1999 – Prime Minister Zeman paid a visit to Bonn; this was the first official visit by a Czech Prime Minister in Germany since the establishment of the Czech Republic in 1993;
- 15–18. 3. 1999 – a delegation of the Constitutional and Legal Committee of the Czech Chamber of Deputies visited its equivalent Committee in the Bundestag;
- 19–22. 4. 1999 – a delegation of the Foreign Relations, Security and Military Committee of the Czech Senate, led by Senator Žantovský, visited Germany;
- 3–7. 5. 1999 – a delegation of the Senate Committee for European Integration;
- 5–7. 9. 1999 – representatives of the Czech Parliament, headed by the first Vice-Chairman of the Senate, visited Bonn and Berlin to mark the 50th anniversary of the Bundestag;
- 10. 11. 1999 – Prime Minister Zeman and the Prime Ministers of the Visegrad group countries attended the 10th anniversary of the fall of the Berlin Wall.

Visits by representatives of the German Federal Republic

- 25. 11. 1998 – the new Chairman of the Bundestag Thierse visited Prague;
- 6–7. 1. 1999 – German Foreign Minister and Vice-Chancellor Fischer had talks in Prague with Miloš Zeman, Jan Kavan and Václav Klaus;

- 4. 2. 1999 – Chairman of the Bundestag Foreign Relations Committee M.-V. Klose had talks in Prague;
- 17–18. 2. 1999 – a delegation of the Bundestag Internal Affairs Committee, headed by its chairman G. Graf, had talks in Prague (mainly about the Schengen accord);
- 8. 9. 1999 – For the first time since his election, Federal President Rau visited the Czech Republic;
- 30. 9. 1999 – Federal Chancellor Schröder came on a one-day official reciprocal visit in the Czech Republic;
- 15. 11. 1999 – Federal President Rau visited Prague to attend the 4th German-language Prague Theatre Festival.

Economic relations

Germany is the most significant trade partner of the Czech Republic. According to the Czech Ministry of Industry and Trade, in 1999 Germany accounted for 37.8% of the Czech Republic's overall turnover, i.e. 729.3 billion crowns. Germany's share in Czech exports amount to approx. 42.1% (i.e. 390.8 billion crowns), in imports this figure stands at 34% (338.6 billion crowns). The annual improvement of trade results (45.5 billion crowns) has greatly influenced the improvement in the Czech Republic's total overall balance of trade.

Two-way trade changed over from a Czech Republic deficit, amounting to 16.7 billion crowns (in 1997) to a growing profit (1998: 8.0 billion crowns, and in 1999 to as much as 52.2 billion crowns. This favourable trade balance has been brought about mainly by exports of machinery and means of transportation.

When examining the commodity structure of trade with Germany, there is a continuing rise in the share of higher value-added products while the proportion of raw materials, foodstuff and semi-finished goods is falling. Direct foreign investments have concentrated mainly in commerce and commercial services, communications and banking. A higher interest by German investors in industry can be expected in connection with investment incentives offered by the Ministry of Industry and Trade on a more long-term basis.

There are no pending problems which might hamper the further development of trade and economic relations.

Bilateral agreements concluded in the period in question

- 8. 10. 1998 – Agreement between the Government of the Czech Republic and the Government of the Federal Republic of Germany on the establishment, widening and limitation of tourist trails leading across the state borders, agreed by an exchange of notes;

- 16. 11. 1999 – Agreement between the Ministry of Finance of the Czech Republic and the Federal Ministry of Finance on the construction, lease and use of premises for joint border formalities as well as on the settlement of the expenditure earmarked for this purpose;
- 20. 11. 1998 – Agreement between the Ministry of Education, Youth and Physical Training of the Czech Republic and the State Ministry of Education of the Free State of Saxony on cooperation in arranging a bi-national, bilingual Czech-German education curriculum at the Friedrich Schiller Gymnasium school at Pirna;
- 5. 2. 1999 – Agreement between the Ministry of Defence of the Czech Republic and the Federal Ministry of Defence of the Federal Republic of Germany on an exchange of information on flights by military aircraft in air space adjacent to the state border between the Czech Republic and the Federal Republic of Germany;
- 18. 5. 1999 – Agreement between the Ministry of Finance of the Czech Republic and the Federal Ministry of Finance of the Federal Republic of Germany on the construction of border formalities premises on the Mnišek-Deutscheinsiedel road border crossing;
- 11. 8. 1999 – Agreement between the Ministry of Defence of the Czech Republic and the Federal Ministry of Defence of the Federal Republic of Germany on the mutual protection of classified information connected with the Sidewinder programme;
- 30. 9. 1999 – Agreement between the government of the Czech Republic and of the Federal Republic of Germany on cultural cooperation.

Cultural relations

The many Czech-German cultural activities worth mentioning include the “Reconciliation Building” in Liberec, where a Czech-German library is under construction and the Jewish centre is being refurbished with the support of the Czech-German Fund of the Future.

The 4th annual traditional German language theatre festival in Prague has continued in 1999. Among the other regular joint cultural events are the Czech-Saxony music festivals and the “Mittel Europa” music, drama and art festival.

Regular meetings of young Czechs and Germans have become a tradition. They are organized with the assistance of the Czech-German Fund of the Future.

On the basis of the agreement between the Ministry of Education, Youth and Physical Training of the Czech Republic and the State Ministry of Education of the Free State of Saxony on cooperation in arranging bilingual and bi-national teaching at the Friedrich Schiller Gymnasium in Pirna, teaching commenced there on 3 September 1998.

Cooperation continues in the Czech-German Commission of Historians which arranges conferences, open discussions and publication activities. The last working meeting of the commission took place in Prague on 3–4 December 1999.

Another significant contribution towards intensifying mutual relations has been the conclusion of an inter-governmental agreement on cultural cooperation, signed during an official visit by Chancellor Schröder in Prague on 30 September 1999.

Republic of Austria

The importance of Czech-Austrian relations is determined by the close proximity of the two states, which are comparable in size, the numbers of their population, the shape of their economies and their close interest in a Europe in the process of unification. Austria is our future partner in the EU.

The awareness of a long common past in a long-vanished state is still in evidence. First, it has a positive influence on bilateral relations as well as on the readiness to cooperate in the economic and cultural fields, and second, reminiscences still surface from time to time. Despite open problems arising from a different orientation when it comes to energy generating sources and differences in evaluating certain questions linked to the end of the second world war, it should be noted that during the past few years our relations have been better than at any time since the disintegration of the Habsburg monarchy. Austria is the third biggest trading partner of the Czech Republic, cross-border cooperation has developed successfully, and cultural relations are increasingly intensive.

In 1998 and 1999, Austria was the third biggest foreign trade partner of the Czech Republic and in 1993–1998 it was the sixth most important foreign investor in the Czech Republic.

Visits by representatives of the Czech Republic

- 21. 9. 1998 – Prime Minister Zeman visited Vienna as his first official visit abroad;
- Talks were held in October between the Presidents of the two countries as part of the meeting of Central European Presidents in Vienna;
- 17–18. 3. 1999 – a delegation of the Foreign Relations Committee of the Chamber of Deputies, led by ODS Deputy J. Zahradil, had talks in Vienna with its partners of the Austrian National Council; the delegation was received by Federal Minister of Defence Fasslabend and the General Secretary of the Ministry of Foreign Affairs Rohan;
- 26–29. 3. 1999 – the Standing Commission of the Senate dealing with Czech expatriates visited Austria;
- 16–18. 3. 1999 – a delegation of the Committee for Public Administration of the Chamber of Deputies had talks in Vienna;
- 25–26. 6. 1999 – President Havel attended the international conference “Ten Years after 1989” in Vienna where he had discussions with Chancellor Klima and Foreign Minister Schüssel; the talks were preceded by a meeting between President Havel and his wife and the Austrian President and his wife.

Visits by Austrian representatives

- 23. 9. 1998 – a working meeting by Austrian President Klestil in Prague;
- 6. 11. 1999 – Foreign Minister Kavan had talks with Federal Foreign Minister Schüssel at the end of a summit of the CEI in Prague. (The Foreign Ministers of the two countries generally meet twice a year. This practice was not adhered to in 1999 because of the general election in Austria).
- 15. 11. 1999 – Federal President Klestil attended the German language theatre festivals in Prague on the invitation of President Havel;
- 2–4. 11. 1999 – a delegation of the Federal Council of the Austrian Parliament, led by its Chairman, J. Weiss, paid a visit to the Czech Republic at the invitation of the Chairman of the Senate of the Czech Republic Parliament, Mme Benešová.

Economic relations

Among the EU countries, Austria maintains its position as the second biggest partner of the Czech Republic with a share of 6.1% of the total Czech turnover; among all countries it is in third place as a trading partner. The Czech Republic is in eighth place among Austria's partners as a whole; among the countries of Central-Eastern Europe it has been overtaken only by Hungary.

The turnover of bilateral trade shows a constant upward trend and in 1998 it recorded the historically best result of 107.9 billion crowns. This favourable trend was evident also in the development of bilateral trade in 1999 when Czech exports amounted to 59.6 billion crowns and rose by 11.5% while imports increased by 2.7% to reach 55.9 billion crowns.

The quality of the commodity structure of trade is improving. A gratifying fact is the steadily rising share of SITC 7 commodities – machinery and means of transportation – which amount to roughly 34% of Czech exports to Austria; in 1998 this share stood at 30.8%. Second place is taken by class 6 – market products classified according to material with a share of 23.9%. First place in imports is held by class 7 with a share of 35.3%, in second place is class 6 with a share of 28.2%.

The share of Austrian investments in the Czech Republic has been substantial. In the long term (1990–9. 1998) the Austrian share in direct foreign investments in the Czech Republic represents 7.2%, in value terms \$ 662.5 billion and thus takes 5th place among EU and EFTA countries just after Germany, the Netherlands, Switzerland and Great Britain.

Bilateral agreements concluded in the period in question

- Protocol between the Ministry of Defence of the Czech Republic and the Federal Ministry of Defence of the Austrian Republic on cooperation in military geography, 27. 11. 1998 Prague;

- Treaty between the Czech Republic and the Austrian Republic on mutual aid in the event of disasters or major breakdowns, 14. 12. 1998 Vienna;
- Working plan between the Ministry of Health of the Czech Republic and the Federal Ministry of Labour, Health and Social Affairs of the Austrian Republic for 1998–2000, 6. 5. 1999, Prague;
- Agreement between the Governments of the Czech Republic and the Austrian Federal Republic on the partial amendment of the Agreement between the Governments of the Czech Republic and the Austrian Federal Republic on the abolition of visas of 18. 1. 1990, agreed by an exchange of notes, 28. 5. 1999 Prague.

Cultural relations

Talks were held in 1999 on plans for a new cultural agreement which would correspond to present-day requirements.

Major cultural events during the past two years include an exhibition of the work of František Palacký as a historian, thinker and politician, held in the Vienna National Library in October 1998. A symposium on Karl Kraus and his attitude to Bohemia was held in the Czech Republic in the spring of 1999; German cultural institutions also joined its preparation. The 4th successful German language theatre festival was held in the autumn of the same year in Prague, with the Vienna Burgtheater taking part.

Republic of Hungary

Even though Hungary is not a direct neighbour of the Czech Republic, it is among its major partners and cooperation between the two countries has influenced the overall atmosphere in the Central European region. There have been balanced and problem-free relations between the countries, developed on a bilateral level and also as part of Visegrad cooperation and CEFTA. The entry of the two countries to NATO has reinforced their mutual ties.

Major emphasis in mutual relations is placed on cooperation in the negotiating process with the EU. Integration in European political, economic and security structures is the common priority of both countries, something which will continue to influence the character of Czech-Hungarian relations.

In 1998 and 1999 Hungary was the 12th biggest foreign trade partner of the Czech Republic.

Visits by representatives of the Czech Republic

- 21. 10. 1998 – Prime Minister Zeman attended a meeting of the Prime Ministers of the Czech Republic, Poland and Hungary in Budapest;

- 11. 6. 1999 – an official visit by Foreign Minister Kavan in Hungary;
- 24. 6. 1999 – President Havel paid an official visit to Hungary (in Budapest he was awarded the Prize of the Central European University);
- 19–20. 10. 1999 – Prime Minister Zeman attended a meeting of Prime Ministers of CEFTA countries in Budapest.

Visits by representatives of the Hungarian Republic

- 9. 10. 1998 – Foreign Minister Martonyi paid an official visit to the Czech Republic;
- 8. 9. 1999 – Minister of Social and Family Affairs Harrach paid an official visit to the Czech Republic;
- 2. 11. 1999 – Prime Minister Orban attended the CEI summit in Prague;
- 9. 12. 1999 – Foreign Minister Martonyi paid an official visit to the Czech Republic.

Mutual economic relations

There have been no major problems in the sphere of economic relations, that might obstruct the further expansion of trade and commercial relations. Hungary has been among the major traditional partners of the Czech Republic. Following the political and economic transformations of the past ten years in both countries, which led to a certain decline in economic relations, a dynamic increase in trade has now begun.

Hungary, too, is an associate member of the EU, it is a member of the OECD and a founding member of CEFTA. Trade between the Czech Republic and Hungary takes place under the terms of the CEFTA agreement.

Latest indicators on annual growth have again registered a rise in two-way trade (by 7.8%). Czech exports amounted to 16.2 billion crowns in 1999, an increase of 6%, while imports have been up 23.8%, amounting to 15.8 billion crowns.

From the commodity point of view, Czech exports have concentrated mainly on market products (30.6%) and machinery and equipment (28.1%). The situation was reversed in imports – the import of machinery and equipment amounted to 36.8% and of market products 19.9%. The balance of trade has been favourable for the Czech Republic to the amount of 460 million crowns.

Bilateral agreements concluded in the period under review

- Agreement between the government of the Czech Republic and the government of the Hungarian Republic on cooperation in customs matters, 8. 7. 1998, Prague;
- Agreement on cooperation between the Czech Republic and the Hungarian Republic in the event of natural disasters and major calamities, 17. 6. 1999, Budapest;

- Agreement between the Ministry of Labour and Social Affairs of the Czech Republic and the Ministry of Social Affairs and the Family of the Hungarian Republic on cooperation in labour, employment and social affairs matters, 9. 9. 1999 Prague;
- Agreement on the exchange of trainee research workers, 9. 9. 1999 Prague;
- Protocol between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Hungarian Republic on cooperation in education, 30. 11. 1999 Budapest;

Cultural relations

The international drama festival “On the Border” on 8. 10.–9. 10. 1999 at Český Těšín, was also attended by a Hungarian contingent, led by the then Minister of Culture Hamori. The decision of the Prime Ministers of the countries of the Visegrad group (taken at a meeting in Bratislava on 14. 5. 1999) to set up a quadripartite fund, promoting activities in education, culture and sport, was a significant impulse to reviving cultural cooperation between the two countries.

Republic of Slovenia

The Republic of Slovenia and the Czech Republic have a number of common political, economic and cultural characteristics which contribute to exceptional and balanced relations between the two countries. The common priority of both is admission to the European Union (in the case of Slovenia also membership in NATO) which goes hand in hand with the greater stability and prosperity of the Central European region. This creates the prerequisites for a greater synergy in mutual relations. It also creates scope for their further dynamic development up to the level of partnership, which would provide opportunities for arriving at compromises in the event of differing interests. There is a favourable climate between the two countries for the promotion of economic contacts within the framework of CEFTA.

In 1998 the Czech Republic was in 20th place in Slovenia’s foreign trade, in 1999 it was in 18th place.

Visits by representatives of the Czech Republic

- 14–16. 7. 1998 – official visit by the Chairman of the Czech Senate, P. Pithart, in Slovenia;
- 11–13. 11. 1998 – a delegation of the Committee for European Integration of the Czech Chamber of Deputies, led by its chairman, J. Zvěřina, in Slovenia;
- 7. 1. 1999 – Foreign Minister Kavan in Slovenia;
- 2. 8. 1999 – while on holiday in Slovenia, Prime Minister Zeman meets President Kucan;

- 7. 8. 2000 – while on holiday in Slovenia, Prime Minister Zeman meets Prime Minister Drnovšek;
- 14–15. 9. 1999 – a delegation of the Budget Committee of the Czech Chamber of Deputies, led by its chairman, V. Tlustý, in Slovenia.

Visits by Slovene representatives

- 8–13. 9. 1998 – Slovene Prime Minister Drnovšek on an official visit in the Czech Republic;
- 10. 10. 1998 – Slovene President Kučan on a brief working visit to President Havel at Lány;
- 2–4. 11. 1998 – official visit by the Chairman of the Slovene State Council Hrovata in the Czech Republic;
- 10–11. 11. 1998 – delegation of the Defence Committee of the Slovene State Assembly, led by its chairman Kacin in the Czech Republic;
- 5. 3. 1999 – official visit by Slovene Prime Minister Drnovcek;
- 17. 9. 1999 – Foreign Minister Frlec in the Czech Republic.

Economic relations

At present there exist favourable systemic foundations for the development of trade and economic cooperation. The agreement on free trade concluded in 1993 was the first agreement of this type which Slovenia signed to cover a territory outside the former Yugoslavia. In accordance with the CEFTA agreement, customs duties on all industrial products have been abolished while an agreement has been signed recognizing the findings of tests which make certification far simpler. The Slovene and Czech positions are very close on matters concerning the further promotion of economic and trade cooperation, with the exception of agriculture and foodstuffs.

Under present conditions it is evidently not possible to increase Czech exports to any major degree since the Slovene market is essentially saturated and is very competitive. Statistics have essentially confirmed that commodity trade between the two countries has more or less reached its maximum limit (1998: turnover 12.5 billion crowns; exports 7.4 billion crowns; imports 5 billion crowns, 1999: turnover 15.4 billion crowns; exports 9.4 billion crowns; imports 6 billion crowns). Certain reserves remained in the agro-commodity sphere but here, too, there has been a very slow rapprochement of positions.

The relatively small Slovene market is not prepared for a further increase of Czech exports due to the fact that Czech prices are rapidly coming closer to West European prices while Czech consumer goods cannot boast of the well-known trade marks which would stand a greater chance to win these markets, and firms do not possess the resources for extensive publicity drives. The technological standard of Slovene production and planned investments do not offer great hopes for Czech engineering products to increase their share of this market in 2000.

On the contrary, the much bigger Czech market, with rising purchasing power, could absorb larger quantities of high-quality Slovene products. However, relatively high prices are an obstacle to greater Slovene exports to the Czech Republic.

The Czech Republic exported mainly metallurgical products and semi-finished products. Sheet metal, rolled wire, rods and pipes accounted for almost 40% of Czech exports, and automobiles and spares for them for almost 13%.

The Czech Republic imported mainly chemicals and medicaments, leather, paper and rubber products, (34.3%) iron and steel and other metal products (29.9%), machinery and transportation equipment (24.7%), medical technology, haberdashery, footwear, instruments (7.7%).

Bilateral agreements

– Agreement between the Ministry of Agriculture of the Czech Republic and the Ministry of Agriculture, Forestry and Food of Slovenia on cooperation in agriculture, the food industry, and forestry, 25. 8. 1998 Prague.

Cultural relations

Official relations in this field have been based on the cultural agreement of 1994 and the procedural protocol for 1998–2002.

Thanks to the rich tradition, linguistic and geographic closeness, relatively low costs, the influence of Czech culture on Slovenian culture and also because of the extensive support offered by the embassy in Ljubljana, cultural cooperation is of an excellent standard. Czech-Slovene cultural relations in the field of music are extensive. Guest performances by Czech theatre companies have become a tradition, and there is excellent cooperation between the Slovene film archive and the National film archive in Prague. Every year about 3 translated Czech literary works are published in Slovenia. Since 1995 there has been a T. G. Masaryk Society in Ljubljana, including eminent Slovene scholars of various humanist disciplines; it is very active in organizing conference and publication activities.

Cooperation between universities in the Czech Republic and Slovenia is determined mainly by the level of personal contacts. An agreement on cooperation between Charles University in Prague and Ljubljana University of 1994 provides for formal contacts, and a similar agreement was concluded in 1997 between Ostrava University and its opposite number in Maribor, as well as between the philosophy faculties of Charles University and Ljubljana University.

Among the most promising forms of the rich and varied bilateral cooperation are contacts between towns. Examples are the towns of Slovenj Gradec and Český Krumlov, Celje and Opava, Idrija and Vimperk, Mengeša and Kyjov, Žalec and Žatec, Litomyšl and Piran and others.

Swiss Confederation

For the Czech Republic Switzerland represents a reliable and proper partner; there are no serious disputes between the two countries. The establishment of an independent Czech Republic has led to an active political dialogue.

Switzerland was in 13th place among the Czech Republic's trading partners in 1998, and in 14th place in 1999. In 1993–1998 Switzerland was in 4th place among foreign investors in the Czech economy.

Visits by Swiss representatives

– 1. 6. 1999 – Foreign Minister Kavan received Federal Councillor Deiss, Foreign Minister of the Swiss Confederation;

– 14–16. 11. 1999 – official working visit by the Federal President of the Swiss Confederation, Mme Dreifuss.

Economic relations

Czech-Swiss trade relations are based on a high degree of liberalization. The treaty between the Czech Republic and the countries of EFTA is the fundamental legal document governing trade between the two countries.

The traditional trade deficit of the Czech Republic is caused by the high demands of the Swiss market and also by the fact that a number of deals with third countries are arranged through the intermediary of Switzerland. Switzerland's share of our overall foreign trade turnover is 1.6%.

Switzerland is among the significant foreign investors; its share of investments in the Czech Republic amounts to 7.9%.

The disproportion between the growth of Swiss imports and exports is a factor which favours our chances of placing Czech goods on the Swiss market. In 1999 the Czech Republic exported goods to Switzerland to the total value of 12.9 billion crowns. This represents an increase of our exports by 21.6% as against the previous year. Switzerland remains the 13th most significant export territory for our country, its share in our total exports has risen from 1.2 to 1.4%. Imports from Switzerland have gone up by 6%, reaching 17.5 billion crowns. The increase of exports compared to imports reduced our passive trade balance by 22%, to be exact from 5.9 billion crowns to 4.6 billion crowns.

Cultural relations

Cultural relations are not governed by any official agreement. Cultural exchanges take place predominantly on a commercial basis, focusing on music and art. A major part is played by the Czech expatriate community and the Swiss cultural foundation Pro Helvetia.

Today there are some 20,000 Czechs resident in Switzerland who belong to the Union of Czechs and Slovaks in Switzerland. Other organizations with some relations to the Czech Republic are the Society for Science and Art, branches of the Olga Havlová Society or the Czech-Slovak-Swiss Medical Society.

Principality of Liechtenstein

There are no diplomatic relations between the Principality of Liechtenstein and the Czech Republic. As a new subject under international law, the Czech Republic approached Liechtenstein at the turn of 1992 and 1993, in the same way as all other states, with a request for diplomatic recognition and the establishment of diplomatic relations. However, Liechtenstein has not yet recognized the Czech Republic. Prince Hans Adam II links the normalization of relations with a demand for bilateral negotiations on disputed property issues dating back to the past.

3. Relations of the Czech Republic with NATO and NATO member States

Kingdom of Belgium

The Czech Republic has always regarded Belgium as an important partner. Belgium is among the founding members of the EU and NATO, and is active in a number of other international organizations.

After the accession of the Czech Republic to the North Atlantic Alliance, Czech-Belgian relations acquired a qualitatively higher standard. Cooperation linked to the Czech Republic's further rapprochement with the European Union has also been intensified.

In 1998 and 1999 Belgium was in 11th place in foreign trade, and in 1993–1998, in 9th place among foreign investors.

Visits by Czech Republic representatives

- 17. 10. 1998 – President Havel, Foreign Minister Kavan and Minister of Culture Dostál at the opening of the Europalia-Czech Republic cultural festival;
- 8. 3. 1999 – Vice-Premier Mertlík;
- 8. 3. 1999 – Vice Premier, Minister of Labour and Social Affairs Špidla;
- 12. 11. 1999 – Vice-Premier, Minister of Labour and Social Affairs Špidla.

Visits by Belgian representatives

- 23–24. 3. 1999 – Minister of Foreign Relations of the French Community in Belgium, William Ancion.

Economic relations

Among EU countries, Belgium was the 7th biggest trade partner of the Czech Republic. Its share in our foreign trade was 2%. The turnover of bilateral trade in 1998 amounted to 35.3 billion crowns (Czech exports 16.7 billion crowns, imports 18.6 billion crowns, a negative balance of 1.9 billion crowns). In 1999, the turnover of trade amounted to 39.6 billion crowns (Czech exports 18.8 billion crowns, imports 20.8 billion crowns – a negative balance of 2 billion crowns). Belgium has been the 6th biggest investor in the Czech Republic among EU countries; in 1990–1998 its share in direct investments was 3.5%.

Bilateral agreements

- Joint declaration on cooperation between the Ministries of Labour and Social Affairs, 8. 3. 2000 Brussels.

Cultural relations

The most significant cultural event was the presentation by the Czech Republic at the Europalia festival, held between October 1998 and January 1999. Brussels showed interest in cooperating with Prague in the European Cities of Culture – 2000 project (“Temporale” drama festival).

Kingdom of Denmark

Denmark has been a significant partner of the Czech Republic, and has backed its endeavour to become a member of Euro-Atlantic and European integration structures.

Czech-Danish relations achieved a qualitatively and quantitatively higher standard after the accession of the Czech Republic to NATO. Denmark, together with Canada, was among the first two countries to ratify the accession protocol.

In 1998 and 1999 Denmark ranked as the 21st foreign trade partner of the Czech Republic.

Visits by Czech Republic representatives

- 18. 3. 1999 – Foreign Minister Kavan on an official visit;
- 8. 6. 1999 – Minister of Agriculture Fencel on an official visit.

Visits by Danish representatives

- 28. 5. 1999 – Minister of Housing and Urban Affairs, Mme Andersen on an official visit;
- 19. 10. 1999 – consultations with First Deputy Foreign Minister F. A. Petersen.

Economic relations

The turnover of trade between the two countries amounted to 11.6 billion crowns in 1998 (exports 5.3 billion crowns, imports 6.3 billion crowns). In 1999 Czech exports amounted to 5.9 billion crowns and imports to 6.7 billion crowns. With a turnover of 12.6 billion crowns, the Czech deficit stood at 790 million crowns. The predominant commodities in Czech exports to Denmark were metallurgical products, chemicals and engineering goods – mainly Škoda automobiles. Denmark exported to the Czech Republic above all machinery (mainly for the food industry and agriculture), energy-generating equipment, measuring and regulation instruments and diagnostic equipment.

Bilateral agreement concluded in the current period

– Agreement between the Czech Republic Ministry of Education, Youth and Physical Training and the Ministry of Education of the Kingdom of Denmark on cooperation in special education and advanced teacher training in 1998–2000, 29. 12. 1998 Prague.

Cultural relations

An exhibition of illustrations for the book by Knud Rasmussen, “Greenland Myths and Legend” by Martin Velišek was held in Copenhagen in May 1999; the translation of the book by Viola and Zdeněk Lyčko was published in 1998 by the Argo publishing house. The Danish language is taught at Charles University in Prague as a diploma subject while it was possible to attend Czech language courses at the universities in Copenhagen and Aarhus.

Republic of Finland

The Czech Republic regards Finland as a major partner. As the presiding country of the EU, Finland collaborated with the Czech Republic in intensive preparations for the country’s accession to the organization.

An intense political dialogue has been in progress between the two countries.

In 1998, Finland was in 19th place, in 1999 in 20th place on the list of foreign trade partners.

Visits by representatives of the Czech Republic

- 8–10. 2. 1999 – official visit by Vice-Premier Lánský and Minister Mertlík;
- 10–11. 6. 1999 – negotiations by Deputy Foreign Minister Telička;
- 14–16. 6. 1999 – working visit by Minister of Transport and Telecommunications Peltrám;
- 18–19. 10. 1999 – official visit by Foreign Minister Kavan;
- 9–10. 12. 1999 – Foreign Minister Kavan attended the EU summit.

Visits by Finnish representatives

- 30. 11. 1998 – Chairman of the Grand Committee of the Finnish Parliament (for European integration) E. Tuomioji in the Czech Republic;
- 9. 6. 1999 – visit by the Minister for European Affairs and Minister of Foreign Trade Kimmo Sasi;

– 5–7. 9. 1999

– official visit by Minister of Defence J.-E. Enestama.

Economic relations

Finland is among the traditional and long-term trade partners of the Czech Republic; it is in 11th place among the EU countries.

Mutual trade (in billion crowns) in 1998: exports 3.9, imports 9, turnover 12.9, balance –5.1; 1999: exports 3.9, imports 8.8, turnover 12.8, balance –4.9.

The position of Finnish imports has been determined by the attractive commodity character of products (telecommunication technology) and by the considerable state support for exports. The main Czech export items were Škoda cars.

Bilateral agreements concluded in the period under review

– Programme of cultural, educational and scientific cooperation between the Government of the Czech Republic and the Government of the Republic of Finland for 2000–2004, 30. 11. 1999, Prague.

Cultural relations

Cooperation in this field proceeded successfully on the basis of the Programme of cultural, educational and scientific cooperation. Visual art and drama were the most prominent areas in the presentation of Czech culture.

French Republic

France has traditionally been one of the most important partners of the Czech Republic; thanks to its potential it maintains a significant position in the global political, security and economic systems, demonstrated, among other things, by its standing in international organizations.

The accession of the Czech Republic to the North Atlantic Alliance in March 1999 was an important impulse for the further development of Czech-French relations. In the course of the intensive preparations by the Czech Republic for accession to the European Union, France, as one of the EU founding members, has been one of our major partners. France has backed the enlargement process. At the same time, France is a leading protagonist of the International Francophone Union where the Czech Republic was granted observer status in September 1999.

The standard of relations was reflected also in the frequency of visits by representatives of the two countries, and there has been an intensive political dialogue between them.

France has improved its position in the foreign trade of the Czech Republic, and in 1999 took fourth place as against seventh in 1998. In 1993–1998, France was the eighth biggest foreign investor in the Czech Republic.

Visits by representatives of the Czech Republic

- 5–9. 10. 1998 – Minister of Education, Youth and Physical Training Zeman;
- 15–16. 10. 1998 – Minister of Justice Motejl;
- 22–23. 11. 1998 – Minister of Transport and Telecommunications Peltrám;
- 2–4. 3. 1999 – state visit by President Havel;
- 29–30. 3. 1999 – official visit by Foreign Minister Kavan;
- 6–8. 4. 1999 – visit by chairman of the Senate, Mme Benešová and Vice-Premier Mertlík, attending a seminar on the Czech Republic in the French Senate;
- 30. 4.–4. 5. 1999 – Minister of Education Zeman;
- 5–7. 5. 1999 – official visit by Defence Minister Vetchý;
- 25–28. 5. 1999 – Vice Premier and Minister of Labour and Social Affairs Špidla;
- 26–27. 5. 1999 – Chairman of the Czech Chamber of Deputies Klaus at the conference “L’Euro et l’avenir de l’économie française” at Dauphine University; talk on the European Monetary Union in the light of Czech experience;
- 12–14. 12. 1999 – Minister of Agriculture Fencl.

Visits by French representatives

- 15–16. 4. 1998 – Minister for European Affairs Moscovici;
- 18–19. 11. 1999 – official visit of Premier Jospin (accompanied by Minister for European Affairs P. Moscovici, Foreign Minister Védrine, Defence Minister Richard);
- 3–5. 2. 1999 – Chief of the General Staff J.-P. Kelch.

Economic relations

In 1998 the turnover of bilateral trade amounted to 70.3 billion crowns, of this Czech exports were 28.7 billion crowns, imports from France 41.6 billion crowns. In 1999 the turnover of trade reached 89.6 billion crowns, of this Czech exports 36.1 billion crowns, imports from France 53.5 billion crowns. In 1998 the Czech Republic recorded a negative balance of 12.8 billion crowns in

its trade with France. This trend continues and in 1999 the Czech deficit amounted to 17.3 billion crowns.

The major items imported from France were machinery and transportation equipment, that is to say, automobiles, electrical engineering and installations, telecommunication equipment, medical, pharmaceutical and chemical products.

Czech exports to France consisted mainly of road vehicles and transportation equipment, non-metallic mineral products, metal products, timber, cork, furniture, clothing and textiles and leather. Škoda cars predominated as did Tatra and Avia lorries, Zetor tractors, electrical appliances and products by Chemapol, Zbrojovka Brno and Česká zbrojovka Uherský Brod and tyres from Mitas.

There were almost 300 French firms in the Czech Republic, with 32,000 employees.

Bilateral agreements

– Programme of bilateral cooperation between the Czech Republic and the government of the French Republic in education for 2000–2002, 9. 11. 1999, Paris.

Cultural relations

The most significant events in 1998–1999 presenting Czech culture in France were the Apollonia project (1998) and the Festival of Czech authors, “Beautiful Foreigners” (November 1999).

The multilateral project Apollonia consisted of five parts: Un – paintings and sculptures, Deux – the media and new technology, Trois – photographs, Quatre – seminar on V. Flusser, and Cinq – films by Švankmajer. It was set up in collaboration with the Ministry of Culture and Ministry of Foreign Affairs of the Czech Republic, the Alsace regional council, the Council of Europe and the Ministry of Science and Art of Baden-Wurttemberg.

The literary festival “Beautiful Foreigners” was arranged by the French national book centre which invited 13 Czech authors. During their visits the writers attended discussions, round-table debates and readings from their works. They were received by the Minister of Culture, Mme Trautmann. To mark the occasion, an anthology of works by the invited authors, not yet issued in France was published.

In 1999 the government decided to arrange a cultural festival “The Czech Season” to be held in France in 2002.

Ireland

Ireland has been an important foreign partner. The Czech Republic was interested in Ireland’s experience accumulated in its successful and inspiring transformation process.

As preparations by the Czech Republic for accession to the European Union intensified, Czech-Irish contacts at various levels became increasingly dynamic. Trade between the two countries has increased considerably.

Ireland has improved its position in the Czech Republic's foreign trade and in 1999 was in 19th place, compared to 25th place in 1998.

Visits by representatives of the Czech Republic

- 26. 11. 1998 – consultations of Deputy Foreign Minister Telička;
- 24–28. 5. 1999 – delegation of the Committee for European integration of the Czech Senate;
- 5. and 6. 10. 1999 – negotiating team, led by State Secretary Telička.

Visits by Irish representatives

- 22–24. 7. 1998 – delegation of the Irish Parliament;
- 16–18. 3. 1999 – Deputy Minister of Trade and Employment T. Kitt;
- 27–31. 5. 1999 – Attorney-General D. Byrne;
- 18–21. 10. 1999 – state visit by the Irish President, Mrs McAleese.

Economic relations

In 1998 Czech exports to Ireland rose by 29.43% as against the previous year (to 2.2 billion crowns), whereas Czech imports by only 4.71% (to 4.1 billion crowns). This reduced the deficit in the trade balance of the Czech Republic by 16.3%, leaving it at 1.9 billion crowns.

In 1999 there was a further substantial rise – Czech exports to Ireland reached 5.3 billion crowns and imports 8 billion crowns. The deficit thus amounted to 2.7 billion crowns.

In the commodity structure of Czech exports the main items included refrigeration equipment, parts of data processing technology, and automobiles, imports from Ireland centred on data processing technology and its components.

Cultural relations

There are no agreements on cultural relations and cooperation takes place primarily on the basis of direct contacts.

Republic of Iceland

Relations between the Czech Republic and Iceland are determined by the great distance between the two countries and the geographically determined difference of priorities. The support given by Iceland as a NATO member state to the integration process of the Czech Republic has been significant. Following the accession of the Czech Republic to the North Atlantic Alliance Czech-Icelandic relations were obviously upgraded.

Visits by representatives of the Czech Republic

– 22. 4. 1999 – an informal meeting between President Havel and Iceland's President Grimsson in Keflavik.

Visits by Icelandic representatives

– 14. 10. 1999 – Minister of the Environment, Mrs Fridleifsdottir

Economic relations

The turnover in mutual trade amounted to 365 million crowns in 1998 (exports 321 million crowns, imports 44 million; there was an active balance of 277 million crowns). In 1999 the turnover was 493 million crowns (exports 466 million crowns, imports 27 million crowns, an active balance of 439 million crowns). The Czech Republic exported to Iceland mainly engineering products, metallurgical production, automobiles and tractors. Icelandic exports to the Czech Republic included predominantly fish and fish products, furs and agricultural products.

Cultural relations

Grants to promote bilateral exchanges of students with the Czech Republic have been provided on an ad hoc reciprocal basis.

Italian Republic

Italy has been an especially important partner for the Czech Republic; it is a member of all major international organizations.

Italy has backed the incorporation of Central and East European countries in the European and Euro-Atlantic economic, political and security structures. The membership of the Czech Republic in NATO contributed to strengthening bilateral contacts. Cooperation aimed at our membership in the EU also progressed well. Italy's activities within the Central European Initiative were also significant. An intensive dialogue has been going on between the representatives of the two countries.

In 1998 Italy was in fourth, and in 1999 in fifth place among the Czech Republic's foreign trade partners, in 1993–1998 it was the fifth most significant investor in the Czech economy.

Visits of representatives of the Czech Republic

- 19–22. 1. 1999 – official visit of Defence Minister Vetchý;
- 13–16. 2. 1999 – Minister Bašta;
- 16–19. 9. 1999 – Minister of Education, Youth and Physical Training Zeman;
- 8–9. 11. 1999 – Chairman of the Czech Chamber of Deputies Klaus at the conference on the 10th anniversary of the fall of the Berlin Wall;
- 17–19. 12. 1999 – working visit by President Havel.

Visits by Italian representatives

- 29. 10. 1998 – Minister of Foreign Trade Fassino;
- 3–4. 2. 1999 – Deputy Foreign Minister Ranieri;
- 15. 2. 1999 – Deputy Minister of Justice Ayala;
- 11. 3. 1999 – Prime Minister D'Alema;
- 22. 3. 1999 – Deputy Interior Minister Sinisi;
- 5–6. 11. 1999 – CEI summit attended by Prime Minister D'Alema;
- 6. 12. 1999 – Minister of Labour and Social Affairs Salvin.

Economic relations

In the course of the 1990s trade between Italy and the Czech Republic has been marked by a dynamic upsurge. The permanent deficit on the Czech side was greatly reduced in 1997–1998. Italy's share in the overall turnover of Czech foreign trade amounted to 4.5%. In 1998 the turnover

of mutual trade amounted to 80.8 billion crowns, of this Czech exports 31.9 billion crowns and imports 48.9 billion crowns.

In 1999 the trade turnover reached 86.5 billion crowns, of this exports were 33.5 billion crowns and imports 53 billion crowns. This means that the Czech deficit amounted in 1999 to 19.5 billion crowns.

Most Czech exports to Italy were made up of machines and transportation equipment, market products, various industrial goods and chemicals. The decisive items in imports from Italy were machines and transportation equipment, various industrial goods, market products and chemicals.

The Italian market has been most demanding and apart from automobiles, the only Czech commodities which stood a chance of being accepted there were products with a lower degree of value added, such as machine tools, non-electrical equipment, simple products made of timber, plastic material, paper, glass, ceramics and metal as well as animal products.

Bilateral agreements

- Agreement between the Governments of the Czech Republic and Italy on cooperation in the struggle against terrorism, organized crime and illegal trafficking in toxic and psychotropic substances, 23. 3. 1999, Prague;
- Agreement between the Governments of the Czech Republic and Italy on air transport, 4. 2. 1999, Prague;
- Protocol on cooperation between the ministries of Justice of the Czech Republic and Italy, 15. 2. 1999, Prague;
- Agreement between the Governments of the Czech Republic and Italy on bilateral administrative assistance in preventing, investigating and suppressing customs fraud, 1. 4. 1999;
- Programme of scientific and technical cooperation between the Czech Republic and Italy in 1998–2000, 10. 7. 1998.

Cultural relations

The fundamental documents in the field of culture were a Cultural Agreement (Prague 1971) and a Programme of Educational, Scientific and Cultural Exchanges in 1998–2000 (Rome, 1998). Cultural relations between the two countries have traditionally been of a high standard. Many contacts have been arranged with the help of contributions by state institutions as well as on a direct commercial basis.

Educational cooperation has been arranged under a procedural protocol to the cultural agreement. There has been exchange of students and lecturers.

Canada

Canada is the second largest country in the world but according to the size of its population it ranks as medium-sized. Economically, it is among the most advanced countries. Its membership in the G-8 group symbolizes its very significant international position. For the past six years Canada has held first place in the assessment of the index of human development, annually drawn up by the United Nations Human Development Report.

Canada is a staunch champion of Trans-Atlantic relations which is reflected especially in the security sphere by its membership in NATO and the OSCE. The Czech Republic has taken effective advantage of these ties with Europe by gaining support for membership in NATO from Canada, which, together with Denmark, was the first country of the Alliance to ratify the enlargement protocols.

The accession of the Czech Republic to NATO in March 1999 brought about a substantial shift in bilateral relations which have acquired the character of relations between allies. In addition to long-standing historical and cultural links, the relationship between the two countries is also influenced by the presence of a large expatriate community in Canada. The Concept of the Foreign Policy of the Czech Republic anticipates a further expansion of bilateral relations, and the political dialogue of the two countries reflects the significance of Czech-Canadian relations. Linking the state visit by President Havel in Canada with his attendance at the NATO summit in Washington on 23–25. 4. 1999 was the logical confirmation of the interest in reinforcing the Trans-Atlantic ties of the Czech Republic in the new phase of creating a European security and defence identity.

The two countries collaborate constructively not only on a bilateral but also on a multilateral level. The Czech Republic supports Canadian initiatives in international organizations, aimed at the concept of so-called humanitarian security, e.g. security of the individual. Conditions have been created in the Czech Republic for active cooperation in the matter of land mines, hand and light weapons, the International Criminal Court and the issue of involving children in armed conflicts.

Visits by representatives of the Czech Republic

- 12–16. 10. 1998 – Chairman of the Supreme Court of the Czech Republic Mme. E. Wagnerová;
- 28–30. 4. 1999 – President Havel; the presence of Defence Minister Vetchý, Vice-Premier Mertlík and the Governor of the Czech National Bank Tošovský in the delegation underscored the military and economic dimension of the priorities of Czech foreign policy as regards Canada;
- 28–30. 4. 1999 – delegation of the Czech Senate, led by its Vice-Chairman Pithart, simultaneously with President Havel's state visit;
- 28–30. 8. 1999 – Minister of Agriculture Fencí;
- 10–17. 10. 1999 – delegation of the Czech Senate, led by its chairman Mme. Benešová.

Visits by Canadian representatives

- 9–11. 9. 1998 – Canada’s Secretary for Defence A. Eggleton;
- 12–13. 11. 1998 – State Secretary responsible for multiculturalism and the status of women Mme. H. Fry;
- 27–29. 3. 1999 – chairman of the Canadian Senate G. Molgat on the occasion of the “Francophone Days” in the Czech Republic;
- 17–19. 10. 1999 – State Secretary responsible for science, research and development G. Normand;
- 30. 11–3. 12. 1999 – Chairman of the Supreme Court of Canada A. Lamer.

Economic relations

There are no political or security obstacles to economic and trade cooperation. The Czech Republic is perceived as a country which will join the EU in the foreseeable future, Canada’s second biggest trade partner after the US. The accession of the Czech Republic to NATO and the membership of both countries in international control regimes have eliminated obstacles in trade with militarily sensitive goods and technologies.

Despite the favourable conditions, Czech-Canadian trade turnover amounted to no more than 4.7 billion crowns in 1998. Of this Czech exports were worth 2.1 billion crowns and imports 2.6 billion crowns. After many years of an active balance in Czechoslovak/Czech Republic trade with Canada, in 1993 the trade balance changed into a persistent deficit on the Czech side as a result of a continuing rise in Czech imports. In 1998 there was a 7% rise in trade turnover (on the part of Czech exports an increase of 19.7% and a 1.6% drop in imports). A favourable aspect of Czech exports is the fact that their structure is changing in favour of items with a higher degree of processing and a higher added value and that exports of machinery and transportation equipment account for the biggest proportion – almost 46%. In 1999 the turnover was 5.4 billion crowns, of this Czech exports 2.0 billion crowns and imports 3.4 billion crowns.

The main Czech export items are machine tools, printing machinery, tractors, glass, fancy jewellery, textile products, footwear, toys and sports equipment. The Czech Republic imports from Canada mainly machine tools, pumps, hydraulic equipment, computers, telecommunication supplies, optical and measuring instruments, signalling and security equipment, automobile spare parts, pharmaceuticals, live animals and foodstuffs.

The Czech National Bank calculates that total Canadian investments in the Czech Republic are estimated at USD 21.5 million (a mere fraction of a percent of overall direct foreign investments in the Czech Republic). Canadian sources indicate the volume at USD 100 million. Among the biggest investors are Bata Ltd (footwear), Ambro/British Aerospace-the Czech airport holding (the check-in area at Ruzyně airport), Magna (car spares), Norvik-Elektropřístroj Rokytnice n. Jizerou (joint manufacture of low-voltage circuit-breakers and time-switches), the construction of the Four Seasons hotel in Prague, Bombardier (railway carriages) and Telesystem International Wireless

Inc. (Czech mobiles). There are some 100 firms with Canadian capital participation in the Czech Republic.

Cultural relations

Cultural, educational and scientific relations are based on an agreement between the Governments of the Czechoslovak Federal Republic and Canada on cooperation in the field of cultural, academic and sports contacts dating back to 1990. Relations are normal, relying mainly on direct cooperation and contacts between the relevant institutions, agencies and arts organizations. The only objective handicap is the size of Canada and the long distances between individual cities.

Organizations and associations of expatriates play an irreplaceable role in handing on Czech cultural traditions to future generations. According to statistical data of 1996 (the last census) there are 31,080 persons in Canada who declare that they speak Czech. But 71,910 persons acknowledge their Czech origin. This is a relatively large community, but one which is not in the main inclined to join the various expatriate organizations. The biggest expatriate organization is the Canadian Czech and Slovak Association in Canada which in 1999 celebrated the 60th anniversary of its foundation. It is marked by its political tendencies: in the past it offered assistance to Czech and Slovak exiles as well as to dissidents at home and it opposed the communist regime. The Association welcomed developments in our country after 1989 and lobbied in Canada in support of the accession of the Czech Republic to NATO.

The asymmetry in the visa regime remains a pending issue. As a result of the exodus of some 1,400 Roma, visas were unilaterally reintroduced on 8 October 1997 for Czech citizens travelling to Canada; visas had been abolished by decision of the Governments of Canada and the Czech Republic on 1 April and 2 April 1996. The Government of the Czech Republic decided that it would not apply reciprocal measures for Canadian nationals travelling to the Czech Republic. The question of asymmetry in the visa regime was discussed during President Havel's state visit to Canada on 28–30. 4. 1999. The Canadian Federal Prime Minister Chrétien promised at the time that Canada would re-examine the reasons which had led it to reintroduce visas for Czech nationals. A decision by Prime Minister Chrétien on the visa question, originally expected by the end of 1999, has so far not been taken.

Grand Duchy of Luxembourg

Czech-Luxembourg relations have been favourably influenced by our accession to the North Atlantic Alliance and by the intensification of preparations for admission to the European Union.

Visits by representatives of the Czech Republic

- 29. 10. 1999 – Foreign Minister Kavan;
- 11. 11. 1999 – Vice Premier and Minister of Labour and Social Affairs Špidla.

Economic relations

The share of Luxembourg in our foreign trade was 0.16%. In 1998 the trade turnover was 2.3 billion crowns (Czech exports 1.1 billion crowns, Czech imports 1.2 billion crowns, balance –127 million crowns). The turnover in 1999 reached 2.8 billion crowns (Czech exports 1.2 billion, Czech imports 1.6 billion, balance – 401 million crowns).

Bilateral agreements concluded in the period under review

– An agreement on the exchange of trainees was signed in November 1999.

Cultural relations

Cooperation has been based on the Cultural Agreement of 1976; for the subsequent two years its content was specified by a procedural protocol. The last of these was an Exchange Programme in culture, education and science for 1997–1999 between the Governments of the Czech Republic and the Grand Duchy of Luxembourg.

Kingdom of the Netherlands

The Czech Republic has always regarded the Netherlands as an important partner. The Netherlands has at all times been committed in many international organizations, the country is a founding member of the EU and of the North Atlantic Alliance.

Czech-Netherlands relations were given a fresh impulse by the admission of the Czech Republic to the North Atlantic Alliance. Cooperation has been intensified in connection with our rapprochement to the European Union which the Netherlands supported.

In 1998 and 1999 the Netherlands was the tenth most important foreign trade partner of the Czech Republic. However, in 1993–1998 it took second place among foreign investors on account of its large share in direct investments.

Visits by representatives of the Czech Republic

– March 1999 – visit by Minister of Justice Motejl.

Visits by representatives of the Netherlands

- 21. 10. 1999 – visit by the State Secretary at the Ministry of Foreign Affairs D. Benschop;
- 22–24. 10. 1999 – visit by the Minister of Housing, Territorial Planning and the Environment J. P. Pronk.

Economic relations

The Netherlands was the 6th biggest trade partner of the Czech Republic among EU countries. Its share in our foreign trade was 2.3%. In 1998 the turnover of bilateral trade amounted to 41.4 billion crowns (Czech exports 19.2 billion crowns, Czech imports 22.2 billion crowns: balance –3 billion crowns). In 1999 the turnover of two-way trade reached 46.1 billion crowns (Czech exports 22.5 billion crowns, Czech imports 23.5 billion crowns: balance –906 million crowns). The Netherlands accounted for 16.2% of direct investments in 1990–1998.

Bilateral agreements signed during the period under review

- Memorandum of Understanding between the Ministry of Culture of the Czech Republic and the Ministry of Education, Culture and Science of the Kingdom of the Netherlands, 21. 5. 1999, Prague.

Cultural relations

These have been based on the Cultural Agreement (1972) which was accompanied by procedural protocols covering the period in question. At present a new document is under preparation establishing the way in which the Czech Republic is to look after the J. A. Comenius Museum in Naarden.

Kingdom of Norway

Norway was among the important partners of the Czech Republic in the period under review. Czech-Norwegian relations have become more dynamic in connection with our accession to NATO. The Norwegian Parliament was among the first to ratify the protocol on the accession to NATO of the Czech Republic, Hungary and Poland.

In 1998 and 1999 Norway was the 23rd biggest foreign trade partner of the Czech Republic. With the help of supplies of Norwegian gas, it has been possible to diversify the sources of supplies of energy fuel raw materials.

Visits by representatives of the Czech Republic

- 4–5. 2. 1999 – official visit by Vice Premiers Lánský and Mertlík;
- 17. 6. 1999 – official visit by Foreign Minister Kavan.

Visits by Norwegian representatives

- 19–20. 5. 1999 – consultations of State Secretary in the Ministry of Foreign Affairs J. Skjaerestad.

Economic relations

Trade has increased as a result of the beginning of natural gas supplies from Norway to the Czech Republic in 1997. In 1998 the mutual trade turnover amounted to 8.0 billion crowns (exports 3.7 billion, imports 4.3 billion: balance –521 million crowns). The turnover in 1999 was 9.6 billion (exports 3.8 billion, imports 5.8 billion crowns, balance –1.9 billion crowns). The major items in Czech exports to Norway were cars, tractors, metallurgical products and textiles. Norwegian exports centred on natural gas, ferrous alloys, aluminium and aluminium products, and electrical appliances.

Bilateral agreements signed in the period under review

- Agreement between the Governments of the Czech Republic and the Kingdom of Norway on mutual assistance in customs matters, 22. 4. 1999, Oslo;
- Agreement between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Kingdom of Norway on the protection of classified information, 1. 7. 1999, Oslo.

Cultural relations

An exhibition, “Bohumil Hrabal – Tumultuous Loneliness”, was opened in April 1999 in Oslo’s main library. An exhibition in honour of Jiří Kolář was arranged in October 1999 in Bergen. The Norwegian Embassy in collaboration with the administration of Prague Castle arranged Days of Culture, showing parallel features of Norway and Bohemia in the Middle Ages; Norwegian firms were also involved. The Norwegian language has been taught at Prague and Brno universities as a diploma subject while it has been possible to study the Czech language at Oslo university.

Portuguese Republic

Portugal was a significant partner for the Czech Republic in the period under review. Portuguese support for the further enlargement of the EU was significant in view of the country’s presidency of the EU.

Czech-Portuguese relations were upgraded as a result of the accession of the Czech Republic to the North Atlantic Alliance.

Visits by representatives of the Czech Republic

– 6–10. 11. 1999 – Chairman of the Office for the Protection of Economic Competition S. Bělehrádek.

Visits by Portuguese representatives

– 12–14. 10. 1998 – the Chief of the General Staff of the Portuguese army;

– 20. 11. 1998 – consultations of the State Secretary at the Foreign Ministry Seixas da Costa;

– 28–29. 3. 1999 – official visit by Prime Minister Guterres.

Economic relations

Czech exports to Portugal have increased more than imports, the active balance in favour of the Czech Republic has risen steadily. Total trade turnover amounted to 3.2 billion crowns in 1998 (exports 2.2 billion crowns, imports 980 million crowns, active balance 1.2 billion crowns). Turnover reached 4.3 billion crowns in 1999 (exports 3.2 billion crowns, imports 1.1 billion crowns: active balance 2.1 billion crowns).

Cultural relations

Cooperation in education, culture and science was based both on a procedural protocol to the Cultural Agreement signed in May 1998, and on direct contacts; for example, Charles University collaborated with Coimbra, and the University of Economics, Prague had contacts with the economics faculty of Lisbon New University. Cooperation commenced in 1999 between Czech secondary glass art schools (at Nový Bor, Kamenický Šenov and Železný Brod) and the glass-makers' school in Marinha Grande. A partnership agreement was concluded in 1999 between the towns of Lánya and Ponte de Sor.

Hellenic Republic

The Republic of Greece has for a long time been a stable and prospering state. This position is due mainly to its membership in the EU and NATO. Political relations with Greece have developed satisfactorily and are not burdened by political conflicts.

Following the accession of the Czech Republic to NATO relations between the two countries became relations between allies, moving to a new dimension not only in the political but also in the trade and economic sphere. The close positions and interests of the two states made it possible to formulate the Joint Czech-Greek Proposals for a Peace Process in South-East Europe.

Visits by representatives of the Czech Republic

– 21–22. 6. 1999 – visit by Vice-Premier and Minister of Finance Mertlík.

Economic relations

In the course of 1999 the two countries have come closer together in connection with the Kosovo crisis. Initially they collaborated successfully in formulating the Joint Czech-Greek Proposal for a Peace Process in South-East Europe. The close collaboration between the Foreign Ministers encouraged the subsequent progress of bilateral relations. The culmination of this was an agreement to establish a Czech-Greek office for the Renewal of the Balkans and to sign a memorandum on the renewal of South-East Europe.

Economic relations were dominated by commerce and tourism (data for 1999: imports 1.9 billion crowns, exports 2.8 billion crowns). Greece is a EU state with whom the Czech Republic maintains the most positive export/import ratio (1.48).

The major items on the list of Czech exports have been energy components and Škoda automobiles, processed timber, steel and metallurgical products, glass, china, textiles, live animals and tractors.

Imports concentrated on the agricultural sector and food industry. The share of these commodities accounted for more than two-thirds of the overall turnover. This applied particularly to citrus fruit, vegetables, cotton and tobacco. There have been less significant imports of marble, various types of paint, electrical conductors and textile fibres.

One of the important investment projects is the completion of the Mesochora hydro-electric power station (ČKD Blansko supplies the turbine and it is due to be completed in 2000). The construction of a refuse incinerator in Northern Greece, to be built by Vítkovice Železářny, is expected to be another investment project of a similar type.

Cultural relations

Cultural cooperation was carried out in accordance with a cultural agreement and a programme of cultural exchanges. However, the relatively low level of cultural cooperation does not so far reflect the opportunities offered by the two countries.

United Kingdom of Great Britain and Northern Ireland

Great Britain has been one of the most important partners of the Czech Republic; owing to its significant potential it holds a major place in the global political, security and economic systems, giving it a leading position in a large number of international organizations. The preparation of the Czech Republic for membership in NATO and the subsequent accession to this alliance gave strong encouragement to wider cooperation in the security and political areas. Great Britain thus became a major ally of our state. The importance of cooperation with Britain further increased in connection with the Czech Republic's intensified preparations for admission to the European Union.

The level of relations has been reflected by the frequency of visits and by the intensified political dialogue between representatives of both countries.

In 1998 Britain was in eighth place in Czech foreign trade, and in seventh place in 1999. In 1993–1998 the country was also in seventh place among foreign investors in the Czech Republic.

The increased number of applicants for political asylum in Britain, originating from the Czech Republic, has complicated the mutual relationship.

Visits by representatives of the Czech Republic

- 19–22. 10. 1998 – state visit by President Havel accompanied by Foreign Minister Kavan, the Governor of the Czech National Bank Tošovský and the Government Human Rights Commissioner Uhl;
- 26–30. 1. 1999 – during his visit to Britain, Foreign Minister Kavan met Foreign Secretary Cook, the Minister for European Affairs, Mrs. Quin, the Minister for Asylum and Immigration Policy M. O'Brien and others;
- 1–2. 3. 1999 – Vice-Premier Mertlík had talks in London with representatives of Credit Suisse First Boston (an investment banking firm providing comprehensive financial services), and with British government representatives (Mrs P. Hewitt, Treasury, and B. Wilson, Trade Minister in from the Department of Industry and Trade);
- 19–20. 4. 1999 – Finance Minister Svoboda attended a meeting of the EBRD Council of Governors in London;
- 7–8. 6. 1999 – Deputy Foreign Minister Palouš had talks in London about the Roma problem;
- 16–18. 6. 1999 – official visit by Vice-Premier and Minister of Labour and Social Affairs Špidla;
- 19–22. 9. 1999 – Chairman of the Supreme Control Office Volenik visited Britain;
- 20–22. 9. 1999 – Deputy Foreign Minister Palouš had talks in London about the Roma problem;

- 2–10. 10. 1999 – consultations of Deputy Foreign Minister Pick;
- 23–24. 11. 1999 – Vice-Premier and Minister of Finance Mertlík, Vice-Premier Rychetský and Minister of Transport Peltrám attended a conference on “Czech Investment”.

Visits by representatives of the United Kingdom

- 23–24. 11. 1998 – Secretary of State for Defence Robertson visited the Czech Republic;
- 11–14. 1. 1999 – Minister of State at the Home Office for asylum and immigration policy O’Brien had talks about the Roma problem;
- 8–10. 6. 1999 – Trade Minister Wilson;
- 16–18. 6. 1999 – Minister of State for Housing N. Raynsford;
- 18–19. 10. 1999 – Minister of State at the Foreign Office J. Battle;
- 16–18. 11. 1999 – Baroness Thatcher on the anniversary of 17th November;
- 10–11. 12. 1999 – Scottish Finance Minister J. McConnell.

Economic relations

The balance of trade between the Czech Republic and Great Britain developed favourably for the Czech Republic in 1998–1999. There has been a pronounced increase in the proportion of Czech exports in the overall turnover. In 1998 exports to Britain amounted to 28.8 billion crowns and imports to 35.3 billion crowns. In 1999, Czech exports to Britain rose to 31.3 billion crowns and imports to 37.8 billion crowns. The result has been a Czech trade deficit of 6.5 billion crowns.

The items which accounted for the biggest rise in exports were electrical machinery, road vehicles, instruments and equipment and engineering products. The fact that products with a high added value predominated on the list of exports was a favourable feature. The biggest Czech firm exporting goods to Britain has been the Škoda automobile factory in Mladá Boleslav. Other firms accounting for considerable exports to Britain included the engineering plants Adamovské strojírný, Dobrušské strojírný (printing machines), as well as glass factories, breweries (Plzeňský Prazdroj and Budvar) and many others.

Major British investors in the Czech Republic have included Bass (breweries), Shell (the gas industry), AVX/Kyocera (electronics), Tesco (supermarkets) and Lucas (automobile parts). The most extensive British investments in the Czech Republic so far have been the purchase of 48% of shares of the Opatovice electrical power station to the value of 5.3 billion crowns by National Power, and the purchase of 17% of shares of the IPB bank by Nomura Europe (UK/Japan).

Bilateral agreements concluded in the period under review

– Agreement between the Ministry of Defence of the Czech Republic and the Department of Defence of the United Kingdom of Great Britain and Northern Ireland on cooperation in the sphere of defence matériel, 4. 5. 1999, Brno

Cultural relations

Cultural, educational and scientific contacts with Britain developed at all levels in the second half of 1998 and in 1999. The Czech Embassy in London in collaboration with the Czech Centre and British institutions were particularly active in promoting direct contacts in the field of culture, education and science.

The London Gate theatre staged a new adaptation of *The Good Soldier Schweik*; the Czech Embassy in London helped to arrange a performance by the dance ensemble of the Prague Duncan Centre at the International Modern Dance Festival; the traditional prize of the Czech Embassy in Britain has been awarded to the most successful student of the Czech language at Sheffield University. In May 1999, the remains of Sidonie Nadherná were transferred from Denham, where she lived as an émigrée after the Communist take-over, to the family vault in the grounds of the Vrchotovy Janovice chateau – which was designated as a site for international cultural gatherings. The ceremony was attended by leading cultural and political personalities. A centre for international cultural dialogue was established there in the autumn of 1999; its activities include the organization of exhibitions, symposia and arranging scholarships for artists. The Vrchotovy Janovice project has been included in the campaign “Europe – a Common Heritage”.

To mark the 10th anniversary of the “Velvet Revolution” a number of cultural events were arranged with the assistance of the Czech Embassy in London and the Czech Centre, including an exhibition of photographs, an exhibition of works by Czech samizdat artists; a festival of Czech films was held, and a discussion on the biography of President Havel by John Keene took place at the London Barbican centre.

United States of America

The United States of America is politically, militarily and economically the most powerful state in the world. As a global super-power it is able to exercise its influence in all parts of the world. Membership of the US in NATO and its consistent support of the accession of the Czech Republic to this organization establishes a framework of mutual alliance and promotes the Trans-Atlantic links which the US systematically advocates. Its membership in OSCE and in the EBRD testifies to the active US presence in Europe.

The US is a leading member of many international organizations: for example, a permanent member of the UN Security Council, and a major contributor to the IMF and the World Bank. The US is currently one of the key political and economic partners of the Czech Republic.

The political significance of the US arises from its leadership role in the community of democratic forces in the world. Its influence is felt in virtually all countries throughout the world, regardless of

whether they are allies of the US or adopt a negative attitude towards the US. The American economy is strong not only by its volume but also because of its capacity to exploit the most up-to-date scientific and technical developments, the strength of its capital and the position of its currency. In addition to these characteristics, there are others such as the influence of American culture and the so-called American way of life.

Bilateral political relations between the US and the Czech Republic have been on a high level during the past few years; this has also been demonstrated by the ratification process in the US Senate in favour of NATO enlargement, the state visit by President Havel to the US in September 1998, the NATO summit to mark the 50th anniversary of that organization in March 1999 with the participation of the Czech President, and the official visit of Czech Prime Minister Zeman in the US in November 1999.

Visits by representatives of the Czech Republic

– 15–18. 9. 1998 – state visit by President Havel. He was accompanied by Foreign Minister Kavan and Defence Minister Vetchý as well as by the Governor of the Czech National Bank Tošovský. The programme included attendance at the inauguration of the Month of the Czech Republic in the US and the US commemoration of the 80th anniversary of Czechoslovakia;

– 21–23. 9. 1998 – Foreign Minister Kavan at the annual session of the UN General Assembly;

– 28. 9–4. 10. 1998 – a working visit by the Chairman of the Office for the Protection of Economic Competition Bělehrádek;

– 4–5. 10. 1998 – Vice-Premier Mertlík, Minister of Finance Svoboda and Governor of the Czech National Bank Tošovský represented the Czech Republic at the session of the IMF and World Bank in Washington;

– 18–30. 10. 1998 – Chairman of the Czech Senate of the Czech Republic Pithart and other Senators at the commemoration of the 80th anniversary of the establishment of the Czechoslovak Republic;

– 12. 3. 1999 – Foreign Minister Kavan handed over the ratification documents on the membership of the Czech Republic in NATO to Secretary of State Albright at a ceremony in the town of Independence in the state of Missouri;

– 23–25. 4. 1999 – President Havel, Foreign Minister Kavan and Defence Minister Vetchý attended the NAC and EAPC summit;

– 26–27. 4. 1999 – during a working visit to the US, President Havel visited Minneapolis;

– 20–24. 4. 1999 – Minister for the Environment Kužvart represented the Czech Republic at the 7th session of the UN Commission for Sustainable Development in New York;

– 26–28. 4. 1999 – Minister of Finance Svoboda and Vice-Premier Mertlík attended the spring session of the IMF and World Bank;

- 4–8. 9. 1999 – Chairman of the Supreme Control Office of the Czech Republic Voleník;
- 5–9. 9. 1999 – Deputy Foreign Minister Palouš in Washington and New York;
- 19–25. 9. 1999 – Foreign Minister Kavan at the UN General Assembly in New York;
- 21–27. 9. 1999 – Minister of Transport and Telecommunications Peltrám at the World Congress on Economic Development in Washington;
- 25–30. 9. 1999 – Vice-Premier and Finance Minister Mertlík at IMF session;
- 20–24. 10. 1999 – Deputy Foreign Minister Palouš attends a Washington conference to mark the 10th anniversary of the “Velvet Revolution” and the 54th UN General Assembly in New York;
- 20–22. 10. 1999 – delegation of the Ministry of Defence, led by Deputy Minister Novotný;
- 25–26. 10. 1999 – Deputy Foreign Minister Pick;
- 7–9. 11. 1999 – official visit by Prime Minister Zeman and Slovak Prime Minister Dzurinda. The Czech Prime Minister had a meeting with President Clinton and Secretary of State Albright. The Prime Minister discussed future cooperation in three areas: economic reform, the problem of national minorities and security matters;
- 19–25. 11. 1999 – Minister Bašta on a working visit in the US;
- 30. 11–4. 12. 1999 – Minister of Industry and Trade Grégr at the 3rd conference of the World Trade Organization in Seattle.

Visits by representatives of the US

- 2–3. 7. 1998 – US Senators P. Roberts and R. Shelby;
- 11–14. 10. 1998 – delegation of Californian State Senators;
- 11–14. 10. 1998 – First Lady of the US, Hillary Clinton, and former Secretary of State Kissinger at the Conference Forum 2000 in Prague;
- 29–30. 8. 1999 – Senator Mrs. P. Murray;
- 14. 9–15. 9. 1999 – Chairman of the Joint Chiefs of Staff General Shelton.

Economic relations

The US is the ninth biggest trade partner of the Czech Republic with a 3.2% share of our foreign trade in 1998. The share of US in overall Czech exports reached 10th place and 6th place in imports. On the other hand, the share of the Czech Republic in US foreign trade stands at around

0.1%. In overall American imports the Czech Republic holds 64th place, and also holds 64th place in exports.

Trade between the Czech Republic and the US is almost liberalized. The US applies quantity restrictions only to imports of Czech textiles, clothing and cheese. Quantity quotas apply to 5 categories of textile and clothing commodities. These restrictions will be totally abolished by the end of 2004 under the terms of the GATT Uruguay round.

No political obstacles are placed in the way of trade cooperation between the US and the Czech Republic. There are not many legislative obstacles, but it is worth mentioning sanctions imposed by the US against countries such as Libya or Cuba where the US applies the extraterritorial regime of domestic legislation. The application of anti-dumping legislation could also be an obstacle to some extent.

During the past few years, mutual trade has been going up; the value of Czech exports and imports increases every year. But there is a growing deficit in the balance of trade on the part of the Czech Republic. The following indicators characterize trade during the period in question: in 1998, the turnover amounted to 53.8 billion crowns, of this exports 18.9 billion and imports 34.9 billion crowns. The deficit balance reached 15.9 billion crowns. In 1999 the turnover was 63.3 billion, of this exports 22.6 billion and imports 40.7 billion crowns. The deficit balance was 18 billion crowns.

In the commodity structure, the main items in Czech exports to the US have been machinery and equipment (22%), electrical machines (14%), glass and glass products (8%), transportation equipment (6%), organic chemicals (5%), iron and steel (5%), toys and sports products (4%), furniture and bedding (3%), arms and ammunition, iron and steel products, aircraft and their components (2%).

US exports to the Czech Republic concentrate on machinery and equipment (23%), aircraft and their components (21%), optical goods and medical instruments (10%), electrical machines (10%), tobacco (8%), non-railway transportation equipment (5%), perfumes, cosmetics, organic chemicals, paper and cardboard.

The Czech Republic has an urgent need for strategic partners who would invest in Czech firms. That is why the Czech Republic would welcome an influx of American investors, focused on modernization and facilitating Czech exports. The Czech government is therefore offering investment incentives such as tax relief (for example, on investments in modern technology there is a ten-year tax exemption). In the volume of investments during the first quarters of 1999 the US holds 2nd place after Belgium. While in 1998 the volume of American investments was USD 256 million, i.e. 10.2% of all foreign direct investments (which represented 4th place after Germany, the Netherlands and Britain), their volume increased during the first three quarters of 1999 to USD 468.7 million, or 13.8% of foreign direct investments. The major investors were Ford Motor Company, AYRES Corp., Pepsi Cola International, Lexmark, Boeing and others.

Mutual trade is progressing favourably, but sanction regimes have to some extent a negative impact where the US is applying extraterritorial domestic legislation. Similarly, application of anti-dumping legislation creates obstacles for some Czech exporters (for example, Nová Huť).

Bilateral agreement signed during the period under review

– Supplement No. 3 to the programme agreement between the Government of the Czech Republic, represented by the Ministry of Finance, and the Municipal Finance corporation on the one hand, and the Government of the United States on the other, represented by the International Development Agency, to finance municipal infrastructures, 28. 8. 1998, Prague.

Cultural relations

In recent years it has been possible to increase the presentation of Czech cultural events in the US, thanks to the work of the Czech Embassy, the Consulate and the Czech Centre. These collaborate with partner institutions in the Czech Republic and in the US and together arrange events presenting Czech culture on a broader scale. Among the successful presentations of Czech culture has been the festival “The Cultural Heritage of Czech Jews” in June 1998, and the “Month of the Czech Republic” in Washington and New York to mark the 80th anniversary of the Czechoslovak Republic in October 1998 and the Festival of Roma culture “Romano Drom” in Washington in April 1999.

Other cultural projects, especially the extensive mobile exhibition “A Thousand Years of Czech Culture” arranged by the National Museum in Prague, “Alfons Mucha”, as well as concert performances by Czech musicians such as opera recitals by Eva Urbanová and a tour by the Plastic People of the Universe group, and finally the Academy Award conferred on the film “Kolja”, directed by Jan Svěrák, have aroused great interest.

The largest community of expatriate Czechs in the world lives in the United States. According to statistics for 1990 (the last census) 1.3 million persons claim Czech origin, and 300,000 claim Czechoslovak origin. The biggest communities of Czech-Americans live in big cities (Chicago, Los Angeles and New York) as well as in the states of Texas, Illinois, California, Wisconsin, Minnesota, Nebraska, Ohio and Iowa. A considerable number of expatriates belong to associations. The non-profit organization American Friends of the Czech Republic (AFoCR) founded in 1995, and the Society of Arts and Sciences, play the most significant role. The AFoCR lobbies on behalf of Czech interests in the US and played a role in support of the admission of the Czech Republic to NATO. Another group of associations combines descendants of Czechs who came to the US before the First World War. The last group of these associations consists of specialized organizations (educational, Sokol, etc.) and regional organizations. At present there are 170 expatriate organizations in the US.

Government financial assistance for cooperation and exchanges in education and science is granted as part of the Fulbright programme. Some non-governmental organizations and expatriate associations cooperate in the field of education. The Au pair programme, too, has to some extent an educational character, enabling young girls to enrol in some of the accredited educational institutions. Teachers and students from the US traditionally take part in various summer seminars and semester courses organized by universities in the Czech Republic (Czech language and literature summer schools, cycles of lectures, seminars, etc.) The Czech language and literature is taught at 16 universities in the US.

The basic outline of cooperation in science and the development of technology is determined by an Agreement between the Governments of the Czech Republic and the US on scientific and technical cooperation of 1998. For the Czech side, the agreement comes under the Council for Research and Development of the Czech Republic, for the US it is the Office of Regional Policy Initiative of the State Department.

Cooperation in science and technology, with the exception of clinical medical science and enterprise management is governed by the Agreement on Scientific and Technical Cooperation between the US National Scientific Foundation and the Ministry of Education, Youth and Physical Training of the Czech Republic. The Academy of Sciences of the Czech Republic has been entrusted by the Czech side with the task of implementing the Agreement. All Czech scientific research institutions can participate in conferences and seminars by means of joint research projects, working conferences and seminars. The Fulbright Senior Scholar Program, aimed at the exchange of researchers also provides for cooperation in the field of science and technology. Under this programme the two sides exchange 10 scholars each year.

Spain

Spain has been an important partner of the Czech Republic throughout the period under review. The incorporation of the Czech Republic in the North Atlantic Alliance has had a favourable effect on promoting Czech-Spanish relations. The anticipated enlargement of the European Union, endorsed by Spain, has also encouraged a greater degree of bilateral cooperation.

In 1998, Spain was 15th among the Czech Republic foreign trade partners, in 1999 it was 13th.

Visits by representatives of the Czech Republic

– 28. 9. 1999 – Deputy Foreign Minister Telička: consultations on EU matters.

Visits by representatives of Spain

– 12–14. 12. 1998 – Prime Minister Aznar, accompanied by a group of businessmen, on an official visit in the Czech Republic;

– June 1999 – The President of the Constitutional Court.

Economic relations

In 1998, the value of trade was 22.5 billion crowns, with Czech exports amounting to 10 billion crowns and imports to 12.5 billion crowns (balance –2.5 billion crowns). In 1999 the turnover rose to 30.5 billion crowns with exports at 15.8 billion and imports 14.7 billion crowns (balance +1.1 billion crowns).

In addition to traditional commodities (automobiles, beer, glass, costume jewellery) it has again been possible to bring Zetor tractors and energy-generating machinery (turbines made by Škoda Plzeň for Galicia) onto the Spanish market. The Czech Republic imported mainly fruit and

vegetables, automobiles, household electrical appliances, telecommunication and audio-visual equipment, footwear and furniture.

Cultural relations

Cultural, educational and scientific relations were managed under the terms of a Cultural Agreement of 1979 with the relevant procedural protocol signed in 1998 for the period of 1999–2001. A variety of cultural events took place. For example, the exhibition “The Czech Vanguard 1918–1948” was very well received, as were concerts by the Czech Philharmonic and the orchestra of the Brno Janáček opera and performances of the ballet of the Brno National Theatre.

Sweden

Sweden was a significant partner of the Czech Republic in the period under review. Cooperation with Sweden played an important role in the Czech Republic’s preparations for integration in the European Union. An intense political dialogue has been carried out between the two countries.

In Czech foreign trade Sweden took 14th place in 1998 and 15th in 1999. In 1993–1998, it was 10th among foreign investors in the Czech economy.

Visits by representatives of the Czech Republic

- 20–21. 8. 1998 – working visit by Vice-Premier Lánský;
- 10–11. 2. 1999 – official visit by Vice-Premiers Lánský and Mertlík;
- 10. 6. 1999 – consultations with Deputy Foreign Minister Kmoníček;
- 7–8. 12. 1999 – official visit by Foreign Minister Kavan.

Visits by representatives of Sweden

- 7–9. 12. 1998 – official visit by Vice-Premier Mrs L. Hjelm-Wallen;
- 19. 1. 1999 – official visit by Minister of Culture Mrs M. Uvlskog;
- 16. 2. 1999 – consultations with Minister for International Development Aid P. Schori;
- 27–29. 6. 1999 – Minister of Agriculture, Food Industry and Fisheries Mrs M. Winberg;

– 28–29. 9. 1999 – official visit by Prime Minister Persson.

Economic relations

Czech-Swedish economic relations have made great progress, reflected, above all, in the steadily rising trade turnover. Mutual trade: 1998 (in billion crowns): exports 11.4.; imports 12; turnover 23.5; balance –525 million; 1999 (in billion crowns): exports 11; imports 13.1; turnover 24.1; balance –2.1.

Imports from Sweden consisted mainly of technically advanced commodities and products important for the Czech economy. Export opportunities for Czech firms consisted, above all, of beer, Škoda automobiles, textiles, chemical products, equipment for breweries, etc.

Some 100 Swedish firms conducted their business in the Czech Republic; businesses with Swedish participation offered some 30,000 jobs in the Czech Republic (for example, Assi Domän, Asea Brown Boveri, AGA Group).

Cultural relations

In 1998, there were two significant cultural landmarks – the Stockholm 98 event – the major cultural city in Europe where the Czech Republic participated in a number of projects – and the inauguration of the Czech Centre in Stockholm. The Czech Festival at Norrköping (28. 11–5. 12. 1999) presented a comprehensive review of Czech culture.

Republic of Turkey

Turkey as a member of NATO and as of December 1999 a candidate for membership in the EU, has played a stabilizing role in the region. After the accession of the Czech Republic to NATO it became our ally.

The accession of the Czech Republic to NATO opened up new opportunities for more intensive relations with Turkey not only in the military and political area but also in the commercial and economic spheres. A lively political dialogue has been carried out between the two countries.

Visits by representatives of the Czech Republic

– 28. 9–1. 10. 1999 – visit by Defence Minister Vetchý;

– November 1999 – participation of President Havel and Foreign Minister Kavan in the OSCE summit in Istanbul;

– 11–13. 11. 1999 – visit by Vice-Premier and Minister of Finance Mertlík.

Visits by representatives of the Republic of Turkey

- 18. 2. 1999 – visit by Foreign Minister I. Cem.

Economic relations

Economic and trade relations are a significant component of mutual links. In 1999 exports amounted to 3.2 billion crowns and imports to 2.3 billion. The level of trade bears little relation to the opportunities on offer: the proximity of the Turkish market and its great absorbing capacity, and the complementary nature of both economies).

The most active exporting firms in the area were Škodaexport, Škoda Auto, Česká Zbrojovka, Moravia Steel, Strojimport, Technoexport, CHZ Sokolov, CS Keramika, Jablonex, Motokov, Skloexport and Omnipol.

The main items on the Czech export list were machines, mainly for the textile industry, automobiles, crude iron and steel, artificial and textile fibres, glass and glass products, chemical products, dyes and paper. New items have been small radius knitting machines, lorries, tractors and inorganic chemical products.

Imports of food and agricultural products as well as certain types of raw materials continued. This applied to citrus fruit, cotton, tobacco, dried fruit, peat raw material and chrome ore. Recently more Turkish consumer goods have been imported to the Czech Republic, and this not only cotton textiles and leather clothing but also electrical domestic appliances.

The agreement on free trade with Turkey which came into force on 1. 9. 1998 brings the position of Czech exports of most industrial products into line with that of its European competitors. The standard contractual base in the economic sphere has been supplemented by the Agreement on the support and protection of investments and, most recently (signed in 1999) by the Agreement on the prevention of double taxation.

Bilateral agreements concluded in the period under review

- Agreement between the government of the Czech Republic and the government of the Republic of Turkey on industrial cooperation in the field of defence; 28. 9. 1999, Ankara;
- Treaty between the Czech Republic and the Republic of Turkey on preventing dual taxation and on preventing evasion of income tax; 12. 11. 1999, Ankara;
- Decision No. 1/1999 by the joint committee of the Agreement on Free Trade between the Czech Republic and the Republic of Turkey, 20. 12. 1999, Ankara.

Cultural relations

Cultural cooperation has not been defined by treaty, and its level has consequently been low. The Republic of Turkey has shown interest in concluding a cultural agreement.

4. Relations with the Baltic States

Republic of Estonia

Estonia, a country intensively seeking full integration in European political and economic structures, has been a partner of the Czech Republic in preparing for membership; it is a candidate country in the first group, working towards membership in the EU.

In 1999 it was decided to open a Czech Embassy in the Estonian capital Tallinn.

Visits by representatives 11–12. 6. 1999 – of the Czech Republic

- 12–14. 5. 1999 – working visit by Deputy Foreign Minister Palouš – opening of a honorary consulate in Tallinn;
- attendance by Foreign Minister Kavan at a meeting of 5+1 Ministers of candidate countries;
- official visit by Foreign Minister Kavan.

Visits by representatives of Estonia

- 19–20. 11. 1998 – visit by Deputy Foreign Minister H. Laanemäe.

Economic relations

Trade – 1998: exports 945 million crowns, imports 124 million crowns, turnover 1 billion, balance +821 million crowns; 1999 exports 1.6 billion, imports 1.3 billion crowns, turnover 3 billion crowns, balance +338 million crowns. Škoda automobiles were the most popular export articles. Relatively large quantities of Czech consumer goods have been exported, for example, textiles, ready-made clothing, footwear, costume jewellery, glass, etc. but there has also been active cooperation by timber processing firms, especially in the furniture sector. Estonian exports included foodstuffs, fish, chemicals, leather, machinery and equipment.

Bilateral agreements concluded in the period under review

- Decision No. 2/1999 by the Joint Committee of the Agreement on Free Trade between the Czech Republic and the Republic of Estonia, 22. 11. 1999 Tallinn.

Cultural relations

Cultural and educational cooperation has been carried out on the basis of a renewed Programme for Cultural, Educational and Scientific Cooperation.

Republic of LITHUANIA

Lithuania has shown an interest in becoming an important partner of the Czech Republic, and among the Baltic States has been its largest economic partner. In 1999 cooperation was considerably deepened, particularly in security policy. Intensive political dialogue has taken place between the two countries at a high level. The Czech Republic has supported the inclusion of Lithuania among the candidates for membership in the European Union.

Visits by representatives of the Czech Republic:

- 11. 11. 98 – bilateral meetings between the Chairman of the Chamber of Deputies Václav Klaus and the Lithuanian Prime Minister, V. Landsbergis (in the framework of meetings of Chairmen of Parliaments of Associated Countries);
- 16–17. 3. 1999 – Consultation on security issues with the First Deputy Foreign Minister O. Pick;
- 31.5. - 1.6. 1999 – Consultation on the EU with Deputy Foreign Minister P. Telička

Visits by Lithuanian representatives:

- 7. 12. 1998 – Consultation with Deputy Foreign Minister for EU Integration G. Šerkšnys;
- 27–28. 5. 1999 – Deputy Foreign Minister A. Rimkunas opened an Honorary Consulate of the Lithuanian Republic in Brno;
- 24–25. 6. 1999 – Round table on security issues (First Deputy Minister of Defence P. Malakauskas and Deputy Foreign Minister R. Bernotas);
- 28–30. 6. 1999 – Official visit by Minister of Defence Č. Stankevičius;
- 21–22. 9. 1999 – Official visit by President V. Adamkus, accompanied inter alia by Minister of Transport R. Didžiokas and Minister of Health R. Alekna.

Economic relations

The turnover for the year 1998 reached 3.7 billion crowns, of which exports from the Czech Republic were 3.4 billion crowns and imports 298 million crowns (favourable balance of 3.1 billion crowns). In 1999 the turnover was 3.8 billion crowns, of this Czech exports 3.2 billion, imports 530 million crowns (active balance 2.7 billion crowns). Traditional export items from the

Czech Republic have been means of transport (such as trolley buses, omnibuses and private cars), agricultural machinery, building machinery, ecological equipment, shoes, glass and ceramics, food, medicines, etc. Imports from Lithuania included flax and linen, wool, textile products, fish paste, wood, laminated wooden sheets, etc.

Bilateral agreements concluded in the period under review:

- Agreement on social security, Prague 27. 5. 1999;
- Agreement on the participation of Lithuanian health workers in Czech field hospital operations in the Balkans, Prague 29. 6. 1999

Cultural relations

Bilateral cultural relations showed a tendency to increase and were founded on the basis of historical traditions and interests of the cultural interests of the two states, which led to direct contacts on commercial and non-commercial bases. Partnership arrangements between cities were successfully organized.

Republic of LATVIA

Latvia, along with the other Baltic States, has been an important political and economic partner of the Czech Republic. In 1999 intensive cooperation was carried out in the field of integration to the European political and economic structures; the Czech Republic supported the inclusion of Latvia among the candidates for membership in the EU. An intensive political dialogue took place between the two countries.

Visits by representatives of the Czech Republic

- 15–16. 3. 1999 – Consultation with the First Deputy Foreign Minister O. Pick on security issues;
- 2. 6. 1999 – Consultation with Deputy Foreign Minister P. Teličky on EU issues;
- 31. 10–2. 11. 1999 – Official visit by Prime Minister M. Zeman accompanied by the Vice-Chairman of the Cabinet P. Mertlík, the Minister of Agriculture J. Fencel and Minister of Education E. Zeman.

Visits by representatives of Latvia

- 31. 3–2. 4. 1999 – Official visit by Minister of Defence G. V. Kristovskis;

- 10–12. 5. 1999 – Official visit by Latvian President G. Ulmanis, accompanied by Minister of Foreign Affairs V. Birkavs and Minister of Culture K. Péterson;
- 20–23. 9. 1999 – Official visit by the Chairman of the Saeim, J. Straumy.

Economic relations

In 1998 there was a marked growth in trade exchanges and the total of Czech exports was increased by 123.6% over the previous year, to 2 billion crowns. Imports reached 197 million crowns. Total trade reached approximately 2.2 billion crowns. The surplus was therefore 1.8 billion crowns. In 1999 trade was 1.6 billion crowns and Czech exports 1.4 billion crowns, with imports at 203 million crowns (active surplus, 1.2 billion crowns). The Czech Republic exported mainly machinery, equipment, means of transport, and glass; Latvia mainly wood, textiles and food. In November 1999 the information and consultancy agency Czech Trade was opened at the Czech Embassy in Riga.

Bilateral agreements concluded in the period under review

- Meeting between Ministers of Defence of the Czech Republic and of Latvia on the exchange of information and cooperation in the field of military research and development, Prague 31. 3. 1999;
- Intergovernmental agreement on cooperation in the cultural field, Prague 10. 5. 1999;
- Intergovernmental agreement on airline services, Prague 10. 5. 1999;
- Meeting between Ministers of Defence on protection of sensitive data, Prague 10. 5. 1999;
- Agreement on cooperation in the field of agriculture, Riga, 1. 11. 1999;
- Agreement on cooperation on the protection of plants, Riga, 1. 11. 1999;
- Treaty between Ministers of Education on cooperation in the field of education and science in the years 1999–2001, Riga, 1. 11. 1999;
- Joint declaration of Prime Ministers on the development of relations, Riga, 1. 11. 1999;
- Decision 1/1999 of the Common Council on the Agreement on free trade between the Czech and Latvian Republics, Riga, 13. 12. 1999.

Cultural relations

Czech culture was systematically presented by a range of actions, such as an exhibition of the work of Alfons Mucha in November 1999. On the occasion of the 80th anniversary of the founding of Latvia and Latvian Cultural Centre was opened at the Latvian Embassy in Prague on 15. 11. 1998.

From the beginning of the academic year 1999/2000 a teacher of Czech was established in Riga, sent by the Ministry of Education of the Czech Republic.

5. Relations Between the Czech Republic and the Holy See

Holy See

Vatican City (from the point of view of international law the Holy See) is the smallest state formation in the world yet it relies on an extensive community of believers who belong to the Roman Catholic Church, on a state doctrine more than one and a half thousand years old, and on traditions and values which form a major fundament of civilization, on which a large section of civilization rests till this day.

In 1999 a consensus was achieved on the basic outline of the future bilateral treaty.

Visits by representatives of the Czech Republic

– 23. 6. 1999 – a delegation of the Foreign Relations Committee of the Czech Chamber of Deputies had talks with the Secretary for Relations with states (Minister of Foreign Affairs) Tauran;

– 17-19. 12. 1999 – state visit by President Havel accompanied by Minister of Culture Dostál (handing over the Czech Christmas tree to Pope John Paul II.).

Cultural relations

A cultural programme accompanied the presentation of the Czech Christmas tree including Christmas decorations on 18. 12. 1999 on St. Peter's Square.

6. Relations Between the Czech Republic and the Eastern and South-Eastern European countries

Republic of Albania

The role of Albania in solving critical issues in the Balkan region, more particularly the Kosovo conflict, is growing all the time. The considerable intensity of bilateral relations between the two countries has corresponded to the importance which the Czech Republic attaches to relations with Albania and its geopolitical position.

Visits by representatives of the Czech Republic

- 8–9. 4. 1999 – Vice Premier Lánský;
- 13–15. 5. 1999 – Foreign Minister Kavan and Deputy Speaker of the Czech Chamber of Deputies, Mme. Buzková;
- 27. 6. 1999 – President Havel accompanied by Defence Minister Vetchý.

Visits by representatives of the Albanian Republic

- 30. 9–3. 10. 1999 – Minister for Public Management and Privatization Buffi in the Czech Republic.

At the time of the Kosovo conflict the Czech Republic was involved in NATO activities by sending the 6th field hospital to join the AFOR forces in Albania. The country took an active part in humanitarian aid to Albania. A military field hospital equipped with adequate provisions was offered as a donation. After the end of the refugee exodus, equipment for a refugee camp was handed over to Albanian civil defence. Far-reaching material aid has been provided along non-governmental lines.

Under the assistance programme of the West European Union intended to help the Albanian police (MAPE) the Czech Republic sent a long-term two-member medical team.

Economic relations

Regardless of the relatively low quantity of trade (1999: imports 15.9 million crowns, exports 589.5 million crowns) and notwithstanding the persisting complicated domestic and economic situation, Albania is and remains a promising trade partner, especially in view of the traditional dominant position of our technology on the Albanian market. A legislative framework for expanding economic relations has been created by the signature of a number of fundamental economic agreements.

Bilateral agreements concluded in the period under discussion

- Agreement on cooperation between the Defence Ministries of the two countries, 27. 6. 1999, Tirana.

Republic of Belarus

The Republic of Belarus represents an important region linking Russia with Poland and Western Europe. Czech-Belarus relations in the current period have not been burdened by overt problems. The Republic of Belarus has been among the significant trade and economic partners of the Czech Republic. However, the peculiar development of the Belarus domestic situation had an unfavourable effect on the political level of relations which was reflected in the minimum number of contacts between the highest representatives of the two countries. Bilateral contacts were maintained, above all, on a working level and on matters of common interest. The attitude of the Czech Republic has been coordinated with the position of the European Union. The Czech Republic has shown an interest in consolidating Belarus statehood and in promoting standard relations with a sovereign and democratic Belarus, and has made it clear that favourable progress in the preparation of economic and political reforms and an improvement in the situation of human rights and basic liberties in Belarus would help to stimulate a political dialogue between the two countries.

Visits by representatives of the Czech Republic

- 23–25. 11. 1999 – a delegation of the Foreign Relations Committee of the Czech Chamber of Deputies visited Belarus.

Visits by representatives of the Republic of Belarus

- 24. 6. 1999 – the Foreign Minister of Belarus Latypov visited the Czech Republic on the occasion of the Karlovy Vary meeting of the Central European Initiative.

Economic relations

From the point of view of Czech exports, Belarus has been a promising trade and economic partner. Although trade between the Czech Republic and Belarus dropped in 1998 as a result of the Russian financial crisis and as a direct consequence of the close ties between the Russian and Belarus economies (exports 1.9 billion crowns, imports 684 million crowns, turnover 2.6 billion crowns) there was interest on both sides in a further expansion of trade and economic relations. The problem of greater exports to Belarus was limited mainly by a shortage of finances to pay for these due to the non-convertibility of the local currency. In 1999 exports amounted to 1.9 billion

crowns, imports reached 985 million crowns. Turnover was 2.8 billion crowns, the balance in favour of the Czech Republic was 915 million crowns.

The main items on the Czech export list were machinery and means of transportation, chemicals and chemical products, market products (class 6), foodstuffs and live animals. In Belarus exports the main items were textile fibres, metal goods, chemicals and chemical products, various industrial goods, machinery and transportation equipment.

In Belarus there is great interest in Czech goods but owing to the inferior standard and quality of Belarus products, there were only a few barter deals, and the only other method available was to make deals in convertible currencies.

Nevertheless, some scope existed for a further increase in cooperation, major investment projects of Czech firms have been under preparation in Belarus in collaboration with the Czech Export Bank and the EGAP insurance company.

Bilateral agreements concluded in the period under review

- Agreement between the Ministry of Health of the Czech Republic and the Ministry of Health of the Republic of Belarus on cooperation in the health service and in medical science, 7. 12. 1998, Prague;
- Agreement between the Governments of the Czech Republic and the Republic of Belarus on aviation services, 5. 5. 1999, Prague;
- Protocol on cooperation between the Ministry of Industry and Trade of the Czech Republic and the Ministry of Foreign Affairs of Belarus; 22. 6. 1999, Prague.

Cultural relations

Cultural relations proceeded on a non-governmental level with the assistance of the Czech Embassy. The successful participation of Belarus children in the annual “Lidice” International Children’s Art Exhibitions did much towards promoting cultural contacts. Relations in the field of education were rather limited.

Bosnia and Herzegovina

Relations between the Czech Republic and Bosnia and Herzegovina can be characterized as being correct and businesslike. The Czech Republic is aware of the significance of Bosnia and Herzegovina in the South-East European region. It has taken an active part in stabilizing the domestic and security situation in Bosnia and Herzegovina. The Czech SFOR battalion stationed in the Donja Ljubija and Bosanska Krupa localities has enjoyed general respect and its performance has been highly appreciated.

Visits by representatives of the Czech Republic

- Defence Minister Vetchý visited the Czech SFOR unit in August 1998;
- 31. 8. 1998 – Minister of Industry and Trade Gregr attended the inauguration of the assembly plant for Škoda Felicia automobiles in Sarajevo;
- 30. 7. 1999 – President Havel and Foreign Minister Kavan attended the Stability Pact summit; President Havel used the occasion to visit the Czech SFOR unit;
- 13. 9. 1999 – Foreign Minister Kavan visited Czech troops;
- 4–5. 10. 1999 – Defence Minister Vetchý who had his first official talks in Sarajevo with the Defence Ministers of Bosnia and Herzegovina and the Serb republic, visited the Czech SFOR contingent.

Visits by representatives of Bosnia and Herzegovina

- 5–6. 11. 1999 – three highest representatives of the Council of Ministers Siljadzic, Mihailovic and Tomic together with Foreign Minister Prlic attended the Prague summit of the CEI.

Economic relations

Economic relations have developed successfully. After the conclusion of the Dayton accords when the financial situation of a number of economic entities in Bosnia and Herzegovina was consolidated thanks to donor assistance, some traditional Czech exporters (Škodaexport, ČKD) succeeded in returning to the local market. Trade rose steadily and Czech exports greatly exceeded imports from Bosnia and Herzegovina. In 1998 turnover amounted to 1.6 billion crowns of which exports to Bosnia and Herzegovina amounted to 1.5 billion crowns and imports to 69.74 million crowns. In 1999 turnover reached the sum of 1.7 billion crowns with a value of imports of 41.8 million crowns and exports 1.6 billion crowns.

The most promising Czech exporters has been ŠkodaAuto, supplying assembly sets for Škoda Felicia automobiles. The most significant Czech exports included energy generating equipment, urban transport vehicles, heavy metallurgy, foodstuffs and products of the chemical industry. The main items imported from Bosnia and Herzegovina were products of the clothing and footwear industry, components for railway carriages, aluminium scrap and ceramic isolators. Cooperation in investments has been negligible. The only Czech investment in Bosnia and Herzegovina so far has been the Škoda assembly plant.

Cultural relations

Cultural cooperation has been limited by financial possibilities. Bosnian institutions have shown great interest in establishing contacts with their partners in the Czech Republic.

Republic of Bulgaria

Bulgaria is a stabilized country in South-East Europe and a significant part of the Euro-Atlantic area. The points of contact in Czech-Bulgarian bilateral relations are membership in CEFTA and the CEI, the EU integration process and Euro-Atlantic cooperation. The Czech Republic and Bulgaria have promoted intensive bilateral relations, there has been a political dialogue as well as active economic contacts.

Visits by representatives of the Czech Republic

- 10–12. 1. 1999 – meeting of chiefs of the General Staffs of the two armies in Sofia;
- 17–18. 3. 1999 – official visit by Prime Minister Zeman in Sofia. This was the first bilateral meeting of the Prime Ministers of the two countries after 1989. The Czech Prime Minister was accompanied by Ministers Grégr, Svoboda and Fencľ;
- 9–11. 4. 1999 – Chairman of the Senate of the Czech Parliament Mme Benešová visited Sofia; she attended a multilateral meeting between the chairs of the Parliaments of associate countries with the President of the European Parliament;
- 24–31. 7. 1999 – Defence Minister Vetchý paid an official visit to Bulgaria;
- 23–26. 8. 1999 – President of the Supreme Control Office Voleník visited Bulgaria;
- 22–24. 11. 1999 – Interior Minister Grulich had talks in Sofia.

Visits by Bulgarian representatives

- 20–21. 1. 1999 – the Chairs of the foreign relations committees of the two Parliaments met in Prague;
- 24–26. 11. 1999 – Vice Premier Bakardzhiev visited Prague and attended the “Energy 2000” forum.

Economic relations

In the 1990s the volume of trade was stabilized, amounting to 2.5–3 billion crowns. There was a steep rise in 1998 when the volume was in excess of 4 billion crowns. This increase was due

mainly to the gradual introduction of the free trade regime as well as to improving conditions in Bulgaria; last but not least, this was due also to the fact that Czech firms showed greater interest in the Bulgarian market. In 1999 trade turnover was 4.1 billion crowns; long-term Czech exports accounted for approximately 4/5 of the turnover.

The major Czech export items in recent years have been metallurgical commodities, linen fibres, automobiles, parts for tractors, automobiles and lorries, parts for cranes, trolleys, lever jacks, tyres, transmission shafts, radiators, central heating boilers, textiles, paper and dairy products. In 1998 there was a rapid rise in the export of tyres which became the major export item. Imports from Bulgaria consisted mainly of parts and components of means of transportation, zinc, copper, trolleys with manipulation equipment, parts for excavators, bulldozers, certain metallurgical products, chemicals, telephone technology, vegetables, wines and tobacco.

Bilateral agreements concluded in the period under review

- Treaty on social security, 25. 11. 1998;
- Agreement on support for and mutual protection of investments, Sofia, 17. 3. 1999;
- Agreement between the Czech Republic and the Republic of Bulgaria on cooperation in the struggle against organized crime, illegal drug trafficking, terrorism and other types of dangerous criminal activities, Sofia, 17. 3. 1999;
- Agreement on mutual employment of citizens of both countries, 6. 12. 1999.

Cultural cooperation

The basic document underlying cultural, educational and scientific cooperation was an Agreement in 1993 between the government of Czechoslovakia and the government of the Bulgarian People's Republic on cultural and scientific cooperation between the Czech and Bulgarian Academies of Sciences. Bulgaria has been included in the list of countries to whom the Czech government offers government scholarships – one undergraduate place and one place for post-graduate studies.

FYROM – The FORMER YUGOSLAV REPUBLIC OF MACEDONIA

The former Yugoslav republic of Macedonia has been working hard to establish a stable democratic country aspiring to be a model of ethnic tolerance. Dramatic developments in the region have hit its economy hard.

The fact that before gaining independence it was the least advanced republic of the former Yugoslavia has played its role. At the outbreak of the Kosovo crisis Macedonia, moreover, grappled with an immense influx of Kosovo refugees whose number was equivalent to 11% of the Macedonian population.

Visits by representatives of Macedonia

– 21. 6. 1999 – visit by Macedonian President Gligorov.

Economic relations

Relations in the legislative field and in trade have been somewhat limited, with the results corresponding neither to the interests of the two countries nor to their potential. In 1999 trade amounted to 547.5 million crowns. Projects under the Stability Pact, where Macedonia is a direct recipient from the EU, offer a good chance for the revival of economic cooperation.

Bilateral agreements concluded in the period under review

– Protocol between the government of the Czech Republic and the Macedonian government on succession to earlier treaties, 6. 12. 1999, Skopje.

REPUBLIC OF CROATIA

Croatia is a potentially significant economic partner of the Czech Republic as well as an economic springboard to the region. The two countries have declared that there are no open questions between them. The treaty base has been developing intensively. However, relations have nevertheless been adversely influenced by the nationalist policy of former President Tudjman.

Croatia was 24th on the list in 1998 and 25th in 1999 among the foreign trade partners of the Czech Republic.

Visits by representatives of the Czech Republic

– 20–21. 11. 1998 – Prime Minister Zeman and his opposite number Matesa and Foreign Minister Kavan and his colleague Granic had talks in Zagreb on the occasion of the CEI summit. A solution was found to settling Croatia's clearing debt;

– November 1998, at the CEI summit, a session of the CEI Parliamentary Assembly took place attended by delegations of both chambers of the Czech Parliament. The Czech delegation at the Economic Forum of the CEI was headed by Minister Grégr;

– 29. 4. 1999 – Minister of Agriculture Fencel visited Croatia;

– 13–14. 7. 1999 – Defence Minister Vetchý visited Croatia;

– 28–30. 10. 1999 – Minister for Local Development Císař had talks with Minister for Tourism Herak on bilateral tourist exchanges.

Visits by representatives of the Republic of Croatia

– 22. 1. 1999 – Foreign Minister Granic;

– 12–14. 4. 1999 – Minister for the Economy Porges had talks in Prague and inaugurated a Croatian economic exhibition;

– 5–6. 11. 1999 – the Prime Ministers of the two countries met in Prague at the CEI summit.

Economic relations

Among the states of the former Yugoslavia, Croatia, after Slovenia, has been our second most significant partner. Croatia took 24th place with a 0.4% share of the overall trade of the Czech Republic. The economic decline in Croatia brought about a drop in bilateral trade in 1998–1999. Turnover in 1998 was approximately 6.6 billion crowns while the trade balance was clearly in favour of the Czech Republic (exports 5.3 billion, imports 1.3 billion crowns). This trend has continued in 1999 when there has been a further drop in trade. The turnover amounted to 5.8 billion crowns, of this exports were 4.7 billion, imports 1.1 billion crowns.

Among the major commodities in the Czech export list to Croatia were iron and steel products, road vehicles (2,700 automobiles and 900 tractors in 1998, machinery and equipment, machine tools, paper and paper products and live animals. Croatian exports to the Czech Republic centred on electrical equipment, non-ferrous metals, medicines and pharmaceutical products, fish and chemicals. The amount of mutual investments has been in fractions of percent and has not been mentioned in any statistics.

The only problem has been Croatia's clearing debt vis-a`-vis the Czech Republic (and also the Slovak Republic) amounting to USD 4.4 million.

Bilateral agreements concluded in the period under review

– Agreement between the Governments of the Czech Republic and the Republic of Croatia on cooperation in the veterinary field; 3. 12. 1998, Prague;

– Agreement between the Governments of the Czech Republic and the Republic of Croatia on cooperation in the protection of plants; 3. 12. 1998, Prague;

– Agreement on Technical, scientific and economic cooperation in agriculture between the Ministry of Agriculture of the Czech Republic and the Ministry of Agriculture and Forestry of the Republic of Croatia; 3. 12. 1998, Prague;

- Treaty between the Czech Republic and the Republic of Croatia on social security, 22. 1. 1999, Prague;
- Agreement between the Governments of the Czech Republic and the Republic of Croatia on aviation services, 22. 1. 1999, Prague;
- Treaty between the Czech Republic and the Republic of Croatia on preventing double taxation on income and on property; 22. 1. 1999, Prague;
- Agreement between the Governments of the Czech Republic and the Republic of Croatia on mutual assistance in customs matters, 3. 11. 1999, Prague;
- Agreement between the Governments of the Czech Republic and the Republic of Croatia on cooperation in the struggle against organized crime, illegal drug trafficking, terrorism and other types of dangerous criminal activity, 30. 11. 1999, Prague;
- Agreement between the Governments of the Czech Republic and the Republic of Croatia on the transfer of persons on the state borders, 30. 11. 1999 Prague;
- Protocol between the Ministry of Interior of the Czech Republic and the Ministry of Interior of the Republic of Croatia on executing the above Agreement, 30. 11. 1999, Prague.

Cultural relations

Minor events have predominated in the cultural sphere. The Czech Embassy in Croatia arranged several smaller exhibitions and meetings with Czech artists. It devoted great attention to cooperation with the Czech expatriate community which is the most numerous in South-East Europe (some 16,000 declared citizens of Czech nationality).

Republic of KAZAKHstan

Kazakhstan is the biggest of the new Central Asian republics. Its considerable natural wealth together with the gradual transformation of the economy to a market system have created the foundations for further progress. The Kazak Republic is stabilized macroeconomically with a great potential for industrial and agricultural development, which has made it a significant economic partner for us. In Czech-Kazak relations, economic cooperation has been the priority, owing to the differing regional locations of the two countries. The Czech Republic as a major exporter of capital goods has repeatedly stated its interest in promoting this cooperation.

Visits by representatives of the Czech Republic

– 18–20. 4. 1999 – official visit by Prime Minister Zeman, accompanied by the Minister of Industry and Trade and the Minister of Transport and Telecommunications, at the invitation of the Prime Minister of the Kazak government Balgimbajev.

Visits by representatives of the Kazak Republic

– 26–27. 5. 1998 – a delegation of the Ministry of Defence, led by Defence Minister Altynbajev, visited the Czech Republic.

Economic relations

Kazakhstan is a traditional trade partner of the Czech Republic. The original decline in trade was halted in 1996 thanks to rising imports from the Czech Republic. In 1998 the Czech Republic achieved an active trade balance amounting to 915 million crowns. During this period the highest volume of Czech exports to Kazakhstan so far (1.6 billion crowns) was reached as well as the highest turnover (2.4 billion crowns). Imports from Kazakhstan to the Czech Republic amounted to 743 million crowns in 1998. Trade figures in 1999 were as follows: imports 1.2 billion crowns, exports 947.2 million crowns; turnover 2.1 billion crowns; balance –273.7 million crowns.

The main items in Czech exports were machines and equipment (40%), various industrial products (19%) and classified market products (5%). Imports from Kazakhstan have mainly consisted of chemicals, mineral fuel (55%) and raw materials (5%).

Czech firms have seen participation in the restoration of the oil and gas industries, metallurgy, transport infrastructures and energy and the modernization of engineering as offering the most promising prospects. Possible openings in dealing with urban, long-distance and international transport (tram cars, trolley buses, railways) and in the construction of assembly plants within the framework of selected projects backed by the Kazak government are also attractive. The construction of the new capital city Astana also provides considerable opportunities.

Some Czech enterprises have already started negotiations on definite projects, a number of contracts have been signed, others are in the process of preparation (the project for urban transport in Almaty, combined with the supply of 100 trolley buses by Škoda Plzen, the construction of an electric power station in Uralsk, the project for building a high-speed railway between the new capital Astana and Almaty).

A credit line by Czech banks to Kazakhstan amounting to USD 30 million is expected to promote greater trade; the credit is to be used mainly for exports of Czech production equipment, means of transport and other engineering products.

Bilateral agreements concluded in the period under review

On 19. 4. 1999 the Prime Ministers of the Czech Republic and of Kazakhstan signed a Joint Declaration on the results of negotiations between the delegations of the Government of the Czech

Republic and the Government of the Kazak Republic on the future expansion of mutually advantageous cooperation.

Treaty between the Czech Republic and the Kazak Republic on preventing double taxation and tax evasion in the sphere of income tax and tax on property (Almaty, 9. 4. 1999, coming into force on 29. 10. 1999).

Cultural relations

Czech-Kazak cultural, scientific and educational relations have so far been inadequate. Cultural relations have been confined to films and music. The cultural activities of the Embassy have centred on the presentation of Czech films and work by Czech composers. The Embassy has established contacts with the Kazakhstan State Philharmonic Orchestra and with the State Conservatoire in Almaty which both did a great deal to popularize Czech music. Contacts in education have been limited to offering scholarships for study in the Czech Republic. Five government scholarships have been granted for the 1998/1999 academic year, and 3 scholarships have been offered for 1999/2000. There has been no cooperation so far in the field of science. Realistic opportunities have emerged in a number of subjects for the restoration of mutually advantageous cooperation between the academies of science and research institutes.

More than 1,000 persons of Czech origin lived in Kazakhstan towards the end of the period under review (Aktjubinsk, Borodinovka), most of them descendants of Czechs who arrived in Kazakhstan from Ukraine or Moldova at the beginning of last century or who resettled there after the second world war. The process of their resettlement in the Czech Republic which began in 1995, has continued in recent years. The Ministry of the Interior of the Czech Republic (department for refugees) and the association "People in Need", attached to Czech Television, also participated in the resettlement.

REPUBLIC OF CYPRUS

Czech-Cypriot relations are correct and without problems. The inclusion of the Republic of Cyprus among the candidate countries for membership in the EU has created new scope for mutual contacts. A constructive political dialogue has been in progress between the two countries.

Visits by representatives of the Czech Republic

– 22–23. 4. 1999 – visit by Vice Premier Lánský;

– 20–22. 5. 1999 – visit by Minister of Industry and Trade Grégr and Minister of Finance Svoboda;

Visits by representatives of the Republic of Cyprus

– 19–21. 1. 1999 – visit by the Cypriot Foreign Minister Kasoulides.

Economic relations

The Czech Republic held 46th place in the volume of trade between the two countries out of a total of 176 countries monitored. In 1998 and 1999 the turnover has been virtually the same – 0.46 billion crowns with an active balance for the Czech Republic. A gradual rise in trade is expected.

In the commodity structure pride of place is taken by machines and electrical equipment, iron and steel (for building purposes), timber (for construction), glass and glass products, plastic and chemicals, fibres and textiles and paper. Imports from Cyprus centre on citrus fruit (55% in 1998), products of the tobacco industry and pharmaceutical products.

The participation of firms at international trade fairs in both countries has been a significant factor in boosting trade.

Bilateral agreements concluded during the period under review

– Treaty between the Czech Republic and the Republic of Cyprus on social security, 19. 1. 1999, Prague;

– Agreement between the Governments of the Czech Republic and the Republic of Cyprus on the succession of bilateral treaties, negotiated by an exchange of letters, 19. 1. 1999, Prague.

Cultural relations

The contractual document about the expansion of cultural relations has been the Agreement on Cooperation in Culture, Science and Education of 1971. The cultural section of the Cypriot Ministry of Foreign Affairs handed the Czech side the draft of a Procedural Programme for its consideration. There are no obstacles on the part of the Czech Republic preventing acceptance of this draft.

REPUBLIC OF MALTA

Despite its small territorial size and human resources, Malta is among the leading candidates for membership in the European Union mainly thanks to its advanced economy and considerable compatibility of its legislation with European systems. The Czech Republic and Malta have been collaborating in their preparations for admission to the EU.

Visits by representatives of Malta:

- 1–4. 2. 1999 – Deputy Foreign Minister (as of April 1999 Minister) Borg;
- 10–15. 5. 1999 – Prime Minister Fenech Adam on the occasion of a Week of Maltese Culture in Prague (meetings with President Havel and Prime Minister Zeman).

Economic relations

In 1998 the trade turnover amounted to 188 million crowns (Czech exports 129 million, imports 59 million crowns), active balance 70 million crowns), in 1999 turnover was 199 million crowns (Czech exports 129 million crowns, imports 70 million crowns, active balance 59 million crowns). The main items on the list of Czech imports from Malta have been integrated electronic circuits, micro-systems, printing machinery, non-woven yarn, products made of vulcanized rubber and parts for spectacle frames. Czech exports to Malta centred on Škoda automobiles (in 1998 approx. 800 cars), textile yarn, spare parts, car accessories, musical instruments, electrical engineering tools and medicines.

Bilateral agreements

Notes were exchanged in April 1999 to confirm the succession of treaties concluded between Malta and the Czechoslovak Republic, and Malta and the Czechoslovak Federal Republic (Note of the Czech Republic Ministry of Foreign Affairs of 28. 10. 1998 and a corresponding Maltese Note of 28. 4. 1999).

Cultural relations

The major cultural events during the period under review were the Czech Week in Malta 2. 10–10. 10. 1998 (attended by the Prague Chamber Ballet), and the Week of Malta in Prague 11–18. 5. 1999 (an exhibition at Prague Castle of unique, up to 7000 years old archaeological findings). In the field of education there is an annual exchange of 2 students on language courses (Czech-English).

REPUBLIC OF MOLDOVA

The Republic of Moldova was established when the former Union Republic of the USSR gained independence in the process of its breakup. It is gradually consolidating its statehood and independence. It plays a significant role in the European security system. The session of the Foreign Ministers of the CEI member countries in Karlovy Vary on 24. 6. 1999 decided to send a fact-finding mission of the CEI “troika” to the Republic of Moldova. The mission took place on 29–30. 9. 1999. It was led by Czech Deputy Foreign Minister Palouš. The findings of the mission served as a basis for the declaration on the situation in the Trans-Dniester region, issued by the CEI summit in Prague.

Visits by representatives of Moldova

- 10–12. 12. 1998 – a delegation led by Justice Minister Padurar visited the Czech Republic. It was organized under the auspices of the UNHCR.
- 11–13. 5. 1999 – visit by Vice Premier Muravsky to Prague.

Economic relations

Although the current volume of trade has been low and has not corresponded to possibilities on both sides, it has been rising. In 1998 turnover amounted to 0.47 billion crowns, in 1999 it was 0.4 billion crowns; 90% of this accounted for Czech exports. Trade has been boosted by new agreements on trade and economic cooperation, on preventing double taxation and the promotion and protection of investments.

Bilateral agreements concluded during the period under review

- Agreement on economic and trade cooperation, 12. 5. 1999, Prague;
- Agreement on preventing double taxation, 12. 5. 1999, Prague;
- Agreement on promoting and protecting investments, 12. 5. 1999, Prague.

Cultural relations

Cultural relations had no treaty base and took place autonomously. Their scope was very small.

ROMANIA

Romania is a traditional Czech partner in South East Europe. The points of contact in bilateral relations have been membership in CEFTA and the CEI, the process of integration in the EU and Euro-Atlantic cooperation. Contacts have been intense and fruitful. The Czech Republic supported the inclusion of Romania among the EU candidate countries and its admission to NATO.

Visits by representatives of the Czech Republic

- 10–14. 10. 1998 – Chairman of the Senate of Czech Parliament Pithart visited Romania;

- 18–19. 3. 1999 – Prime Minister Zeman, accompanied by the Ministers of Agriculture, Finance, Industry and Trade, had talks in Romania;
- 26–29. 5. 1999 – Vice Premier Rychetský visited Romania;
- 23–24. 11. 1999 – a delegation of the Foreign Relations Committee of the Czech Chamber of Deputies, led by its chairman Zaorálek, visited Romania;
- 24–25. 11. 1999 – visit by Interior Minister Grulich;
- 5–8. 12. 1999 – a delegation of the Foreign Relations Committee of the Senate, led by Vice Chairman Krámek.

Visits by Romanian representatives

- 26–27. 10. 1998 – Defence Minister Babiuc visited the Czech Republic;
- 2–5. 11. 1998 – visit by Foreign Minister Plesu;
- 8–10. 11. 1999 – visit by Chairman of the Senate of the Romanian Parliament Roman.

Economic relations

There has been a steady upsurge in trade since 1994. The trade balance recorded a permanent high balance in favour of the Czech Republic. Turnover in 1998 was 6.6 billion crowns. In 1999 it dropped to 5.6 billion crowns with Czech exports exceeding four fifths of the turnover.

Among the commodities on the Czech export list to Romania in 1998 were consumer goods, chemicals, machines, vehicles and foodstuffs. Furthermore, there were tyres and cords for tyres and plastic products (17.6% of all exports), metals and metal products (12.11%), chemical products (11.5%), machines and electrical equipment (11%), automobiles and means of transport (7.92%), wood-pulp, paper and cardboard (7.75%), textile materials and textile products (7.88%). On the other hand, the most frequent Romanian articles exported to the Czech Republic were furniture and sports goods (22.9%), timber and charcoal (12.8%), metal and metal products (11.43%), Textile material and textile products (9.5%), chemical products (9.2%).

Bilateral agreements concluded in the period under review

- Agreement on cooperation in the veterinary sphere, 18. 3. 1999, Bucharest;
- Agreement on cooperation in the protection of plants, 18. 3. 1999, Bucharest.

Cultural relations

An inter-departmental agreement was concluded in June 1998 between the Ministries of Education of the Czech Republic and Romania on cooperation in education for 1998–2000; it makes provisions for study at state universities of the two contracting parties under financial conditions applying to citizens of their own countries.

In Romania there are 5,500 Czech expatriates, descendants of Czech émigrés who have settled there since the 1920s, mainly in southern Banat. The Czech minority in Romania is today probably the most authentic Czech community abroad. The implementation of a programme of exceptional assistance to the expatriate community (started in 1995) has continued; its objectives are the repair of Czech schools and cultural centres in the region, repairs of access roads to Czech localities, introducing telephones in these localities and providing their inhabitants with adequate medical care.

RUSSIAN FEDERATION

Notwithstanding the complex domestic social and economic situation and the slow progress of reforms in the country, Russia has remained one of the major participants in international relations because of its geopolitical position and overall potential. The permanent membership of the Russian Federation in the UN Security Council as well as Russia's position as the second largest global nuclear power are of particular importance. Russia plays a prominent part in the functioning of a European and worldwide security system; it has retained its influence in relation to most of the decisive issues in international relations.

Relations with the Russian Federation, with emphasis on trade, economic and foreign policy and security, have been a major element of Czech foreign policy. Political contacts during the recent period have been somewhat reduced owing to the accession of the Czech Republic, Poland and Hungary to NATO and to the operations of the Alliance against the Federal Republic of Yugoslavia. Russia used to be among our major trade and economic partners. That is why increased attention has been devoted to possibilities of developing economic relations, expanding trade and economic cooperation and removing obstacles to trade on both sides.

The position of Russia in the foreign trade of the Czech Republic dropped from 6th place in 1998 to 9th in 1999.

Visits by representatives of the Czech Republic

- 20–21. 8. 1998 – Chairman of the Senate of the Czech Parliament Pithart visited Moscow in connection with the commemoration of the 30th anniversary of August 1968;
- 5–6. 9. 1998 – Chairman of the Chamber of Deputies Klaus on a private visit to Moscow at the invitation of the Moscow branch of Carnegie Endowment;
- 15–16. 10. 1998 – consultations by First Deputy Foreign Minister Pick in Moscow;

- 17. 12. 1998 – working visit to Moscow by Vice Premier Mertlík. During the visit an agreement was signed on cooperation between the Škoda Auto and Izhmash enterprises;
- 25–26. 3. 1999 – a regular meeting of the Inter-Governmental Commission for trade, economic, scientific and technical cooperation was held in Moscow. The Czech delegation was led by the chairman of the Czech section of the Commission, Minister of Industry and Trade Grégr;
- 15–16. 4. 1999 – a Government delegation of the Czech Republic, led by Prime Minister Zeman had talks in Moscow; they centred mainly on economic and trade cooperation and the repayment of the Russian debt to the Czech Republic. The Ministers of Industry and Trade, Finance, Transport and Telecommunications, and Agriculture also took part;
- 8. 12. 1999 – Deputy Finance Minister Mládek had talks on the repayment of the debt by the Russian Federation.

Visits by representatives of the Russian Federation

- 24. 9. 1999 – Deputy Finance Minister Kasjanov had talks in Prague on the further procedure in implementing the agreements on the repayment of the debt of the former USSR and the Russian Federation to the Czech Republic.

Economic relations

In 1998 and 1999 the Czech Republic endeavoured to expand economic relations with Russia. It tried hard to create favourable conditions for the expansion of trade and economic cooperation, for reducing the trade deficit and eliminating existing obstacles to trade by coordinating the activities of state institutions within the relevant inter-governmental commission. The Ministry of Foreign Affairs, in collaboration with the Ministry of Industry and Trade as well as other ministries prepared proposals for the possible increase of cooperation not only on a central but also regional scale; in other words, it included promising trade partners in the Russian Federation who are entitled to engage in foreign trade autonomously (Moscow, Petersburg, the Tatar Republic, etc.).

The number of joint ventures with Russian partners increased in 1998–99, and consignment warehouses were built as well as sales and service networks. Several joint firms were operating in the Russian Federation. Czech firms have either a 100% or a majority share in these. Long-term joint projects centred on the manufacture of radiators, the modernization of tram cars, crude extraction, building work and the manufacture of building components, supplies of food processing machines and equipment, etc.

During the six years between 1992 and 1998 imports from the Russian Federation to the Czech Republic were about USD 7 billion higher than Czech exports to the Russian Federation. The year-by-year inter-annual rise in the deficit balance in Czech-Russian trade culminated in 1996 (it reached USD 1.36 billion). As a result of a drop in world prices of crude and of natural gas, but in part also due to alternative supplies to the Czech Republic by imports of crude oil via Ingolstadt and the purchase of Norwegian natural gas, the deficit balance began to decrease as of 1997. The opportunities for trade and economic cooperation were again reduced by the growing financial and economic crisis which emerged in the Russian Federation after 17. 8. 1998; as a result of this there

was a further drop in the volume of trade. The share of the Russian Federation in the total foreign trade turnover of the Czech Republic dropped to 4.0% in 1998 (in 1997 it was 5.1%), in the case of exports, it fell to 2.5% (in 1997 3.2%) and in imports it declined to 5.5% from 6.8% in 1997.

In 1998 the turnover of trade amounted to 72.3 billion crowns, of this imports 51.2 billion and exports 21.1 billion crowns. In 1999 the trade turnover amounted to 61.3 billion crowns, of this imports 48 billion and exports 13.3 billion crowns. The balance of mutual trade was in a permanent deficit and in 1999 stood at 34.7 billion crowns.

Major import items were fuel (crude and natural gas – approx. 70%), raw materials (10%) and materials (steel, leather, etc. – 12%). The main export items were machines and equipment, foodstuffs, industrial products and consumer goods.

Mutual relations were burdened by problems connected with the implementation of agreements on the settlement of the debts of the former USSR and the Russian Federation with the Czech Republic. The timetable of the settlement was restructured for the years 2002–2020 on the basis of the agreement between the Russian Federation and the Paris Club, but the Russian side did not even fulfil the debt settlement agreements covering the interest of the debt. The Minister of Finance of the Russian Federation Kasjanov had talks in Prague at the end of September 1999 on the further procedure in fulfilling the agreements on the settlement of the debt of the former USSR and of the Russian Federation, and Czech Deputy Finance Minister Mládek had similar talks in Moscow at the end of 1999.

After the accession of the Czech Republic to NATO, relations in military and technical cooperation remained on a very low level, with the exception of deliveries of certain essential spare parts for military hardware as part of the repayment of part of the Russian debt

Bilateral agreements concluded in the period under review

- Agreement between the Governments of the Czech Republic and the Russian Federation on temporary employment, 25. 6. 1998, Moscow;
- Agreement between the Office for Technical Normalization, Meteorology and State Testing of the Czech Republic and the Committee of the Russian Federation for normalization, meteorology and certification on authorizing the results of tests of mutually supplied products between manufacturing and trading enterprises of the Czech Republic and the Russian Federation, 15. 4. 1999, Moscow;
- Supplement to the Agreement between the Governments of the Czech Republic and the Russian Federation on cooperation in the field of nuclear energy, concluded on 4. 12. 1994, 15. 4. 1999, Moscow;
- Agreement between the Governments of the Czech Republic and the Russian Federation on mutual care of war graves, 15. 4. 1999, Moscow;
- Agreement on cooperation between the Czech EGAP insurance company and the Czech Export Bank and the Russian Ingosstrach insurance company and the Russian Avtobank, 15. 4. 1999, Moscow.

Cultural relations

Relations have been based on the Agreement on cooperation in the field of culture, science and education of 1996. Despite immense efforts made by both sides, the procedural protocol to the cultural agreement could neither be prepared nor signed during the past two years due mainly to a shortage of financial resources. That is why the focus of cultural relations was shifted to the sphere of direct cooperation between partner cultural institutions and exploiting the possibilities offered by institutions collaborating with the Czech Embassy in Moscow.

The Embassy, furthermore, acted as an intermediary and initiator of requests of grants by the Czech Ministry of Culture, to support translations of Czech literature.

Commemorative events to mark the 30th anniversary of the Prague Spring and August 1968 (20–21. 8. 1998), Days of Czech Culture (2–7. 11. 1998) and Days of Czech Literature (22–26. 4. 1999) were arranged in Moscow with the assistance of the Czech Embassy and the Czech Centre. Several events were held in Moscow between 9 and 17. 11. 1999, as part of the Days of Czech Culture to mark the 10th anniversary of the fall of the Iron Curtain.

Cooperation in education was based on the valid inter-governmental agreement and arrangement between the Ministry of Education, Youth and Physical Training of the Czech Republic and the Ministry of General and Specialized Education of the Russian Federation on cooperation in education and science of 1998–1999. Under this arrangement each side is entitled to 60 study places for students, university teachers and language teachers. But here, too, possibilities have been limited by a shortage of funds.

FEDERAL REPUBLIC OF YUGOSLAVIA

The attitude of the Czech Republic to one of the most problematic countries in the European, or to be specific, in the Balkan region – the Federal Republic of Yugoslavia – is based on the relevant passage in the Concept of Foreign Policy, stating that the Czech Republic closely monitors the conflicts in the South East European region and is prepared to do everything within its powers to assist a peaceful settlement.

The Czech Republic has repeatedly stated its interest in the democratization of conditions in the Federal Republic of Yugoslavia and the gradual incorporation of the country in the life of the international community. Some of the prominent representatives of the Serb democratic opposition as well as the President of the Republic of Montenegro have visited the Czech Republic.

The Czech Republic has contributed to settling the Yugoslav crisis as far as has been possible within the limits of its capabilities. Czech representatives joined the Kosovo verification commission. The Czech KFOR unit deployed in Kosovo has been highly praised. The Czech Republic offered and continues to offer humanitarian aid. Apart from endorsing the position of the international community towards Yugoslavia, the Czech Republic came forward with its own initiative for the settlement of the armed conflicts in Kosovo when, together with Greece, it submitted joint Czech-Greek proposals for a peace process in South-East Europe.

While backing the Alliance operation on the territory of the former Yugoslavia, the Czech Republic has stressed that under the circumstances its prime concern is to participate in a peaceful settlement of the Yugoslav crisis. We still regard Kosovo as an integral part of Serbia and of the Federal Republic of Yugoslavia and we support attempts by the international community to create a multiethnic and multicultural society there.

Economic relations

The Yugoslav market remains interesting for Czech firms. Trade between the two countries in 1999 (imports 381.1 million crowns, exports 1.9 billion crowns) was influenced adversely by the conflict in Kosovo and by EU restrictive measures against Yugoslavia which the Czech Republic joined and respects. A number of Czech firms have shown interest to cooperate in the Czech Republic's participation in the programme of renewal in South-East Europe, a large number of Czech firms have shown interest in the country.

Bilateral agreements concluded during the period under review

– Agreement between the Governments of the Czech Republic and the Federal Republic of Yugoslavia on mutual assistance in customs matters, 9. 9. 1998, Belgrade.

UKRAINE

Its geopolitical position and potential makes Ukraine a significant factor in European security. The Czech Republic regards certain steps by the current Ukraine leadership in a favourable light (especially the declared pro-integration option, normalization of relations with its neighbours, expanding cooperation with NATO, a positive approach to the accession of the Czech Republic to NATO, steps to commence economic reforms), and hopes this policy will continue. The existence of Ukraine as an independent, democratic and prospering state is in the interest of the Czech Republic.

An active Czech-Ukrainian dialogue has been in progress, and there have been several meetings between senior state and government representatives. Ukraine was our second largest trade partner among the countries of the former USSR (after Russia), but in 1998 it dropped to 18th place among our foreign trade partners, and to 22nd place in 1999.

Visits by representatives of the Czech Republic

– 14–15. 5. 1999 – President Havel visited Ukraine in connection with the meeting of Central European Presidents in Lvov;

- 1–3. 9. 1999 – Defence Minister Vetchý had talks in Kiev, and signed a protocol on cooperation in military aviation;
- 10–11. 9. 1999 – an international conference “Baltic-Black Sea cooperation: towards an integrated Europe of the 21st century without dividing lines” took place in Jalta, attended by Vice Premier Lánský;
- 16–17. 11. 1999 – the 4th session of the Czech-Ukrainian Commission on trade and economic cooperation met in Kiev. The Czech delegation was headed by Deputy Minister of Industry and Trade Maceška;
- 30. 11. 1999 – the chairman of the Senate of the Czech Parliament Mme. Benešová visited Kiev to attend the inauguration of President Kučma;
- 20. 12. 1999 – the first meeting of the Czech-Ukrainian expert commission on the solution of the problem of the illegal employment of Ukrainian nationals in the Czech Republic. The talks were attended by Deputy Foreign Minister Palouš, First Deputy Minister of Interior Kopřiva and Deputy Minister of Labour and Social Affairs Rychlý.

Visits by representatives of Ukraine

- 22. 3. 1999 – Deputy Minister of Foreign Affairs J. Tkač in Prague for consultations;
- 24. 6. 1999 – Foreign Minister B. Tarasjuk, at CEI meeting in Karlovy Vary;
- 5–6. 11. 1999 – Prime Minister Zeman and Prime Minister V. Pustoujtenko met during the Prague CEI Summit to discuss among other things questions relating to the employment of Ukrainian citizens in the Czech Republic and visa requirements for Ukrainians travelling to the Czech Republic.

Economic relations

In 1998 turnover of trade was 13.8 billion crowns, of this Czech exports were 6.9 billion crowns, imports 6.9 billion. The balance was basically equal, the active Czech credit balance amounted to 16 million crowns.

In 1999 turnover stood at 10.1 billion crowns, of this Czech exports were 4.1 billion, imports 6 billion crowns. During that period the balance was negative for the Czech Republic, the deficit amounted to 1.8 billion crowns. The main reason for the drop in trade was the deteriorating economic situation in Ukraine and the steep devaluation of the hryvna.

Imports from Ukraine were represented mostly by iron ore and iron ore concentrate (42.4%), ferrous alloys (6.9%), flat rolled products made of iron or non-alloy steel (6.4%) and crude non-processed aluminium (4.5%).

The predominant Czech export items to Ukraine were modelling paste, dental wax or denture impression mixture (14.4%), automobiles (7.7%), parts of railway carriages (4.6%) and organic surface active materials (3.9%).

At the end of 1998, the overall volume of Czech direct investments in the Ukraine economy reached just under USD 22 million; of this their net deposit amounted to USD 7.4 million in 1998. The largest flow of investments was recorded recently in the food industry and the manufacture of medical supplies, trade, public catering and the finance sector.

Bilateral agreements concluded during the period under review

- Protocol between the Government of the Czech Republic and the Cabinet of Ministers of Ukraine on bilateral contractual relations between the Czech Republic and Ukraine; 17. 12. 1998, Prague;
- Protocol to the Agreement between the Governments of the Czech Republic and Ukraine on the employment of nationals of the Czech Republic and nationals of Ukraine in 1999; 17. 8. 1999, Prague;
- Protocol between the Ministry of Defence of the Czech Republic and the Ministry of Defence of Ukraine on cooperation in the sphere of military aviation, 1. 9. 1999, Kiev;
- Arrangement between the Ministry of Interior of the Czech Republic and the Ministry of Interior of Ukraine on implementing the Agreement between the Governments of the Czech Republic and Ukraine on cooperation in the struggle against organized crime, terrorism and illegal drug trafficking of 30. 6. 1997; 5. 11. 1999 Kiev.

Cultural relations

The Czech Embassy in Kiev organized a series of events, predominantly of a smaller nature (film screenings, concerts of classical music, exhibitions of photographs, meetings with politicians). An exhibition of original posters by Alfons Mucha in Lvov in May and in Sevastopol in June 1999 met with great response.

During the period under review 22 Ukrainian students studied in the Czech Republic, of these 5 as recipients of government grants.

The Embassy collaborated with Czech expatriates of whom there are some 10,000 in Ukraine. Expatriate organizations in Lvov, Luck, Kiev, Zhitomir, Mikolajivka, Bohemka and elsewhere were active in the period under review.

The REPUBLIC of UZBEKHISTAN

During the period under review, the Uzbek Republic was among the stable countries of the post-Soviet area with strong claims to be a regional Central Asian power. Rich mineral raw material deposits, the growing potential of agricultural production and the gradual transformation of the economy to a market system have created the necessary conditions for the country's further progress. Economic cooperation had priority in Czech-Uzbek relations; in view of the fairly recent history of relations between them the same applies also to creating a mutual contractual base. As a major exporter of capital goods and means of transport, the Czech Republic repeatedly stated its interest in promoting trade and economic cooperation, which at the moment does not correspond to the potential of the two states.

Visits by representatives of the Czech Republic

– 20–21. 4. 1999 – official visit by Prime Minister Zeman, accompanied by the Minister of Industry and Trade and the Minister of Transport and Telecommunications, on the invitation of Uzbek Prime Minister Sultanov.

Economic relations

Trade cooperation between the Czech Republic and Uzbekistan has a long tradition. In 1998 trade turnover reached 1.8 billion crowns. The extent of trade and the deficit balance on our part (934 million crowns) did not correspond to the potential of the Czech economy. In 1998 the Czech Republic exported goods worth 466 million crowns to Uzbekistan. Imports from Uzbekistan amounted to 1.4 billion crowns. These are the figures for 1999: imports 717.8 million, exports 493.4 million, turnover 1.2 billion, balance –224.4 million. The factors limiting exports have included the problematic convertibility of the Uzbek national currency and a shortage of foreign currency on the part of Uzbek importers.

The commodity structure of Czech imports consisted mainly of cotton (98%) and textile fibres. Predominant items on the list of exports to Uzbekistan were machines and equipment, and products classified on the basis of material which represented 63% of the total Czech exports to Uzbekistan in 1998. This was followed by chemicals and foodstuffs (especially sugar). The decline of Czech exports last year was caused by the fact that a contract for earlier ordered 30 tram cars (ČKD Prague) and other means of transport (trolley buses and Škoda electric railway engines) has only been partially fulfilled.

Supplies of means of transport and transport infrastructure, for example, as part of a project to restore the so-called Silk Road, have been long-term plans. Projects agreed by both sides concerned supplies of technology for the building industry, refrigeration equipment, the introduction of production in the pharmaceutical industry with the use of local raw materials and supplies of technological equipment for the chemical industry. Uzbek firms have showed interest in the supply of Czech breweries including mini-breweries.

Czech firms have been active in production cooperation by setting up joint companies with Uzbek partners. The best known joint venture is AVIA-AVTAS, a joint company for the assembly of lorries, and the Samarkand-Praha firm for the manufacture of non-alcoholic beverages and beer. Another joint firm in this sector is the Sun-Wine company. The firm Marc-CZ was engaged in a

joint venture for the manufacture of waterproof technical textiles for cotton packaging. The Léčiva Praha enterprise has also set up a joint company.

Bilateral agreements concluded in the period under review

– The contractual base of bilateral relations has been supplemented by an Agreement between the Governments of the Czech Republic and the Uzbek Republic on international road transport of persons and goods, 20. 4. 1999, Tashkent.

Prime Minister Zeman and Uzbek President Karimov signed a Joint Declaration on 20. 4. 1999 on the development of mutual cooperation between the Czech and Uzbek Republics.

Cultural relations

Czech-Uzbek cultural relations are only beginning to develop. Cultural contacts have been influenced by the considerable distance between the two countries. Lately there has been a slight revival in this respect thanks to several successful events organized with the participation of the Czech Embassy. Cooperation in the educational field has been organized on governmental and non-governmental levels. The Czech Republic has offered Uzbekistan state scholarships for 2 students annually. Cooperation in the scientific field is still practically non-existent since there are no agreements between the academies or scientific research institutes.

OTHER COUNTRIES IN THE AREA

KYRGYZ REPUBLIC, The REPUBLIC of TAJIKISTAN, TURKMENISTAN

The Czech Republic considered the development and intensification of economic cooperation as a priority in its relations with the Kyrgyz and Tajik Republics and with Turkmenistan. The level of trade established so far does not correspond to the potential of all sides.

The visit by Prime Minister Zeman in the Kyrgyz Republic in April 1999 was significant for the promotion of Czech-Kyrgyz relations; a Joint Declaration was signed on the further development of mutual cooperation between the two countries.

Relations with the Tajik Republic and with Turkmenistan were maintained on a routine diplomatic level. The Tajik commercial representation in Prague was closed in December 1998.

REPUBLIC of ARMENIA, the AZERBAIJAN REPUBLIC, GEORGIA

Relations with the Armenian Republic and with the Azerbaijan Republic have so far been merely in their initial stage, but the Czech Republic has declared its interest in their further promotion, primarily in economic cooperation. The Czech Republic has wanted to broaden the contractual base and increase the foreign trade turnover, which in the period under review did not correspond to the potential of the countries concerned. The conclusion of an inter-governmental agreement on trade and economic relations and scientific and technical cooperation with Azerbaijan has been a positive factor.

Relations between the Czech Republic and Georgia have gradually begun to develop. This is demonstrated by increasingly frequent contacts between representatives of the two countries. It was decided to open a diplomatic mission in Tbilisi at Embassy level to represent the Czech Republic in Georgia and the Armenian Republic. The Czech Republic in this way seeks to increase cooperation with both states in the political, economic, cultural and other spheres. The contractual base has recently been supplemented by an Agreement between the Ministry of Defence of the Czech Republic and the Ministry of Defence of Georgia on military cooperation (18. 5. 1999, Prague).

7. Relations Between the Czech Republic and the countries of Asia and the Pacific area

COMMONWEALTH OF AUSTRALIA

The Commonwealth of Australia is a parliamentary monarchy of a federative type. Australia performs a significant political and economic role in the Asian and Pacific area. There are many Czech expatriates in Australia who play an irreplaceable role in promoting Czech-Australian contacts.

Visits by representatives of the Czech Republic

– 7–15. 5. 1999 – Minister of Agriculture Fencel;

– 19. 11–3. 12. 1999 – delegation of the Committee for the Economy, Agriculture and Transport of the Senate.

Economic relations

Trade between the Czech Republic and Australia is relatively insignificant even though there exist potential and untapped possibilities for its expansion on both sides. In 1999 trade amounted to 2.1 billion crowns (exports 1 billion, imports 1.1 billion crowns). In 1998 turnover amounted to 2.6 billion crowns (exports 1 billion and imports 1.5 billion crowns).

The main Czech export items remain glass for domestic and kitchen use, textile cloth, building machines, tractors and spares, tyres, ceramic insulators, components for the transmission of electricity and engineering products.

Australian imports to the Czech Republic are wool, sheepskins, meat and food ingredients, concentrates of manganese, aluminium, titanium and other ore, and more recently medical and pharmaceutical products.

Cultural relations

Contacts in the cultural, educational, scientific and medical sphere are in most cases carried out on a commercial basis, but occasionally there are invitations by expatriates to various Czech song and dance groups. Interest in Australia centres on our drama and puppetry as well as on classical music. Exhibitions of Czech art handicrafts, artistic photographs and books have made a traditional name for themselves.

PEOPLE'S REPUBLIC OF CHINA

The People's Republic of China is among the regional super-powers and also aims to play the role of a super-power on a worldwide scale. Its influence permeates the Asian and Pacific area. The People's Republic of China is a permanent member of the UN Security Council and participates in the activities of many international organizations. It is a major trading partner of the EU countries. It belongs to no political or military association. The Czech Republic is linked to the People's Republic of China by traditional, friendly relations. At the end of 1999 the two countries commemorated the 50th anniversary of the establishment of diplomatic relations.

Visits by representatives of the Czech Republic

- 19–20. 7. 1998 – Chairman of the Fund of National Assets Česka at an OECD seminar;
- 20–23. 5. 1999 – Foreign Minister Kavan;
- 10–13. 7. 1999 – Governor Tošovský at a session of the World Settlements Bank;
- 12–19. 7. 1999 – Deputy Minister of Culture Mme. Wünschová
- 29. 8–3. 9. 1999 – Minister of Industry and Trade Grégr;
- 5–9. 9. 1999 – Chief of the General Staff, Lt. Gen. J. Šedivý;
- 5–10. 9. 1999 – Supreme State Prosecutor Mme. Benešová;
- 6–15. 9. 1999 – Deputy Minister of Education, Youth and Physical Training Malý;
- 14–16. 9. 1999 – Minister of Transport and Telecommunications Peltrám;
- 16–18. 12. 1999 – Prime Minister Zeman, Vice Premier and Minister of Finance Mertlík, Minister of Industry and Trade Grégr.

Visits by representatives of the People's Republic of China

- 1–6. 7. 1998 – delegation of the Main Administration for Logistics of the Ministry of Defence, led by Zhou Kunren;
- 17–18. 9. 1998 – Deputy Foreign Minister Zhang Deguang;
- 15–16. 10. 1998 – Deputy Minister of Foreign Trade and External Economic Cooperation Zhang Xiang;
- 13–15. 10. 1999 – Minister of Foreign Trade and External Economic Cooperation Shi Guansheng.

Economic relations

The Chinese People's Republic is one of the most important trade partners of the Czech Republic in Asia. Bilateral trade has a long tradition in Czech-Chinese relations.

However, during the last few years there has been a considerable deterioration in the balance of trade between the Czech Republic and the Chinese People's Republic since Czech exports have been steadily declining in contrast to Chinese exports to the Czech Republic, which have increased several times over the past few years (in 1998 imports 16.1 billion crowns, exports 1.5 billion crowns, turnover 17.6 billion crowns). Nor could this unfavourable trend be stopped in 1999 (imports 19.5 billion crowns, exports 2.1 billion crowns, turnover 21.6 billion crowns).

Trade between the two countries is also determined by substantial import restrictions imposed by the Chinese side, by considerable year-on-year fluctuations and by the scaled-down structure of Czech exports.

Both sides agree on the need for a further diversification of economic relations in commodities as well as for the participation of individual export enterprises.

Opportunities for Czech exporters exist primarily in branches such as energy and the mining industry, ecological engineering, transportation systems, food processing equipment and medical technology.

The decisive factor determining a more pronounced presence of Czech firms in the Chinese market, which is very demanding when it comes to investments, is cooperation with strong partners in third countries, sub-contractor participation in individual projects, and possibly cooperation with domestic partners. All this, however, is at present beset by many problems.

An important event during Prime Minister Zeman's visit to the Chinese People's Republic was the signing of a contract for the supply of energy blocks for the Shentou power station.

As part of the one-China policy, the Czech Republic also pursues intensive economic and cultural relations on a non-governmental level with Taiwan.

Cultural relations

Cultural, educational and scientific contacts proceed on the basis of departmental agreements of the Ministry of Education, Youth and Physical Training, the Ministry of Culture and the Academy of Sciences of the Czech Republic, to a lesser degree also on the basis of individual activities and non-governmental institutions.

In July 1999 a Week of Czech Films was held in Beijing, in November the Foibos agency prepared an exhibition of Czech artistic glass. There is a regular exchange of trainees from both countries as part of educational contacts. The Czech Republic offers the Chinese People's Republic government scholarships for postgraduate doctoral study.

REPUBLIC OF the PHILIPPINES

The Republic of Philippines represents a significant member of the community of South-East Asia. The country's foreign policy centres on cooperation in the regional organizations ASEAN and APEC and on all-round cooperation with the US.

Visits by representatives of the Czech Republic

A visit by Prime Minister Zeman was planned to take place in December 1999 but it was eventually called off at the request of the Philippine side.

Visits by representatives of the Republic of Philippines

– 16–17. 6. 1999 – consultations between the Ministries of Foreign Affairs of the two countries at the level of Deputy Ministers Palouš and Baji.

Economic relations

Trade between the two countries in 1998 was worth 3 billion crowns, exports 2.5 billion crowns, imports 0.49 billion crowns. The figures for 1999 are as follows: turnover 1.6 billion crowns, exports 1.1 billion crowns, imports 0.5 billion crowns.

A high-speed rail link was launched in December 1999 for which ČKD Praha supplied 73 tram units. The entire contract amounts to USD 170 million. The total amount of contracts signed by Czech firms in the Philippines during the past two years reached over USD 310 million.

Bilateral agreements concluded during the period under review

An Agreement on preventing double taxation was initialled in Prague in April 1999.

Cultural agreements

Relations in this sphere are favourably influenced by the popularity of the Prague Little Jesus in the Philippines and by the friendship between Professor Ferdinand Blumentritt, a native of the town of Litoměřice, and the Philippine revolutionary José Rizal who stood at the cradle of the independence of the Philippines during the second half of the 19th century.

REPUBLIC OF INDIA

Bilateral agreements concluded during the period under review

An agreement to prevent double taxation was signed on 1. 10. 1998. Bilateral negotiations between experts were held in Delhi on 30–31. 8. 1999 on the succession of Czechoslovak treaties with India to be incorporated in the contractual base between the Czech Republic and India. The two sides agreed that the extradition agreement and the scientific technical agreement were obsolete and new agreements had to be negotiated. They also agreed that they would adjust the question of mutual recognition of titles and documents on education.

Once the relevant internal procedures have been completed on both sides the succession will be executed by an exchange of notes between the Ministry of Foreign Affairs of the Czech Republic and the Indian Embassy in Prague.

Cultural relations

Cultural cooperation is taking place on the basis of a cultural agreement. A new cultural agreement was signed during a visit by the Indian President to the Czech Republic on 11. 10. 1996. A regular exchange of university scholarship holders is being arranged between the two countries. Cooperation in the field of culture is traditionally of a very good standard. Since 1949 the Czechoslovak Republic has regularly participated in the international Shankara children's art exhibition and in 1999 a Czech child won the main prize – the Jawaharlal Nehru Memorial Gold Medal – for the first time.

REPUBLIC OF INDONESIA

Because of its geographical position and large population, the Republic of Indonesia is a major factor for stability and security in South East Asia. It takes an active part in regional cooperation within ASEAN, APEC and ASEM. The financial and economic crisis in Asia towards the end of the 1990s brought about a temporary decline in economic and cultural cooperation with the Czech Republic.

Economic relations

The development of economic relations between the Czech Republic and Indonesia does not correspond to the potential of both countries.

The trade balance has been in deficit for the Czech Republic since 1994 and continues to deteriorate. The deficit increased considerably in 1998 when cheap imports rose by 25% as against the previous year. The pronounced drop in Czech exports led to an increase in the deficit. In 1998 trade amounted to 2.6 billion crowns, imports to 1.7 billion, export to 0.95 billion. In 1999 mutual turnover amounted to 2.5 billion crowns, imports 2.2 billion, and exports 0.3 billion crowns.

Czech products which stand a chance of making their way onto the Indonesian market include agricultural equipment and technology, food industry equipment and technology, leather processing and footwear manufacturing equipment, the mining industry, refining oil and natural gas.

In order to find a place on the Indonesian market, firms must show initiative in presenting themselves with the help of good references, actively participating in tenders; they should coordinate their approach, and they must also carefully choose trading partners and systematically scrutinize the market.

Indonesia is a popular resort for foreign tourists, especially the island of Bali. Potential Indonesian tourists are still under the subconscious influence of the Czech Republic's communist past. Inadequate information about the country adds to this state of affairs.

Bilateral agreements concluded during the period under review

The contractual base was supplemented in September 1998 by an Agreement on the promotion and protection of investments.

Cultural relations

All cultural contacts are arranged through the Czech Embassy in Jakarta or the Indonesian Embassy in Prague. The government of the Czech Republic offers Indonesian applicants scholarships for postgraduate study (4–5 places a year).

ISLAMIC STATE OF AFGHANISTAN

Relations between the Czech Republic and Afghanistan have been stagnating for a long time because of the internal instability in the country. Afghanistan is represented in the Czech Republic by the government of Rabbani, and the Czech Republic has refused to recognize the Taliban government. In the event of the stabilization of the political situation which would no doubt be linked to foreign economic aid, it can be expected that there would be a considerable need for investments in the renewal of the basic infrastructure of the country.

Economic relations

Trade between the Czech Republic and Afghanistan is shrinking all the time, and in 1999 it amounted to 26.2 million crowns (Czech exports 14.8 million crowns and imports 11.4 million crowns). In 1998 turnover amounted to 26.2 million crowns, exports stood at 24 million crowns and imports at 2.2 million crowns. The main obstacles to trade and the development of economic cooperation are the civil war, the chaotic state of administrative and commercial structures and the

disintegration of the national economy. The market is exhausted and in ruins as a result of the ten years of Soviet occupation and the subsequent civil war.

JAPAN

Japan is a global economic great power which plays a major role in world organizations and advocates political, economic and security integration of the Asian region. In view of its position in the world and in the region it is striving to become a permanent member of the UN Security Council. Japan does not belong to any military alliance. The Czech Republic and Japan have been linked by traditional cultural ties of long-standing.

Visits by representatives of the Czech Republic

– October 1998 – Deputy Minister of Industry and Trade Maceška (on the occasion of the investment seminar of CEFTA countries);

– 16–18. 5. 1999 – Foreign Minister Kavan; an honorary consulate of the Czech Republic was been opened in Kobe during his visit;

– 16–21. 10. 1999 – Deputy Minister of Culture Novák and a delegation (at the inauguration of the Festival of Czech Culture);

– 14–18. 12. 1999 – Deputy Minister of Industry and Trade Maceška (in connection with economic consultations).

Visits by representatives of Japan

– October 1999 – Deputy Minister of Education Tei'ichi Sato (consultations on possible wider cooperation in education, science and technology).

Economic relations

In their trade and economic relations the Czech Republic and Japan are not so far exploiting all possibilities offered by the potential of both countries. Bilateral trade has for a long time been running at a deficit for the Czech Republic. In 1998 the trade deficit with Japan accounted for 17.1% of the total trade deficit of the Czech Republic. Mutual turnover in 1999 amounted to 22.6 billion crowns (of this imports to the Czech Republic were 19.7 billion, and exports were merely 2.9 billion crowns). In 1998 the total turnover was 19.7 billion crowns. The Czech Republic is perceived in Japan as a country with a traditional advanced industrial and engineering production and lately as a possible partner for direct investments, perhaps even as a location where factories could be transferred from EU countries.

Notwithstanding the difficulty in penetrating Japanese markets and the problematic establishment of trade links with Japanese partners, Japan is nevertheless an interesting and promising market for Czech exporters. It is a vast market with a big consumption of foodstuffs, consumer goods, raw

materials, industrial materials and semi-finished goods, engineering equipment and components for industrial use.

The upsurge of Japanese exports since 1995 is connected with investment and cooperation projects by Japanese firms in the Czech Republic and with imports of industrial technology for these projects from Japan. The total volume of Japanese investments in the Czech Republic has reached approx. USD 400 million. Their actual amount is hard to estimate since some of these investments are carried out through the intermediary of European branches of Japanese firms.

In trade policy matters and in bilateral trade there are no serious economic obstacles between the Czech Republic and Japan. The one shortcoming is the absence of an agreement in support and for the protection of investments. Other obstacles are more of a subjective nature, for example, inadequately informed opinion and knowledge on the part of Japanese partners, the language barrier, a differing approach to trading methods, a certain lack of interest and mutual distrust by Czech and Japanese partners, the image of cheaper and less high quality Czech products, etc.

Bilateral agreements concluded during the period under in review

- An agreement on visa-free travel between the Czech Republic and Japan for holders of all types of passports came into force in September 1999;
- Agreement between the Governments of the Czech Republic and Japan on a Japanese government grant to Charles University, negotiated by an exchange of notes, 15. 12. 1998, Prague.

Cultural relations

Czech-Japanese cultural relations have been traditionally most active and both sides are keen to promote them even further. Czech classical music and Czech glass are particularly popular in Japan, while Japanese art (drama, music, tea-drinking rituals, ikebana), films and the performance of classical music are in turn well-liked in the Czech Republic. A Festival of Czech Culture was held in Japan in October–December 1999; in its scope it was unprecedented in Czech-Japanese relations. President Havel's wife, Dagmar Havlová, visited Japan on 16–25. 10. 1999 for the inauguration of the Festival.

An agreement on cultural cooperation between the Governments of the Czechoslovak Republic and Japan had been arranged on 20. 1. 1976 by an exchange of notes. The Czech Republic is the successor of this agreement. The Japanese government offers the Czech Republic annual cultural grants amounting to 50 million Japanese yen (approx. 12 million crowns). In 1999 the grant was awarded to the National Gallery in Prague.

Every year 4 scholarship holders are exchanged, both sides are interested in increasing their number to at least six. In 1999 the Japanese government exceptionally awarded an additional three government grants for students of Japanese studies.

KINGDOM OF CAMBODIA

The complicated process of social and economic transformation in both countries and the political instability in Cambodia are reflected in the lower standard of their political and economic relations.

Economic relations

Following the suspension of the so-called international assistance to Cambodia and the transition to trading in convertible currencies, economic and trade cooperation dropped drastically. The reason is, above all, a shortage of finances on the Cambodian side. Trade in 1999: turnover 11.5 million crowns, Czech imports 10.3 million crowns, exports to Cambodia 1.2 million crowns (in 1998 the turnover was 2.6 million crowns, of this imports 2.4 million crowns, exports 0.2 million crowns).

On 3 November 1999 the government of the Czech Republic informed the Cambodian side of the abolition of the agreement on visa-free travel for holders of diplomatic and service passports.

democratic PEOPLE'S Republic of Korea

The Korean People's Democratic Republic is one of the two Korean states which emerged after the second world war by the partition of the Korean peninsula. The Korean People's Democratic Republic, under the leadership of the Korean Party of Labour based on a communist ideology, is among the least developed countries in the world. The Czech Republic at present has no embassy there. The Czech Ambassador in Beijing is accredited to look after relations with the Korean People's Democratic Republic.

Visits by representatives of the Korean People's Democratic Republic

– 29. 11–2. 12. 1999 – Kim Chun Guk, Director of the European Department at the Foreign Ministry of the Korean People's Democratic Republic.

Economic relations

Economic and trade exchanges are minimal. In 1999 bilateral trade amounted to 64.7 million crowns (exports 48.1 million crowns, imports 16.6 million crowns). In 1998 turnover amounted to 24.8 million crowns (exports 3.9 million crowns, imports 20.9 million crowns).

The Korean People's Democratic Republic imports mainly engineering products from the Czech Republic as well as means of transport, glass, textiles and dyes, and exports mineral raw materials, furs and traditional medicine products to the Czech Republic.

The Czech Republic offers the Korean People's Democratic Republic humanitarian aid. In June 1998 the Czech Republic offered the Korean Energy Development Organization (KEDO) the sum

of 4 million crowns to finance a project for the construction of a nuclear power station. The sum was used for the purchase of heating oil for the country which is supplied under the KEDO project. In 1999 the Czech Republic provided humanitarian aid to the value of 531,000 crowns in the form of fruit trees.

Bilateral agreements concluded during the period under in review

– Agreement between the Governments of the Czech Republic and the Korean People's Democratic Republic on the succession of bilateral treaties, arranged by an exchange of notes, 11. 9. 1998, Prague.

Cultural relations

Cultural relations are minimal. The distance between the two countries as well as a shortage of finance are an obstacle to the development of these relations.

Republic of KOREA

The Korean Republic is one of the two Korean states which was established after the second world war as a result of the partition of the Korean peninsula. The successful progress of the first ten years of diplomatic relations with the Korean Republic, a democratic state with a pluralist parliamentary system and an economy of global significance has justified the Czech orientation towards the Korean Republic as its promising partner on the Asian continent.

Visits by representatives of the Czech Republic

- 18–20. 5. 1999 – Foreign Minister Kavan visited the Korean Republic;
- 3–5. 9. 1999 – Minister of Industry and Trade Grégr visited the Korean Republic.

Visits by representatives of the Korean Republic

- October 1999 – former Foreign Minister Han Sung-Joo at the Forum 2000 conference;
- 17–19. 10. 1999 – Deputy Foreign Minister Sun Joun-yung.

Economic relations

Economic and trade relations between the Czech Republic and the Korean Republic are making headway but are far from living up to existing potentials. Trade in 1999 amounted to 6 billion crowns (exports 567 million crowns, imports 5.8 billion crowns) with a pronounced deficit for the Czech Republic (4.9 billion crowns). In 1998 trade turnover was 5.9 billion crowns, of this Czech exports were 517 million crowns and imports 5.4 billion crowns. The two sides are now facing the task of reducing the Czech deficit hand in hand with increasing trade.

The Czech Republic exports mainly chemical products, construction steel and glass products, as well as textiles, engineering products, medical and optical instruments, synthetic rubber (glues) and artificial fibres. The Czech Republic imports from the Korean Republic consumer electronics, automobiles and textiles.

The only major direct Korean investment in the Czech Republic is by the Daewoo firm in the Avia Praha Letnany company where it owns more than 50% of the company's shares. The firm was planning to increase its investments by the year 2000 to approx. 9 billion crowns.

The Czech Republic is anxious to expand economic cooperation with the Korean Republic to cover other countries as well. For this reason the Czech Republic became a member in 1999 of KEDO, the body which was established to provide nuclear energy equipment to the Korean People's Democratic Republic and its financing.

Cultural relations

Cultural contacts are made more difficult by the high cost of transport which most seriously affects the exchange of art exhibitions. Thanks to South Korean sponsors five South Korean women painters have been able to present their work in Prague in February 1995. In the Korean Republic there is great interest in Czech music. A relatively large number of performers have visited the Korean Republic since 1988, most of them successfully.

Lecturers in the Czech and Korean languages work in both countries on a reciprocal basis under an agreement between Charles University and Hangeuk private university of foreign languages in Seoul. The government of the Czech Republic annually offers South Korean students two to three scholarship places at Czech universities.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Following the abolition of the rouble clearing and the suspension of free aid, mainly in the sphere of credits and scientific and technical cooperation provided by the former Czechoslovakia prior to 1989, Czech-Laotian economic relations are at a low level. Dating back to this period, Laos has an obligation vis-a-vis the former Czechoslovakia in transferable roubles (2.263 million roubles). The sum is not being repaid, among other reasons, because a rate of exchange has not been set for the transferable rouble. Special Czechoslovak aid was abandoned in 1990. Trade in 1999: turnover 61 million crowns, Laotian exports to the Czech Republic 47 million crowns, Czech exports to Laos 13.9 million crowns (in 1998 turnover was 45.9 million crowns, of this Czech exports amounted to 8.7 million

crowns, and imports 37.2 million crowns. The contractual base was supplemented on 10. 2. 1999 by an Agreement between the Governments of the Czech Republic and the Laos People's Democratic Republic on the succession of bilateral treaties, agreed in the form of letters.

MALAYSIA

From the political and economic points of view Malaysia is a significant member of ASEAN; it plays an increasingly active role on the international scene and also in the context of the Asian-European ASEM dialogue. Malaysia's economic potential is such that by growth of GDP it ranks second within ASEAN.

Visits by representatives of Malaysia

– 3–8. 10. 1999 – a purely private business trip by the Malaysian Vice-Roy Sultan Mizan Zainal Abidin and his wife and his closest entourage. His main interest was the purchase of glass for the royal palace and exploring potential possibilities of cooperation in the glass industry.

Economic relations

Trade is arranged on the basis of a Trade Agreement, signed in Prague in June 1997. The current level of trade does not correspond to the potential of the two countries. In 1999 the trade turnover amounted to 4.5 billion crowns, Czech imports to 4.2 billion crowns, and exports to 0.3 billion crowns. (In 1998 the turnover was 4 billion crowns, imports 3.8 billion and exports 0.2 billion crowns).

There is a gradual transformation in the structure of Czech exports. More engineering products, machine tool equipment and electric motors are being exported. It is expected that in future pianos, Blaník gliders and L-410 and 610 turbo-prop transport planes will be on the Czech export list. Malaysia has recently shown interest in aircraft manufactured by the Aero Vodochody plant. Among the major engineering commodities are metal processing and duplicating machines, textile and knitting machines, tractors, valves, armatures, ball bearings and weavers' looms.

Among the most important items of Czech imports are natural rubber, palm oil, cocoa, spices, footwear, clothing items and accessories, electrical equipment, office and data processing technology and audio-visual systems.

So far no investment project with our participation has been carried out in Malaysia. Czech suppliers are as a rule not capable of meeting demands with regard to technical conditions and delivery deadlines. However, lately Czech firms have been showing a slightly greater interest in this market. Negotiations on Czech participation in certain projects are under way, mainly as part of tenders announced by local state and semi-state firms.

There is one Czech-Malaysian joint enterprise in the territory and a number of others are doing their utmost to penetrate the local market. In February 1999 treaties were signed on the establishment of a ZPS Zlín and Awan Megah joint enterprise.

Cultural relations

There is no agreement on cultural relations. Contacts in this respect have not even developed on a commercial basis and remained confined to individual events. The Malaysian side is showing interest in classical music.

MONGOLIA

Mongolia is a parliamentary republic and since 1989 it has been gradually adapting to new conditions of political pluralism and market economy. Mongolia's long years of isolation and dependence on the former USSR have had a negative influence on the development of the country's economy which is still felt today. The Czech Republic has continued the long years of friendly relations and has fully restored the activities of its embassy in Ulan Bator.

Visits by representatives of the Czech Republic

– 23–25. 5. 1999 – Foreign Minister Kavan (reopening of Embassy of the Czech Republic in Ulan Bator).

Visits by Mongolian representatives

– 7–9. 12. 1999 – President Bagabandi accompanied by the Minister of External Relations Mme. Tuji, the Vice Chairman of Parliament Ganbolda and a large group of Mongolian businessmen.

Economic relations

In the 1980s Czechoslovakia was the second biggest trade partner of Mongolia and supplied capital goods and equipment, machines, industrial goods and foodstuffs. In the 1990s there was a sharp decline in trade. Compared to other countries, the Czech Republic nevertheless retains a relatively significant place in trade with Mongolia, especially in exports which accounts for more than 1% of Mongolian imports. In 1998 trade reached 222.6 million crowns (imports 22.6 and exports 200.0). In 1999 trade amounted to the value of 154.2 million crowns. Exports amounted to 139.4 million crowns, imports 14.8 million crowns.

An advantage enjoyed by the Czech Republic is a thorough knowledge of the Mongolian market – but this is shrinking as time passes – and the high reputation of Czech products. The shortage of finance on the Mongolian side presents a problem.

A number of Czech firms have been registered in Mongolia and some of them have their permanent representative in the country. Czech exports are fairly varied, the export of engineering products including means of transport, foodstuffs and building material are most widespread. Škoda automobiles are exported to Mongolia in limited numbers. The ČKD Holding firm has supplied diesel aggregates as part of a tender for the reconstruction of the energy system. The Karosa firm won a tender worth USD 10 million in 1995 for the supply of buses; this was financed by the World Bank.

Possibilities in investments and privatization are also interesting. Investments by Czech firms in Mongolia have so far been in excess of USD 500,000.

The Czech firm Ramill Litoměřice, as the first foreign participant, has privatized 51% of the biggest Ulan Bator mill, the Altan Taria. The Prague firm Alpha Con has supplied equipment for a sugar refinery which is expected to manufacture 50% of the country's sugar requirements; the same firm has put up mini-breweries and mini-bakeries. Ingol Zlín organizes tourism in Mongolia (fishing), Eurosound Praha is engaged mainly in construction work and in the manufacture of building material. A Czech-Mongolian restaurant, Club Praha, has been opened in Ulan Bator. The PETO Praha firm supplies equipment for the food industry and the Czech-Mongolian firm MONKREM manufactures cosmetics made of Czech raw materials.

The Mongolian firm Erel which is the proprietor of the Darchan cement factory, collaborates with the Czech Republic in the building industry and the manufacture of building material. The firm, which has a permanent representation in Prague, covers almost one-fifth of all exports from the Czech Republic.

Mongolia is interested in cooperation, for example, in the field of energy, especially with regard to the requirements of rural areas – diesel aggregates, small hydro-electric power stations, etc. There is also interest in continued cooperation in the footwear industry and in geology.

Bilateral agreements concluded during the period under in review

- Agreement between the Governments of the Czech Republic and Mongolia on cooperation and mutual assistance in customs matters; 18. 11. 1998, Prague;
- during Foreign Minister Kavan's visit to Mongolia in May 1999 a protocol on the succession of treaties between the Czech Republic and Mongolia was signed; 26 contractual documents dating back to the time before the partition of the Czechoslovak Republic remain in force;
- during the visit of the Mongolian President in the Czech Republic in December 1999 an inter-governmental Agreement on the mutual employment of nationals was signed.

Cultural relations

The basic document on cultural cooperation with Mongolia is a Cultural Agreement of 1973. Czech films are screened regularly on Mongolian television, three exhibitions of photographs a year, concerts and discussions with university students. Mongolia receives 6 study places a year from the Czech government university and post-graduate study quota.

MYANMAR

The continued systematic violation of human rights in Myanmar and the unwillingness of the ruling military junta to commence the democratization of society have greatly influenced the level and extent of Czech-Myanmar relations during the past ten years or so with the result that they have become distinctly chilly. That is why there have been no political or other contacts by the Czech Republic with Myanmar representatives. The Czech Embassy in Yangon was closed in 1993 and so was the Myanmar Embassy in Prague.

The Czech Republic has endorsed the joint position of the EU vis-a`-vis Myanmar, based on the demand for the immediate and unconditional release of political prisoners, the opening of a dialogue with all pro-democratic forces in the country with the aim of a national reconciliation, including a dialogue with the main representative of the democratic opposition and Nobel Peace Prize laureate for 1995, Mrs. Aung San Suu Kyi. The Czech Republic has also joined the EU embargo imposed on arms supplies, ammunition and military equipment to Myanmar, on the suspension of aid not verifiably of a humanitarian nature and the suspension of the programme of development aid.

Up to 1990 Czech-Myanmar economic cooperation was of a relatively high standard. The cooling of political contacts has led to the stagnation of economic relations.

The Czech Republic has a permanently active trade balance with Myanmar. In 1998 trade amounted to 29.7 million crowns and in 1999 to 37.7 million crowns (imports 5.4 million crowns, exports 32.3 million crowns). The main export commodities are metal processing machines and their instruments, diesel generators and measuring instruments. In imports the predominant items are beans, footwear and products made of wood.

NEW ZEALAND

New Zealand is a parliamentary monarchy. It plays an active role in international organizations. The country maintains special political and economic relations with Australia which is its major trading partner and with which it sustains a free trade area.

Visits by representatives of the Czech Republic

– 19. 11–3. 12. 1999 – a delegation of the Committee for the Economy, Agriculture and Transport of the Senate of the Czech Parliament.

Economic relations

Trade between the Czech Republic and New Zealand is on a low level. In 1999 trade amounted to 287.8 million crowns (exports 90 million crowns, imports 197.8 million crowns). In 1998 turnover was 311.8 million crowns (exports 156.4 million crowns, imports 155.4 million crowns).

The main Czech export items are utility glass, arms and ammunition, musical instruments, machine tools and chemical products. In previous years Škoda automobiles were also a major export item.

The most significant import item from New Zealand has always been wool.

There are no contractual documents regulating contacts in this sphere.

Cultural relations

Cultural, educational, scientific and medical contacts have been organized predominantly on a commercial basis. There are Czech expatriates in New Zealand who play a significant role in promoting contacts.

ISLAMIC REPUBLIC OF PAKISTAN

The main feature of Pakistan's political scene is its instability. The country has standard democratic institutions which, however, have never been deeply rooted and their functioning has been limited by the closed political representation and the low social standard of the population. The Czech Republic has joined the declaration of the EU condemning Pakistani nuclear tests. As a result of nuclear tests in 1998 and the military coup in 1999 relations have been limited.

Visits by representatives of the Czech Republic

– 9–12. 8. 1999 – consultations by Deputy Foreign Minister Kmoníček in Islamabad.

Economic relations

Trade between the two countries has not changed for a time. During the past few years there has been a tendency towards higher imports to the Czech Republic. In 1998 turnover reached 719

million crowns, in 1999 it was 644 million crowns, Czech imports stood at 434 million and exports 210 million crowns.

The state sector has been somewhat narrowed down by privatization in Pakistan and consequently offers fewer opportunities for the supply of capital goods packages as it did in the past. The private sector, which accounts for the decisive portion of investments, is looking for investors, capable and willing to provide smaller or bigger shares of capital in addition to their know-how and production equipment, and to take over some of the business risks.

On a government level there are no outstanding debts or loans.

Czech exports consist of motor vehicles, electric motors and instruments, pumps, glass and glass products, plastics and plastic products, chemicals, machines and equipment (road construction and building, textile machines and machine tools). Czech imports include cotton yarn, leather and leather goods, items of clothing and sports accessories.

The most significant activity of a Czech firm in Pakistan is the participation of the Moravian oil extraction mines at Hodonín in the discovery of a major natural gas deposit in the Khaipur district of Sind province.

Among other Czech firms involved in permanent trading activities in Pakistan are Omnipol, Jablonex and others. Omnipol has a liaison office in Islamabad, as have Jablonex and Transakta in Karachi.

Bilateral trade and investments bear no relation to the potential of both countries. The Pakistani market has a great absorption capacity. There are opportunities for Czech firms in a variety of sectors, ranging from consumer goods to entire investment projects. The current items nowadays include medicines, chemicals, glass, textile machines; there is a constant demand for transportation machines and equipment. Commodities with a future include energy, both with regard to production and transmission of electricity as well as the production and refining of oil and natural gas.

Bilateral agreements concluded during the period under in review

An agreement was signed in May 1999 on promoting and protecting investments. The domestic ratification process in the two countries has not yet been concluded.

Republic of SINGAPORE

Singapore is a politically influential and economically very powerful member of ASEAN. It is also the initiator and driving force of the Asian-European ASEM dialogue.

Visits by representatives of Singapore

– 9–12. 7. 1998 – President Ong Teng Cheong and his wife and entourage. This was the first official visit to Europe by the Singapore President;

– 30. 5–2. 6. 1999 – Minister of Industry and Trade Lee Yock Suan. Apart from holding talks with his opposite number Minister Grégr, Minister Suan was received by Foreign Minister Kavan and Czech Vice-Premier for Economic Affairs Mertlík.

Economic relations

Singapore is among our traditional trading partners and is the major partner of the Czech Republic among ASEAN countries.

In 1999 turnover was 5.7 billion crowns, Czech imports amounted to 2.3 billion crowns and exports to 3.4 billion crowns. (In 1998 the turnover was 4.4 billion crowns, imports 1.9 billion crowns, exports 2.5 billion crowns.) Singapore is virtually the only Asian country with which the Czech Republic has an active trade balance.

The two countries have concluded important economic agreements, with the exception of a commercial agreement, with the aim of promoting bilateral trade. Trade between the two countries proceeds without any technical or administrative problems.

The most successful commodities exported by the Czech Republic are electronic condensers, glass, elevators and construction technology, razor blades and electrical motors.

The most significant import items have been computers and computer components, household electronics, electrical appliances, natural rubber, medical instruments and electronic components.

Compared with the economies of other countries, the Singapore economy has one of the most severe competitive environments in the world and only Czech products of the highest quality are able to penetrate its market. The Czech Republic would do well to concentrate on cooperating with Singapore in its pursuit of third markets in the Asian region which means in practice to use the knowledge and contacts of Singapore firms in these markets and explore the possibility of their financing (Singapore is among the biggest investors in the world). It is obviously essential to engage in greater activity in the region.

Cultural relations

There are no agreements regulating cultural cooperation. Contacts in this sphere are not developing very much, not even on a commercial basis and there are only isolated events. The Singapore side is interested in Czech classical music.

KINGDOM OF THAILAND

Thailand is among those Asian monarchies where a system of parliamentary democracy has been in existence for many years. With its rapidly developing economy the country has advanced with self-confidence into the society of the so-called Asian tigers; however, currently it has to face the consequences of the financial and economic crisis which hit Asia in 1997–98.

Visits by representatives of the Czech Republic

– 24–27. 4. 1999 – 5th round of inter-ministerial consultations, led by Director-General Kmoníček and the Director-General of the European section Panavarit;

– 23–25. 10. 1999 – delegation of the Committee for Foreign Affairs, Defence and Security of the Senate of the Czech Republic, led by its Chairman Žantovský.

Economic relations

Thailand is among the most significant trade partners of the Czech Republic in Asia. Overall trade has developed extremely well since 1996. However, in 1997 it was affected by the economic crisis in Thailand and by the devaluation of its currency. Turnover in 1998 was 2.5 billion crowns. The same trend prevailed in 1999 when the total turnover reached 2.8 billion crowns (exports 493.3 million crowns, imports 2.3 billion crowns).

The devaluation of the Thai baht greatly changed the situation with regard to Czech imports from Thailand. Many Czech importers returned to Thailand during the second half of 1997 from markets in the Chinese People's Republic and Indonesia. This trend continued in the course of 1998 and 1999.

The biggest imports have been foodstuffs (rice, shrimps, fish, canned fruit), clothing, footwear, natural rubber and textile yarn. Among engineering commodities one should mention equipment for automatic data processing, including peripheral units.

In the long run it is possible to anticipate Czech commodities finding their way in the following investment branches: energy (hydro-electric and thermal), transportation systems (tram cars for urban and suburban transport, buses, trolley buses, lorries), equipment and technology for the protection of the environment, large water preparation plants (drinking water for the population), industrial and domestic water purifier installations, incinerators for refuse and toxic materials (PBC) as well as incinerators for urban refuse, technology for cane mills and mini-breweries, technology for the glass industry and textile machines.

Among non-engineering products, commodities with a future are processed agricultural products (apart from existing supplies of dried milk it is possible to consider starch and wheat flour). However, prospects of exporting these items depend on the state policy of subsidies earmarked for the export of agricultural products.

Cultural relations

During the past few years there has been a revival in cultural relations with Thailand thanks to several successful events organized with the participation of the embassies in Bangkok and Prague. There is a regular exchange of university scholarship holders between the two countries.

SOCIALIST REPUBLIC of Vietnam

In the Asian region, the Vietnamese Socialist Republic is a country with considerable economic possibilities. It takes an active part in regional structures and recently also in global organizations. Relations, based on traditional ties, are nowadays concentrated on economic and commercial cooperation.

Visits by representatives of the Czech Republic

- 27–31. 10. 1999 – delegation of the Committee for Foreign Affairs, Defence and Security of the Senate of the Czech Parliament;
- 14–16. 12. 1999 – Prime Minister Zeman accompanied by Vice Premier and Minister of Finance Mertlík and Minister of Industry and Trade Grégr.

Visits by representatives of the Vietnamese Socialist Republic

- 15–20. 9. 1998 – Minister of Justice Nguyen Dinh Loc;
- 29. 11–2. 12. 1998 – Vice Premier and Foreign Minister Nguyen Manh Cam.

Economic relations

Czech-Vietnamese economic and trade cooperation has a long tradition. The volume of trade has been rising but has been affected by the stagnation of Czech exports which resulted in a growing trade deficit on the part of the Czech Republic. In 1998 turnover was 1.7 billion crowns, the value of Czech exports was 0.4 billion crowns and of Czech imports 1.4 billion crowns. Turnover in 1999 was 1.9 billion crowns, Vietnamese exports to the Czech Republic were worth 1.4 billion crowns and Czech exports to Vietnam a mere 0.5 billion crowns.

The principal commodities imported from Vietnam are textiles, footwear, wicker furniture and minor items, tropical fruit, rice, coffee, tea, spices and products of the food industry. Czech exports centred on machines and means of transport (locomotives, pumps, ships' motors, generators), products classified on the basis of material (metal products, pipes and tubes, glass products, tools and instruments), chemicals, plastics, various industrial goods (measuring and monitoring instruments, lighting technology, clothing accessories, office equipment).

Opportunities for Czech firms on the Vietnamese market will be improved by defining a medium- and long-term trade and economic strategy and policy which will take account of the interests and possibilities of the state and of Czech firms as well as of the interest, requirements and possibilities of the Vietnamese side. These are questions with which sessions of the Joint Czech-Vietnamese Commission for Trade and Economic Cooperation are dealing (the second meeting of the Commission took place in Prague in November 1999).

The Vietnamese Socialist Republic remains a country to which the Czech Republic offers development aid; in the light of the overall annual Czech development aid Vietnam is among the major recipients. In December 1999 a representative of the Czech Republic attended a Conference of donors of development aid to Vietnam, held in Hanoi. In November 1999 it was decided to provide humanitarian aid to the value of USD 30,000 to be used to alleviate the effects of the catastrophic floods in Central Vietnam.

Bilateral agreements concluded during the period under review

– Protocol to the Agreement between the Governments of the Czech Republic and the Vietnamese Socialist Republic on the reciprocal employment of Czech and Vietnamese nationals in 1999, 27. 5. 1999, Hanoi:

During the visit of Prime Minister Zeman in December 1999, the Deputy Foreign Ministers of the two countries exchanged notes confirming the abolition of visas for holders of diplomatic passports on both sides.

Cultural relations

The popularization of Czech culture in Vietnam takes place by means of exhibitions on various subjects, organized by the Embassy in collaboration with the Foreign Ministry and other Czech and foreign institutions.

There is a large Vietnamese community on the territory of the Czech Republic; according to official information from the Czech Interior Ministry (long-term and permanent residences) it amounts to 22,000 persons but according to certain (albeit unconfirmed) figures it is twice as high (illegal migration, expired visas and residence permits).

8. Relations Between the Czech Republic and the countries of the Near East and North Africa

DEMOCRATIC AND Popular REPUBLIC of Algeria

During the past ten years or so the Algerian Democratic and People's Republic has been shaken by struggles between the government and armed formations of the banned Islamic Salvation Front, who are massacring the civilian population. The country participates in the Euro-Mediterranean dialogue as part of the Barcelona process.

The destabilized internal situation also has an adverse influence on bilateral relations with the Czech Republic in all spheres, including economic cooperation.

Economic relations

Czech exports reached 566 million crowns in 1998, imports 807.1 million, in 1999 exports amounted to 523.7 million crowns, imports 1.7 billion. Notwithstanding restrictions caused by the situation in Algeria, economic relations did not correspond fully to the potential of the Czech Republic; consequently turnover has been at a long-term deficit for the Czech side.

Cultural relations

In February 1998 an exhibition of work by the Czech photographer Tomáš Svoboda was arranged on the premises of Air Algerie in Algiers.

ARAB REPUBLIC of Egypt

The Egyptian Arab Republic, as a major regional power in the Near East and as one of its traditional commercial, economic and cultural centres, has played a significant role in inter-Arab relations and in the peace process in the Near East; in this last respect it had the support of the Czech Republic. This process, based on resolutions No. 242 and 338 of the UN Security Council and the principle of the exchange of territory for peace, constitutes the only possible road to a lasting and just peace in the region. The Czech Republic welcomed the signature of the memorandum at Wye Plantation in October 1998 and called on both sides to respect it rigorously. The signing of another memorandum on 4. 9. 1998 at Sharm ash-Shaikh in Egypt on application of the Wye Plantation (the so-called Wye II) agreement has been a positive step in this process.

The Czech Republic regards its traditional relations with Egypt as one of its foreign policy priorities in the region.

Visits by representatives of the Czech Republic

- 2–5. 2. 1999 – Deputy Foreign Minister Palouš at inter-ministerial consultations;
- 1–4. 6. 1999 – Minister of Industry and Trade Grégr.

Visits by representatives of the Egyptian Arab Republic

- 16–18. 6. 1999 – Deputy Foreign Minister Shazli at inter-ministerial consultations;
- 2–4. 12. 1999 – Minister for University Education and Minister of State for Scientific Research M. Shehaba.

Economic relations

In 1998 Czech exports amounted to 3 billion crowns, imports were 355.5 million crowns, in 1999 exports were 2.6 billion crowns, imports 297.9 million crowns. Czech firms were involved in several major investment projects such as the construction of the Ajn Musa power station on Sinai. Among developing countries Egypt is among the foremost importers from the Czech Republic. Czech exports concentrated on engineering products, equipment and automobiles (approx. 70%) as well as military material.

Bilateral agreements concluded during the period under discussion

- Agreement between the government of the Czech Republic and the government of the Egyptian Arab Republic on the succession of bilateral agreements, arranged by an exchange of letters; 9. 8. 1999 Cairo;
- a procedural protocol to the Cultural Agreement was signed in December 1999 for the period 2000–2002.

Cultural relations

The Czech Republic maintained cultural relations with Egypt on a larger scale than with other countries in the region; this was done mainly on a non-commercial basis. Cultural exchanges saw a visible upsurge even though it was the Czech side that was more active. Several events, mainly for Egyptologists, have taken place; the Alexandria exhibition for the blind, entitled “Egypt by the Finger Touch”, aroused the biggest attention. There have also been several exhibitions of modern Czech art, a cello recital by Jiří Bárta and there have also been three film presentations (for example films by Jiří Menzel or participation in a festival of silent films in Cairo). An exhibition of 500 Czech books opened in Alexandria in May 1999; later it was presented to the newly built Alexandria library. A screening of Czech cartoons and documentary films was held at the Czech Embassy in October 1999. An expedition by the Egyptology Institute of Charles University,

Prague, has been very active in the country; the team is engaged in long-term successful research in the Abu Sir locality.

REPUBLIC OF IRAQ

The Republic of Iraq has found itself in strict isolation as a result of the sanctions imposed by the UN Security Council after the invasion of Kuwait in August 1990. Trade and economic cooperation have been limited to operations under the heading “oil for food”. The international sanctions caused a distinct drop in the living standards of the Iraqi population.

The Czech Republic fully respected the relevant provisions emerging from resolutions 661 and 687 and others of the UN Security Council but it also perceived the humanitarian aspect of the situation in Iraq and backed the project of “oil for food”. The Czech side, moreover, offered Iraq direct humanitarian aid which was, however, not accepted.

As a result of these sanctions bilateral relations continued to stagnate; they were moreover marked by the opposition of Iraq to the Radio Free Iraq broadcasts, inaugurated in October 1998 with its editorial office in Prague. The Czech Republic has declared its interest in expanding relations with the Republic of Iraq for the benefit of both sides but only once the relevant UN Security Council resolutions are observed.

Economic relations

In 1998 Czech exports amounted to 19.2 million crowns, imports 204.3 million crowns, in 1999 exports were worth 145,000 crowns, imports 1.7 million crowns. Czech firms did not succeed in asserting themselves in the partially open trade authorized by the UN under the “oil for food” system, which was adopted under resolution No.986 of the UN Security Council. In view of the broadcasts by Radio Free Iraq, beamed to Iraq, the local administration adopted a package of measures in 1999 restricting the activities of Czech trading firms on the Iraqi market; it was recommended that these measures be respected by state as well as by Iraqi private companies. Imports centre on oil and to some extent cotton products. Actual trade is done via third countries.

Cultural relations

In September 1999 the Mikulov ensemble Pálava took part in the 11th Babylon Festival as part of regular events of this type.

ISLAMIC REPUBLIC of Iran

Following the election of the pro-reform politician Khatami as President in August 1997, the Iranian Islamic Republic has seen a gradual process of some kind of democratization and liberalization. On the international scene Iran succeeded in breaking through its isolation when it formally took its place at the helm of the Islam Community (presidency of the Islam Conference Organization in December 1997) and settled its relations with the EU. The Czech Republic welcomed the positive and promising trend evident in Iran's approach.

Bilateral relations were adversely affected by Iran's opposition to the broadcasting of Radio Free Europe/Radio Liberty in the Persian language, inaugurated in October 1998 with its editorial office in Prague.

Economic relations

In 1998 Czech exports reached 951.8 million crowns, imports 189.1 million crowns, in 1999 exports amounted to 1.2 billion crowns, imports 273.9 million crowns. Work continued on completion of the thermal power station at Iranshahru (First Brno engineering works) and plant for the manufacture of aluminium at Djadjarm (Technoexport). Another firm active in Iran has been Strojexport (geology and drilling) and Škodaexport (energy, metallurgy). A specifying agreement was signed in September 1999 on the repayment of current Czech claims.

Cultural relations

The 8th exhibition of amateur and professional photography was held at the Teheran Museum of Contemporary Art with the participation of the Czech Republic. The third Week of Iranian Films took place in Prague in September 1999.

REPUBLIC OF YEMEN

Since unification in 1990, the Republic of Yemen has been the most populous country in the Arab Peninsula and its human potential and extensive natural resources make it a most interesting country from the investment point of view.

Negotiations gave a fresh impulse to traditional Czech-Yemeni relations.

Visits by representatives of the Czech Republic

- 1–3. 4. 1999 – Foreign Minister Kavan;
- 15–17. 10. 1999 – Deputy Defence Minister Tomáš.

Economic relations

In 1998 Czech exports amounted to 172.2 million crowns, imports 12,499 million crowns, in 1999 exports were 526.5 million crowns, imports 1 million crowns with a rising trend becoming evident recently. The Yemen side showed interest in supplies of Czech goods on the basis of their good reputation and the participation of Czech firms in several development projects in the infrastructure (energy, water projects, cement plants, – the financial participation of the World Bank and donors). The major export commodities were automobiles, lorries, pumps, glass, equipment for electrical installations.

HASHEMITE KINGDOM OF JORDAN

The Hashemite Kingdom of Jordan, important because of its strategic position between Iraq and Israel, continued to be active in the peace process in the Near East despite the deteriorating state of health of King Hussein, who died in February 1999. His successor is his son Abdallah who has taken up his father's political heritage.

Czech-Jordanian relations have continued to focus on political issues.

Visits by representatives of the Czech Republic

- 2–6. 11. 1998 – delegation of the Senate committee for human rights, science, education and culture;
- 8. 2. 1999 – President Havel at the funeral of King Hussein.

Economic relations

In 1998 Czech exports reached 279.8 million crowns, imports 5.6 million crowns, in 1999 exports amounted to 253.5 million crowns, imports 3.9 million crowns. From the economic point of view Jordan is significant for the Czech Republic as an intermediary for trade with third countries.

Cultural relations

Most of the cultural cooperation was on the Czech side when the Prague Chamber Philharmonic Orchestra took part in the Djerash music festival; there has also been a presentation of Czech films.

KINGDOM OF SAUDI ARABIA

The Kingdom of Saudi Arabia is the biggest state in the Arab Peninsula and also the most powerful country of the Council for Arab Cooperation (GCC).

The Czech Republic has perceived the development of general contacts with Saudi Arabia as promising and very desirable for the Czech economy. That is why it has constantly emphasized the need for opening a Saudi Arabian Embassy in the Czech Republic which would make an effective contribution to the further expansion of relations, mainly in the economic sphere.

Visits by representatives of the Czech Republic

– 28. 1–3. 2. 1999 – a delegation of the Ministry of Defence.

Visits by representatives of the Kingdom of Saudi Arabia

– 7–26. 9. 1999 – a delegation of the Presidium for Young People;

– 26–29. 9. 1999 – a university delegation.

Economic relations

In 1998 Czech exports amounted to 848.1 million crowns, imports 165.4 million crowns, in 1999 exports were at 741.1 million crowns, imports at 70,125 million crowns. This was the core of relations and the major Czech export commodities were automobiles and lorries, engineering equipment, glass and foodstuffs.

The signing of a Universal Trade Agreement was proposed. The Saudi side considers this crucial for the negotiation and signing of other contractual documents such as the Agreement on cooperation in the struggle against the smuggling of drugs and hallucinogenic substances, an Agreement on the protection of investments and on Air Transport (initiated by the Czech side).

Cultural relations

The Czech Republic has established good relations in the field of culture, education and the health service. An exceptionally interesting exhibition, “The artistic heritage and art of Saudi Arabia” has done much to improve mutual understanding; it was held in the Czech Republic in the autumn and winter of 1999 (Prague, Brno, Vyškov). This was the first exhibition of its kind in Central and Eastern Europe, and the third in Europe as such.

LEBANese Republic

The Republic of Lebanon faces the task of reconstruction after the end of a protracted civil war. The south of the country (about one-tenth of the territory) has been occupied by the army of the State of Israel which Lebanon failed to recognize and with which it is still in a state of war. Constant pressure was applied on the need to adhere to resolution No. 425 of the UN Security Council on the withdrawal of these troops from the south of the country. Lebanon will only be able to return back to normal once complete peace is established in the Near East.

Visits by representatives of the Czech Republic

– 27–30. 10. 1999 – Minister of Agriculture Fencel.

Visits by representatives of the Republic of Lebanon

– 13–17. 9. 1999 – a delegation of the Lebanese Parliament led by its Vice Chairman Firzli;

– 7–9. 10. 1999 – Minister of Transport and Public Works Mikati.

Economic relations

In 1998 Czech exports reached 1.3 billion crowns, imports 31.1 million crowns, in 1999 exports were again 1.3 billion crowns, imports 10.4 million crowns. Lebanon has been among the major importers of Czech commodities in the Near East.

Cultural relations

So-called “Czech Days” were held in October 1999 with the presentation of Czech products and performances by cultural groups and musicians.

KINGDOM OF MOROCCO

The Kingdom of Morocco is a significant factor of EU political, security and economic cooperation as part of its policy in the southern Mediterranean. Morocco signed a partnership agreement with the EU as far back as 1995.

The Czech Republic considers Morocco as a significant partner in the Mediterranean region and has shown interest in developing high-level contacts.

Visits by representatives of the Czech Republic

- 4–7. 5. 1999 – a delegation of the Foreign Relations Committee of the Czech Chamber of Deputies;
- 25. 7. 1999 – Chairman of the Senate of the Czech Parliament Benešová at the funeral of King Hassan II.

Visits by representatives of the Kingdom of Morocco

- 26–28. 10. 1999 – ministerial consultations, headed by State Secretary Mme. Aicha Belaqrbi.

Economic relations

In 1998 Czech exports amounted to 320.2 million crowns, imports 255.9 million crowns, in 1999 exports were 253.7 million crowns, imports 389.2 million. It has not been possible to agree on a number of matters of common commercial interest.

Bilateral agreements concluded during the period under discussion

- Protocol on cooperation between the Ministry of Foreign Affairs of the Czech Republic and the Ministry of Foreign Affairs of the Kingdom of Morocco; 27. 10. 1999, Prague.

ISLAMIC REPUBLIC OF MAURITANIA

The Islamic Republic of Mauritania, once one of the poorest countries in the world, has showed remarkable progress, based not only on its traditional processing industry and agriculture but, above all, on the well-considered sale of fishing licenses in the rich Mauritanian reefs. Relations with Mauritania have been minimal. The Czech Republic has proposed accrediting the Czech Ambassador in Morocco to deal with Mauritania (previously it was the Ambassador in Algeria) with a view to reviving contacts.

Economic relations

In 1998 Czech exports reached 14.4 million crowns, imports 46 thousand crowns, in 1999 exports were 11.6 million crowns, imports 297,000 crowns.

UNITED ARAB EMIRATES

The federation of seven emirates (Abu Dhabi, Dubai, Sharja, Ajman, Umm al Quaiwain, Fujaira and Ras al Khaimah) of the former Trucial Oman, possesses adequate quantities of available capital, immense energy-generating sources of crude and natural gas as well as economic stability and as such is a major member of the GCC.

Relations between the Czech Republic and the United Arab Emirates have confirmed the interest of both countries in expanding relations, mainly by economic contacts.

Visits by representatives of the Czech Republic

- 13–14. 2. 1999 – a business mission organized by the Czech Chamber of Commerce;
- 14–16. 3. 1999 – a delegation of the Defence Ministry, led by Deputy Minister of Defence Tomáš (exhibition IDEX '99);
- 29–30. 5. 1999 – inter-ministerial consultation by Deputy Foreign Minister Palouš.

Economic relations

In 1998 Czech exports amounted to 3.8 billion crowns, imports 303.2 million crowns, in 1999 exports were 3.5 billion crowns, imports 184.4 million crowns. The United Arab Emirates rank among the major trading partners of the Czech Republic not only in the Near East but among developing countries in general. In 1998 the United Arab Emirates were the biggest importer from the Czech Republic among all the Near East countries. Czech firms have participated in several international exhibitions and trade fairs. In 1998 this included the Arabian Travel Market '98, in 1999 the Czech Republic officially participated in the ADIF '99, IDEX '99, Arabian Travel Market '99, INDEKX '99 and Arabian Hunting Exhibition '99.

Cultural relations

The Prague Quintet Academia brass ensemble gave a performance on the Czech national holiday in October 1998.

the state OF BAHRAIN

The Bahrain Sultanate is a small state situated on 33 islands but it is a significant financial and trade centre.

Relations between Bahrain and the Czech Republic were confined to regular visits by the non-resident Czech Ambassador (his seat is in Riyadh) and cooperation between the permanent missions of the two countries at the UN in New York. (Bahrain was a non-permanent member of the UN Security Council in 1998–1999).

Economic relations

In 1998 Czech exports were 40.1 million crowns, imports 1.3 million crowns, in 1999 exports were 31 million crowns, imports 12.4 million crowns.

STATE OF ISRAEL

The State of Israel is important in the Near East particularly because of its advanced economy which by far surpasses its neighbours. On the other hand, the Israeli-Arab conflict has adversely affected the situation in the region ever since the proclamation of the State of Israel in May 1948. That is why the Czech Republic has from the outset backed the peace process in the Near East, founded on resolutions No. 242 and 338 of the UN Security Council, as well as the principle of the exchange of land for peace as the only possible way of achieving lasting and just peace in the region. The Czech Republic welcomed the signing of the Memorandum at Wye Plantation in October 1998 and appealed to both parties to adhere to it rigidly. It regards the signing of a further Memorandum on 4. 9. 1999 at Sharm el-Shaikh in Egypt, concerning the application of the Wye Plantation accord (the so-called Wye II agreement) as a positive development.

Czech-Israeli relations were on the best ever level. A number of high-level visits confirmed the bilateral interest in their future expansion.

Visits by representatives of the Czech Republic

- 16-23. 10. 1998 – a trade mission of the Czech Economic Chamber;
- 21-25. 10. 1998 – a mission of the Czech-Israeli Chamber of Commerce;
- 1-4. 12. 1998 – Minister of Industry and Trade Grégr;
- 21-24. 2. 1999 – Vice Premier Rychetský.

Visits by representatives of the State of Israel

- 8-10. 7. 1998 – Minister of Justice Hanegbi.

Economic relations

The application of the Agreement on Free Trade was evident in the second half of 1998 and in 1999; the agreement stipulates (with some exceptions, mainly in agricultural and food production) the total abolition of customs duties in the course of the year 2000. The more favourable trading conditions were reflected in the gradual increase of Czech exports.

In 1998 Czech exports reached 3 billion crowns, imports 1.5 billion crowns, in 1999 exports were 1.6 billion crowns, imports 1.9 billion crowns. Recent developments indicate the possibility of achieving an equal balance of trade. The overall turnover ranks Israel in 3rd place in the Near East and North Africa, and in imports Israel is in first place.

The commodity structure of exports is favourable, almost half are machines and means of transport. Another significant branch comprises iron and steel products as well as glass, tyres and chemicals. Czech imports centre mainly on technically more demanding items in the field of communications, data processing, engineering equipment, medical and laboratory instruments, chemicals and cotton.

Bilateral agreements concluded during the period under review

- Agreement between the Governments of the Czech Republic and the State of Israel on mutual aid in customs matters (came into force on 1. 10. 1998);
- Agreement on the protection and support of investments (came into force on 16. 3. 1999);
- Agreement on cooperation in the veterinary field (24. 6. 1999).

Cultural relations

The writer J. Jandourek was invited to visit Israel in July 1998; his book “The Lion’s Den” has been translated into Hebrew and is successful on the Israeli book market In August 1998. Laterna Magica gave guest performances of the “The Magic Circus” in Israel. In October 1998, an exhibition “The Story of Czechoslovak Jews” was arranged in Jerusalem, devoted to the 80th anniversary of the establishment of the Czechoslovak state. In December 1998, a Tel Aviv theatre staged an adapted Hebrew version of the drama by Karel Čapek “Mother”. In April 1999 the children’s choir Bambini di Praga gave performances in Israel. An “Exhibition about Bohumil Hrabal” was held in Israel in the autumn of 1999.

the STATE OF QATAR

The wealth of Qatar is due above all to the third biggest natural gas deposits in the world. The country is a member of GCC.

Contacts with Qatar centred mainly on economic cooperation and trade.

Visits by representatives of the Czech Republic

- 17–19. 2. 1999 – Delegation of the Economic Chamber of the Czech Republic;
- 3. 6. 1999 – inter-ministerial consultation, attended by Deputy Foreign Minister Palouš.

Economic relations

In 1998 Czech exports amounted to 32.3 million crowns, imports no more than 4,000 crowns, in 1999 exports were 30.1 million crowns, imports 157,000 crowns.

State of KUWAIT

The state of Kuwait is an important GCC state but in view of its natural wealth and strategic position it is forced to confront expansionist claims by Iraq.

Relations between the Czech Republic and Kuwait have been confined to the economic area and to trade, while in the political field they centred on the support of the Czech Republic for Kuwait's demands for repairing the effects of the Iraqi occupation (the question of Kuwait citizens displaced to Iraq).

Visits by representatives of the Czech Republic

- 1–2. 6. 1999 – Consultations by Deputy Foreign Minister Palouš.

Economic relations

In 1998 Czech exports amounted to 437.6 million crowns, imports 65,000, in 1999 exports were 230.3 million, imports 1.1 million crowns. The main items in Czech exports were dairy products, glass, textiles and automobiles.

Cultural relations

In October 1999 the Czech Embassy in Kuwait organized a “Czech National Week” which informed the Kuwait public about tourist and spa facilities in the Czech Republic and displayed samples of the production of Czech firms. The Embassy arranged an exhibition of works by

contemporary Czech painters, two concert recitals by the soprano A. Medková and the pianist M. Pospíšilová.

REPUBLIC OF SUDAN

Ever since its establishment in 1956, the Republic of Sudan has been permanently destabilized by civil war between the predominantly Christian and animist South and the majority Muslim population in the North. When Sudan refused to hand over three persons suspected of an attempt at assassination of Egypt's President Mubarak, the UN Security Council imposed sanctions on the country.

This explains why relations between the Czech Republic and Sudan have been minimal. The Czech Embassy in Sudan was closed down in the spring of 1994 and the Ambassador in Egypt has been accredited to deal with Sudanese matters. In the same way, Sudan uses its Ambassador in Vienna for contacts with the Czech Republic.

Economic relations

In 1998 Czech exports amounted to 68.6 million crowns, imports 45.1 million crowns, in 1999 exports stood at 291.2 million crowns and imports at 36.3 million crowns. Last year there has been an evident increase in the trade balance in favour of the Czech Republic, even though economic relations have been restricted as a result of the critical situation of the Sudanese economy. A group of Czech experts is still in the country, responsible for the running of the Waf Medani textile factory.

the SULTANATE of OMAN

The Sultanate is located strategically at the confluence of the Persian Gulf and the Indian Ocean. It is a member of GCC.

Political contacts between the Czech Republic and Oman have been minimal.

Economic relations

In 1998 Czech exports were 26.9 million crowns, imports 22 thousand crowns, in 1999 exports were 12.9 million, imports 30 thousand crowns.

SYRIAN ARAB REPUBLIC

The Syrian Arab Republic is an important country in the Near East mainly because of its significant role in the peace process which it originally joined although it later suspended participation.

While Syria represents for the Czech Republic a traditional trade and economic partner in the region, relations have been stagnating since the early 1990s because of certain issues in abeyance (the problem of the succession of treaties and of Czech claims). The Czech side has repeatedly manifested its interest in settling these matters and declared its readiness to activate a high-level dialogue which would help to find a mutually acceptable solution of these questions.

Economic relations

In 1998 Czech exports amounted to 1.6 billion crowns, imports 662.5 million crowns, in 1999 exports were 920.2 million crowns, imports 89.2 million crowns. Czech firms failed to acquire major orders and essentially concentrated on maintaining projects supplied earlier. A shortage of convertible currency in the Syrian state sector was another stumbling block to increased trade.

Cultural relations

Cultural events were confined to the Czech side. A Czech week was arranged during which the guitarist Rak gave a performance, an exhibition by the artist Knížák was arranged as well as another of photographs of old Prague, an exhibition of Czech cubist architecture, an exhibition of works by the painter Kutina, performances by the Prague Wind Septet and by the Palava folk song and dance ensemble and a saxophone recital by the musician M. Šedová.

REPUBLIC OF TUNISIA

The Republic of Tunisia was the first Arab country to sign a partnership agreement with the EU (in the mid-1990s) and is one of the major points of contact between the EU and the Mediterranean region.

The Czech Republic regards Tunisia as a significant partner for Czech foreign policy in the Mediterranean; as a result there are active relations on both sides.

Visits by representatives of the Czech Republic

– 19–22. 11. 1998 – Deputy Foreign Minister Palouš in Tunisia.

Visits by representatives of the Republic of Tunisia

- 9–11. 5. 1999 – Minister of Interior Chauoch;
- 20–23. 9. 1999 – Minister of Tourism and Handicrafts Maaoui;
- 7–10. 3. 1999 – State Secretary at the Foreign Ministry Tahar Sioud.

Economic relations

In 1998 Czech exports reached 344.7 million crowns, imports 245.7 million crowns, in 1999 exports were 280.1 million, imports 299.1 million crowns. After changing over to using compound fertilisers the Czech Republic ceased to purchase phosphates; this was reflected in the turnover which does not correspond to the potential of both countries. Tunisia has been and remains a popular destination for Czech tourists, who exceed 40,000 each year.

Bilateral agreements concluded in the period under review

- An Agreement on Cooperation between the Ministry of Interior of the Czech Republic and the Ministry of Interior of the Republic of Tunisia; 10. 5. 1999, Prague;
- The existing contractual base was supplemented in October 1999 by an Agreement on visa-free travel for holders of diplomatic and service passports.

Cultural relations

A recital by the Czech guitarist Vladimír Mikulka was arranged in October 1998 to mark the Czech national day; his performance was included in the prestigious Carthago Festival.

SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

Libya owes its relative prosperity to its oil wealth, although in recent years it has been hit by international sanctions imposed by the UN Security Council in 1992 because of justified suspicion of the involvement of Libyan nationals in the bomb attack and subsequent crash of a PanAm airliner over the Scottish town of Lockerbie in 1988. When these persons were handed over to the international court in April 1999 the UN Security Council lifted the sanctions.

The extent and level of relations between the Czech Republic and Libya have been influenced by these sanctions. After the suspension of sanctions in April 1999 the Czech Republic showed

interest in reviving bilateral political and economic cooperation as well as its readiness to settle still unresolved questions, including the problems of succession of treaties and debt. The inauguration of negotiations on the succession of treaties confirmed mutual interest in expanding relations.

Visits by representatives of the Czech Republic

– 20–25. 3. 1999 – A business mission, led by the Czech Republic Economic Chamber.

Economic relations

In 1998 Czech exports amounted to 150.6 million crowns, imports 518.8 million crowns, in 1999 exports were 121 million crowns, imports 779.5 million crowns. The volume of imports was due to the purchase of crude oil. Czech firms are seeking to return to their traditional Libyan markets.

STATE of PALESTINE

The autonomous Palestine territory was established under the Palestine-Israeli Declaration on Principles (13. 9. 1993) and the Cairo Agreement (4. 5. 1994); the handing over of more territories to Palestinian administration is still in progress. In view of the continuous establishment of state attributes Palestine must be regarded as a state in the phase of emergence (in statu nascendi).

Direct Czech-Palestinian relations – in the political and economic sphere – are achieved through the Palestinian National Administration which is the official representative of the Palestinians and has a clearly specified jurisdiction as a local self-administration in the autonomous Palestinian territories. As part of international assistance, the Czech Republic participates in the renewal and development of Palestinian territories by financing and organizing the electrification project of the Tubas area on the West Bank of the Jordan; the Czech Government has earmarked more than 103 million crowns for this purpose covering the period 1996–1999.

Visits by representatives of the Czech Republic

– 18–19. 10. 1998 – a trade mission of the Economic Chamber of the Czech Republic;

– 2. 12. 1998 – Minister of Industry and Trade Grégr.

Economic relations

Trade contacts with Palestinian businessmen were organized as part of trade with Israel; that is why it is difficult to calculate the volume of Czech-Palestinian trade. Indicators on exports (USD12,600) appeared in Czech statistics for the first time in 1999.

9. Relations Between the Czech Republic and Sub-Saharan African countries

Relations with the countries of Sub-Saharan Africa held a significant place in the foreign policy of pre-November Czechoslovakia. This territorial orientation was to a large extent influenced by ideological factors. States with a so-called socialist orientation such as Ethiopia, Mozambique, Angola, Zambia or Guinea and Congo-Brazzaville, were in the forefront of political and consequently also of economic interest.

As a result of the transformations which occurred after November 1989 and the partition of Czechoslovakia, the priorities of Czech foreign policy concentrated primarily on relations with the Euro-Atlantic region and relations with developing countries (especially Sub-Saharan Africa) were pushed into the background. This led to a decline in political but also economic activities in the region from the early 1990s onward.

A parallel process of a thorough reappraisal of the existing orientation of contacts with 48 states in the Sub-Saharan region on Africa has taken place. Relations have been reoriented from partners of priority ideological interest for the previous regime to those with whom economic cooperation is more promising. Several diplomatic representations have therefore been closed down (Mozambique, Zambia, Tanzania, Congo-Brazzaville, Guinea), the Embassy in Angola has been temporarily closed while, on the contrary, an Embassy and General Consulate have been opened in the Republic of South Africa. Relations between the Czech Republic and the Sub-Saharan African countries are today based on principles of equality and mutual advantage; they concentrate primarily on trade and economic cooperation.

During the period under review there has been a gradual revival of contacts with selected countries, greater interest by Czech Republic economic and trade institutions in cooperation and more contacts.

The Minister of Foreign Affairs (for the first time since 1994) visited two countries in the region in April 1999. Minister Kavan visited Mauritius and the Seychelles. For the first time since 1998 the head of an African state (Namibian President Nujoma) paid an official visit to Prague. The Chairman of the Senate of the Czech Parliament visited the Republic of South Africa, several Czech Ministers and their deputies also visited the region (Minister of Defence Vetchý to the Republic of South Africa and Namibia, Minister for the Environment Kužvart to Ghana).

The Czech Republic has taken an active part in dealing with the problems of Africa. It has sent its observers to the UN mission in Sierra Leone (our participation links with sending observers to neighbouring Liberia in the mid-1990s); it offered observers for the planned mission to be sent to the Eritrean-Ethiopian border and is considering its participation in the mission in the Democratic Republic of Congo. Being asked to nominate a candidate as commander of the military section of the UN peace-keeping force in Sierra Leone was a token of recognition of the role played by the Czech Republic in the peace-keeping operations.

The biggest upsurge has been in cooperation with the most advanced economy in Sub-Saharan Africa, the Republic of South Africa. Cooperation with Ethiopia and Ghana proceeds on a good level, it has been possible to activate relations with Namibia, Botswana, Liberia and Mauritius while progress made in relations with Nigeria is considered to be promising. Relations with Angola, disturbed in 1994, have now been settled. There has been a rapid increase in the number of Ambassadors of African countries accredited in the Czech Republic.

The REPUBLIC of ANGOLA

The Republic of Angola is a strategically important country in South-West Africa. It possesses rich deposits of mineral raw materials including crude and diamonds. But the better exploitation of the country's potential and its development is hampered by the armed conflict which has now been going on for 25 years.

The relatively extensive contacts in the past between the Czech Republic and Angola were in fact frozen in October 1994 by a diplomatic incident, the consequences of which were not overcome until the end of 1999 by the signing of a joint declaration on the settlement of mutual relations.

Visits by representatives of the Republic of Angola

– 31. 10–4. 11. 1999 – Deputy Foreign Minister Chicoti;

– 3–6. 11. 1999 – private visit by the President of Angola dos Santos;

– 30. 11–2. 12. 1999 – First Director of the Legal and Consular Section of the Angolan Foreign Ministry Silva Bravo.

Economic relations

The recent settlement of relations between the Czech Republic and Angola is expected to assist the gradual increase of economic relations and trade. In view of the good reputation which Czech products enjoy on the Angolan market, and the relatively large Angolan community living in the Czech Republic there is a great potential for a higher turnover of trade in the years to come. In 1998 Czech exports to Angola amounted to 3.37 million crowns, imports 1.22 million crowns. The value of exports in 1999 12.56 million crowns, there were no imports. The Czech Republic exports mainly machinery and transportation equipment to Angola.

FEDERAL DEMOCRATIC REPUBLIC of ETHIOPIA

Ethiopia is a significant regional power in the Horn of Africa. The Organization of African Unity and the UN Economic Commission for Africa (UNECA) have their seat in the capital Addis Ababa. Relations with Ethiopia are a priority for the Czech Republic in the Horn of Africa and have a long tradition, mainly in commercial and economic contacts.

Economic relations

Among Czech exporters to the Sub-Saharan African countries Ethiopia, together with Kenya, has for a long time taken 3rd and 4th place (behind the Republic of South Africa and Nigeria). In 1998

turnover amounted to 214.2 million crowns, Czech exports stood at 126.3 million crowns. In 1999 turnover was 171 million crowns, of which Czech exports 141.1 million crowns.

Cultural relations

Ethiopian children take part every year in an art contest, “Lidice”, which is very popular in Ethiopia. In October 1998 the Embassy arranged an exhibition entitled “Africa as seen by Czech travellers”. In November 1998 and 1999 the Czech Republic as the only country of the former East bloc, took part in the “Month of European cinematography in Ethiopia”, organized by the EU.

The Czech Republic offers Ethiopia government scholarships for study at Czech universities. In the autumn of 1999 26 holders of government scholarships from Ethiopia were studying in the Czech Republic.

REPUBLIC OF GHANA

Ghana is among the African countries with stability, with a multi-party democratic system of government, and a liberal economic policy. The favourable development of macro-economic indicators confirms the place Ghana has taken among so-called young markets. The political instability in the country in the 1970s which was accompanied by a stagnation of relations, but contacts have been resumed in the early 1990s. Ghana is one of the few Sub-Saharan countries with a resident Embassy in Prague.

Visits by representatives of the Czech Republic

– 2–5. 9. 1999 – Minister for the Environment Kužvart.

Economic relations

Trade between the Czech Republic and Ghana is free of restrictive or limiting conditions, but has recently been more or less stagnant. Exports from the Czech Republic in 1998 were 50.9 million crowns, in 1999 they reached 72.1 million crowns. The balance of trade has been favourable for the Czech Republic on a long-term basis with a trade turnover of 68.7 million crowns in 1998 and 87.3 million in 1999. The main Czech exports are rolled steel and steel products, machinery and means of transport (especially automobiles and footwear machines) and industrial goods (battery casings, medical instruments).

In 1999 the development aid project known as “Revitalization of production in the GIHOC Kumasi footwear factory” was completed. The overall value of the project, repairs of the factory originally built by Czechoslovakia, was 10 million crowns. In November 1999 the Czech Republic offered humanitarian aid of USD 20,000 to the victims of the catastrophic floods in northern Ghana.

Cultural relations

In 1998 an exhibition under the title “Africa through the eyes of Czech travellers” was held in Accra. The Czech Republic provides government scholarships for study at universities; in the autumn of 1999 there were 10 government scholarship holders from Ghana studying in the Czech Republic.

REPUBLIC OF SOUTH AFRICA

The Republic of South Africa is a major regional power in Sub-Saharan Africa. It represents a growth and development “motor” for the entire south African region. As the economically strongest and most advanced country in Sub-Saharan Africa, it is increasingly involved as an intermediary in African conflicts and increasingly asserts itself in the solution of African issues.

Despite the short time that has elapsed since the restoration of contacts in the early 1990s, the Republic of South Africa has become the most significant partner of the Czech Republic in Sub-Saharan Africa. Bilateral relations continue to expand and diversify.

Visits by representatives of the Czech Republic

- 7–13. 9. 1998 – Delegation of the Petition Committee for Human Rights, Science, Education and Culture of the Senate of the Czech Republic;
- 3–7. 11. 1998 – A delegation of businessmen;
- 5. 5. 1999 – Deputy Foreign Minister Palouš;
- 14–18. 6. 1999 – State delegation of the Czech Republic, led by the chairman of the Senate of the Czech Republic Mme. Benesova to attend the inauguration of the President;
- 28–31. 8. 1999 – Chief of the General Staff of the Czech Army Lt. General Šedivý;
- 9–13. 11. 1999 – Minister of Defence Vetchý accompanied by Deputy Minister of Industry and Trade Sýkora and a group of businessmen.

Visits by representatives of the Republic of South Africa

- 29. 8–1. 9. 1998 – Mayor of the Metropolitan Council of Pretoria N. J. Ngele;
- 25–28. 3. 1999 – Minister of the Management of Water Supplies and Forestry K. Asmal;

– Mayor of the city of Pretoria J. van Zyl.

Economic relations

The Republic of South Africa is one of the most significant trading partners of the Czech Republic in Sub-Saharan Africa. Current trade has a rising tendency, reflecting the interests of the economic institutions of both countries in intensifying trade and economic cooperation. On 7. 10. 1999 South African Breweries and Nomura signed a contract on the purchase of the Plzeňský Prazdroj and Radegast breweries. The South African Breweries are planning to take over Czech breweries by the year 2001 to the value of USD 629 million and accept Pilsner Urquell as its main worldwide trademark. This will make the Republic of South Africa one of the biggest investors in the Czech Republic.

In 1998 the value of Czech exports to South Africa reached 636.1 million crowns and imports were 1.06 million crowns. In 1999 the value of Czech exports amounted to 475.6 million crowns and imports of the Czech Republic to 997.86 million crowns. The main export commodities are foodstuffs, chemicals, industrial goods, machines and means of transport, machine tools, glass products, agricultural machinery, medicines, motor vehicles, paper goods, electrical machines, steel pipes, tyres, and inner tubes; Czech imports consist mainly of foodstuffs, non-edible raw materials, chemicals, wool, iron ore, cotton, ores and concentrates, products made of minerals, fruit and nuts.

Bilateral agreements concluded during the period under review

- Agreement between the Czech Republic and the Republic of South Africa on the promotion and mutual protection of investments; (14. 12. 1998, Prague, came into force on 17. 9. 1999);
- Agreement between the government of the Czech Republic represented by the Ministry of Defence, and the government of the Republic of South Africa, represented by the Ministry of Defence, on cooperation in the sphere of defence (Pretoria, 9. 11. 1999, came into force on 9. 11. 1999).

Cultural relations

There is a lively cultural exchange between the Czech Republic and South Africa. South African children participate every year in the “Lidice” children’s art contest. In 1999 the Czech Republic, under the auspices of the Czech and South African Embassies was featured at exhibitions of contemporary graphic art together with samples of modern Czech glass design, posters by Alfons Mucha, graphic art works by the artist Born, concerts given by the ensemble Bambini di Praga, performances by the drama groups Studio Ypsilon and “Goose on a String”, which also took part in the international cultural festival in Grahamstown. The Czech Republic was represented in the film section of the Grahamstown festival and at the 22nd international film festival at Cape Town. In September the Czech Embassy in Pretoria in collaboration with Krátký Film Praha organized a Festival of Czech Cartoons.

On 10 December 1998 the senior representatives of Pretoria University presented an honorary doctorate for human rights of Pretoria University to President Havel at Prague Castle.

Czech-South African relations are gradually unfolding in the field of science and education, including reciprocal visits and study trips. The Czech Republic offers the Republic of South Africa government scholarships for study at Czech universities. There are currently seven South African government scholarship holders in the Czech Republic.

REOPUBLIC of KENYA

The Republic of Kenya is a significant country in the Eastern part of the African continent. The economy is based on agricultural production, but has also a high-quality infrastructure and a developing industrial sector. The Republic of Kenya plays an important role in regional organizations, together with Tanzania and Uganda in the East African Economic Community (EAC), as well as in the broader association, the Common Market for East and South Africa (COMESA). The United Nations Environment Programme (UNEP) and the UN Centre for Human Settlement (UNCHS/Habitat) has its seat in the capital Nairobi.

Relations between the Czech Republic and Kenya are correct.

Visits by representatives of the Czech Republic

– 1–5. 2. 1999 – participation of the Minister for the Environment Kužvart in a session of the Governing Board of the UN Environment Programme (UNEP).

Economic relations

Czech exports consist mainly of steel rods, glass beads, aircraft and their spare parts, instruments and carpets. Imports from Kenya to the Czech Republic include coffee, cut flowers, fruit and vegetables. Czech exports in 1998 amounted to 180.7 million crowns, imports to 7.2 million crowns. In 1999 exports amounted to 187.5 million crowns, imports 12.1 million crowns.

Cultural relations

At the end of October/beginning of November the Embassy in Nairobi arranged an exhibition “Ten personalities of contemporary Czech graphic art”.

The Czech Republic offers Kenya government scholarships for study at Czech universities. In the autumn of 1999 there were 21 Kenyan government scholarship holders in the Czech Republic.

DEMOCRATIC REPUBLIC OF the CONGO

In view of its size, population and vast deposits of natural wealth (copper, diamonds, cobalt, crude oil, coffee), the Democratic Republic of Congo is among the most significant countries in the Sub-Saharan region and is among the potential future trading partners of the Czech Republic. At present an armed struggle is raging in the country which is in a profound political and economic crisis.

Visits by representatives of the Democratic Republic of Congo

– 13–16. 8. 1999 – Deputy Foreign Minister Mbwankiem, Deputy Defence Minister Kayembe and Deputy Chief of the General Staff of the Kenyan army Olenga.

Economic relations

The turnover of trade has dramatically fallen during the past two years because of the state of war in the country. Czech consumer goods also reach the Democratic Republic of Congo in the form of re-export via third countries (Belgium, Lebanon). The only import item is coffee. The total foreign trade turnover in 1998 amounted to 26.5 million crowns, of this exports were 9.1 million crowns and imports 17.4 million crowns. In 1999 the turnover reached was 9.3 million crowns, of this exports 5.5 million and imports 3.8 million crowns.

Cultural relations

In May 1999 the Czech Republic was represented at the Festival of European Films in Kinshasa.

The Czech Republic offers the Democratic Republic of Congo government scholarships for study at Czech universities. In the autumn of 1999 there were 11 government scholarship holders in the Czech Republic from the Democratic Republic of Congo.

Other significant events

In April 1999 the government of the Democratic Republic of Congo started preparations for the opening of an embassy in Prague. The former Minister for Young People and Sport Kimbaya has been appointed Ambassador.

REPUBLIC OF LIBERIA

Bilateral relations have been reduced to a minimum as a result of the civil war in the country from 1989 to 1997. A group of six Czech officers operated in Liberia during the civil war as members of the UN UNOMIL mission. On 21. 10. 1998 a joint communiqué was signed in the capital

Monrovia on the establishment of diplomatic relations between the Czech Republic and the Republic of Liberia as of 1. 1. 1993. On 16. 11. 1999 an honorary consulate of the Czech Republic began to function in Monrovia; the post of honorary consul was entrusted to a former Czech army observer in the country.

Visits by representatives of the Czech Republic

– 15–18. 11. 1999 – Deputy Foreign Minister Kmoníček was received by President Taylor.

Visits by representatives of Liberia

– 12. 8. 1999 – Liberian Deputy Finance Minister Cooper on a working visit in the Czech Republic.

Economic relations

The volume of trade between the Czech Republic and Liberia is increasing. Following the turnover of 12.8 million crowns in 1998 (Czech export only) there has been an increase to 53.2 million crowns (of this only 0.97 million crowns imports to the Czech Republic). Czech exports are mainly Tatra lorries, spare parts, diesel aggregates and electrical equipment.

REPUBLIC OF MAURITIUS

The Republic of Mauritius is an island state in the Indian Ocean. Its economy centres on agriculture, mainly the cultivation of sugar cane and the manufacture of sugar; there is also a textile industry and tourism.

Since 1997 there has been a gradual revival of bilateral relations. The talks held by Foreign Minister Kavan in Mauritius in April 1999 gave a impulse to greater political contacts but also to contacts in other spheres, especially in the economy.

Visits by representatives of the Czech Republic

– 11–14. 11. 1998 – visit by a business delegation;

– 3–5. 4. 1999 – Foreign Minister Kavan.

Economic relations

Economic relations and trade between the Czech Republic and the Republic of Mauritius are on a very low level which does not correspond to the potential and requirements of the two countries. Interest in greater economic cooperation has recently become evident on both sides. In 1998 the value of Czech exports to Mauritius was 4.36 million crowns and Czech imports from Mauritius 9.44 million crowns. In 1999 the value of Czech exports was 58.1 million and Czech imports 8.8 million crowns. The primary commodities in Czech exports are industrial tools, glass, office equipment and other consumer goods. Czech imports centre mainly on textile products, fresh and tinned fruit.

Bilateral agreements concluded during the period under review

Agreement between the Czech Republic and the Republic of Mauritius on the promotion and mutual protection of investments (Port Louis, 5. 4. 1999; the ratification process is taking place at present in the two countries).

Cultural relations

So far relations are developing only in education. The Czech Republic offers the Republic of Mauritius government scholarships for study at Czech universities. In the autumn of 1999 there was one Mauritian scholarship holder studying in the Czech Republic.

Other significant events

– 1. 12. 1999 – opening of an honorary consulate of the Republic of Mauritius in the Czech Republic.

REPUBLIC OF NAMIBIA

The Republic of Namibia is a significant country in Southern Africa. It has considerable mineral wealth and Namibia's economy is concentrated in the primary sector – mining, foodstuffs and fisheries.

The Czech Republic has good and friendly relations with Namibia. A visit by the Namibian President Nujoma to the Czech Republic in September 1999 did much towards stimulating bilateral relations.

Visits by representatives of the Czech Republic

- 15. 6. 1999 – negotiations by a state delegation of the Czech Republic, led by the chairman of the Senate of the Czech Parliament Mme. Benesova with the President of the Republic of Namibia, attended by the Minister of Foreign Affairs and the Minister of Labour and the Development of Human Resources in the Republic of South Africa;
- 13–15. 11. 1999 – Defence Minister Vetchý accompanied by the Deputy Minister of Industry and Trade Sýkora and a business mission.

Visits by representatives of the Republic of Namibia

- 9–11. 9. 1999 – President Nujoma accompanied by his Defence Minister Nghimtini.

Economic relations

Economic relations and trade between the Czech Republic and the Republic of Namibia are on a very low level which does not correspond to the potential and requirements of the two countries. Lately there has been a marked interest on both sides in expanding economic cooperation. In 1998 Czech exports to Namibia amounted to 3.7 million crowns, and Czech imports from Namibia 0.2 million crowns. In 1999 Czech exports to Namibia were worth 15.7 million crowns and Czech imports from Namibia 0.1 million crowns. The major Czech export commodities are paper and minor industrial goods; Czech imports consist predominantly of foodstuffs and fruit.

Cultural relations

On 25. 8–11. 9. 1999 an exhibition of works by the graphic artist Kulhánek was held in the Namibian National Gallery in Windhoek; it was the first presentation of Czech culture since 1993.

In March 1999 Professor Pánek, Deputy Pro-Rector of Charles University, and the Dean of the Law Faculty of Charles University Professor Hendrych visited Namibia. The Czech Republic offers Namibia government scholarships for study at Czech universities. In the autumn of 1999 there were 14 Namibian scholarship holders in the Czech Republic.

Another significant event

- 31. 8. 1999 – accreditation of the first Ambassador of the Republic of Namibia.

Federal Republic of NIGERIA

From the long-term point of view the Nigerian Federal Republic is among the countries on which Czech foreign policy concentrates its economic and political interest in Sub-Sahara Africa. In view of its position (the most populous African country and economically the most powerful state in West Africa – one of the foremost world crude oil producers) it plays the role of a sub-regional great power.

After the military government under General Abacha came to power in 1993, there was a substantial cooling of relations by the democratic world including the Czech Republic. This did not change until the middle of 1999 after democratic elections in the country when a newly elected government under President Obasanjo came to power.

Economic relations

There are currently two joint Czech-Nigerian companies in Nigeria: CNEICO and INDUSTRYSKODA. A joint Czech and Slovak trade centre is also beginning to operate there. In 1998 trade turnover reached 775.2 million crowns, in 1999 it was 540.8 million crowns, of this the value of Czech exports was 204.8 million crowns in 1998, and 329.3 million crowns in 1999. The main items in Czech exports were diesel aggregates, automobiles, equipment for school workshops, wood processing machine tools, consumer goods and textiles.

Cultural relations

The Czech Republic offers government scholarships at Czech universities. In the autumn of 1999 there were two Nigerian scholarship holders in the Czech Republic.

REPUBLIC OF cÔte d'IVOiRe

The Republic of Ivory Coast is the natural centre of the West African Francophone region and hence a partner of the Czech Republic as an observer in the International Francophone Organization. However, attempts by the Czech Republic to promote bilateral relations have so far not met with a corresponding response by the Ivory Coast side.

Economic relations

Economic relations and trade between the two countries are not on a level which would correspond to the potential of both countries. The main Czech export items are condensed milk, textiles, costume jewellery, minor industrial goods and tyres. Imports from Ivory Coast consist mainly of cocoa, pineapples and tropical timber. Foreign trade records a long-term deficit to the detriment of the Czech side. In 1998 the value of Czech exports was 29.6 million crowns, imports were 440.4 million. In 1999 the Czech Republic exported goods to Ivory Coast worth 35.7 million crowns and imported goods worth 537.6 million crowns.

Cultural relations

Cultural relations have of late been limited to government scholarships. In the autumn of 1999 there were four scholarship holders from Ivory Coast in the Czech Republic.

REPUBLIC OF SENEGAL

Senegal is a developing country which, alongside Ivory Coast, is a West African Francophone centre which is relevant in view of the Czech Republic status as an observer in the International Francophone Organization. The Czech Republic considers Senegal as an important partner in the Western-most tip of Africa. However, efforts by the Czech Republic to expand mutual relations have so far failed to meet with a corresponding response on the Senegalese side.

Economic relations

The Czech Republic considers Senegal as a country with far-reaching outlet possibilities. Even though the trade turnover has been rising during the past few years it still does not correspond to the potential of the two countries. Czech firms maintain their position by deliveries of lorries and traditional items such as paper goods, costume jewellery and glass. In 1998 Czech exports amounted to 32.5 million crowns and imports to Senegal to 6.6 million crowns. In 1999 exports were 26.5 million crowns and imports 2.4 million crowns. Large quantities of goods reach Senegal from the Czech Republic by means of re-export. This applies to food products, spare parts for machine equipment, textile yarn, etc.

Cultural relations

Cultural relations have recently been confined to government scholarships. In the autumn of 1999 there were 6 government scholarship holders in the Czech Republic.

Other significant events

– 1. 10. 1999 – opening of an honorary consulate of the Republic of Senegal in the Czech Republic.

Republic of SIERRA LEONE

After a drawn out, cruel and chaotic civil war since the early 1990s, a peace treaty was signed in the middle of 1999 in order to calm down the domestic situation. Since October 1999 a group of five officers of the Czech Army has been deployed in Sierra Leone as part of the UN UNAMSIL observer mission. The proposal to open a honorary consulate of the Czech Republic in the capital Freetown is in the ratification phase.

Visits by representatives of the Czech Republic

– 18–22. 11. 1999 – Deputy Foreign Minister Kmoníček on a working visit in Sierra Leone where he was received by President Kabbah.

Economic relations

The country with its rich natural resources (diamonds, titanium ore, bauxite) is a potential partner for Czech manufacturers. But trade is still on a minimal level. In 1998 trade turnover was 25.9 million crowns (of this Czech exports at 18.1 million crowns), in 1999 there has been a drop in turnover to 9.4 million crowns (of this Czech exports at 3.1 million crowns). The main export items are semi-finished steel products, glass and medical equipment. Imports consist mainly of fruit beverages and tobacco.

Republic of ZIMBABWE

After the Republic of South Africa, Zimbabwe is the second most advanced country in Southern Africa. It has a high-quality infrastructure, an advanced extraction and processing industry and an efficient agricultural sector. But at the moment the country is in deep economic crisis.

Relations between the Czech Republic and the Republic of Zimbabwe are traditionally friendly and correct but there has been no evident progress.

Visits by representatives of the Czech Republic

– 9–12. 11. 1998 – Deputy Minister of Industry and Trade Maceška.

Economic relations

Apart from tobacco imports by the Czech Republic, trade with Zimbabwe has never been on any large scale. The Czech Republic exports machines and machine equipment, other industrial goods, paper and glassware to Zimbabwe. It imports almost exclusively tobacco and to a lesser extent cut flowers. As a result of the large volume of tobacco imports the trade balance has in the long term

been clearly in favour of Zimbabwe. In 1998 Czech exports to Zimbabwe were 29.3 million crowns, imports 382.6 million crowns, in 1999 exports were 17.5 million crowns, imports reached 393.9 million crowns.

Bilateral agreements concluded during the period under review

– Agreement between the Czech Republic and the Republic of Zimbabwe on the promotion and mutual protection of investments; (13. 9. 1999, Harare; the ratification process is in progress at present in both countries).

Cultural relations

The Czech film *Kolja* by director Svěrák scored a great success in September 1998; it was screened in Harare at the International Film Festival and won four awards, including the first prize for the best film. In April 1999 an exhibition of lithographs by the artist Kulhánek was held in Harare. In September 1999 the Czech film by director Michálek “*Sekal should be killed*” was shown at the International Film Festival in Harare. The film won a prize for best sound track.

In the autumn of 1999 7 government scholarship holders were studying at Czech universities.

10. Relations with countries in Latin America

ARGENTINE REPUBLIC

Thanks to its position in the region and the history and quality of bilateral relations, Argentina is one of the most important partners of the Czech Republic in Latin America. It is an active member of the UN where it is involved in multinational missions and where it is also striving to become a permanent member of the UN Security Council; it is also active in other international and regional organizations (OAS, Latin American Integration Association, Rio Group, Inter-American Development Bank, etc.). In the political field, there has recently been evidence of certain parallel positions on the part of the Czech Republic and Argentina on a number of fundamental issues. Efforts are being made to promote cooperation on the international scene. Argentina’s membership in the MERCOSUR integration group constitutes for us increasingly promising forms of trade and economic cooperation, especially in the light of existing links between this regional bloc and the European Union.

Visits by representatives of the Czech Republic

– 9–11. 12. 1999 – Deputy Foreign Minister Palouš represented President Havel at the inauguration of the newly elected Argentinian President Fernando de la Rúa.

Visits by representatives of the Republic of Argentina

In the period under review no senior representative of the government of the Republic of Argentina has visited the Czech Republic. A state visit by the President of the Republic of Argentina Carlos Saul Menem, planned for August 1999, was cancelled at the request of the Argentinian side.

Economic relations

The current level of trade does not fully meet the export potential of the two countries. During recent years, in its total trade turnover Argentina ranked in 3rd to 5th place among our partners in Latin America. Figures in million crowns for 1998: export 545.3, import 519.5, turnover 1 billion; preliminary figures for 1999: exports 388.9, imports 671.9, turnover 1.06 billion. A gradual but only slight revival has been evident since 1995 when bilateral trade clearly dropped, especially as a result of the impact of the Mexican crisis on the Argentinian economy. But a considerable proportion of Czech exports to Argentine (approx. 297 million crowns) is carried out via third countries.

Following a structural reorientation of Czech exports in the first half of the 1990s (abandoning exports of capital goods in favour of a more pronounced diversification of export commodities), the emphasis of Czech exports was shifted to the sphere of metallurgical semi-finished goods (iron and steel 22%), machines and equipment (metal-processing machines 12%, textile and leather processing machines 7%), motor vehicles, tractors, motorcycles and consumer goods (glassware 7%, electrical appliances 5%). The predominant Czech imports from Argentina are oleaceous ground-nuts (45%), meat and meat products (11%), fish and seafood (7%), aluminium wire (7%), wool (5%) and leather and leather goods (5%).

Both sides agree on the need to diversify trade relations and the participation of individual exporting enterprises.

Small and medium-sized Czech firms are to be assisted to find a way on to the Argentinian market by the establishment of an office of the Czech Trade agency in Buenos Aires. The participation of Czech firms in trade fairs which have an old tradition in Argentina and enjoy great prestige there is also of potential significance.

There are good opportunities for Czech firms in branches such as energy and the mining industry, possibly even in major projects connected with the technological modernization of Argentinian industry and in specific investment projects: for example, in transport infrastructure. Finding strong partners in third countries, possibly a sub-contracting presence in individual projects and cooperation with domestic firms are of key importance for a more active involvement of Czech firms in projects with high investment.

Bilateral agreements concluded during the period under review

- Agreement on abolishing visas for holders of Czech Republic and Argentinian passports; 5. 10. 1999, Prague;
- Agreement on economic and trade cooperation between the Governments of the Czech Republic and the Republic of Argentina, 21. 12. 1999, Prague.

Cultural relations

Argentinian cultural institutions are showing keen interest in the establishment of contacts with partners in the Czech Republic, especially in traditional fields of Czech culture such as cinematography, puppetry and photography.

A regular exchange of university scholarships is in progress between the two countries. During the past few years there has been a certain revitalization thanks to several successful events organized with the participation of the Czech Embassy (presentation of Czech films of the 1980s, exhibition of works by ten contemporary Czech graphic artists, exhibition of works by Alfons Mucha, exhibition of drawings by children at the Terezín concentration camp, a biographic exhibition “Franz Kafka in Prague”, and others). More presentations of Czech culture have taken place on a commercial basis.

Argentina is generally well known to the Czech public through its large Czech (and Slovak) expatriate community. It has been and remains the aim to restore and systematically promote ties which were severed in the past between expatriates and their descendants and their homeland.

BOLIVARIAN REPUBLIC of VENEZUELA

Venezuela is a significant Latin American country with great economic potential. Its regional foreign policy importance outside the South American continent (for example its membership in the Andean community of nations) stretches as far as the Caribbean region (Association of Caribbean states) and Central America (Group of three – Venezuela, Colombia, Mexico).

Visits by representatives of Venezuela

– 24–26. 11. 1999 – First Deputy Foreign Minister of Venezuela Valero Briceno had talks with representatives of the Czech Foreign Ministry and the Ministry of Industry and Trade on intensified cooperation between the two countries.

Economic relations

There are considerable opportunities for Czech economic interests and for increased trade in relations with Venezuela, one of the members of the economic and political integration bloc of the Andean community. These relations do not yet correspond to the export potential of the two countries. The Agreement on Cooperation, signed in August 1999 between the Economic Chamber of the Czech Republic and the Venezuelan Federation of branch trade chambers (FEDECAMARAS) is a step towards increasing two-way trade.

In overall trade turnover Venezuela took 15th place in 1998 among all Latin American trade partners. Trade is characterized by the following figures in million crowns: 1998: export 171.0, import 12.9; turnover 183.9; 1999: (preliminary figures): export 133.1; import 64.0; turnover 197.1.

Traditional Czech export items are oil pipes, tractors, malt, knitting and weaving machines, leather processing and footwear machines, machine tools, printing and agricultural machines, costume jewellery, light fittings and glassware. As regards the structure of Czech exports (1998), a full 42% was made up of ingots and iron profiles, approx. 30% machines and means of transport and 9% glassware. Imports from Venezuela which have never been very significant, concentrated in 1998 on aluminium (a full 47%), chemicals and bananas.

No direct investments from the Czech Republic are registered in Venezuela and there are no known Venezuelan investments in the Czech Republic.

Cultural relations

The Czech theatre ensemble Pro 100 performed in Caracas during recent years (1998 and 1999). It received a prize for the most successful performance at the Fiesta 97 drama festival. The establishment of closer contacts between the ensemble and its Venezuelan partners resulted in a tour by the Venezuelan Teatro San Martin in the Czech Republic (1998 and 1999). In 1999 the Czech Embassy offered the Venezuelan cultural public a representative cross-section of Czech graphic art of the 1990s as well as a literary and biographical exhibition about Franz Kafka. That same year the Czech Rafael quartet gave guest performances in Caracas. Venezuela introduced itself in the Czech Republic at the World Travel 99 international trade fair in Prague, and in June 1999 at the first festival of Venezuelan films.

REPUBLIC of BOLIVIA

The Czech Republic maintains good relations with the Republic of Bolivia, but apart from offering government scholarships, there is very little activity. In the same way, trade and economic cooperation are negligible.

Economic relations

From the point of view of the volume of trade Bolivia is not among the decisive partners of the Czech Republic in Latin America. Trade is characterized by the following figures: in 1998 exports amounted to 35.6 million crowns, imports 18.6 million crowns, turnover to 54.2 million crowns. By its total turnover of 47.2 million crowns in 1999 (preliminary figures) Bolivia ranked 20th among the Latin American states. Exports amounted to a mere 13.8 million crowns, imports from Bolivia reached 33.4 million crowns.

The structure of imports has changed during recent years. The main items in 1998 were coffee (58%) and Brazil nuts (41%). The predominant commodity is unquestionably high-quality roasted

coffee, comparable with Colombian coffee. Our exports to Bolivia in 1998 were leather processing machines (36%), glassware (12%) and road vehicles (9%).

Cultural relations

Contacts in the field of culture and education are not on a very high level despite a Cultural Agreement, concluded in 1985, but there is a permanent and increasing interest in government scholarships.

FEDERATIVE REPUBLIC OF BRAZIL

Brazil is one of the priorities of our foreign policy on the Latin American continent. Brazil is politically active on the international scene, especially in the UN where it strives to obtain a permanent seat in the Security Council, but also in regional organizations (OAS, Latin American Parliament PARLATINO – it initiated the establishment of the Rio Group, etc.). The Czech Republic cooperates closely with Brazil in matters of international significance, especially in the specialized bodies of the UN. In this context the existing Protocol on cooperation between the Foreign Ministries of the two countries has been duly utilized; on the basis of the Protocol consultations have been held on urgent multilateral problems. Brazil's membership in the MERCOSUR integration association offers immense opportunities to the Czech Republic for further economic cooperation. Brazil traditionally holds a prominent place among our trade partners in Latin America, in 1999 it was the major partner in the region with regard to imports and exports.

Visits by representatives of the Czech Republic

- 17–21. 11. 1999 – Minister of Agriculture Fencľ;
- 7–9. 12. 1999 – Deputy Foreign Minister Palouš.

Economic relations

Brazil is today the most significant trade partner of the Czech Republic in Latin America; in 1998 Czech-Brazilian trade represented more than 31% of all trade with the region. Brazil will remain one of the regional priorities for Czech economic interests also because of its position in the South American common market – MERCOSUR.

Bilateral trade is characterized by the following figures: 1998: exports 1.2 billion crowns, imports 3.0 billion crowns; turnover 4.2 billion crowns; preliminary figures for 1999: exports 1.0 billion, imports 2.8 billion crowns; turnover 3.8 billion crowns.

Czech imports from Brazil consist mainly of raw materials such as aluminium, iron and manganese ore, soya oil, fruit, agricultural raw materials (leather, tobacco and raw coffee). The main items on

the Czech export list are equipment for cement works, thermal and hydro-power stations, machine tools, graphic, textile and leather manufacturing machinery, medical instruments, ball bearings, etc. In addition to these engineering commodities, the Czech Republic exports hop, malt, glass and costume jewellery. There has been greater diversification of trade commodities on both sides. For example, there have been higher exports of chemicals and dried milk. During the period under review there has been more active cooperation between Czech firms and individual states of the Brazilian Federation, and also with cities; an example of this are the talks held in the Czech Republic with the Governor of the Para state of A. Gabriel in December 1999; the Governor expressed interest in the supply of purifiers, means of transport and tram cars for the capital of the state (Belem). Recently inaugurated cooperation between our kaolin and porcelain works and their Brazilian counterparts are also promising. Our honorary consulates on the spot are very active in arranging contacts of this kind.

Bilateral agreements concluded during the period under review

The contractual base of bilateral relations was supplemented in 1999 by the signature of an Agreement on Cooperation in Veterinary and Plant Protection measures.

Cultural relations

Most cultural contacts have currently been conducted on a commercial basis; however, the frequency of events has been visibly reduced owing to the high cost. An exhibition of modern Czech graphic art, showings of Czech films of the 1980s and a literary and biographical exhibition about Franz Kafka have all been arranged with the assistance of the Czech Embassy. The Prague Chamber Orchestra and the Chamber Orchestra of the Czech Philharmonic performed in Brazil during recent years.

There are several hundred Czech expatriates (this is the second largest community in Latin America), most of them are second or even third generation. In view of the localities of their biggest concentration (centre and south of the country) they maintain contacts, above all, with our consular representations in Sao Paulo and Rio de Janeiro. There are also associations of expatriates, the Czech-Brazilian Cultural Union, the Czech-Brazilian Cultural Workshop, an association of veterans, etc. There are no longer Czech schools but expatriate organizations from time to time organize Czech language courses. The expatriate community is most active both in the cultural and in the trade spheres.

REPUBLIC OF ECUADOR

Political relations with Ecuador are of a good standard and mutually correct. Their intensity, including contacts between the representatives of the two countries, has, however, been somewhat reduced after the closure of the embassies in Prague and Quito in 1993. Contacts concentrate on the economic sphere and on trade.

Visits by representatives of the Czech Republic

– 6–10. 10. 1999 – Deputy Minister of Industry and Trade Maceška had talks in Ecuador on intensifying economic and trade cooperation; the talks coincided with the first official participation of the Ministry of Industry and Trade of the Czech Republic in the international general trade fair FIE'99 at Guayaquil.

Economic relations

Ecuador (a member of the integration bloc of the Andean community of nations) is a promising economic and, above all, trade partner of the Czech Republic in Latin America.

Ecuador ranked 6th in total trade turnover among Latin American trade partners in 1998 (1998: exports 384.0; imports 183.9; turnover 567.9; 1999: exports 96.3; imports 525.4; turnover 621.7 – figures in million crowns).

Engineering commodities (pumping technology, tractors, diesel motors, leather and textile machines, rolled materials, machine tools and polygraphic machines, automobiles) account for 70 to 90% of all Czech exports. In non-engineering commodities consumer goods predominate alongside costume jewellery, textiles, glass and china. Imports from Ecuador concentrate mainly in coffee and bananas.

Cultural relations

Cooperation in the cultural field is not very intensive; in 1999 an exhibition of graphic works by Vladimír Suchánek was held in Guayaquil; towards the end of 1999 an exhibition was arranged of works by the Ecuador artist of Czech origin Gita Neuman. The Czech Republic offers Ecuadorean applicants the chance of applying for regular scholarships for study at Czech universities; this is part of a development aid plan.

REPUBLIC of CHILE

Chile is one of the most dynamically advancing countries in Latin America and is among the economically most developed states on the Latin American continent; it is an associate country of the MERCOSUR integration association.

Following the fall of the Pinochet dictatorship in 1989 the Czech Republic restored traditional friendly relations with Chile which have recently been developing dynamically. Proof of this are the many visits by official representatives (during the recent period even at the level of Presidents of the Republic) and the extensive basis of treaties and agreements. In trade, too, Chile is among

the most significant partners of the Czech Republic in Latin America with a permanently active trade balance in favour of the Czech Republic.

Visits by Chilean representatives

– 16–18. 3. 1999 – President Eduardo Frei Ruiz-Tagle, accompanied by Foreign Minister Insulza, Education Minister Arellano, a delegation of Deputies (e.g. the chairman of the Senate Economics Committee Foxley) and two prominent industrialists, visited the Czech Republic. President Frei was received by President Havel, the Speaker of the Chamber of Deputies Klaus, the chairman of the Senate Mme. Benesova and Vice-Premier Lánsky. Following talks by the entire delegation, Foreign Minister Insulza had separate negotiations with Czech Foreign Minister Kavan; their bilateral talks centred mainly on possibilities for intensifying trade.

Economic relations

With regard to the volume of trade, Chile is one of the significant partners of the Czech Republic in Latin America. Bilateral trade is characterized by the following figures for 1998: export 177.5 million crowns, imports 180.8 million crowns, turnover 358.3 million crowns. According to preliminary figures, in 1999 Chile ranked 8th in turnover with a volume of 384.8 million crowns, in exports it held 6th place with 230 million crowns, in imports 9th place with 155.1 million crowns.

According to statistics issued by the Ministry of Industry and Trade, the highest percentage, approx. 53% of our exports went to engineering: machines and means of transport (to be exact, Zetor tractors, Škoda LIAZ lorries and Škoda automobiles). But these figures do not include two re-exported L-410 Kunovice aircraft to the value of almost USD3.5 million. Other goods (market goods classified mainly according to material, which in the case of Chile are iron and steel, metal products, glass and aluminium), dropped to 30% (USD1.67 million). Exports of organic chemicals are worth mentioning; they are, however, registered in many instances only by the Chilean side because of their re-export via third countries, and dried milk.

The structure of our imports has virtually remained unchanged over several years. Roughly 70% are copper ingots, the remaining Chilean exports consist of fresh fruit, leather, wine and dried fruit.

Bilateral agreements concluded during the period under review

– Agreement on cooperation in the struggle against terrorism, international organized crime and illegal trafficking in toxic, psychotropic and radioactive substances (signed during a visit by the Czech President on 23. 9. 1996, came into force in October 1999);

– Agreement on the employment of members of the families of officials of diplomatic and consular missions (signed during the visit of the Czech President on 23. 9. 1996, came into force in October 1999);

– A veterinary agreement was signed on 17. 3. 1999 during the official visit of Chilean President Frei to the Czech Republic.

Cultural relations

An exhibition “Franz Kafka lived in Prague” was arranged to mark the 80th anniversary of the foundation of Czechoslovakia as well as a concert by the Valparaiso chamber singers (Moravian duets by Dvořák and The Opening of Wells by Martinů) on 14. 10. and on 6. 11. a recital by Jaroslav Horáček, a soloist of the National Theatre in Prague held in the National Library in Santiago. The Chilean Chamber Orchestra gave a guest performance in Prague in October 1998.

In July and August 1999 the Embassy of the Czech Republic in Santiago arranged an exhibition at Santiago University and in the regional museum in Temuko to mark the 85th anniversary of the birth of Bohumil Hrabal. At the children’s song festival on 17. 8. the children’s opera from Terezín “Brundibár” was staged by an expatriate, H. Stein, at the Teatro Municipal in Vina del Mar.

REPUBLIC of COLOMBIA

Despite its domestic political problems arising from long years of an internal armed conflict, the Republic of Colombia is an important political partner of the Czech Republic in Latin America – it is part of the South American integration bloc (Andean community of nations) as well as of the so-called Group of Three (alongside Venezuela and Mexico) and of the integration associations in the Caribbean region (Association of Caribbean states). Czech-Colombian relations concentrate primarily on the economic and trade spheres; Colombia represents a traditional and promising trade partner for the Czech Republic in the region.

Economic relations

In the total trade turnover with countries in the region Colombia has taken 2nd place in 1998, immediately after Brazil. But in 1998 Czech exports dropped by almost 30% (especially because of the introduction of new models of the Škoda Felicia car, replacing the previous version of the Felicia, the price of which had been very attractive for the Colombian market); there has been a further drop in 1999. For a long time the trade balance has been at a deficit for the Czech Republic; this has been due, among other things, to massive imports of coffee and bananas. Trade is characterized by the following figures: in 1998, exports 538.9 million crowns, imports 1.6 billion crowns, turnover 2.1 billion crowns; in 1999 (preliminary results): exports 140.3 million crowns, imports 819.5 million crowns, turnover 959.8 million crowns.

Decisive items in Czech exports are engineering commodities such as Škoda automobiles, machine tools, leather and textile machines, tractors, ball bearings, electrical measuring installations, tools, etc. Among non-engineering commodities, exports to Colombia include chemicals, costume jewellery, glass, etc. Imports from Colombia consist mainly of coffee and bananas, rice, cocoa

beans and textile products; the import of flowers is in its initial stages while tropical fruit has difficulties in the Czech market.

Following the closing down of the firm Strojimport de Colombia Ltda, the Czech Republic has no ownership participation in Colombia; no joint ventures have been registered.

Some opportunities are opening up as regards aircraft sales and in sub-contracting of equipment for surface and deep mining, thermal and hydro-electric power stations, the reconstruction of the rail and road infrastructure, the planned construction of underground railways in Bogota and Cali, and also in the extraction and distribution of gas, the purification of drinking water, purification equipment for industrial and sewage water, refuse incinerators and other ecological projects.

Cultural relations

There has been a marked strengthening of cultural and educational cooperation in 1998 and 1999. The Czech Republic was introduced on several occasions in major cultural centres by an exhibition "Ten personalities of contemporary Czech graphic art", by a most successful exhibition (in Bogota and Medellin) of drawings by Terezín children (from the collection of the State Jewish Museum in Prague), by two cross-sections of graphic art works by the artists Šerých and Suchánek and by a literary and biographical exhibition "Franz Kafka lived in Prague". The Czech Republic was invited to be a guest at the film festival of European Union countries, held in Bogota in 1998. The culmination of cultural activities arranged by the Czech Embassy was an extensive representative exhibition entitled "Alfons Mucha: four periods of the graphic artist", organized in the Colombian National Museum in Bogota in the autumn of 1998 in collaboration with the National Gallery in Prague and sponsored by Air France and the Colombian importer of Škoda automobiles.

Under a plan of foreign development aid, the Czech Republic unilaterally offers Colombian applicants scholarships at Czech universities (1998: two scholarships for a complete university course and three post-graduate scholarships; 1999: two scholarships for each of the above-mentioned types of study). As a reaction to this unilateral offer by the Czech side, since 1997 the Colombian school authorities have included Czech candidates in their programme of post-graduate scholarships for foreign students.

REPUBLICc of CUBA

The Czech Republic's relations with Cuba have recently concentrated mainly on the promotion of trade and economic cooperation.

The Czech Republic also advocates the transformation of Cuba into a pluralist society with an open market economy. Special emphasis is placed on respect of human rights on the island. The Czech Republic maintains this in international forums and in the course of bilateral negotiations. In the UN Human Rights Commission in Geneva in April 1999 the Czech Republic together with Poland was co-author of a resolution condemning the Cuban government for its failure to respect human rights and basic democratic liberties. The Commission adopted this resolution. The Czech Republic insists that the respect for human rights by the Cuban government should be in line with

international standards, and calls on the Cuban authorities to open a dialogue with the opposition and release all political prisoners.

Visits by representatives of the Czech Republic

– 26. 10–4. 11. 1998 – first session of the joint commission (Deputy Minister of Industry and Trade Maceška).

Economic relations

In 1998 and 1999 the Czech representation at the International Havana Trade Fair FIHAV was on the level of state participation; in 1998 the Deputy Minister of Industry and Trade attended. In 1999 the Czech exhibit was among the biggest.

Bilateral trade is characterized by the following figures: exports 585.2 million crowns, imports 16.3 million crowns, turnover 601.5 million crowns. According to preliminary figures for 1999, trade turnover was 406.7 million crowns. A positive feature is an active balance amounting to 386.8 million crowns. This means that Cuba has taken 4th place among Latin American countries for Czech exports. However, an increase in trade is limited by the chronic shortage of currency in the Cuban state economy.

The attitude of the Cuban side to the repayment of its debt to the Czech Republic (approx. 380 million transferable roubles) will be a significant watershed in the future expansion of economic relations; however, this debt will first have to be calculated and converted into a convertible currency. The settlement of this problem was on the agenda of talks conducted by Deputy Minister of Industry and Trade Maceška in October 1998. However, Cuba does not dispose of sufficient resources for the repayment and gives priority to negotiations with its major creditors (Germany, Russia and others).

Cultural relations

After cancellation of the cultural agreement by the Cuban side, the cultural centres of the two countries in Prague and in Havana terminated their activity. Cultural events in Cuba are nowadays organized by the Czech Embassy in Havana. In June 1999 it was possible to arrange an exhibition “The Czech poster” in the Cuban capital. For a long time there was no systematic exchange of students between the two countries. In 1998 the Czech side offered one scholarship place for a post-graduate doctorate course in the Czech Republic.

REPUBLIC of PARAGUAY

Our relations with Paraguay are still limited by the relatively complex internal political situation in this Latin American country. But the membership of Paraguay in the South American common market MERCOSUR offers the Czech Republic the chance of developing economic cooperation with Paraguay.

Economic relations

Since the mid-1990s trade between the Czech Republic and Paraguay has registered a declining tendency and in 1998 was not above 30 million crowns (1998: exports 28.4 million crowns, imports 0.6 million crowns, turnover 29.0 million crowns). According to preliminary figures, trade between the two countries was negligible compared to other Latin American states. Conditions exist, however, for a gradual increase of trade especially on the part of Czech exporters. The commodity structure, too, is limited: Czech exports centre on engineering products, mainly means of transport, the Czech Republic imports from Paraguay clothing items on a very small scale as well as wool, fruit and other items.

Bilateral agreements concluded during the period under review

In October 1998 an Agreement on the promotion and protection of investments was signed in Asuncion as well as an Agreement on the abolition of visas for holders of diplomatic and service passports.

Cultural relations

Cultural relations between the Czech Republic and Paraguay are restricted by geographic distance and by the fact that with the exception of a honorary consulate, the Czech Republic has no permanent mission in Paraguay. Under the foreign development aid plan the Czech Republic offers the Paraguayan side scholarships for complete university courses and for post-graduate study in the Czech Republic.

REPUBLIC of PERU

The Republic of Peru with a dynamically expanding economy is a significant country in Latin America with which the Czech Republic has had long years of traditional and friendly relations which have been intensifying recently especially on a political level.

Economic relations

As far as trade is concerned, Peru is not among the leading partners of the Czech Republic in Latin America. The following figures for 1998 characterize bilateral trade: exports 155.3 million crowns, imports 255.7 million crowns, volume 411.0 million crowns. But according to preliminary figures, in 1999 Peru dropped to 9th place with a volume of 319.1 million crowns, in exports it fell to 11th place with 126.5 million crowns and in imports to 8th place with 192.6 million crowns.

The predominant items in our exports in 1998 were spare parts for energy equipment (41%), sports rifles (22%), iron and steel (11%), glassware (7%), textile and leather processing machines (6%). Imports from Peru centred on so-called traditional commodities. In 1998 these were fish meal (more than 57%), fresh and frozen fish and fish fillet (18%) and unroasted coffee (15%).

Cultural relations

Among the most significant cultural events in 1998 was a travelling exhibition about the life and work of Franz Kafka. An exhibition of publications about the history and present of Czechoslovakia and the Czech Republic in the National Library of Peru was held to commemorate the 80th anniversary of the foundation of Czechoslovakia.

Other major cultural events in Peru in 1999 included a travelling exhibition about Bohumil Hrabal, held in the National Museum in Lima (May), an exhibition of foremost Czech graphic artists "Prague posters" at the Banco de Comercio gallery in Lima (October), the exhibition by the Czech painter Otto Plachta who lives in Peruvian Amazona, held at the gallery of the Lima borough of Miraflores (November) and a visit by a group of students of the school of applied art, combined with a three-day screening of cartoons at the Cultural centre of the Pontifical Catholic University in Lima (November – the visit is expected to result in a cartoon about Peru as seen through the eyes of a Czech artist).

In April 1999 a Peruvian travelling exhibition "The Master from Sipan" was inaugurated at the Museum of Prague, showing one of the most famous archaeological finds in the world.

UNITED MEXICAN STATES

Mexico is one of the most important Latin American countries and is among the most economically advanced states on the continent. The significance of Mexico in the sphere of foreign policy is that it belongs to NAFTA, to the Rio Group and to the Group of Three. Mexico is furthermore the first Latin American member of OECD, it holds observer status in the Council of Europe, and as the first Latin American country signed an agreement on free trade with the EU. The Czech Republic maintains traditional friendly relations with Mexico which have recently been intensifying. Mexico is one of the major partners of the Czech Republic in Latin America. Cooperation centres mainly on the political, economic and trade levels. Mexico has been the first Latin American country which decided to invest in the Czech Republic.

Visits by representatives of the Czech Republic

- 2. 10. 1998 – Chairman of the Office for the Protection of Economic Competition Bělehrádek who had talks with his Mexican colleague Fernando Sanchez Ugart;
- 15–20. 4. 1999 – Minister for Local Development Císař who had talks on promoting tourism. A reciprocal visit by the Mexican Minister for Tourism Espinosa Villareal to the Czech Republic was planned for 17–19. 11. 1999 but was cancelled shortly before that date;
- 17–21. 10. 1999 – Chairman of the Senate of the Czech Parliament Mme. Benešová;
- 25–28. 11. 1999 – Foreign Minister Kavan.

Visits by representatives of the United States of Mexico

- 11–13. 4. 1999 – Deputy Foreign Minister Juan Rebolledo Gout;
- 12–13. 7. 1999 – Foreign Minister Mme. Rosario Green.

Economic relations

Mexico is one of the traditional economic partners of the Czech Republic of long standing. The following figures characterize trade relations between the two countries for 1998: exports 710.9 million crowns, imports 761.8 million crowns, turnover 1.4 billion crowns. The preliminary figures for 1999 which rank Mexico in 2nd place among the Latin American countries as regards our exports (695.5 million crowns, share 14.7%), in 2nd place as regards imports (1.0 billion, share 14.8%) and in 2nd place in total turnover (1.7 billion crowns, share 14.8%), immediately after Brazil, still do not correspond to the potential of the two states although there has been an increase in trade compared to previous years. In 1999 Mexico accounted for 14.8% of the total Czech turnover with Latin America and the trade balance showed a deficit of 390.0 million crowns.

Around 33% of Czech exports in 1998 were textile and leather processing machines, 25% was glass costume jewellery, 8% iron and steel, 7% machine tools, 3.6% musical instruments, etc. Imports from Mexico consisted of 11% coffee, pectin substances 11%, electrical equipment 10%, office equipment 9%, medical supplies 7.5%, fluorite 5%, clothing 4%, refrigerators 4%, toys 3.5%, etc.

In 1999 the Mexican firm Nemark took the decision to invest in the Czech Republic in the construction of a factory for the manufacture of spare parts for Chevrolet/Opel, Vauxhall/Chrysler/Mercedes/Ford, and in future also Volkswagen automobiles. Initial investments in the construction of a plant near Plzeň amount to several tens of million US dollars.

Bilateral agreements concluded during the period under review

- 25. 11. 1999 an Agreement was signed on abolishing visas for holders of Czech Republic and the United States of Mexico passports and for holders of diplomatic and service passports of the two countries;

– 26. 11. 1999 an Agreement was signed on trade and economic cooperation between the Czech Republic and the United States of Mexico.

Cultural relations

The Prague Chamber Orchestra gave guest performances in Mexico in 1998 and the Hradištan folklore ensemble took part in the 26th Cervantin festival. The children's choir Vrabčáci (Sparrows) visited Mexico towards the end of 1999.

In 1999 Lidice Theatre was opened at a ceremony in the borough of San Jeronimo Lidice in the capital.

The biggest presentation of Czech culture to be organized in this country during the recent period was opened at the Ibero-American University in May 1999 under the title "Czech cultural space"; it included an exhibition on Franz Kafka. The Prague Quartet performed at the International Music Festival in the town of Morelia in July 1999. In October 1999 the Czech folklore ensemble Vycpálkovci took part in the 27th Cervantin festival.

A project for a statue of T. G. Masaryk made some progress in 1999. The project, which plans the unveiling of a statue of in the Mexican capital, involves Czech expatriate associations, the Czech Embassy in Mexico, the Prague Municipal Council and the Czechoslovak Institute of Foreign Relations. On 25. 11. 1999 a square in the Mexican capital where the statue is intended to stand, was renamed T. G. Masaryk Square.

EASTERN REPUBLIC OF URUGUAY

Uruguay is among the smaller but politically most active Latin American countries. Relations with our country have for many years been most correct. The volume of trade and economic cooperation has been increasing during the past few years.

Economic relations

Uruguay has not been among the most important partners of the Czech Republic in Latin America with regard to the volume of trade, but its significance is increasing with the advancing process of South American economic integration within the MERCOSUR; Uruguay is a member of the association and the Secretariat of MERCOSUR is in Montevideo.

In 1998 Uruguay ranked 9th in trade turnover among the Czech Republic's trade partners in Latin America; the trade balance is stable and the volume of trade has been consistent since the mid-1990s. The period under review (in million crowns) – 1998: exports 219.1; imports 158.1; turnover 377.2; preliminary figures for 1999: exports 144.6; imports 146.7; turnover 291.3.

The major items in Czech exports are electrical motors, special technology, railway carriages, iron and steel. The Czech Republic imports from Uruguay mainly wool and wool yarn, citrus fruit, leather and clothing accessories. There are possibilities of a contract for two capital projects (energy and processing basic raw materials); further possibilities for Czech firms (investments or piece supplies) to find a place on the Uruguayan market exist in the sphere of the manufacturing industry and infrastructure.

Bilateral agreements concluded during the period under review

- A trade agreement came into force in December 1998 which supplemented the wide contractual base in bilateral relations which had been gradually created in the course of the 1990s;
- an Agreement was signed in Prague in June 1999 on abolishing visas for holders of national passports.

Cultural relations

Cultural relations with Uruguay are making successful headway and take advantage of the considerable interest of the Uruguayan public in Czech culture; in 1998 an exhibition of drawings by Terezin children was held in Montevideo under the title “I have not seen a butterfly here” (from the collection of the State Jewish Museum in Prague); the orchestra Virtuosi di Praga gave concerts in the Uruguayan capital; the Prague Chamber Orchestra played at the Montevideo Teatro Solis concert hall in Montevideo in the presence of Uruguayan President Sanguinetti; in the autumn of 1998 a programme on the cultural life in the Terezin ghetto which has been written in Montevideo under the title “Around Terezin”, had its premiere in Montevideo. In 1999 the Embassy arranged a literary biographical exhibition about Franz Kafka. Under the plan of foreign development aid the Czech Republic offers unilaterally scholarships to Uruguayan candidates for study at Czech universities (in the 1998–1999 academic year one place for a complete university course and one scholarship for post-graduate study).

CENTRAL AMERICAN COUNTRIES

(REPUBLIC of COSTA RICA, REPUBLIC of GUATEMALA, The REPUBLIC of EL SALVADOR, The REPUBLIC of HONDURAS, REPUBLIC of PANAMA, REPUBLIC of NICARAGUA, BELIZE)

The Czech Republic has traditionally friendly relations with the Central American countries. Their intensity has until now been rather low, however lately there has been a revival not only in the political field but there has been an increase and widening of economic cooperation and trade.

Visits by representatives of the Czech Republic

- 9–13. 3. 1998 – A delegation of the Committee for the Economy, Agriculture and Transport of the Senate of the Czech Republic, led by its chairman Jurečka (Costa Rica, Nicaragua, Guatemala);
- 28. 11–1. 12. 1999 – Foreign Minister Kavan (Salvador, Nicaragua).

Visits by representatives of Central American states

– 7–9. 3. 1998 – Guatemalan Deputy Foreign Minister Aguilera Peralta.

Economic relations

REPUBLIC of COSTA RICA

Although the Czech Republic is not a region of economic priority for Costa Rica, economic and trade relations have for a long time been correct and essentially free of problems. But they are not very dynamic. Trade is characterized by the following figures for 1998: export 62.0 million crowns, imports 373.7 million crowns, turnover 435.7 million crowns. According to preliminary figures for 1999 the trade turnover amounted to 291.3 million crowns (12th place among Latin American countries, share 2.4%), Czech exports 91.6 million crowns (13th place, share 1,9%), imports 199.7 million crowns (7th place, share 2.7%). The trade balance has been constantly at a deficit for the Czech Republic during the past years. This deficit is due mainly to imports of bananas and coffee which are the predominant import items. Czech exports centre predominantly in iron and steel and their products, printing machines, cutlery, tools and instruments, rubber products, textile yarn, etc.

REPUBLIC of GUATEMALA

The Guatemalan share in Czech foreign trade with Latin America amounted to 1.1% in 1999 according to preliminary figures with a volume of 132.8 million crowns (15th place), exports were 84.4 million crowns (14th place – share 1.8%) and imports 48.4 million crowns (14th place – share 0.7%). Trade in 1998 amounted to: exports 107.0 million crowns, imports 58 million crowns, turnover 165.0 million crowns. The main item of Czech exports are machine tools and textile machines, graphic machines, sports rifles and ammunition, kitchen and consumer utensils and costume jewellery. Imports consisted mainly of coffee, fruit and spices.

The REPUBLIC of EL SALVADOR

Economic relations with El Salvador are without any problems but not very intensive. Trade is characterized by the following figures for 1998: exports 48.1 million crowns, imports 10.4 million crowns, volume 58.5 million crowns. In 1999 preliminary figures show that there has been a substantial increase in trade between the Czech Republic and El Salvador. Volume of trade reached 284.1 million crowns in 1999 which placed Salvador in 13th place (share 2.4%) among trade partners in Latin America, exports were 208.3 million crowns (7th place – share 4.4%) and imports 75.8 million crowns (11th place – share 1.0). In 1999 Czech exports consisted mainly of tantalum, metal processing machines and engineering equipment, imports were mainly electrical condensers.

The REPUBLIC of HONDURAS

Economic relations and trade with Honduras are without any major problems. The following figures characterize trade in 1998: exports 89.6 million, imports 96.4 million, turnover 186.0 million. Preliminary figures record a drop in the volume of trade in 1999 at 93.0 million which placed Honduras in 16th place (share 0.8%) in Czech trade with Latin American countries. The volume of Czech exports reached no more than 22.7 million crowns (22nd place, share 0.5%) And imports 70.3 million crowns (12th place, share 1.0%). The Czech Republic exports to Honduras various industrial commodities, energy equipment and electrical appliances. The overwhelming share of imports consists of coffee.

REPUBLIC of PANAMA

Economic problems with Panama are without any major problems. The volume of trade depends on the economic potential of the two countries. The following figures are for 1998: exports 51.7 million, imports 156.7 million, turnover 208.4 million. Czech exports to Panama reached 35.4 million crowns in 1999 according to preliminary figures (20th place, share 0.7%), imports 275.7 million (6th place, share 3.8%) and overall turnover 311.1 million which placed Panama in 13th place in Czech trade with Latin American countries with a share of 2.6%. The Czech Republic exports mainly glass and glassware, textile products, iron and steel, and imports raw hide and leather, bananas and other tropical fruit and nuts.

REPUBLIC of NICARAGUA

Trade in both directions has been dropping in recent years. The following figures are for 1998: exports 9.7 million, imports 39.5 million, turnover 49.2 million crowns. According to preliminary figures trade picked up slightly in 1999. Turnover amounted to 72.2 million crowns (19th place among Latin American countries, share 0.6%) while Czech exports were 39.1 million (18th place, share 0.8%) and imports 33.1 million (17th place, share 0.5%). The Czech Republic exports mainly motors and parts for leather processing machines, and imports predominantly coffee.

BELIZE

There is minimal trade between the two countries. The following figures are for 1998: exports 5.0 million, in 1999 a total of 17.8 million (preliminary figures). Exports include machines and machine equipment, glassware and non-alcoholic beverages; there are no imports from Belize.

Bilateral agreements concluded during the period under review

- An Agreement on promoting and protecting investments between the Czech Republic and the Republic of Costa Rica, San José 28. 10. 1998;
- An Agreement on promoting and protecting investments between the Czech Republic and the Republic of Salvador, signed on 28. 11. 1999;

- An agreement on promoting and protecting investments between the Czech Republic and Panama, signed in Panama on 27. 8. 1999;
- An Agreement on the abolition of visas between the Czech Republic and Nicaragua for holders of diplomatic and service passport, signed on 30. 11. 1999.

Cultural relations

Cultural relations were limited by the distance between the Czech Republic and all the countries concerned and by financial possibilities. The presentation of Czech culture in the Central American countries consequently depends on events organized by the Ministry of Foreign Affairs or by the Embassy of the Czech Republic responsible for this area with its seat in San José in Costa Rica. Among the most prominent recent events were the guest performances by the Prague Chamber Orchestra in Guatemala in 1998.

Cultural and education contacts centre at the moment on offering scholarships to students from all Central American countries; every year 1–2 scholarships are granted for complete university courses in the Czech Republic.

III. The Economic Dimension of Czech Foreign policy

The policy statement of the government of the Czech Republic of 12. 8. 1998 emphasized the importance of external economic relations for the economic and foreign policy of the state. It stated the intention to create a comprehensive system of pro-export policy, to draw up a concept of a territorial export policy, to reinforce the significance of commercial representations at Embassies and to upgrade foreign representations of the Czech Trade agency. It anticipated the effective cooperation of the Czech foreign service in external economic relations and its orientation towards promoting bilateral economic contacts.

A decisive role falls to the Ministries of Foreign Affairs and Industry and Trade in this context. The Ministry of Foreign Affairs has drawn up a Concept of the Foreign Policy of the Czech Republic which devotes primary importance to economic diplomacy. The Ministry of Industry and Trade has prepared conceptual materials which are directly or indirectly related to external economic relations – this applies clearly to a pro-export policy, to industrial policy, to energy policy, to a medium-term departmental policy, to raw materials policy and to a policy of supporting small and medium-sized business.

When debating the Concept of the Foreign Policy in June 1999 the Chamber of Deputies of the Czech Parliament requested the government to submit a draft concept concerning the economic aspects of foreign policy. The preparation of the document was shared by the Ministry of Foreign Affairs and the Ministry of Industry and Trade. The Concept is to be submitted to the Chamber of Deputies in the first half of 2000.

In 1998 the foreign service was confronted with a significant task in connection with the newly formulated economic strategy of the state – to assist in creating favourable conditions for an increase in economic growth and sustain higher export capacities of the Czech economy. One of the prerequisites in achieving this target was to complete the network of trade and economic sectors at embassies of the Czech Republic and to reinforce the orientation of the foreign service on external economic relations in the bilateral and multilateral framework. Essential steps were taken in this direction in 1998 and 1999.

Towards the end of 1998 the Ministry of Foreign Affairs carried out organizational changes aimed at strengthening the pro-export policy in the work of the territorial sections of the Ministry of Foreign Affairs. The post of trade and economic adviser to the directors of territorial sectors was established. Former sectors of international economic organizations and external economic relations departments were transformed into a section of external economic relations and international organizations which was incorporated in the section of multilateral relations. The former economic section of the Ministry of Foreign Affairs was abolished.

An Agreement on cooperation between the Ministry of Foreign Affairs and the Ministry of Industry and Trade in matters concerning foreign trade policy and promoting exports in the activities of the foreign service (henceforth the Agreement), concluded on 8. 10. 1998, was a major step towards securing the tasks outlined by the government policy statement in the sphere of external economic relations. While respecting the jurisdiction of the two ministries in accordance with the regulations governing these terms of reference, the most important aim of the Agreement was to increase cooperation between the two ministries in promoting the economic interests of the Czech Republic abroad. Changes have been made in the content of the trade and economic activities of embassies. In addition to monitoring and assessing

macroeconomic indicators, greater attention has been devoted to practical help for Czech firms in the business sphere.

While respecting the principle that embassies come under the regular direction of the Ministry of Foreign Affairs, the Agreement stipulates that 57 trade and economic sections of embassies with a staff of 66 are transferred to the authority of the Ministry of Industry and Trade. (The Ministry of Industry and Trade expects that 100 trade and economic sections with approximately 130 officials will be set up.) In 1999 additional staff were added to trade and economic sections at 9 embassies.

On 2. 3. 1999 a joint systematic instruction was issued with reference to the major tasks of embassies and their trade and economic sections in the trader and economic sphere. The instruction emphasizes the need to increase exports and explore new trade venues.

That same day an instruction was issued on trade and economic reporting by Czech embassies and their trade and economic sections which introduced a system in the content of individual types of reports and information (annual summary territorial information, quarterly information, operative information) as well as the methods of their technical transmission.

A Permanent working group of the Ministry of Foreign Affairs and the Ministry of Industry and Trade has been set up to assess the effectiveness of these measures and to deal with operational issues arising from the Agreement; the group is at the level of Deputy Ministers and meets at intervals of one or two months.

The Agreement by the Ministry of Foreign Affairs and the Ministry of Industry and Trade of 1. 2. 1999 on the coordination of the activity of subordinated non-profit organizations whose activities are linked with foreign economic projects has defined the outlines of the foreign trade activities of the Czech Agency for the promotion of exports, Czech Trade, the Administration of Czech Centres and the Czech agency for foreign investments Czech Invest; the aim is to ensure the efficient utilization of resources in the sphere of foreign trade and reduce duplication.

There can only be effective cooperation between the centre and the trade and economic sections if information is transmitted in both directions. That is why links between all embassies have been established on the Internet, while at the same time establishing links between computer terminals at the Ministry of Industry and Trade and the Ministry of Foreign Affairs. This has speeded up communications between them and made their operation less costly. The Ministry of Foreign Affairs and the Ministry of Industry and Trade arrange the systematic supply of selected information (for example, catalogues of firms in the Czech Republic) to embassies, their trade and economic sections and General Consulates.

The joint systematic instruction by the Ministry of Industry and Trade and the Ministry of Foreign Affairs for the selection and preparation of staff for trade and economic sections, issued in August 1999 laid down the principles of cooperation between the two ministries in personnel policy, especially in ensuring a qualified approach to the selection and approval procedure of candidates for the post of trade counsellors at embassies. A one to two-months course at the Ministry of Foreign Affairs and the Ministry of Industry and Trade will be part of their training prior to their departure for an embassy.

The Code of principles governing cooperation between the trade and economic sections at Czech embassies and Czech firms was amended in October 1999; the Code specifies relations between the trade and economic sections at embassies and individual economic institutions. Firms are called upon to take advantage of trade and economic sections for the work for which these institutions have been established and in which they enjoy unique opportunities. This applies primarily to help in acquiring new contacts with potential trade partners, in organizing specialized consultations on the economic and business environment in a specific territory, in including Czech firms in international tenders, in production cooperation, in participation in trade fairs, exhibitions and so forth. Trade and economic sections do not offer firms general information which can be obtained from Ministry of Industry and Trade sources, from Czech Trade or other agencies in the Czech Republic concerned with trade.

Under the regulations governing the terms of reference, the Ministry of Foreign Affairs has a significant role to play in coordinating external economic relations. It coordinates the procedure of various ministries in instances when Czech policy needs to be harmonized with that of the international community, for example, in the event of sanctions. In 1999 the Ministry of Foreign Affairs devoted maximum attention to incorporating the Czech Republic in the stabilization and renewal of South-East Europe. One of the targets was to reinforce the Czech economic presence in the Balkans, including increasing exports.

The presence of representatives of the Ministry of Foreign Affairs in individual inter-ministerial bodies which were formed after 1998 to boost the government's pro-export policy, has helped to coordinate the Ministry's role. A Deputy Foreign Minister became Vice-Chairman of the Czech Council for the promotion of business and exports, set up in March 1999 and headed by the Minister of Industry and Trade. The Council is an inter-ministerial coordination and consultative body for the sphere of assistance for business and exports. It analyses the situation in individual sectors of state assistance and issues recommendations to the relevant bodies and institutions. State and non-state institutions are members of the Council.

In the second half of 1999 the Ministry of Foreign Affairs was involved in the preparation of an integrated system of information for Czech businessmen; this was done within the Council for promoting business and exports. The Ministry of Foreign Affairs has its own website which highlights sources of information in the economic field. The "export.cz" site contains summary territorial information and reports about public tenders and current demands coming from individual territories, drawn up by embassies and Czech Centres abroad. It is managed for the Ministry of Foreign Affairs by the Administration of Czech Centres. The "export.cz" site had a large number of so-called visitors in 1999 (346,000 with an average choice of 8 informations).

In 1999 17 Czech Centres organized almost 200 presentations of 253 Czech firms in their own premises (at times in embassy premises), 43 business meetings (missions, the clubs of the Czech Centre) and 82 seminars and press conferences. The Czech Centres moreover arranged hundreds of presentations of Czech firms in the form of advertisements abroad (in the press, etc.).

The Ministry of Foreign Affairs has been represented on the Governing Boards of autonomous organizations of the Ministry of Industry and Trade – Czech Trade and Czechinvest. As the organizer the Ministry has exercised direct influence on the work of the Administration of Czech Centres. The Ministry of Foreign Affairs applied the state's rights as

a shareholder in the leading bodies and supervising councils of EGAP (Export Insurance Company) and CEB (Czech Export Bank). For example, in 1999 it supported the speedy issuing of guarantees for tram cars by Škoda Plzeň to Portland (US). It stated its opinion about major export orders in cooperation with embassies abroad.

The Ministry of Foreign Affairs was represented in the inter-ministerial offset commission which launched its activities in October 1998 and which is headed by a Deputy Minister of Industry and Trade. When discussing individual projects, the Commission advocated imports (for example the import of modern military technology) in combination with counter-deliveries of Czech products, the transfer of technologies and various forms of production cooperation.

The Ministry of Foreign Affairs further gave its attention to acquiring foreign investors. It participated in harmonizing investment conditions with the EU for a new Volkswagen engine plant in the Czech Republic. The conditions negotiated subsequently served as a model for other associated countries of the European Union. The Ministry of Foreign Affairs supported the transfer of technologies and the development of scientific contacts. It took concrete steps for Prague to be chosen as the seat of the World Association of Investment Promotion Agencies (WAIPA). The offer has been passed on to the centre in Geneva.

Through the embassy, the Ministry of Foreign Affairs initiated foreign business missions to the Czech Republic. For example, in 1999 a mission of Canadian businessmen, industrialists and members of banking circles, led by the Minister for International Trade Marchi, paid a visit to the Czech Republic. The result of the visit was to create conditions for a higher trade turnover and more Canadian investments in the Czech Republic. Towards the end of 1999 the Ministry of Foreign Affairs organized a visit by firms operating globally and members of the International Public Affairs Centre (IPAC) who had talks with the Prime Minister and members of the Czech government.

Together with several international organizations – OECD, WTO, EU – the Ministry of Foreign Affairs arranged the training of officials of the state administration and of the business sphere in the form of study courses, seminars and symposia on current issues and on the development of promising prospects for business and trade (for example, an OECD seminar in Prague in October 1999 on the subject “The administration and management of enterprises” – Corporate Governance).

When preparing the background material for negotiations by state officials with their foreign partners, the Ministry of Foreign Affairs made quite sure that the agenda always includes subjects linked with the foreign trade and economic sphere. In addition to traditional trade and assessing opportunities for production cooperation, attention has always been devoted to cooperation on third markets and to the establishment of joint enterprises. The Prime Minister and Foreign Ministers have as a rule been accompanied by groups of Czech experts on their official trips abroad (for example to the Asian countries in the first half of 1999).

The Czech Republic has devoted attention to offering development and humanitarian aid. In 1998, 326 million crowns have been earmarked for development aid, and in 1999 again 326 million crowns. Most development aid has been provided on a bilateral basis, a small portion through international organizations.

With a view to the significance of development aid, it was decided to prepare an outline concept for the next period which would take account of the experience and recommendations of the OECD and EU practices.

The Czech Republic spent 39.6 million crowns on humanitarian aid in 1998 and 38.5 million crowns in 1999.

The Ministry of Foreign Affairs has devoted attention to the activities of international economic organizations such as WTO, OECD, UNDP, FAO. It took part in their work in collaboration with other ministries.

The Ministry ensured supervision over the implementation of the Europe Agreement. It took part in negotiations with the EU on the completion of PECA and the plant protection and veterinary protocol and monitoring procedure in taking over technical regulations and norms of the EU. The Ministry further collaborated with the Ministry of Industry and Trade in finalizing conceptual documents such as the Concept of the Industrial Policy of the Czech Republic.

The Ministry of Foreign Affairs carried out an investigation on the impact the accession of the Czech Republic to the European Union would have on the trade and economic sections at embassies. According to the experience of Austria, Finland and Sweden, a substantial increase in the number of applications for information and support by small and medium-sized firms is expected, as well as an increase in the set of questions which the trade and economic sections will have to monitor, for example, whether a country where the section operates adheres to the regulations and norms jointly adopted by the EU member states, whether there is any discrimination in attitudes to Czech firms in assessing tenders for public works, etc.

IV. Human Rights and the Foreign Policy of the Czech Republic

Human rights represent one of the priorities in Czech foreign policy. In the process of defending and promoting them, the Czech Republic is committed in many specific spheres, whether in its approach to certain countries or regions or in its approach to a variety of subjects. In addition, the Ministry shares in a multitude of domestic policy activities especially in cooperation with the Government Commission for Human Rights, the Council for Human Rights and the Council of Nationalities.

The most prominent action by the Czech Republic has been a resolution on the human rights situation in Cuba; the Czech delegation succeeded in having the resolution passed at the 53rd session of the UN human rights commission in Geneva in April 1999. Since the “Cuban resolution” is monitored most closely, the Czech Republic as its main sponsor has attracted a certain degree of notice by this initiative. A critical attitude towards Cuba based on an open dialogue on human rights and a constructive criticism gives the Czech Republic the opportunity for discussions with other countries too.

Collaborating with national institutions dealing with the problem of human rights, the Ministry of Foreign Affairs is responsible for the application of international and regional standards, mainly in creating national norms. This jurisdiction involves, for example, participation in drafting national reports on the implementation of commitments arising from international and regional agreements on human rights.

The rights of ethnic minorities (with a view to the Roma community), the problem of refugees, rights of women and rights of children are themes which have been of key significance for the Czech Republic during the past few years.

With regard to the rights of national minorities (with reference to the Roma community) the Czech Republic has taken a number of measures in its foreign policy underscoring the European dimension of the Roma problem. The OSCE, the UN and the Council of Europe have all turned their attention to finding an appropriate solution, and the Roma problem has also been the topic of international conferences. International organizations began to discuss and tackle the Roma question as a common concern not merely as an internal matter of certain states. But one year is too short a period for fundamental changes in introducing new solutions. It is, therefore, necessary for this concept to continue to be applied in the context of foreign policy.

In the OSCE the Czech initiative resulted in a decision on reinforcing so-called Contact Point for the Affairs of Roma and Sinti (CPRSI); the decision was taken at the 7th session of the OSCE Ministerial Council in Oslo in December 1998. The post of CPRSI was filled in May by Mr. Gheorghe from Romania, supported by the Czech Republic. His current tasks include the preparation of a report “On the effectiveness of policies conceived for the solution of the position of the Roma” and “On Roma facing critical situations”. In the UN the Czech Republic moved a resolution entitled “Human rights problems and the protection of the Roma”; this was an initiative at the 55th session of the Sub-commission on the support and protection of human rights in Geneva in August 1999; the resolution instructs experts in the Sub-commission to prepare a study on the subject to be submitted to the next session of the Sub-commission. The activity of the Czech Republic in the Council of Europe concentrated on solving the Roma problem not on a national scale, as is the case in the OSCE and the UN, but on looking for solutions within local administrations, especially as part of most concrete

and substantive projects. The first project of this type has been the so-called Strategic plan for the solution of inter-ethnic relations between the majority society and the Roma minority in the town of Brno. The Council of Europe regards this as a model project for the future in dealing with the Roma problem, which could also be applied to solving the Roma problem in other European towns. The situation of the Roma minority in the Czech Republic has become an issue of interest and criticism by the European Union. The application of the new concept is, however, limited by the fact that the EU on principle refuses to be involved in problems of non-member states. In the EU there is a clear tendency in favour of verifying the situation of an applicant state and not of a member state. This explains the reticence of the EU with regard to treating the Roma problem as a European matter.

As for the rights of refugees and asylum questions, in April 1999 the Czech Republic adhered to the European agreement on the abolition of visas for refugees; this means that persons who have been given the status of a refugee in any of the states which have signed the agreement are granted a higher standard of freedom of movement since for this purpose they are considered *de facto* as citizens of any of these contractual states. The agreement thus introduces a visa regime for these persons identical with the system applicable to citizens of the contractual parties.

As a direct result of the situation in Kosovo which came to a head in the second half of 1998, the Czech Government adopted a decision in April 1999 granting temporary shelter to 823 persons. Persons affected by the situation were brought to our territory by air as part of the humanitarian evacuation and they were granted the status of temporary refugees valid until the end of 1999. These persons were regarded as applicants for refugee status. Humanitarian centres were set up throughout the country where people from Kosovo spent approximately three months. On their return to Kosovo, again by air from the middle of August to the middle of September, the principle of the voluntary return was strictly respected. The voluntary repatriation programme involved financial assistance for those repatriated. People with medical problems were given medical aid and medicines for a period of approximately three months.

Repatriation was accompanied by a programme of reverse evacuation of people to the Czech Republic on medical grounds. The reason was an increased number of persons who could not receive adequate medical care in Kosovo. The programme provided not only for their transport and treatment but also the presence of a person close to the patient who would help look after him or her as this would make the treatment more effective. The evacuated persons were given temporary shelter on the territory of the Czech Republic and all expenses connected with their board and lodging were also covered. On the patient's return home he or she was equipped with medical aid and medicines to last them approximately one year as well as financial assistance.

Apart from this "territorial assistance" the Czech Republic sent material humanitarian aid to Kosovo; the great majority of this aid was transported to Kosovo by non-governmental organizations (for example, the People in Need Foundation attached to Czech Television, the ADRA Foundation). This as yet unique activity of the Czech Republic in the foreign policy sphere demonstrated that when the need arises the country is not only capable but willing to take upon itself a share of the burden. This will no doubt be requested in future in similar situations, possibly to an even greater extent.

When the status of the UNHCR liaison office was changed to a branch of that organization the Czech government approved the signature of a host treaty for UNHCR. The treaty was signed on 8. 2. 2000.

In the sphere of children's rights, in November 1999 the Czech Parliament passed an amendment to Article 43 of the UN agreement on the rights of children adopted in 1989 which increases the number of members of the Committee from 10 to 18. This amendment was clearly meant to help the Committee in its work.

The Czech Republic took an active part in the sessions of the Human Rights Commission which is preparing an Option Protocol to the agreement on the rights of children and on forbidding the use of children in armed conflicts (so-called "child soldiers"). The Czech Republic advocates the strictest version of the Protocol which would restrict mandatory and voluntary participation of young people below the age of 18 in armed forces. The new military law which came into force in December 1999 totally rules out the participation of young people below the age of 18 in the Czech armed forces; the Czech Republic has become a model in this respect. The attitude "straight 18" has been the base position of the Czech Republic for negotiations in subsequent sessions of the working group which met in Geneva in January 2000.

Agreement No. 182 on the abolition of the worst forms of child labour and a Recommendation on the worst forms of child labour was adopted unanimously by the International Labour Organization (ILO) in Geneva in June 1999. The meeting was attended by a Czech tripartite national delegation. The agreement is currently subject to inter-departmental comments. Each ILO member state has the duty to submit a new ILO instrument to its authorities within 12 months after adoption; the Czech Republic observes this timetable.

In the sphere of private international law the Czech Republic has launched the ratification process of two instruments: The Hague agreement on the protection of children and cooperation in the course of international adoption of 1993, and the Hague accord on jurisdiction, the applicability of the law, recognition, the execution and cooperation in matters of parental responsibility and measures for the protection of children of 1996.

In the Council of Europe, too, the Czech Republic is in the process of adopting several agreements, especially the European accord on the adoption of children, the European accord on the legal position of children born out of wedlock, the European accord on the recognition and implementation of decisions in matters of fostering and the renewal of fostering and the European accord on the implementation of the rights of children.

In the sphere of the rights of women, in December 1999 the Czech Republic signed an Option Protocol to the Agreement on eradicating all forms of discrimination of women. The implementation of the Option Protocol will make it possible to provide the control body with information on the violation of rights guaranteed by the Agreement not only with regard to the victims but with regard to all who maintain that these rights are being violated grossly and on a large scale. The Option Protocol is expected to be presented to the Parliament of the Czech Republic in the year 2000 for agreement, and to be subsequently ratified by the President.

V. Foreign cultural policy of the Czech Republic

1. The presentation of the Czech Republic and its culture abroad

The domain of culture and education is a significant instrument of foreign policy and is an important factor in presenting the Czech Republic abroad; it helps to create and strengthen its positive image. The forms of cooperation and methods chosen in this respect are those which help to achieve this objective on an international and national scale.

Travelling or one-off exhibitions have been a substantial part of cultural activities abroad. This method creates maximum effect at a relatively low cost. The texts used for travelling exhibitions have been prepared in several language versions and as a result the exhibitions can be installed without territorial restrictions. Their subjects have concentrated on eminent personalities in the field of art, significant anniversaries or they have responded to specific interests of Czech embassies. The programmes of certain exhibitions have been accompanied by the screening of Czech films. Exhibitions have been installed either on the premises of Czech embassies or Czech Centres, or of universities, prestigious galleries or museums.

Among the most interesting cultural projects in 1998–1999 were the following exhibitions: Franz Kafka, Milena Jesenská, Bohumil Hrabal, Jan Palach, collages by Jiří Kollář, Alfons Mucha, photographs by Josef Sudek, UNESCO historical sites in the Czech Republic, 650th anniversary of Charles University, the Czech lands since 1918, Czech statehood, drawings by Terezín children, modern Czech photography, Czech Press Photo, photographic exhibition on the 10th anniversary of 17th November 1989, contemporary Czech jewellery, Czech design, the contemporary poster, the wartime poster, cubism in the Czech Republic, Interkontakt Grafic graphic exhibitions, ten personalities in Czech graphic art, Labyrinth – 40 Czech graphic artists, an exhibition of samizdat publications. Another major aspect of cultural activities was the presentation of Czech literature, Czech glass, costume jewellery, puppet theatre, Czech folklore and also Czech cuisine.

Cultural programmes included the provision of Czech films for film festivals, the presentation of Czech films or film screenings as an accompaniment to seminars, and lectures and non-commercial screenings arranged by the embassies. The biggest number of Czech films shown dated to the 1980s, for example, *The Button-makers*, *Sekal should be Killed*, *The Journey*, *Kolja*, *The Forgotten Light*, *Accumulator*, *Primary School*, *Tank Battalion*, *Black Barons* but also films based on works by Hrabal, films made during the Czech wave of films of the 1960s as well as documentary films. The presentation of culture by means of film screenings is complicated by a language barrier since not all films are in English or with sub-titles. That is why screenplays have frequently been sent along to accompany the showing of a film.

Another type of cultural events was the presentation of so-called “living” art – reading by authors, concerts of Czech classical music (for example Jaroslav Svěcený, *Virtuosi di Praga*, Jiří Bárta, Lukáš Vondráček), jazz concerts (for example, *Veleband*, Jiří Stivín), folk concerts (Valášek, Věra Bílá) and rock concerts (*Plastic People of the Universe*, *Jolly Joker PBU*) at festivals or as separate concerts.

All embassies regularly receive Czech books – fiction, art publications, audio and video cassettes with Czech music or Czech artists, textbooks of the Czech language, posters.

Publicity pamphlets about the Czech Republic are generally sent in English, a number of larger publications have been prepared in four language versions.

The activities of the Ministry of Foreign Affairs in education and youth have taken account of topical themes. Here contacts are determined by specific features in individual countries either on a reciprocal basis or unilaterally. On the basis of a government decision of June 1996, government scholarships have been introduced as part of the Czech Republic development aid; places have been set aside for the period between 1997 and 2002 at universities in the Czech Republic for nationals of developing and other needy countries. This project is carried out along government lines through the intermediary of Czech embassies abroad. Every year some 200 citizens from Eastern Europe, Asia, the Near East and North Africa, Sub-Saharan Africa and Latin America are admitted to universities in the Czech Republic. The scholarships are granted for specific bachelor degrees or for post-graduate doctorate programmes for a standard duration. Tuition, financial and other material resources including medical care are provided by the Czech side. The scholarship quota for 1999/2000 has been filled and the distribution of scholarships for the academic year 2000/2001 has been prepared.

A mutual exchange of students in two- or several-semester study programmes takes place on the basis of complete programmes under valid cultural agreements. In 1999 cultural agreements were concluded with Latvia and with the Federal Republic of Germany while agreements with Slovakia, Poland and Mexico are now at a stage of consideration.

The Prize of the Minister of Foreign Affairs of the Czech Republic *Gratias Agit*, renamed in 1999 to Jan Masaryk Prize *Gratias Agit* is awarded annually for popularizing the good name of the Czech Republic abroad. It can be conferred on recipients regardless of nationality or citizenship, irrespective of the country of their origin or current residence who by their long years of work outside their professional duties, or by an outstanding action, have contributed or are contributing to spreading the good name of the Czech Republic abroad. The award can be conferred also on organizations – foundations, civic associations and other non-governmental organizations.

The World Fair EXPO 2000 takes place in Hannover from 1. 6. to 31. 10. 2000. Its main theme is Mankind – Nature – Technology; 192 states were expected to participate. The Czech Republic presents itself with an exhibition featuring the High Gothic era and the present and their symbolic interconnection and confrontation. The Czech participation has been entrusted to the Office of the General Commission, set up in May 1998 as a non-profit organization of the Ministry of Foreign Affairs. The budget of the Czech participation in Hannover amounts to 330.9 million crowns. The EXPO 2000 programme includes National Days of the participating countries; the Czech National Day was set for 7. 6. 2000.

In its programme of cultural events with international participation in the Czech Republic, the Ministry of Foreign Affairs cooperates with the delegation of the European Commission in the Czech Republic in the organization of the 5th and 6th festival of films from the European Union entitled Days of European Films; films from the Czech Republic, Hungary and Poland have been included in the programme, as well as in the preparation of the prestigious international screenplay competition, the Prague Quadriennale 1999 and other events.

In its cultural agenda the Ministry of Foreign Affairs participates in the work of the International Office of Exhibitions (Bureau International des Expositions). A relevant

agreement on international exhibitions was signed in Paris in 1928. Czechoslovakia and now the Czech Republic has been its signatory since 1932.

2. Media and information

The Press Department of the Ministry of Foreign Affairs has carried out an analysis of the image of the Czech Republic abroad on the basis of information it received from embassies.

In 1998 the European media in particular registered the deterioration of the economic situation in the Czech Republic as well as the widespread frustration of Czech society as reported extensively in the Czech media. In the second half of 1999 reports about the Czech Republic were more neutral. Despite a number of critical judgments the Czech Republic was presented as one of the foremost candidates for accession to the European Union and, notwithstanding persisting economic difficulties, it was considered as one of the countries best prepared for membership in the European Union.

Among the subjects registered by the media even in remote countries was the accession of the Czech Republic to NATO, negotiations on accession to the European Union, the personality of Václav Havel, the 10th anniversary of the Velvet Revolution, the wall in Matiční street and the migration of Czech Roma. Athletes, above all ice hockey players in the Canadian-US NHL did much to popularise a positive image of our country, and the successes scored by the national team also met with good response in the media, as did the individual good results of our tennis players, of our soccer players playing in European clubs and also those athletes who won leading places in various polls of the century. If the success of Czech industry was mentioned, the most frequent name was that of the Škoda automobile plant at Mladá Boleslav.

The media presentation and the general awareness about the Czech Republic reflected not only the current state of bilateral relations and the situation with regard to domestic policy but also historical stereotypes and traditions. The problems and successes of the Czech Republic were presented differently in media which had their correspondents in the Czech Republic and in those where the journalists relied exclusively on international wire reports.

In a number of countries in Eastern and South-East Europe the Czech Republic is perceived positively as a traditional partner, frequently as a model, or even as a destination of interest to tourists. This essentially positive image has not been jeopardized by reports on the Roma issue which is seen here as a universal and not merely as a Czech problem.

In the Visegrád countries the image of the Czech Republic has evidently been more complete. The reason was that all the countries and their major media had their own correspondents in the Czech Republic. Contrary to the majority of other countries, the media of these countries also reflected regional problems.

The image of the Czech Republic in the countries of the European Union has not been straightforward. There were considerable differences with regard to the quantity of information and to the overall impact of information in the media. The standard of information was better in neighbouring or in nearby countries, at times it was more positive than we would have expected, elsewhere it was rather critical. It was gratifying that the 10th anniversary of the Velvet Revolution aroused considerable attention; it was mentioned not

only in Europe and North America but virtually all over the world. The space given to the anniversary in major daily newspapers demonstrated that, despite critical reservations on certain aspects of development the Czech Republic was still presented as one of the most attractive countries in Central Europe not only from the economic point of view but also as a tourist destination. That, too, was one of the reasons why most of the positive publicity has been devoted to the capital Prague which is regarded as one of the major European cultural and tourist centres.

In the majority of more distant countries the image of the Czech Republic has been neutral; most of them reprinted predominantly agency reports. Successes of the Czech Republic in the domain of sport or in successful cultural events were commented on favourably. Visits by government and political personalities were also registered.

Apart from critical judgments due to economic indicators and the slow pace of legislative work connected with the preparation for accession to the EU, the Czech Republic became the object of several media campaigns, one of them the campaign connected with the “wall in Matiční street”.

The Ministry of Foreign Affairs did its utmost to improve the quality of its media work and to inform the public about its activity. Late in 1999 the staff of the Press Department was increased. The post of press spokesman was separated from that of Director of the Press Department. This reorganization allows the Press Department to provide the press spokesman with all the necessary information and to offer an information service for journalists. There has been improved cooperation between the Press Department and the press attaches at Czech embassies.

The Ministry of Foreign Affairs has concentrated on providing the conditions for the permanent and systematic information of the public about its work, with the use of modern methods. An internet website of the Ministry of Foreign Affairs was introduced on 31. 12. 1999 (www.mzv.cz).

The Ministry of Foreign Affairs has given great attention to preparations for the implementation of law No. 106/99 on free access to information. A special directive has been issued adapting the procedure in dealing with requests for information as well as the duties of individual services and officials. A department of public information has been set up as part of the Press Department with the task of covering this agenda as determined by law.

3. The Ministry of Foreign Affairs website

A Ministry of Foreign Affairs website was opened on 30. 12. 1999 at the address www.mzv.cz. It contains a static data structure in classification which was approved by the Minister's Collegium towards the end of 1999.

The Press Department is responsible for the content of the website. The section of the internet presentation within the Press Department is responsible for the preparation, classification, updating, correction and supplementing of various items of information intended for presentation by individual departments of the Ministry of Foreign Affairs.

In its initial stage the Ministry website contains basic archive documents, topical reports, addresses of Czech embassies. The website also lists accredited foreign embassies in the Czech Republic, information on the organizational structure of the Ministry and the names of its senior officials with some basic biographical notes. The section dealing with the work of consular representations provides information for Czech nationals on the conditions of entry and residence in 102 states all over the world. The website has press statements by the Ministry of Foreign Affairs on topical political issues. This enables the readers to have access to accurate and complete information on the positions adopted by the Ministry of Foreign Affairs and not to rely solely on agency reporting which at times is inaccurate and incomplete.

The reports on the website also serve those interested in information under law No. 106/99 on free access to information.

The information on the www.mzv.cz website is published in Czech, and a modified English version will be available in 2000.

In 1999 some embassies had their own websites. In 2000 a comprehensive Ministry of Foreign Affairs internet system will be created with the participation of individual embassies.

4. Foreign language broadcasts on Czech Radio

Foreign broadcasts are managed by Czech Radio (CRo) 7 Radio Praha, commissioned by the Czech Ministry of Foreign Affairs under law No. 468/1991 on the regulation of radio and television broadcasts and under subsequent versions of regulations, in keeping with law No. 103/1992 on the Council for radio and television broadcasting of the Czech Republic and in accordance with the decision No. 573 of the government of the Czech Republic of 10. 9. 1995; in this law the government gave its consent for broadcasts abroad to be run by the Ministry of Foreign Affairs.

Czech Radio as a public institution is the guarantor of the professional aspects of broadcasting; the ethical code of Czech Radio stipulates that all news must be objective, balanced and verified, and that no prefabricated views be presented to the listener, so that everyone should be able to form his or her own opinion.

A consultative council for foreign broadcasts was formed in 1999 and appointed by the Minister of Foreign Affairs; it is to be a consultative body of the Ministry of Foreign Affairs and of CRo 7 Radio Praha which participates in drawing up the concept of foreign broadcasts and submits proposals for programmes to be broadcast abroad.

The justification of foreign broadcasts is that this is the cheapest, most effective and most accessible method of spreading information about the Czech Republic throughout the world and is, to some extent, the show window of the country. By means of radio programmes and websites, the Czech Republic presents itself to tourists and potential foreign investors. The primary objective is to provide qualified and objective information on the political, economic,

cultural and social developments in the Czech Republic and on the positions adopted by the government.

Broadcasts go out on short wave 21 hours a day and they are in Czech, English, German, French and Spanish. It is planned to start broadcasts in Russian for 1.5 hours a day and these are scheduled to commence by the end of the first half of 2000. Each language broadcast has several 30-minute programmes every day. These programmes start with news, they are followed by an outline of current events with more detailed analyses of the theme, while the final part is devoted to a review of the Czech press and regular series (economy, culture, sport, tourism, etc.). Programmes at weekends give more detailed attention to selected events. The structure of Radio Praha does not differ from the structure of programmes by other foreign radio stations.

Radio Praha participates in the satellite system of the World Radio Network (WRN) by five 30-minute programmes a day, two in English, one each in German, Spanish and Czech. It is possible to tune in to these programmes in Europe and North America on the Astra and Galaxy satellites. WRN also sends out its programme in digital form, the satellite transmission of the programmes is sent by WRN to wireless and cable networks throughout the world. English WRN programmes are now retransmitted by the American network National Public Radio which spreads the English broadcasts of Radio Praha throughout the United States.

Radio Praha has had its own website since 1994 (www.radio.cz or www.prague.org) and this is a supplementary signal to the audio signal and serves to transmit texts or pictures which are an accompaniment to radio programmes. Web browsers find special websites devoted to significant anniversaries and interesting events in the Czech Republic. The transmitted services include, for example, daily newscasts in one of the five broadcast languages directly to e-mail addresses of subscribers. The interest in the Radio Praha website is demonstrated by regular visits by representatives of the International Monetary Fund, the World Bank and other major institutions.

International cooperation and the exchange of programmes are another way of sending radio programmes abroad. Radio Praha has established cooperation with the BBC, Deutsche Welle and Radio France International as part of the Radio E project. This project which has the financial support of the European Union is based on programmes made up of contributions to international radio stations. Another trend in the field of foreign broadcasts are programmes within the country as a service to foreign nationals on the territory of the republic. In this Radio Praha collaborates with the BBC which has a license to operate a network of FM transmitters in the Czech Republic. The English section of Radio Praha daily prepares a one-hour programme for the Prague-based programmes of the BBC. These broadcasts in English are for English-speaking residents in the Czech Republic and for foreign nationals visiting the Czech Republic. They consist of information about cultural, economic and tourist events in Prague and in the Czech regions.

The staff of the Czech section of Radio Praha produce programmes for partner (expatriate) radio stations: 30 minutes a week of the Australian public Radio SBS, 60 minutes a month for the Australian Ethnic Radio 4EB, for Radio Temeshvar (Romania), for Radio Daruvar (Croatia) and Radio WCEV Chicago.

5. Czech Centres

The task of the Administration of Czech Centres and of the Czech Centres abroad is to popularize the Czech Republic abroad; their statutes define their work as follows: “The fundamental concept of the work of the Administration of Czech Centres proceeds from the requirements of Czech foreign policy. It is the task of the Administration to present the Czech Republic abroad in the field of culture, trade, tourism, education, science and research, and to promote the expansion of external economic relations. The Administration is entrusted with spreading information about the Czech Republic abroad and providing effective information services mainly for Czech business circles and with cooperating with other organizations in developing activities abroad in keeping with the interests of the Czech Republic”. The Administration is an autonomous organization of the Ministry of Foreign Affairs of the Czech Republic.

At the end of 1999 there were seventeen Czech Centres in fifteen countries all over the world. On the basis of agreements with autonomous organizations of the Czech Ministry of Industry and Trade and the Ministry of Local Development there are six representatives of the Czech Tourism Centre in the Czech Centres (Amsterdam, London, Moscow, New York, Paris and Vienna), two representatives of CzechInvest (London and Paris) and one representative of CzechTrade (London).

In the field of culture the Czech Centres either organize exhibitions, film screenings, concerts, readings by authors, lectures, meetings of expatriates, etc. or participate in their organization. The programme is directed at a broad spectrum of the public in the countries concerned. In 1999 many significant events were arranged at Czech Centres; such as Czech Press Photo 1998 (a photographic exhibition – Paris, Kiev, Stockholm, Budapest, Dresden, Bucharest and Sofia) and photographic exhibitions to mark the anniversary of the Velvet Revolution accompanied by a programme (London, Stockholm, Moscow, Paris, Budapest, Bucharest, Dresden and Berlin). A number of events were organized specifically for a specific Centre (for example, 83rd Street Block Party – Czech Independence Day in New York, Czech Days in Dresden, Days of Czech Films – Kiev [Lwow]; an exhibition “Liszt and Prague” – Budapest; an exhibition of short films “Jiří Trnka” – Vienna, etc.). In preparing programmes for the Czech Centres the Administration collaborates with leading institutions and individuals.

The Czech Centres offer basic information on the economy and trade in the Czech Republic, they arrange contacts with potential trade partners in the Czech Republic, they organize the presentation of Czech firms abroad (assistance services), suitable premises, free advertising in the foreign press, attendance at exhibitions and trade fairs, etc.). Czech Centres also arrange consulting and assistance services, they take an active part in organizing educational programmes (participation in seminars, etc.). Among the most significant events in 1999 were the opening of the information and presentation centre attached to the Czech Centre in Warsaw and presentations arranged in collaboration with the POOS firm, Prague (Days of military technology – Budapest, Brussels, Warsaw; then there were Days of Medical Technology or a Gastro Czech Day). Czech Centres acted as intermediaries in the presentation of many leading Czech firms – BVV, Škodaexport, Motokov, ČSOB etc. The Administration and the Czech Centres collaborate with the CzechTrade and CzechInvest

agencies in economic and commercial matters. The Association of Industry and Transport and Economic Chambers of the Czech Republic are also significant partners.

Czech Centres provide information about individual tourist sites and attractions in collaboration with the Czech Tourism Centre, they distribute publicity material about our regions, offer information on accommodation, transport, sports and other facilities in the Czech Republic. The Czech Centres, moreover, offer their premises for the presentation of various regions. So-called regional presentations are held at various Czech Centres (for example, the Krkonoše Mountains – Warsaw; the Czech-Moravian Highlands; mountains – winter tourism; spas – Czech Centre The Hague throughout the Netherlands; Luhačovice spa – Vienna, etc.). The presentation of hotel facilities is also useful (Grandhotel Pupp Karlovy Vary, Hoffmeister, etc.).

The activity of the Czech Centres in the domain of education, science and research is newly adapted by the statutes approved in May 1999; before that date the activities of the Czech Centres in this domain had not been officially specified. Czech Centres arrange contacts with schools and educational institutions, they participate in organizing study trips for students. They also take part in organizing Czech language courses and give information on the possibility of studying Czech in the country where they operate or in the Czech Republic. In science and research they seek to establish contacts between research and development institutions.

Two information Internet servers of the Ministry of Foreign Affairs were introduced in 1996, run by the Administration of Czech Centres: the server www.czech.cz offers basic information about the Czech Republic, the server www.export.cz secures a basic trade information service for subscribers in the Czech Republic.

Czech Centre Administration/Czech Centres – Facts and Figures in 1998

Number of cultural events organized by Czech Centres	1,080
Number of students of Czech language courses	464
Number of seminars with the contribution of the Czech Centre Administration	14
Number of trade fairs with a Czech Centre Administration stand	3
Visitors to the www.export.cz website	164,250
Number of requests for publication on www.export.cz	4,378
Visitors to the www.czech.cz website	1,140,000
Number of Internet transmissions / visitors	6 / 12,600

Czech Centre Administration/Czech Centres – Facts and Figures in 1999

Number of cultural events arranged by Czech Centres	1,484
Number of students at Czech language courses	706
Number of contacts with firms (contacts with Czech Centres)	40,009
Number of presented firms	278
Number of seminars with assistance of Czech Centres	82
Number of seminars with assistance of Czech Centre Administration	13
Number of trade fairs with Czech Centre Administration stand	2
Number of published advertisements (abroad for Czech firms)	3,851
Visits to www.export.cz website	346,000
Number of requests for publication on www.export.cz	8,640
Number of registered www.export.cz subscribers	2,953
Visits to www.czech.cz website	1,168,000
Number of Internet transmissions / visits	7 / 15200
Number of media responses abroad (press television, radio)	1,550
Number of media responses in the Czech Republic	380

VI. Expatriates

The activities of the Ministry of Foreign Affairs in relations to expatriates and friends of the Czech Republic abroad proceeds from the decision of the government of the Czechoslovak Federal Republic No. 375/1992, and comprises:

- maintaining a regular information link and good relations between the Czech Republic and expatriates abroad (register of expatriate associations, awarding the Gratias agit Prize to eminent personalities);
- help to expatriates who request this in maintaining their cultural, linguistic or historical adherence to the Czech Republic (scholarships, language courses, sending teachers to expatriate communities);

- a suitably helpful attitude in response to other expectations by expatriate communities in their relations with the Czech Republic (financial contributions to associations for concrete projects aimed at the popularization of the Czech Republic);
- to preserve the Czech national and cultural heritage abroad (assistance in the repair of schools and cultural facilities of expatriate communities as part of development aid of the Czech government).

The Ministry of Foreign Affairs is attempting to keep a record of expatriate organizations, associations of friends of the Czech Republic and similar organizations abroad – whether chambers of commerce or honorary consulates headed by expatriates, or Czech book shops, museums and other cultural institutions, publishers of expatriate journals, expatriate schools or educational centres. The list of addresses of these associations and institutions is regularly updated and distributed with the help embassies, including to the state administration and to institutions collaborating with expatriates. In this way the Ministry of Foreign Affairs supports communication not only between expatriates and the Czech Republic but also among expatriate associations (expatriate associations and organizations of friends of the Czech Republic exist all over the world – from New Zealand to Patagonia, from Sweden to the Republic of South Africa).

The Ministry of Foreign Affairs (Department of Cultural and Expatriate Affairs) has its own financial budget for the support of expatriate associations, organizations of friends of the Czech Republic abroad or Czech civic associations (cooperating with countries abroad) which it uses to support specific cultural projects by expatriate associations and organizations of friends of the Czech Republic abroad and in the Czech Republic (the amount of the resources made available for this purpose range in tens of thousand per project, more in exceptional circumstances). Applicants submit their projects every year by 30.4 together with requests for the next year. Projects from abroad must be accompanied by comments from the relevant Czech embassy. There is no entitlement to a financial contribution, everything depends on the quality of the project and on the total resources for the current year.

In addition to financial contributions, expatriate communities receive Czech Language textbooks, various publications, and audio and video cassettes via embassies and general consulates abroad which also ensure their further distribution. Some Czech embassies look after expatriate libraries and arrange regular meetings of expatriates; in this way they help to strengthen relations with them. It goes without saying that expatriates are always invited to attend cultural and social events at the embassy.

In 1995 a five-year programme was introduced for providing scholarship to expatriates and sending teachers of the Czech language to expatriate communities; the budget earmarked for this was 50 million crowns, approved by the decision of the Czech government No. 217/95 and covered from resources provided by the Czech government; this project provides for 40 expatriates to be received every year to attend summer courses in the Czech language, a maximum of 20 expatriates for a one or two-semester course of Czech and related subjects, and a maximum of 10 teachers sent to expatriate communities. In 1998, 40 expatriates were admitted to a summer course of Czech at Dobruška, 17 received scholarships, and 7 teachers were sent to expatriate communities; the total expenditure of all this amounted to 9 million crowns; 40 expatriates were admitted to summer courses, 17 and 20 scholarships awarded (one-semester or two-semester courses) and 10 teachers of the Czech language were sent abroad (5 to Romania, 2 to Croatia, 3 to Ukraine). This five-year programme is to terminate in

2000. In view of the promising results and the great response (other organizers charge expatriates for comparable summer language courses up to thirty thousand crowns), and thanks to good cooperation with the Institute for Language and Specialized Preparation at Charles University Prague, the Ministry of Foreign Affairs will request an amendment of the government decision and the extension of the programme for a further five-years.

The Ministry of Foreign Affairs also supports the publication of the Czech expatriate journal "Czech Dialogue" by purchasing most of the copies and sending them to embassies, consulates and expatriate associations. But the quality of the journal is irregular, so that the Ministry is currently considering whether to continue to collaborate with it. Moreover, it will evidently be necessary to restrict the distribution owing to the enormous increase in postage, especially overseas.

A significant manifestation of the interest of the Czech Republic in its expatriates is investment assistance which has been in existence since 1996 as part of development aid; in 1998 and in 1999 this aid amounted to 20 million crowns.

Government funds were used to give assistance to expatriates in Romania (improving the local infrastructure in a remote Czech community in Banat – repair of access roads, distribution of drinking water, the construction of a school, a visit by a dental outpatient unit, introducing telephones in the villages). Czech schools and other facilities of expatriates (Czech Beseda) in Croatia have been under repair since 1997, in 1997–98 the sum of 15 million crowns was earmarked for the repair of the only Czech school in Austria. A number of minor projects have also been carried out. In 1999 work on projects that had been started in Romania and Croatia continued, a project in Poland has been completed (the adaptation of the loft in an Evangelical church into a museum of the post-White Mountain exile of the Czech Brethren); a trilateral project of cooperation between Czech, Dutch and Nicaraguan towns which the Foreign Ministry took over from the Czech Ministry of Interior, continued. The full sum earmarked in 1999 has been expended.

The Ministry of Foreign Affairs in collaboration with the Border Police of the Ministry of Interior issues documents to expatriates certifying that they are members of the expatriate community; this document serves as background material in dealing with requests by foreign nationals of certified Czech origin to be granted permanent residence on the territory of the Czech Republic. In 1998, 153 of a total of 158 applications were granted, data for 1999 are still being processed.

The Minister of Foreign Affairs confers a Gratias agit ministerial award every year on 5 July (St. Cyril and Methodius Day) for the popularization of the good name of the Czech Republic abroad (as of 1999 known as the Gratias agit Jan Masaryk Prize). The prize is in the form of a crystal globe. The laureates are domestic and foreign associations as well as prominent personalities, for example, Man in Distress Foundation, expatriate associations in Italy, Switzerland, the US, outstanding expatriates such as Meda Mládková, Lady Milena Grennfell-Baines, Dr. Miroslav Rechcigl, Dr. Walter Kotrba, the chairman of the Czech Maltese Aid Margareta Waldstein-Wartenberg and others.

VII. Legal and consular dimension of Czech Foreign Policy

A. Dimension of international law

As pointed out in the Concept of Foreign Policy, the Czech Republic considers international law as one of the fundamental values. The Czech Republic wants international relations to be founded on the principles of international law, sovereignty, political independence and territorial integrity of states.

The opportunities offered by the Czech Republic's further incorporation in the system of contractual relations, whether on the basis of multilateral or bilateral treaties, are used to achieve the objective of joining the community of advanced democratic states to whom it intends to be an equal, reliable and credible partner; it also intends to accept an adequate share of responsibility within the democratic community for developments in Europe and in the world at large.

Czech foreign policy concentrated in 1999 more particularly on accepting contractual commitments connected with the accession of the Czech Republic to NATO.

Full membership of NATO involved the endorsement of a number of so-called status and technical NATO treaties. So far the Agreement on cooperation with regard to nuclear information has been signed on behalf of the Czech Republic; the Czech Republic has joined the Agreement on the security of information, it has also signed the Agreement on the legal position of NATO, of representatives of states and the international personnel of 1951, the Agreement on the legal position of the missions and representatives of states at NATO of 1994 and the Agreement on the status of the NATO armed forces. Joint membership in NATO and the prospect of joint membership in the European Union help to create a dense network of bilateral relations of a new quality, and the progress of the contractual system is a reflection of this.

Within the orbit of its responsibility as a member of the international community and its membership in the United Nations Organization as well as recognition of the same values such as the principle of the rule of law and the defence of human rights and democracy, the Czech Republic endorsed measures adopted by the UN Security Council or by the European Union for the preservation of these values. For this purpose legislation was proposed to implement the sanctions imposed by the UN, or to suspend sanctions against Yugoslavia and Libya. The law on measures against the Federal Republic of Yugoslavia and the amendment of the law on measures against Libya were published in the Official Gazette of December 1999. Adoption of these laws enables the Czech Republic to act as a credible and reliable partner, should the need arise, who shares not only the same values but is prepared to translate them into reality.

The same objective prompted the signing of the so-called Rome statute which will serve as the basis of the projected International Criminal Court before which representatives of states will have to give account for crimes committed. The establishment of this court is the culmination of endeavours by the international community to make sure that no one will be able to avoid criminal responsibility for the violation of key values recognized by the international community and by international law. The Czech Republic signed this Statute, which will come into force, after ratification by 60 signatories, on 13. 4. 1999.

In this context we should also mention the ongoing cooperation with the International Tribunal for the former Yugoslavia in The Hague which has the task of dealing with serious violation of international humanitarian laws.

In addition, the process of extending the treaty system of the Czech Republic with regard to multilateral treaties which are binding for European Union member states and other European states under private international law or under treaties negotiated within the framework of the Council of Europe. In 1999 agreements under criminal law against corruption were signed within the Council of Europe, as well as a European agreement on the recognition and execution of decisions on the education of children and on the restoration of the education of children, and also four other criminal-law agreements of the Council of Europe.

The Hague Accord on the jurisdiction of official agencies, the applicability of law, the recognition and exercise of parental responsibility and cooperation in such matters and measures for the protection of children were signed on behalf of the Czech Republic outside the framework of the Council of Europe.

In bilateral relations greater attention was given to neighbouring countries as well as to countries with which the Czech Republic is keen to develop intensive economic and trade relations. A number of agreements were negotiated on the protection of investments, air transport and preventing double taxation. Agreements on preventing double taxation and evasion of income and property taxes with regard to Bulgaria, Kazakhstan, India and Ukraine have entered into force.

In the area of agreements on the protection of investments, the contractual network has been supplemented by agreements with Israel and Mongolia.

In 1999 agreements on preventing double taxation were concluded with Croatia, Moldova, as well as an agreement on the protection and promotion of investments with Moldova.

Bilateral agreements include the significant Treaty between the Czech Republic and Slovakia on the procedure in dividing the property of the Czechoslovak Federal Republic and its transfer to the Czech Republic and the Slovak Republic as well as a Protocol on the transfer and acceptance of the remaining gold from the gold reserves of the former Czechoslovak State Bank. Both these documents were signed on 24. 11. 1999 in Bratislava by the Prime Ministers of the two governments. It was consequently noted that the property claims between the two countries have been definitively settled. This, moreover, means that one of the crucial tasks relating to the Slovak Republic, stipulated in the Concept of Czech Foreign Policy, has been fulfilled.

During the past few years it has been generally acknowledged that organized crime is among the domains where a contractual arrangement of cooperation between states is imperative (agreements have been negotiated with Bulgaria, Ukraine and Italy); the same applies to the environment of cooperation as regards customs duty (for example, agreements with Norway and Italy).

Several agreements on social security have been signed (with Croatia, Cyprus, Lithuania and Austria).

A new law on the Official Gazette and on the Gazette of International Treaties was adopted in 1999; it comes into force on 1. 1. 2000. This law establishes an independent Gazette of International Laws where, as distinct from past procedure, all international laws binding the Czech Republic and significant resolutions of international organizations and bodies will be published. These documents will be published not only in the Czech version or in Czech translation but also in one of their authentic, i.e. official versions (generally in English). This is an important decision enabling citizens to become familiar with the texts of documents which contain commitments not only for Czech individuals or legal entities but for the Czech Republic as a whole.

Progress has been made in negotiations on confirming the succession of the Czech Republic to international treaties which were binding for the Czechoslovak Federation. Confirmation or the revision of the contractual system remaining from the former Czechoslovak Federation creates the conditions for the conclusion of new international treaties.

In this sense the ratification of the Vienna Accord on the succession of states in relation to treaties of 1978 is not only of importance as a matter of principle but has a crucial practical influence on settling the succession problem. This accord contains a contractual arrangement of succession to treaties from which the Czech Republic proceeded in the course of its own succession. Even though for the Czech Republic the Accord came into force on 25. 8. 1999, it facilitates its retroactive use if the parties concerned agree. That is why a declaration was made when depositing the ratification documents under No. 7, Art. 2 and 3 of the Accord, in which the Czech Republic undertakes to employ the provisions of the Accord to its own succession, which occurred prior to the Accord coming into force vis-a'-vis signatory states, contractual parties or contractual states which accept this declaration.

B. Consular dimension of Czech Foreign Policy

Czech foreign policy regards the Common Foreign and Security Policy of the EU as a significant step towards intensifying the European integration process and is prepared to participate in its implementation to a maximum degree even before joining the Union. It is aware that the single European market can work only if it is protected against outside destabilizing factors, against organized crime and other negative features. That is why it takes gradual steps towards harmonizing its migration, visa and asylum policy with the policy of the EU and is preparing to accept the principles which emerge for this sphere from the Schengen accords and the Amsterdam treaty. Once the Czech Republic joins the EU it will have to accept its decision-making rules and jurisdiction as well as a wide spectrum of legal norms of the European Community making up the so-called *acquis communautaire*, unless transition periods are agreed for individual spheres. It is against this background that consular factors become important in the foreign policy of a state, since the consular services of the Ministry of Foreign Affairs at home and abroad play a considerable part in the accomplishment of these tasks.

In accordance with the Amsterdam Treaty and on the basis of the recognized right of initiative, the European Commission has prepared a new proposal concerning the visa policy of the EU. The EC Council has issued the follow-up directive No. 574/1999 of 12. 3. 1999 determining third countries whose nationals must be in possession of a visa when crossing the external border of member states. The Directive has a supplement consisting of a list of 100 countries and 1 territorial entity which is not recognized as a state by all EU countries (Taiwan). The list also contains states with which the Czech Republic still had visa-free

arrangements (for example, Russia, Ukraine, Belarus, Romania, Bulgaria). On the other hand, the Czech Republic has a visa regime with certain countries which are not on the list (for example, Argentina, Brazil, Costa Rica). The Directive allows individual EU member states to demand that nationals of other states which are not included in the joint list, be in possession of a visa.

The visa policy can be perceived as an effective instrument for the control and recording of the movement of foreign nationals across state borders and on the territory of states. The introduction of visas in relation to certain states is one of the regulative means for restricting illegal migration and assisting the exposure of and struggle against organized crime and international terrorism; for this greatly improves control of the movement of persons from states which in this respect represent an extreme risk, and this not only for the Czech Republic. On the other hand, it is also necessary to take account of foreign policy, economic, cultural and other aspects. The introduction of visas can be seen as a certain negative signal vis-a-vis the other state. In international relations the principle of reciprocity is generally applied in the requirement of visas. The possible abrogation of certain visa-free agreements by the Czech Republic in relation to specific states will most likely result in the reciprocal introduction of visas for Czech nationals. The restriction of the movement of persons and of contacts between them can result in a decline in trade, and the state and its trade institutions could be affected by the loss of orders and of positions on the markets of states where visas have been introduced. On the other hand, it is undeniable that the day the Czech Republic is admitted to the EU it will have to have a visa regime entirely in keeping with that of the EU and give access to nationals who are on the EU list only when in possession of a visa.

However, certain circumstances may provoke unilateral measures by certain states against the Czech Republic. The problem of the migration of the Roma from the Czech Republic overseas and to Western Europe has been an issue since 1996. As a reaction to the massive influx of Roma from the Czech Republic Canada unilaterally introduced visas for all Czech Republic nationals travelling there. Since then there has been an asymmetry in the visa regime in Czech-Canadian relations. The unilateral measure by the Canadian government subsequently prompted waves of Romanies to apply for asylum in a number of West European countries – Germany, the Netherlands, Belgium and, above all, Great Britain. There is the danger that Britain could unilaterally abrogate the Agreement on the abolition of visas with the Czech Republic of 1990, as it did in the case of Slovakia in October 1998. As long as the concentrated migration of Romanies from the Czech Republic continues to other countries as well it is to be expected that these countries will apply growing pressure on the abrogation, or at least suspension of the visa-free agreements. If any of the states of the Schengen group introduce visas, in the event of a coordinated move this could complicate the access of Czech nationals to all EU member states.

Compared to EU member states, the relatively low number of applicants applying to be recognized as exiles in the Czech Republic is typical for the country. But the asylum procedure in the Czech Republic is being increasingly abused by foreign nationals for illegal migration to neighbouring states, mainly Germany and Austria. Since the establishment of the independent Czech Republic, the highest number of persons interrogated by the Czech police on the grounds that they have illegally crossed the border was in 1998; this is linked to a radical increase in the number of organized groups leading people across borders.

For persons from countries where a war or religious conflict is in progress and for so-called economic refugees the Czech Republic remains merely a country of transit on their journey to

Western Europe. The Czech-German and Czech-Austrian borders form at present the so-called external Schengen border, which is consequently under appropriate surveillance by the Schengen states against illegal crossings by foreign nationals. Under negotiated readmission agreements, the Czech Republic is duty-bound to accept back all illegal migrants who have come to Germany or Austria across our territory.

The Czech Republic has readmission agreements currently with all neighbouring states as well as with Hungary, Romania, Bulgaria and Canada. Agreements have also been signed with Slovenia and France but they have so far not come into force. The objective of these agreements is to ensure the reacceptance of individuals who have entered the territory of the signatory states illegally from the territory of the other signatory state. Under the present situation in the sphere of illegal migration, when borders are predominantly being crossed out of the Czech Republic, there is a preponderance of persons being accepted by the Czech side under the readmission agreements.

The asylum sphere is adjusted at EU level by the Dublin Agreement of 1990 on determining the state responsible for dealing with an application for asylum submitted in any of the EU member states; this is an international agreement concluded between the EU countries and consists of more than a dozen acts connected to the 3rd pillar, adopted in 1992, which codifies, above all, the fundamental principles and institutions of a just and effective asylum procedure. On the basis of this agreement the asylum sphere is transferred to the community level. The Czech Republic now faces the task of accepting this part of the *acquis* by the date of accession to the EU and create the conditions for joining the Dublin Accord.

The Czech Republic is systematically criticised by the EU for the porous character of the Czech borders and their ineffective protection against illegal migrants. This criticism is directed mainly against the situation on the border between the Czech Republic and the Slovak Republic where relaxed standards are still more or less prevalent in view of the historical context. The imperative of eliminating an illegal influx of foreign nationals to the Czech Republic across all parts of the border prompted the Czech government to adopt decision No. 54 of 20. 1. 1999 on the Concept of modernizing checks of persons on the border; the purpose is to make border control more effective. As a supplement there is a timetable of measures to make border control more effective; this contains a number of legislative tasks and measures aimed at making an analysis of the legal provisions for the protection of the state borders of EU member states and subsequently apply them in practice to the Czech Republic. The measures which have been stipulated will lead to a substantial tightening up of the control regime on the Czech-Slovak sector of the border.

The control and registration of foreign nationals who enter the territory of the Czech Republic while in possession of a relevant authorization – a visa – is equally important. The Czech government has adopted decision No. 748 on 18. 11. 1998, the “Concept of the modernization of visa procedures”, with the aim of ensuring an adequate verification of persons applying for a Czech visa and the correct registration of their entry and sojourn on the territory of the Czech Republic. The main objectives of the modernization of the visa procedure are:

- compatibility with the Schengen information system;
- compatibility with international norms applying to travel documents;

- the introduction of a substantially more thorough system of screening applicants for visas;
- the standardization of the work procedure of offices which participate in granting and checking visas, i.e. embassies of the Czech Republic;
- a thorough control of granting visas;
- facilities for an effective and technically simple control of the entry and departure of foreign nationals at border checkpoints;
- an effective registration and statistical assessment of the process of granting visas.

The introduction of an information system for the verification of Czech visa applicants as part of the project “Modernization of visa procedures” at all embassies is to make the Czech Republic compatible with the Schengen information system which is one of the essential conditions of performing visa activities within the EU. The new system of granting Czech visas was introduced at 34 Czech embassies on 7. 12. 1999. In its decision No. 1165 of 8. 11. 1999 the government of the Czech Republic resolved that the entire information system connected with the verification of applicants for Czech visas is to be made fully operational by 1. 1. 2001 at the latest.

The Consular service has the duty of looking after Czech citizens abroad, both as tourists and as expatriates permanently resident abroad. This contributes to the Czech Republic’s image. The development of relations with expatriate communities is a means of improving the image of the Czech Republic as an advanced country with its culture, and forms a contribution to bilateral relations with states where Czech expatriate communities are resident. A number of Czech nationals permanently resident abroad have won an outstanding position in society and in political life by their abilities and qualities and as such can be most useful in defending and advocating the interests of the Czech Republic in their countries of residence, whether individually or as an expatriate lobby. The interest of the Czech Republic in expatriate communities abroad has been demonstrated lately by a number of practical steps, such as legal provisions enabling some former Czech citizens to regain their Czech citizenship or repeated discussions towards such changes in the domestic legislation giving Czech nationals the right to vote outside the territory of the Czech Republic. The Czech Republic continues to be concerned about the prosperity and preservation of the cultural and national identity of current Czech nationals as well as of expatriates of Czech origin abroad. Contacts with these communities and their support are maintained above all through the Czech embassies. In extreme cases expatriates living in remote or endangered territories who can prove their Czech origin may be granted financial assistance on the basis of a government decision in order to have the resources to obtain permanent residence on the territory of the Czech Republic.

The image of the Czech Republic abroad is also shaped to a considerable extent by the conduct and position of Czech nationals who travel abroad on short-term visits, especially as tourists. Every year, especially during the tourist season, Czech embassies provide consular assistance to Czech nationals who find themselves in distress abroad whether caused by themselves or for reasons beyond their control. Czech nationals in such a situation are given the possibility of returning to their country independently without having to apply to the authorities of a foreign state for financial or other material assistance. The repatriation of

injured or other medically indisposed persons is in the great majority of cases provided by the health services of the Czech Republic with the arrangement or cooperation of the consular service.

In the summer of 1997 when more than ten travel agencies operating in the Czech Republic went bankrupt, leaving between 5,000–7,000 Czech tourists abroad without the means of return, during the summer months, only the foreign and consular services were able to act effectively and to eliminate the consequences of insufficient domestic legislation stipulating the responsibility and laying down the rules for dealing with such critical situations. The Ministry of Foreign Affairs was the only institution which found replacement means of transport and coordinated the transport of the affected tourists in collaboration with consular officials abroad. In this way it helped to solve the dramatic situation of thousands of Czech citizens affected by this misfortune and to maintain the favourable image of the Czech state abroad as well the awareness that it is capable of acting to help its own citizens, even though tourism does not belong under the jurisdiction of the Foreign Ministry.

Consular aspects nowadays are more or less closely interlinked with the foreign policy of every state. In the Czech Republic the impact of these aspects is determined by a priority, namely early accession to the EU. In the current phase of preparations in the Czech Republic, the harmonization of measures of visa policy and its practical application with the policy and practice of the EU member states, the consistent protection of state borders, especially against illegal migration, the preparation of legislation to coincide with standard principles applied by the EU member states with regard to entry and sojourn of foreign nationals, asylum procedures, deportation and readmission as well as the application of the Schengen criteria are among the most crucial tasks. These questions are predominant not only in Czech Republic-EU relations but in relations with other applicant countries as well. The summit of the Prime Ministers of the Czech Republic, Hungary, Poland and the Slovak Republic on 14. 5. 1999 in Bratislava confirmed the effectiveness of an exchange of information on the migration issue at the Visegrad level which ought to include an exchange of information and experience gained in the approximation of migration policies of the V-4 countries with the migration policies and approaches of the EU member countries. The consular service of the Czech Republic endeavours in this respect to promote cooperation with the consular services of Hungary, Poland and the Slovak Republic.

VIII. The Czech Foreign Service

1. Career systems, personnel policy

During the recent period the Ministry of Foreign Affairs has devoted increased attention to improving the quality of its personnel policy as regards both recruitment and raising the qualification and performance of serving diplomats as well as the administrative and technical staff of the Ministry.

The aim was, above all, to increase the principle of transparency in the selection and deployment of staff, to determine firm qualification criteria for employment, the planning of the career advancement of diplomats and, last but not least, to introduce a system of assessment and of rules for the rotation of personnel. The management of the Ministry is mainly concerned to achieve a broader conceptual base in the selection and training of qualified career diplomats who will in most cases be generalists and whose career and function will be separated from the political direction of the Ministry. In this sense the measures of the Ministry of Foreign Affairs are in keeping with the major principles of the planned law on the state administration. The objective of personnel work is the training of a new generation of professional diplomats as is normal in advanced democratic countries.

One of the primary instruments is the Career Code for diplomats which was worked out in 1998 on the basis of a wide discussion and comments by officials at the Ministry while simultaneously taking advantage of the experience of the advanced diplomatic service of certain European countries. The Career Code, which is an internal system of the Ministry of Foreign Affairs, came about as a cross-section of the diplomatic experience and traditions elsewhere and the current requirements of the foreign service of the Czech Republic. It was approved by the Minister on 1. 1. 1999 and it was well received by staff. It is a norm which has been worked out on the basis of long-term requirements.

The Career Code comprises the guiding principles for the recruitment of career diplomats and for their further training as part of the Diplomatic Academy of the Ministry of Foreign Affairs; it deals with the career advancement of diplomatic official. For this it uses the system of diplomatic ranks and the fulfilment of qualification requirements. Assessment and internal selection procedures determine the filling of posts in Czech Embassies abroad. The Career Code lays down the principle of the rotation between the centre in Prague and embassies abroad. In the medium term the Career Code is expected to result in a substantial raising of professional standards, an improvement of language skills and of the standards required for multilateral diplomacy, especially in relation to EU accession.

The Career Code defines the career of a diplomat as progress up the ladder of diplomatic ranks and as an opportunity for individual achievement. The Career Code is an essential motivating instrument; it encourages the competitiveness of officials as regards rotation, which involves more than 25% of all diplomats every year.

The Career Code is separate from the system of functional placing of staff which is included in the remuneration system, especially the catalogue of activities at the Ministry of Foreign Affairs which was also approved on 1. 7. 1999.

The Career Code for diplomats was followed by the Principles of Personnel Work for administrative and technical staff of the Ministry which has been in force since

1. 11. 1999. They are based on the principles of the Career code but the rules have been adapted to the specific conditions of the technical personnel of the Ministry of Foreign Affairs in Prague and abroad. Here, too, requirements are laid down for qualification and the conditions under which rotation takes place.

A new method of assessing diplomatic and non-diplomatic personnel of the Ministry is part of these two basic personnel norms. It stems from the experience of other similar ministries throughout the world and from modern methods of managing human resources. The aim of assessment is to acquire a greater amount of information on the quality and quantity of work performances as well as invaluable information on the personal qualities of a member of the staff. This will result in recommendations to staff to participate in educational programmes of the Ministry and plan their progress. In the last analysis, the system of assessment is supposed to develop the most effective use of the human potential at the Ministry.

The Career Code is conceived as an open document which will be amended on the basis of experience and the development of external conditions for the work of Czech diplomacy.

At the end of 1999 there were a total of 1,895 employees at the Ministry of Foreign Affairs; of these 817 were diplomats (383 in the centre and 434 at embassies) and 1,078 administrative and technical workers (389 at the centre and 689 at embassies).

During the past two years the number of applicants for jobs at the Ministry has virtually doubled as a result of regular competitions. All in all more than 2,500 candidates came to apply for jobs at the Ministry in 1999; of these more than half were anxious to be considered for the post of career diplomats. The criteria applied come close to requirements for applicants in the diplomatic service in West European countries.

The Ministry of Foreign Affairs collaborates closely with the Ministry of Industry and Trade of the Czech Republic. Together they are attempting to improve the quality and to add more personnel to the trade and economic sections of embassies. This task is linked with the promotion of a pro-export policy. Some time ago the two Ministries concluded an agreement to systematize the trade sections at embassies in a far more efficient manner. All posts have been filled on the basis of selection procedure organized by a commission consisting of representatives of both Ministries.

The selection and support of suitable Czech candidates for posts in the Secretariats of international organizations and for participation in various types of civilian peace-keeping and observer missions is a new form of personnel work. In 1999 participants in OSCE peace-keeping missions included 19 in Kosovo, 3 in Bosnia and Herzegovina and 1 in Georgia. This form of personnel work is linked with the increased involvement of our country in European and Trans-Atlantic structures and the growing role of Czech diplomacy in the international settlement of current situations of crisis.

Higher demands have recently been made on the qualification prerequisites and psychological preparation of candidates for work in Czech diplomacy. The Personnel Section of the Ministry seeks to deal with this matter by raising entry qualifications for employment at the Ministry of Foreign Affairs (knowledge of 2 languages, understanding of international relations, psychological resilience, personal and moral qualities of the applicant), and by differentiated educational criteria for new employees, officials in the middle rank and senior officials. The Ministry is also doing its utmost to ensure more extensive and more thorough

teaching of languages to its staff. The partners of members of staff are increasingly drawn into the system of education and they are engaged in matters of work or in social relations at our embassies where they often play an exceptionally important role.

The Ministry of Foreign Affairs participated in preparing the principles for the training of staff of the state administration in matters concerning the European Union. It has drawn up a plan for the training of personnel of the Ministry of Foreign Affairs in this sphere and began to implement it in 1999.

2. The Diplomatic Academy

The Diplomatic Academy of the Ministry of Foreign Affairs of the Czech Republic inaugurated its activity in October 1997. The establishment of the Academy was preceded by an analysis of the educational requirements of Czech diplomats and the accumulation of information about foreign systems of training diplomats. On the basis of this analysis and under a grant assignment of the Ministry of Foreign Affairs a team of outside experts in collaboration with the Netherlands Institute of International Relations at Clingendael and the Diplomatic Academy in Vienna prepared a "Proposed outline plan of a system of educating Czech diplomats". Following the inclusion of further recommendations resulting from the procedure of accumulating relevant comments, the proposed system was approved by the Minister of Foreign Affairs in December 1996. The project was backed by the Delegation of the European Commission in Prague and the European Union provided 305,000 ECU from the PHARE programme for its implementation. Since 1999 the Academy has been entirely financed by the Ministry of Foreign Affairs.

The task of the Diplomatic Academy is to raise the professional standards of the Czech diplomatic service, to improve the theoretical knowledge and skill of its staff and organize the education of the personnel of the Ministry of Foreign Affairs.

Organizationally, the Diplomatic Academy comes under the Institute of International Relations (IIR). It collaborates closely with the sections of the Ministry of Foreign Affairs, mainly with its Personnel Department. The Director of the Academy is simultaneously the Deputy Director of the IIR.

The Activities of the Diplomatic Academy in 1999

1. basic diplomatic preparation
2. higher diplomatic preparation
3. data processing training.

1. Basic diplomatic preparation

In 1999 the Diplomatic Academy started its third course of basic diplomatic preparation. There was again substantial interest in the profession of career diplomat. Some 900 candidates attended the spring competition and 19 candidates were included in the basic diplomatic preparatory course.

In 1999 the Diplomatic Academy began to cooperate with various embassies in Prague. The Ambassadors of Italy and of Peru lectured at the Academy. In 1999 the Academy increased its team of foreign lecturers by adding the Director of long standing of the foreign service programme at Oxford University and the author of a “Handbook for Diplomats”, Ralph Feltham. Courses on the European Union for the Academy were enriched in 1999 by a series of lectures arranged by the International Centre for European Education in Nice.

A preparatory five-month course in theory was inaugurated on 1. 9. 1999.

The second course on basic diplomatic preparation successfully terminated seventeen months of basic diplomatic training. The Minister of Foreign Affairs handed 15 graduates a Confirmation (ATEST) Certificate on 23. 12. 1999.

2. Higher diplomatic preparation

The higher diplomatic preparation (DA2) is intended for diplomatic officials of the Ministry of Foreign Affairs. The year course in higher diplomatic preparation was inaugurated in April 1999. Interest in this course was considerable, 57 candidates were accepted for the course. DA2 consisted of four basic courses, three in optional subjects and ten lectures on topical international problems. The programme also included lectures by specialists from various ministries – Interior, Defence, CzechInvest, CzechTrade, etc. The Academy also arranged specialized seminars on economic diplomacy including a seminar on the world economy and trade and a seminar on assessing and managing commercial risks.

At the end of 1999, 33 candidates successfully completed the basic course. The remaining candidates will complete it in 2000.

Forty-two candidates applied to the second annual course of the Academy.

3. Data processing training

The Diplomatic Academy arranged data processing training in 1999. It organized one-week courses where 440 officials of the Ministry of Foreign Affairs from the centre and from embassies underwent training, as well as one-day courses where 395 officials were trained. Individual consultations of candidates with teachers have been increasingly utilized.

Other activities of the Diplomatic Academy

Students of the Diplomatic Academy successfully assisted in the organization of major events organized by the Cabinet Office (meeting of Prime Ministers of the CEI, 6–7. 11.), by the Foundation FORUM 2000 (FORUM 2000 Conference 11–13. 10.) and by the East-West Institute (Conference “Ten Years Later”, 17–18. 11.). They provided the service for delegations from various states or accompanied eminent guests of the conference. Letters of

thanks to the President's Office and the Cabinet Office testify to the fact that they had accomplished their duties successfully.

The Diplomatic Academy arranged lectures at universities in Prague and outside Prague; their aim has been to provide information about the spring competition for young diplomats and to recruit talented, motivated university graduates with the necessary language qualifications for the diplomatic profession.

The Diplomatic Academy has cooperated with diplomatic academies and other diplomatic training centres throughout the world. In September 1999 a representative of the Diplomatic Academy attended a meeting of Directors of Diplomatic Academies in Vienna, which is organized every year. The host was the Diplomatic Academy in Vienna with which a number of joint events had been agreed in advance. The Director of the Diplomatic Academy further attended a conference "Diplomacy in the 21st century", organized by the Diplomatic Academy in London. Cooperation with the Zagreb Diplomatic Academy, a centre for the training of diplomats within the CEI, continued with a lecture given by the Director of the Diplomatic Academy in Zagreb under the title "Democratization of the mass media" and by arranging for two students of DA1 to attend a seminar on the EU in Dubrovnik.

On 4. 9. 1999 the Diplomatic Academy signed a treaty on cooperation with the Diplomatic Academy in Peru which has been offering scholarship to young Czech diplomats every year since 1996. A similar treaty was signed in Cairo in January 2000 with the Institute for Diplomatic Studies of the Egyptian Foreign Ministry.

Students at the Diplomatic Academy were sent to attend scholarship courses in European and overseas partnership institutions as part of their practical preparation.

3. Budget of the Ministry of Foreign Affairs; operational tasks at the Ministry of Foreign Affairs

On 15. 1. 1999 the Chamber of Deputies of the Parliament of the Czech Republic passed Decision No. 138, adopting the law on the state budget for 1999. The indicators of the budget of the Ministry of Foreign Affairs were determined as follows:

- Total income 387 million crowns
- Total expenditure 4,135.56 million crowns
- of this capital expenditure 472,124 million crowns

When discussing the draft budget of the Ministry of Foreign Affairs emphasis was placed on the following factors:

- I. There should be no reduction in the network of embassies, and this was laid down as a political task.
- II. The Ministry of Foreign Affairs is to play an increasing role in promoting external economic relations.

III. The budget of the Ministry of Foreign Affairs, 80% of which is in foreign currencies, is exceptionally vulnerable to fluctuations in the rate of exchange, for example, a mere ten percent drop in the exchange rate influences the budget to the amount of approx. 250 million crowns.

IV. The budget must absorb the development of inflation in all countries where there are embassies; the financial resources earmarked for the Ministry of Foreign Affairs create the conditions for possible revenue (claiming the payment of debts abroad, infrastructure for the future collection of contributions from the funds of the European Union, etc.).

Current expenditure

has been set at 3,663,436 million crowns. This sum covered the requirements of the Ministry, although at the price of stringent economy measures which cause frequent problems, especially abroad, above all in the sphere of the security of our embassies as well as other Czech offices.

Expenditure from the 1999 Ministry of Foreign Affairs budget was to a large extent influenced by the contingency budget or else by the regulatory measures governing the use of resources from the state budget, which were laid down for the first three quarters of this year.

In 1999, 113 missions (embassies, general consulates, permanent missions, economic and cultural offices) managed their resources independently. They did their own accounting and had their own approved budgets. The independent budgets of embassies comprise expenses connected with real estate property, repairs and maintenance of owned or rented property, expenditure incurred by entertainment and gifts, the wages and insurance of local staff and expenses connected with the current operation of embassies. In other instances, the expenditure is covered by the budget of individual authorized users under the budget of the Ministry of Foreign Affairs as the centre. The budget year of embassies differs from the calendar year; it starts on 1. 11. of the previous year and ends on 31. 10. of the current year.

There were five autonomous organizations established by the Ministry in 1999: The Service for Diplomats, the Institute of International Relations, the Czech Centre Administration, the Štiřín conference centre and the Office of the General Commissioner for the Czech participation in the EXPO 2000 in Hannover.

Institute of International Relations

concentrates on scientific research on international relations and on ensuring contacts with partner institutions. The Diplomatic Academy, which has been responsible for the basic and higher diplomatic training of young diplomats and the organization of various courses, is part of the Institute. The Institute of International Relations was allocated a contribution of 23 million crowns for its activity in 1999.

Czech Centre Administration

organizes activities abroad centring on the promotion of the Czech Republic and of cultural and trade contacts. The sum of 152,35 million crowns was allocated for its work in 1999.

Service for Diplomats

organizes material and other requirements of foreign embassies in the Czech Republic and looks after premises which are the property of the Czech Republic and are managed by it. The sum of 130 million crowns was earmarked for its activities in 1999.

The Štířín conference centre

provides conference and liaison services for the Ministry of Foreign Affairs and for other central institutions; it does not receive any operational financial contribution from the state budget. At present the entire premises are being extensively reconstructed. When this is completed the accommodation, conference and entertainment sections will have been extended so that the centre is expected to make a profit and these funds will be paid into the state budget.

Office of the General Commissioner for Czech participation in EXPO 2000 in Hannover

This organization was set up under Decision of the government of the Czech Republic No. 240 of 8. 4. 1998 to ensure the participation of the Czech Republic in EXPO 2000 in Hannover. The sum of 54 million crowns has been earmarked for its work in 1999.

Promotion of science and research

The budget of the Ministry of Foreign Affairs also includes funds for research and development; the sum amounts to 16.8 million crowns. The resources are used in such a way that 10 million crowns are devoted to grant projects and 6.8 million as “institutional resources” in the form of a contribution to the Institute of International Relations.

Capital expenditure

has been set at 472,124 million crowns which means a drop of 11.7% as against the 1998 budget. When the draft budget of the Ministry of Foreign Affairs for 1999 was being approved it was evident that this sum was absolutely insufficient for its needs. Such a low

budget did not allow for the necessary repairs to the extensive premises abroad nor for regular maintenance work, including vehicles. Even in the past the Ministry of Foreign Affairs had pointed out that such a drastic reduction would in future lead to far higher expenditure on the maintenance and repair of property.

“The principles governing the allocation and drawing of resources from the state budget earmarked for the purchase, technical revaluation, repairs and maintenance of property” of the Ministry of Finance give priority to investment programmes, which has an adverse effect on the Ministry of Foreign Affairs allocation since the majority of investment projects are terminated during the calendar year and are not transferred to the following year. Especially the purchase of real estate, machines and equipment is a one-off transaction.

In the light of these facts it was essential to increase the capital expenditure of the Ministry of Foreign Affairs in the course of 1999 to the sum of 680,952 million crowns. This increase was carried out within the framework of the overall approved budget of the Ministry of Foreign Affairs by regrouping non-investment expenditure into expenditure of a capital nature. These additionally released investment funds were used to give priority to the planned financing of the construction of the pavilion of the Czech exhibition at the EXPO 2000 World Fair in Hannover and to repair premises of foreign diplomatic missions in Prague which were in a desolate state; this was done via the autonomous organization Service for Diplomats.

Non-budgetary funds

Further financial requirements are contained in the budgetary chapter General Cash Administration, and in the course of the year they are released into the budget of the Ministry of Foreign Affairs. They are:

- funds for humanitarian aid amounting to 30 million crowns. Humanitarian aid is provided on the basis of Decision by the government of the Czech Republic No. 153 of 15. 3. 1995 and reflects the endeavour of the Czech Republic as a democratic state recognizing the principle of solidarity among peoples and states, to take over its share of responsibility in solving exceptional situations;
- resources for foreign broadcasts amounting to 55 million crowns. In Decision No. 573 of 10. 9. 1997 the government of the Czech Republic agreed that funds for foreign broadcasts be met from the Ministry of Foreign Affairs budget;
- contributions to international and other organizations, amounting to 620 million crowns; these sums arise from commitments of the Czech Republic and can virtually not be influenced by the Ministry of Foreign Affairs;
- the resources for foreign development aid amounting to 326 million crowns are divided among the relevant chapters of the state budget. These funds are offered through the intermediary of the Ministry of Foreign Affairs on the basis of Decision of the government of the Czech Republic No. 153 of 15. 3. 1995, with priority given to countries which are moving towards the introduction or consolidation of democracy and human rights and the introduction or consolidation of a market economy.

Operational Management

Five departments of the Ministry and two autonomous organizations were responsible for the day-to-day operations of the Ministry in 1999:

The Finance Department was responsible for the financial and accounting agenda of the Ministry, including methodological and control activity. It discusses with the Ministry of Finance and with other bodies the manner of obtaining the financial resources of the Ministry of Foreign Affairs to enable it to carry out its tasks. It manages, controls and methodologically guides the financial, budgetary and accounting agenda of the Ministry, of Czech embassies abroad, of authorized representatives dealing with budgetary funds of the Ministry and of autonomous organizations of the Ministry of Foreign Affairs.

The Department of Services is in charge of transport, the household and catering services for the centre and abroad.

The Investment Department participated in the completion of a number of investment projects; this applied especially to the purchase and reconstruction of premises for the Czech Republic representation at the EU in Brussels. The reconstruction of the premises of the embassies in Athens and Stockholm has been completed as well as the reconstruction of technical wiring in Berlin. The reconstruction of the Ambassadors' residences in Berlin and in Vienna has also been completed.

Last year preparatory projects were drawn up for the reconstruction of the large embassy compound in Beijing, as were projects for the reconstruction of the embassy in Bratislava, the residence of the Ambassador in Ankara, and the reconstruction of the embassy in Nairobi. It is expected that work on all these projects will start in 2000.

The Department of the administration and protection of buildings concentrated primarily on the implementation of the requirements contained in law No. 148/1998 on the protection of classified information, and on follow-up regulations of the National Security Office in the sphere of the security of premises.

The Labour Legislation and Wages Department ensured the labour legislation, wages, social and medical agenda for the entire staff of the Ministry of Foreign Affairs and for members of their families who accompany officials to their posting abroad.

The decision of the government on raising wage tariffs of the staff of budgetary and attached organizations by 17% was implemented as of 1. 1. 1999. A new "Catalogue of Ministry of Foreign Affairs posts for embassies" was issued in the course of the year on the basis of which new requirements were established for regular work abroad and criteria drawn up. The aim of this regulation, which was lacking in the Foreign Ministry was to specify the qualification requirements and defined duties as well as personal responsibility of individual officials and also the systemization of embassies.

Throughout 1999 representatives of the Foreign Ministry played a significant part in preparing amended labour legislation regulations – a Labour Code, legislation on wages and

salaries – especially in the light of requirements abroad. They took part in preparing a Civil Service Law, which is to determine work in the foreign service in future.

The Service for Diplomats systematically looked after the requirements of embassies of foreign states as part of the Czech Republic's international commitments.

Apart from partial reconstruction work on a smaller scale and current maintenance, total reconstructions of buildings in Na Zátorce 26 and Bubenečská 59 were completed this year in Prague 6. The reconstruction of the historically representative building housing the consular section of Federal Germany in Vlašská street, Prague 1, has also been completed. Another extensive reconstruction of a villa at Juárezova 14 in Prague 6 was on the eve of completion at the end of 1999.

The complete reconstruction of the house at Wenceslas Square 51 began in 1999 for the use of the Polish embassy. Other ongoing projects included the reconstruction of a villa at Slavičkova 10, Prague 6 to be used by the embassy of the Netherlands.

By securing repairs or reconstruction of premises owned by the state, the Service makes sure that these premises are permanently in a good state and a source of pride in the localities where they are situated. The Service further obtains parking space for diplomatic missions accredited in the Czech Republic, facilitating the work and ensuring the security of the missions, while adhering to the principles of reciprocity and the number of members of a diplomatic mission.

The Diplomatic Service participated in preparing the planned construction of a compound in Prague 6 for use by the embassy of the Chinese People's Republic. Among other major tasks, the Diplomatic Service was involved in negotiations on terminating the division of the property of the former Czechoslovak Federation and on negotiations on the property of the former USSR and the former Yugoslavia.

The Štiřín conference centre arranged conference and liaison services for the Ministry of Foreign Affairs and for other Ministries.

Appendix

NOTE

The original Czech version of this Report contains the following additional appendixes:

- Summary of the Czech Republic's membership in international organizations
- Summary of Czech Participation in Peace Missions
- Membership of the Foreign Affairs Committee of the Chamber of Deputies
- Membership of the Committee on European Integration of the Chamber of Deputies
- Membership of the Senate Committee on Foreign Affairs, Defence and Security
- Membership of the Senate Committee on European Integration
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