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INTRODUCTION

2007 was a year rich in events that obliged Czech foreign policy to undertake multilateral activities above all. During the German and Portuguese presidencies of the European Council, new prospects were created for the reform process blocked a few years ago by the rejection of the Constitutional Treaty in France and the Netherlands. The Czech Republic's critical view contributed to the fine-tuning of viewpoints and efforts to overcome the arisen stagnation. The preparation of the "Berlin Declaration" provided an opportunity to revive the debate and, in June 2007, a compromise was struck: a framework was defined for the adoption of a new treaty text, thoroughly reworked during consultations and confidential meetings. The document was then signed on 13 December 2007 at an international conference in Lisbon – Prime Minister M. Topolánek and Minister of Foreign Affairs K. Schwarzenberg signed the new text on behalf of the Czech Republic. The Treaty of Lisbon – as it is now called – does not repeal all the preceding documents: it merely amends the Treaty on European Union and the Treaty on the Functioning of the European Union. It strengthens the powers of the European Parliament, simplifies joint decision-making and creates the functions of President of the European Council and High Representative of the Union for Foreign Affairs and Security Policy.

Due to its clear and flexible positions, the Czech Republic is gaining in recognition as a partner in European structures. The Czech Republic unequivocally promotes the continuation of the EU enlargement process, with the understanding that a distinct horizon must be defined for individual candidates, based on their individual merits and the progress they make in fulfilling the tasks defined in their accession or association partnership. The Czech Republic is in favour of Croatia's fastest possible accession to the Union and in favour of negotiations on the membership of strategically important Turkey. In the EU's external affairs, the Czech Republic attaches great importance to the transatlantic partnership with the United States and Canada. It played a substantial role in formulating the agenda of the Transatlantic Economic Council, which can be expected to facilitate economic cooperation in a number of ways.

The report assessing the progress achieved in the implementation of structural reforms stated that the Lisbon process is already starting to deliver results and invited member states to make use of the economic upturn to implement their reform plans. It is important not to

take decisions in advance: any action taken should be based on an analysis of shared interests and capacities and the country's own interests and capacities. In questions of energy policy and atmospheric protection, it was under a Czech initiative that a new discussion forum on the benefits and risks of atomic energy at EU level was established in 2007. The Czech Republic was also the very first EU country to approve the European Rural Development Programme for 2007-2013. It defends the policy of international trade liberalisation and the removal of existing tariff and non-tariff barriers, whilst simultaneously striving to ensure that the rules of competition are observed, registered trade marks and intellectual property are respected, anti-corruption measures are implemented and developing countries have easier access to world markets. The Czech Republic welcomed with the European Commission's effort to revise the European internal market strategy – an intention that has been declared several times in the past – and co-opted this theme in the motto of its upcoming presidency of the European Council: “Europe without Barriers”.

The Czech Republic is responding to the changing times. Given the utterly new conditions prevailing in the world, Europe is no longer in the position it enjoyed at the start of the twentieth century – it has therefore opted for the path of integration. One can only guess where this openly discussed “work in progress” will end up. The EU Common Foreign and Security Policy now appears to be a necessity for every member state.

The Czech Republic is involved in its formulation and implementation at the level of working groups, in the EU's Political and Security Committee (PSC/COPS), in the Committee of Permanent Representatives (COREPER), and at meetings of political directors and European correspondents. The Czech foreign affairs minister takes part in meetings of the General Affairs and External Relations Council (GAERC) and informal working groups (Gymnich). The European Council's common positions and activities in questions that go beyond the confines of the continent – international security and the fight against terrorism, migration, environmental protection, energy and raw materials supplies – are accepted as standard practice. In 2007, the Czech Republic participated in cooperation between EU member states' diplomatic missions in third countries and played its part in drawing up assessment, situation and recommendatory reports.

Activities under the European Security and Defence Policy (ESDP) went ahead in 2007. Preparations were made for the autonomous military operation EUFOR in Chad and the Central African Republic; a new civilian mission was launched in Afghanistan; and

preparations began for a civilian mission in Kosovo that will take over part of the mandate of UNMIK. The Czech Republic emphasises the need for the EU to have the military and civilian capabilities necessary to ensure that it can achieve its intentions as declared in the European Security Strategy of December 2003. The ESDP should be complementary to NATO.

The OSCE is a traditional part of the European security infrastructure. EU member states now account for almost half the OSCE participating states. The Czech Republic's concern is for this organisation to be able to react flexibly to the new security threats, i.e. preventing conflicts, cooperating in post-conflict rehabilitation, and taking effective action against terrorism. The Czech Republic was actively involved in formulating EU positions on these problems in 2007. Achieving consensus at OSCE level tends to be fairly difficult, however. One example is the lack of progress made at the meeting of the OSCE Ministerial Council at the end of November 2007, at which Minister of Foreign Affairs K. Schwarzenberg emphasised the need to observe the organisation's commitments and preserve the autonomy of its Office for Democratic Institutions and Human Rights (ODIHR).

Strengthening the transatlantic strategic partnership was one of the principal themes of both the German and Portuguese presidencies in 2007. It is no secret that this relationship of crucial importance for Europe has recently experienced some turbulence. It is an entire complex of relations, encompassing energy, efficient use of raw materials and the environment, as well as security and the economic field.

The changing geopolitical situation and the existence of new security and economic challenges mean that the territory of Europe no longer has the same strategic security importance as during the period of the bipolar world. However, we still regard the North Atlantic Alliance as a key grouping for collective defence and mutual consultations, and one that is capable of operative action even outside its own area. We can agree on shared defence interests – in missile defence, for example – and create joint projects that are consistent with the USA's security policy.

Cooperation in NATO continues to be a Czech foreign policy priority. That was confirmed by the result of the negotiations with Washington on the stationing of an American radar site in Czech territory. The suspicion that we are changing our security priorities is unfounded. The Czech Republic is an advocate of common defence and the Alliance's other

security tasks, both political and military. The Army of the Czech Republic engaged in the operations in Kosovo and Afghanistan and the training mission in Iraq in 2007.

In September 2007, the Czech Republic organised a meeting for NATO's Atlantic Policy Advisory Group, at which relations between the Alliance and the EU and between the Alliance and Russia were discussed and the question of NATO's new strategic concept was raised. In the context of the Comprehensive Approach for planning and conducting NATO stabilisation operations, it was not possible to carry out "Riga tasking" during 2007. That was because the difference of opinion between the EU and Turkey on the Cyprus question and on certain chapters of the accession talks to some extent complicated relations between the Union and NATO as well. The confrontational overtones coming from Moscow have a negative influence on cooperation with Russia, but the Czech Republic nevertheless supports NATO's efforts to maintain and develop this cooperation, primarily in the common fight against terrorism and in peace-keeping and humanitarian operations.

Missile defence was the most important and most discussed theme in the Czech Republic's foreign security policy. By a resolution of the National Security Council of the Czech Republic, an expert team of the foreign affairs and defence ministries was established to deal with questions of the possible stationing of a US radar site in Czech territory. This team's task is to prepare the negotiating position for talks with the USA. It was decided that the Czech Republic's potential involvement in the missile defence project would be set out in two agreements subject to the approval of both chambers of Parliament of the Czech Republic and ratification by the president. The "Main Agreement" will deal with political and basic technical questions of the Czech Republic's involvement in the project; and the Bilateral Agreement on the Status of US Forces – a SOFA agreement – will complement the multilateral NATO status of forces agreement that both states have already signed. The negotiations went on throughout 2007 – they can be expected to be completed in spring 2008. The intensity of mutual contacts and visits increased in view of the strategic importance of the ongoing negotiations. In the space of a few months, Minister K. Schwarzenberg visited Washington D.C., there were reciprocal visits by presidents V. Klaus and G. W. Bush, and US defence secretary R. Gates visited Prague. From the very start, the Czech Republic sought to adopt an open approach and to consult its steps with its EU partners involved in the American missile defence system.

Participation in the fight against international terrorism is an important priority of Czech foreign policy. The Czech Republic's solidarity with the states and communities affected by terrorism is a response to the greatest security threat of the present day, which impacts on the very foundations of human civilisation. It was confirmed again in 2007 that militant Islamists are responsible for the majority of terrorist attacks. Around 70 per cent of all attacks took place in the Middle East and in Persian Gulf states. We are mindful that terrorism is a complex phenomenon and that no civilised state is safe from it. Averting, or at least mitigating, this threat is a long-term task that requires more than just repressive steps: all the causes (political, economic, social, psychological, etc.) need to be analysed, the adversary must be clearly identified and carefully considered action has to be taken under broad international cooperation.

In 2007, terrorism remained a regular topic in talks held by representatives of the Czech Republic on visits abroad. The principal objective is to narrow the divide between what are often different views and to exchange information. Within the UN, the Czech Republic, along with other EU member states, contributed to the adoption of the Global Counter-Terrorism Strategy and strives to bring the work on the Universal Convention on International Terrorism to a successful conclusion. One breakthrough meeting was a symposium on "Advancing the Implementation of the UN Global Counter-Terrorism Strategy", held in Vienna in May 2007 with the active participation of the Czech Republic.

The anchoring of the Czech state in European structures is also reflected in the country's involvement in UN activities, which increasingly takes place through the EU coordination mechanism. The Czech Republic acts independently in matters where there is no EU common position. President V. Klaus delivered an address during the General Debate of the 62nd General Assembly, which dealt mainly with conflict resolution in problem areas, the fight against terrorism and climate change. Upon the initiative of the president of the UN General Assembly, an urgently required "Dialogue at High Level on Inter-religious and Inter-cultural Understanding" was convened in October 2007; Deputy Minister of Foreign Affairs H. Bambasová delivered a speech at the meeting on the Czech Republic's behalf. At the end of the year, a conference of the parties to the Framework Convention on Climate Change and meeting of the parties to the Kyoto Protocol, of great importance for the gradual reduction of greenhouse gas emissions, was held in Bali. The head of the Czech delegation, Deputy Prime

Minister and Minister of the Environment M. Bursík delivered an address concerning the implementation of the Czech national commitment.

The Czech Republic was a candidate for a non-permanent seat on the UN Security Council for the 2008-09 term. In the light of the results of the second round of voting, the Czech delegation withdrew its candidacy, thus enabling Croatia to be elected in the third round.

The Security Council members were unable to agree on the status of Kosovo, which was one of the most sensitive political issues of the year. This difference of opinion, which was also clearly visible on the internal political scenes of individual countries, including the Czech Republic, evidently precipitated Kosovo's subsequent unilateral decision to declare independence. One serious circumstance in this respect is the presence of Czech representatives in the area and participation in UNMIK units: doubt could have been cast on this participation if the Czech Republic had adopted a negative or equivocal position.

The one-year term of the Czech Republic's membership of the UN Human Rights Council ended in June 2007. During that time, the Czech Republic had chaired the working group for the review of the mandates of special procedures concerning the work of special rapporteurs and experts on selected areas of human rights and on the state of compliance with human rights in specific countries. After difficult negotiations, this system, which is so crucial for the international protection of human rights, was successfully preserved. This is just a small illustration of the Czech Republic's extensive engagement in the field of human rights, which is gaining a traditional place in Czech foreign policy.

In its human rights activities, the Czech Republic draws on its own experiences with the post-November 1989 transformation of society and non-violent resistance to human rights violations by the previous communist regime. We systematically monitor the state of civil society and the conditions of human rights defenders all over the world. For reasons of capacity, we concentrate mainly on the situation in Belarus, Cuba and Myanmar/Burma; nevertheless, our position is based on the indivisibility of human rights, so we are not selective in our approach to individual countries and we do not pre-judge.

Of course, in the international forum the Czech Republic is itself also exposed to criticism concerning respect for human rights. Accordingly, in March 2007, the UN Committee on the Elimination of Racial Discrimination discussed the assessment of the

Czech Republic and made certain recommendations regarding the treatment of minorities, with particular regard to the employment of Roma citizens in public administration and their access to education.

A new element of Czech foreign policy was introduced in 2007: transformation policy brings together various foreign-policy tools that may be used to influence the state of human rights and democracy in the world. Transformation policy is designed to motivate political processes leading to the long-term stability of society. The transformation policy programme complements the Czech Republic's foreign development cooperation system.

Regional policy is a very important segment of the Czech Republic's European policy and one in which we have achieved remarkable results. There had been doubts about the V4 format, but since the accession of the "Visegrad countries" to the European Union questions of our shared EU membership have been fully integrated into this platform's agenda. Besides bringing countries in the region closer together, V4 also makes a specific contribution to actual EU policy. We regularly declare our support for EU enlargement, particularly in respect of Western Balkans countries.

In 2007, the June summit of V4 prime ministers was attended by the Portuguese prime minister and the December summit by the prime minister of Slovenia. The Czech Republic's presidency of the Visegrad Group has been taking place successfully since July 2007. Not only are we maintaining the continuity of cooperation: we are also introducing effective new approaches with a view to improving mutual understanding between EU countries and East European transforming countries. While the concerns in EU countries about becoming closer to their eastern neighbours are being dispelled, in the east V4 is purposefully building confidence in the European Neighbourhood Policy. With this goal in mind, the Czech presidency adapted the existing V4+ format so that it always includes one western and one eastern country. One way to effectively support transformation processes in East Europe is through the international projects of the Visegrad Fund.

The functioning cooperation between regions is, *inter alia*, a prime example of good neighbourly relations in Central Europe, which is a question of paramount importance for the Czech Republic. If we declare that the Czech Republic is enjoying its best-ever relations with Germany, that is merely a statement of fact, and not a tactical assurance. Germany has always had and will certainly continue to have a fundamental importance for the existence and

interests of the Czech state. The Czech Republic has had superior relations with its northern neighbour, Poland, for many years. The same can be applied to Slovakia, with which we moreover share a common past. The standard of relations between the Czech Republic and Hungary has for long been high, which essentially corresponds to our relations with all European countries.

This publication provides an overview of how the Czech Republic's relations developed in 2007 in respect of all the countries it maintains diplomatic relations with. The tenet underlying the Ministry of Foreign Affairs' work was that it is important to have a clear and consistent state foreign policy. In both bilateral relations and wider regional, European and international relations we have to be a stable, predictable partner. We have to pursue a policy that cannot be swayed by moods but is grounded in a thorough analysis of our own interests and a sober estimation of the opportunities available for realising them.

I. MULTILATERAL COOPERATION

1. The Czech Republic and the European Union

The German Presidency of the Council of the European Union

Germany held the presidency of the Council of the EU from 1 January to 30 June 2007. One of the key tasks it set itself was to move forward the debate on the new institutional arrangement of the EU and bring to an end the “period of reflection” that followed the rejection of the Treaty establishing a Constitution for Europe in referenda in France and the Netherlands in 2005. During the German presidency, the debate between those who wanted the new treaty to preserve as much as possible from the old Constitutional Treaty and those who strove for the opposite (among them the Czech Republic) began to resolve itself. One significant opportunity for the crystallisation of opinions was presented by the process of formulating the Berlin Declaration, which was signed on 25 March 2007 on the occasion of the celebrations of the fiftieth anniversary of the signature of the Treaties of Rome. Along with Great Britain and Poland, the Czech Republic sought to ensure that the expression “European constitution” was not explicitly mentioned in the text of the declaration and that the text merely contained a reference to the reforms intended to place the Union “on a common basis” before the European Parliament elections in June 2009.

After tough negotiations in the European Council on 21 and 22 June 2007 a compromise was struck, enabling the German presidency to establish a mandate for an intergovernmental conference and define a framework for talks on the new “Reform Treaty”. The Czech Republic played a very active role in the negotiations in the EU Council on reform of the Treaties. It achieved the priorities contained in its mandate, including its top priority – a systematic definition of competencies in the context of “two-way flexibility” and more rigorous observance of the principles of subsidiarity and proportionality.

In the field of energy policy and climate protection, at the spring session of the EU Council on 8 and 9 March 2007 the German presidency pushed through a commitment to reduce the content of greenhouse gas emissions in the atmosphere by 20% by 2020 (compared to 1990 levels) and to ensure that 20% of the EU’s total energy consumption comes from renewable sources, again by a deadline of 2020. One success of the Czech Republic was the

approval of its proposal for a broad discussion between the concerned parties on the opportunities and risks associated with the use of nuclear energy – the forum for this discussion will be the Nuclear Energy Forum.

Key achievements in the field of external relations included the adoption of an EU strategy for a new partnership with Central Asia establishing an overall framework for the EU's cooperation with Central Asia, encompassing the areas of human rights, the rule of law, good governance and democracy, education, economic development, trade and investment, energy and transport, environmental policies, migration and intercultural dialogue.

Other priorities of the German presidency included promoting legislation to enhance the EU's economic competitiveness while preserving social cohesion. In this context the German presidency achieved a reduction in the fees for mobile telephone roaming services, the adoption of a decision on the harmonisation of social security systems and the approval of a directive on a Common European Payment Area.

The Portuguese Presidency of the Council of the European Union

Portugal held the presidency of the Council of the EU from 1 July to 31 December 2007. The completion of talks on the Reform Treaty can be regarded as the Portuguese presidency's most significant achievement. The intergovernmental conference whose mandate had been approved at the June summit was officially opened on 23 July 2007 at the meeting of the General Affairs and External Relations Council. Subsequently, the Portuguese presidency submitted a draft of the Reform Treaty; starting on 29 August 2007 the draft was finalised at meetings of the team of legal experts from individual European Union member states, led by the Director General of the Council's Legal Service. The Lisbon Treaty, as the Reform Treaty has been named, was signed in the Portuguese capital on 13 December 2007, on the eve of a meeting of the EU Council. Prime Minister M. Topolánek and Minister of Foreign Affairs K. Schwarzenberg signed the document on behalf of the Czech Republic. The conclusions drawn up by the European Council called for the swiftest possible completion of national ratification processes so that the Lisbon Treaty could enter into force on 1 January 2009.

The December European Council also established an independent Reflection Group to help the European Union anticipate and meet challenges more effectively in the longer term (2020-2030 horizon). Taking as its starting point the challenges set out in the Berlin Declaration of 25 March 2007, the Group's task will be to identify key issues and

developments. These include enhancing the EU's competitiveness, modernising the European model of economic success and social responsibility, global stability, migration, energy and climate protection, and the fight against global insecurity, international crime and terrorism.

The second EU-Africa summit held on 8 and 9 December 2007 can be ranked as one of the most important events in the field of external relations. During the summit a Joint EU-Africa Strategy and Action Plan were adopted, focusing on the attainment of concrete results in the political field and in development cooperation. On 4 July 2007, the EU held its first ever summit with Brazil, during which a Strategic Partnership was signed.

In connection with the *SISone4ALL* project, Schengen enlargement and the abolition of controls at the land and sea borders of all nine new member states, including the Czech Republic, took place on 21 December 2007.

During the Portuguese presidency the Czech Republic held the local presidency in four countries: Moldova, Mongolia, Uzbekistan and Singapore.

Lisbon Treaty

The priority of the German presidency of the Council of the European Union in the first half of 2007 was to make substantial progress in the EU reform process, hitherto symbolised by the Constitutional Treaty signed in 2004. The ratification process of the Constitutional Treaty had been de facto stopped following the unsuccessful referenda in France and the Netherlands in 2005. From the very start of its presidency and in line with the task set by the European Council in June 2006 to draw up a report assessing the situation regarding the Constitutional Treaty and outlining possible further developments, Germany worked intensively to find ways to overcome the phase of stagnation and forge ahead with the reform effort.

The adoption of the Berlin Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome was a milestone event. In this Declaration, member states expressed their will to agree on a new treaty and complete its ratification before the European Parliament elections in 2009. In addition, the Berlin Declaration set out an unofficial timetable for the preparation of the new treaty and its approval process. When drawing up the Berlin Declaration, the German diplomacy applied a specific *modus operandi*: the text of the document was created during confidential talks between the closest advisors to the heads of state and government of the 27 member states (referred to as "focal points"). The

Czech Republic's representatives were J. Zahradil and J. Šedivý. The German presidency also made use of the potential of “focal points” when preparing the aforementioned report and as part of other activities related to the preparation of the Treaty.

On 14 June 2006, the German presidency presented a report that was underpinned by thorough consultations with member states. It contained an assessment of the “state of play” with regard to the Constitutional Treaty and served as a basis for further decisions by the European Council on the reform of the EU's treaty and institutional framework. At its meeting on 21 and 22 June 2007, the European Council decided on the conclusion of a new “Reform Treaty”. The German presidency's conclusions included a mandate for the work of a conference of representatives of the governments of EU member states that would be the starting point for the drafting of the new treaty. The European Council agreed to convene the intergovernmental conference and invited the Portuguese presidency to do so by the end of July 2007. At the same time, it called on the Portuguese presidency to draw up, in accordance with its mandate, a draft Reform Treaty and to submit it to the intergovernmental conference.

The intergovernmental conference, attended on behalf of the Czech Republic by Deputy Prime Minister in charge of European Affairs A. Vondra and Minister of Foreign Affairs K. Schwarzenberg, commenced on 23 July 2007 as part of a meeting of the General Affairs and External Relations Council. The intergovernmental conference was presented with a draft of the new treaty, which was discussed and modified in line with the approved mandate by a group of legal experts from EU member states, headed by the Director General of the Legal Service of the Council J.-C. Piris.

The draft treaty was finalised and approved at an informal meeting of the European Council in Lisbon on 18-19 October 2007. The Lisbon Treaty, i.e. the “Treaty amending the Treaty on European Union and the Treaty establishing the European Community” (the latter was renamed the “Treaty on the Functioning of the Union”), was signed by top-level representatives of the 27 EU member states in Lisbon on 13 December 2007. The treaty ratification process was subsequently launched – ratification will take place by parliamentary vote in all countries with the exception of Ireland, where a referendum will be held. On 17 December 2007, Hungary became the first EU member country to ratify the Lisbon Treaty. It is expected to enter into force on 1 January 2009.

The content of the Lisbon Treaty conforms to the ideas of the Czech government and reflects the long-term interests of the Czech Republic. Unlike the Constitutional Treaty, the Lisbon Treaty is not designed as a new founding treaty: it is not supposed to repeal all preceding treaties and essentially establish a “new” Union. From the legal point of view, the Lisbon Treaty amends the two treaties, which form the foundation of the EU’s primary law, in a similar way as the Maastricht Treaty did in 1992, the Treaty of Amsterdam in 1997 and the Treaty of Nice in 2000. The Lisbon Treaty significantly alters the Union’s institutional framework, chiefly by introducing two entirely new functions: a President of the European Council elected for two and a half years and a High Representative of the Union for Foreign Affairs and Security Policy; the Lisbon Treaty bestows legal personality on the Union. However, the Treaty does not contain any provisions or expressions such as “constitution”, “Union Minister for Foreign Affairs”, “law” and “framework law”, or symbols in the form of a flag or anthem, that would indicate that the EU is being transformed into a “superstate”.

European Union enlargement

The EU enlargement process went ahead in 2007 on the basis of what is known as the renewed consensus, which was adopted at the December 2006 meeting of the European Council. The 10 December 2007 meeting of the General Affairs and External Relations Council (GAERC) adopted Conclusions on Enlargement that were based on the European Commission’s regular November enlargement “package”, most notably the “Enlargement Strategy and Main Challenges 2007-2008”. The December meeting of the European Council took note of the European Commission’s communication on the enlargement strategy and approved the said GAERC Conclusions.

These Conclusions confirm that the pace of the negotiations will depend primarily on the results of the reform process in the negotiating countries and each country will be judged on its own merits. Emphasis will be placed on maintaining fair and rigorous conditionality at all stages of the negotiations and on the effective communication of the successes of enlargement to the general public.

The Czech Republic welcomed the Commission’s Communication entitled “Enlargement Strategy and Main Challenges 2007-2008” and the regular Progress Reports on negotiating countries, candidate and potential candidate countries that were published in November 2007. The Czech Republic supported the Commission’s statement on the benefits

of the latest EU enlargement and agreed with the proposed European Union Enlargement Strategy for the coming period, which sets out clear foundations for the continuing integration process based on the preparedness of each individual country and the progress they make in fulfilling the obligations contained in the Accession Partnership or European Partnership.

In the middle of 2007, the Council also decided to go ahead with post-accession monitoring of Bulgaria and Romania in the field of the judiciary and home affairs in the context of the verification and cooperation mechanism. In the opinion of the Czech Republic, sufficient progress needs to be made in both countries to ensure that the commitments stemming from the verification mechanism can be implemented as quickly as possible.

Croatia

The screening process for all negotiation chapters was completed as of the end of 2007. Croatia had fourteen chapters opened and two chapters provisionally closed; eleven of these negotiation chapters were opened in 2007.

The conclusions drawn by GAERC in December 2007 rated the accession talks with Croatia positively: negotiations are “on the right track” and demonstrate to the entire region that the perspective of EU membership is tangible. Croatia needs to pay increased attention to the transposition of the *acquis* and progress is required primarily in the field of judicial and administrative reforms, the fight against corruption, economic reforms, the rights of minorities and refugee return. Full cooperation with the ICTY must continue. Croatia also has to continue its efforts towards good neighbourly relations, especially as regards border issues. In this context, the December European Council called on Croatia to respect the 4 June 2004 agreement (referred to in the June 2004 European Council conclusions) and not to apply any aspect of the “Ecological and Fisheries Protection Zone” to EU member states.

In line with its consistent support for Croatian accession to the EU, the Czech Republic strives to enhance the dynamism of accession talks and ensure that they are soon completed.

Turkey

As of the end of 2007, Turkey had five of a total of 35 chapters opened and one provisionally closed (all five chapters were opened in 2007). The accession talks remain conditional on the European Council Conclusions from December 2006, which pointed to

Turkey's failure to implement the Additional Protocol to the Ankara (Association) Agreement. For that reason the EU suspended the opening of eight negotiation chapters that are directly related to the implementation of the said Protocol and to Turkey's transport embargo on Cyprus. Furthermore, no chapters will be provisionally closed until Turkey has implemented the Additional Protocol. Chapters for which screening has been successfully completed will be gradually opened.

The GAERC Conclusions from December 2007 commended the democratic resolution of the constitutional crisis and the conduct of early elections in the middle of the year. Turkey was also urged to step up its reform efforts; the EU is willing and able to assist Turkey in this process.

In particular, the Turkish government will have to devote considerable further efforts to ensuring freedom of speech and the rights of non-Muslim minorities, to the fight against corruption, judicial reform, strengthening trade union rights, women's rights and children's rights, and the civilian control over the military.

It is in the interest of the Czech Republic that Turkey becomes a full member of the European Union and that the accession negotiations with this strategic partner remain a viable process. The Czech Republic supports the resumption of talks on a comprehensive solution to the Cyprus issue in the UN.

Western Balkans

Since obtaining candidate status in 2005, FYROM has been waiting for a date to be set for the start of accession talks. There was no progress on this question in 2007. Albania signed a Stabilisation and Association Agreement in 2006; the process of its ratification continued in 2007. Montenegro signed a Stabilisation and Association Agreement in October 2007, whereupon the ratification process commenced. In November 2007, Serbia initialled the Stabilisation and Association Agreement; signature of the agreement remains conditional on full cooperation with the ICTY. In December 2007, Bosnia and Herzegovina initialled the Stabilisation and Association Agreement; signature of the agreement is contingent on the fulfilment of political conditions, most notably in the question of police reform and full cooperation with the ICTY.

Schengen cooperation

The Czech Republic's full inclusion in the Schengen system at the end of 2007 marked the achievement of one of the country's foreign-policy priorities. Freedom of movement of persons was thus realised for the country's citizens and almost ten years of preparatory efforts in the political, legislative (taking on the Schengen *acquis*) and technical fields came to a successful culmination. The Czech Republic harmonised the work of its authorities responsible for internal security with the work of other states involved in Schengen cooperation.

Intensive work on the final accession steps took place in 2007. The European Council's decision of 12 June 2007 was significant as it gave the Czech Republic access, as of 1 January 2007, to the data contained in the Schengen Information System (SIS). This made it possible to undertake the final phase of Schengen assessments on 21-24 September 2007, focusing mainly on use of the SIS. This information system contains a joint database with information on certain persons (persons wanted for arrest, missing persons or *personae non gratae*) and things (stolen vehicles, documents, firearms) – these data are inputted and used by the authorities of Schengen states.

At the 8 November 2007 session of the Justice and Home Affairs Council, ministers confirmed the preparedness of all acceding states and informed that the Schengen assessment process had been completed. That was also confirmed at an informal meeting of the new member states' interior ministers held in Prague on 26 October 2007.

Following successful consultations in the European Parliament on 15 November 2007, on 6 December 2007 the Council took the key decision to abolish border checks and extend the Schengen area to the Czech Republic. Consequently, checks all along the Czech Republic's borders were abolished on 12 December 2007. The occasion was symbolically celebrated at the Czech/German/Polish triple border at Žitava by representatives of all three governments, the European Commission and the Portuguese presidency. Controls at airports for flights between the states of the enlarged Schengen area will be abolished on 30 March 2008.

The abolition of border checks brought no major problems: the only problem registered was a short-term wave of illegal transit migration of asylum-seekers to neighbouring countries (Germany, Austria), which soon ceased. Cooperation between joint

police posts and joint patrols was intensified in response to the attempts to abuse the new opportunities and greater emphasis is now placed on the effective use of the Dublin system.

In 2008, the Czech Republic will concentrate mainly on technical preparations for the introduction of the second-generation Schengen Information System (SIS II). It will be important that the target date for connection to SIS II (at present spring 2009) is not postponed.

EU financial framework for 2007-2013

In December 2005, the European Council reached agreement on the EU financial perspective for 2007-2013. The European Council's conclusions contained a call for the European Commission *"to undertake a full, wide ranging review covering all aspects of EU spending, including the Common Agricultural Policy, and of resources, including the UK rebate, to report in 2008/9"*.

The most significant step in this context was a general document entitled "Reforming the Budget, Changing Europe – a public consultation document in view of the 2008/2009 budget review", which the European Commission published on 12 September 2007. The purpose of this paper was to stimulate debate on the future direction of EU policies and their financing; it served as a springboard for the European Commission to launch a political debate, lasting several months, on the EU's long-term priorities and the fundamental principles that govern the content and shaping the EU budget's substance and how it is shaped.

Globalisation makes it necessary to define the new challenges facing the EU, so the review of the financial perspective should be a debate about the direction the Union is to take over the coming decades. It is clear that climate change, energy and migration have become the central points of the European debate, and it has been noted that enlargement has reinforced the need to support social, economic and territorial cohesion.

The review of the financial perspective is an important mechanism for the European Union to deliver existing policy goals and offers a unique opportunity to thoroughly assess the EU budget and its financing without having to negotiate a financial framework. In addition, the budget review is an opportunity for the European Union to show how it uses one of its most important tools. The result of the review should be the creation of an effective budget to

finance modern and effective policies. In defining the future priorities, it will be necessary to exclude all aspects that are a legacy of historical development and are out of touch with the new European Union and the new challenges it faces.

In response to the Commission's paper, in October 2007 the Czech Republic identified the fundamental priorities it intends to focus on in the debate on the review of the financial perspective. From the point of view of the Czech Republic, it is important that equal conditions are put in place for all member states, regardless of how long they have been part of the EU. Similarly, it is not necessary to look for and introduce new budget resources or to change the own resources ceiling. In view of the effort to create a fair system of own resources, all existing rebates should be eliminated and no new rebates should be implemented.

The success of the review of the financial perspective will depend mainly on the ability to undertake a systemic reform of the Common Agricultural Policy. In the view of the Czech Republic, the areas that should be prioritised include research, technological development, competitiveness, innovation, and lifelong learning.

The European Union's agricultural policy

In the European Union's Common Agricultural Policy, the key topics in 2007 were the continuing reforms of the individual Common Market Organisations and the preparations for a "health check" of the reform of the Common Agricultural Policy (CAP), which should be assessed at the turn of 2008 and 2009, i.e. during the French and subsequent Czech presidencies of the Council of the European Union.

In the first half of 2007 in particular (during the German presidency), a large "package" of legislation was successfully adopted, some in the form of pre-negotiated compromises, others as part of a separate session. One significant achievement was the adoption of reform of the Common Market Organisation for fruit and vegetables as part of the package of CAP reforms that have gradually been implemented since 2003. Other developments worth mentioning include the conclusions of the Agriculture and Fisheries Council on the cross-compliance system, the adopted regulation establishing a common organisation of agricultural markets for agricultural products, and the adopted regulation on organic production and labelling of organic products.

As regards topics of importance for the Czech Republic in respect of the individual reforms of common market organisations, implementing regulations were adopted to complete the sugar reform commenced in the previous year 2006. New conditions designed to limit sugar production in the EU and render the sugar sector more competitive were approved.

After more than two years of talks, the issue of spirits labelling and definitions has finally been resolved (the Czech Republic successfully defended the agreed accession conditions concerning the labelling of the traditional slivovitz liquor). New rules for the protection of broilers and partial changes to the CAP financing system were also adopted, among other things.

In the context of the CAP reform, at the end of 2007 the Commission presented an initiation document regarding the “health check”. This issue, which concerns the renationalisation of direct payments, the transfer of funds from the 1st pillar to the 2nd pillar, questions related to the degression of payments in relation to the size of farms etc., is currently crucial from the point of view of the Czech Republic and should be resolved during 2008.

Negotiations on the reform of the wine production sector ended very successfully for the Czech Republic: at the December meeting of the Agriculture and Fisheries Council (17-19 December 2007), three days of intensive talks resulted in a political agreement on the fundamental questions of this reform, which should be completed during the Slovenian presidency in 2008 and formally adopted at the April or May meeting of the Agriculture and Fisheries Council. The Czech Republic’s principal reservations regarding the reform of the wine production sector (e.g. the increasing of the national envelope for the Czech Republic or the retention of the possibility of sweetening wine during production) were satisfactorily resolved in the proposal.

The European Agricultural Fund for Rural Development started to operate in 2007, defining rules on support and the management of rural development for the 2007-2013 period; also in 2007, the European Fisheries Fund established equivalent rules for the same period. The Czech Republic was the very first EU country to approve its Rural Development Programme for 2007-2013.

Energy

2007 was an important year for the future of EU energy policy. Events on the European scene were influenced by the continued debate on energy security and by international developments. Energy became a central topic in discussions at the highest political level, both within the Community and in other forums (e.g. the ministerial conferences on energy in Egypt and Cyprus). It was one of the principal topics at, *inter alia.*, the sessions of the European Council in 2007 and at meetings with third countries such as Russia, the USA, and Japan.

In response to a call by the European Council in March 2007, on 19 September 2007 the European Commission unveiled its “third liberalisation package” for the EU energy market, designed to deepen and complete the internal energy market. The proposals were then forwarded to the Council and the European Parliament for further discussion. Proposals contained in the package include ownership unbundling, i.e. the separation of the operation of gas and electricity transmission networks from supply and generation activities. The Czech Republic was actively involved in the discussions on European energy policy, both as part of negotiations at the level of the European Council and Energy Council and in connection with the preparation of an energy and climate change package due to be unveiled in January 2008.

Lisbon Strategy

In 2007, the Lisbon process was in its second implementation period of the 2005-2008 three-year cycle. In keeping with tradition, the beginning of the year was devoted to preparations for the EU spring summit, as part of which the regular Annual Progress Report published by the European Commission in mid December 2006 was discussed in the European Council’s various configurations.

The Report, which assessed the progress achieved in the implementation of structural reforms, stated that the Lisbon process is starting to deliver results and went on to invite member states to make use of the economic upturn to accelerate the implementation of their reform plans. The Czech Republic was called on to take steps to improve the long-term sustainability of public finances, to increase spending on and improve the effectiveness of public investments in research and development, and to modernise employee protection, including increasing the diversification of tertiary education supply.

The Spring European Council confirmed the need to continue with the structural reforms and the consolidation of public budgets, strengthen the four freedoms within the internal market and improve the framework conditions for innovation.

The European Union's external relations with third countries in the area of the first and third pillars

In the context of the European Union's common trade policy, the Czech Republic continued to actively promote its trade-policy interests, which reflect the principles of its membership in the World Trade Organisation (WTO). The Czech Republic advocates a policy of liberalisation of the international trade in goods and services and elimination of existing tariff and non-tariff barriers to trade and is actively engaged in the fields of compliance with intellectual property rights, the fight against counterfeiting, the awarding of public contracts and supporting developing countries' access to world markets. The Czech Republic's foreign policy promoted the linking of trade policy to the fundamental security and social principles of international relations (democracy and human rights, good governance and the fight against corruption, the fight against terrorism, non-proliferation of weapons of mass destruction, migration and readmission, and the international criminal court).

In the EU's multilateral trade policy, multilateral trade talks on the WTO platform regarding the Doha Development Agenda (DDA) were again a key area in 2007. The intensification of negotiations at the end of 2007 indicates there is a hope that this round of talks can be completed by the end of 2008.

The European Commission's talks on Economic Partnership Agreements (EPAs) with countries of the African, Caribbean and Pacific Region (ACP) went ahead in 2007; these EPAs lay down a comprehensive framework for economic and trade cooperation between the EU and ACP countries. The EPAs are an instrument for gradually eliminating trade barriers and strengthening cooperation in trade-related areas; they also possess a fundamental developmental dimension and support regional integration. This concept is grounded in the legal basis of relations between the EU and ACP, i.e. the Cotonou Agreement, which committed the parties to completing negotiations on a trading arrangement in line with WTO rules by the end of 2007. The European Commission managed to initial a total of eight agreements with ACP regions, which forestalled the threat of a less advantageous trade regime taking effect for some of these countries as a result of the end of an exemption granted

by the WTO until the end of 2007. Nevertheless, the original intention, i.e. to conclude and implement fully-fledged EPAs (with the exception of a final agreement with Caribbean countries), was not achieved and a large part of this task remains to be done in 2008. The Czech Republic was actively engaged in the preparations for these talks and fully supported the essence and goals of the EU's cooperation with ACP countries. For the Czech Republic as well as for other countries, the conclusion of EPAs is a response to the global challenge to integrate ACP countries into the world economic system.

In 2007, the process of Ukraine's accession to the WTO reached its conclusion – the Czech Republic had fully supported this process.

Another area where the Czech Republic played a significant role was the preparation of wide-ranging free trade agreements with the People's Republic of China, ASEAN countries, the Republic of Korea and India, and association agreements with countries of the Andean Community and Central America.

The Czech Republic supported the integration process in the Balkans and the strengthening of Balkan countries' European prospects, including in the area of mutual economic relations. Accession talks with Croatia made satisfactory progress. The technical talks on the Stabilisation and Association Agreements with Bosnia and Herzegovina and with Serbia were completed.

The Czech Republic attributes considerable importance to the development of transatlantic ties with the USA and Canada. The Czech Republic welcomed the decision reached at the EU-USA summit to establish a Transatlantic Economic Council. During the consultations the Czech Republic played a significant role in defining its goals and programme, which will lead to the development of economic cooperation and, in that context, to the gradual elimination of barriers to mutual trade, the simplification of regulatory regulations on both sides and the mutual recognition of accounting standards, among other things.

The European Union's internal market

From the point of view of the Czech Republic, 2007 was expected to be a key year, chiefly because the European Commission decided to prepare a long-awaited strategic document entitled the Single Market Review (SMR) which would outline the direction the

internal market would take in the following years. One reason why the presentation of the review was crucial for the Czech Republic was that a number of the initiatives that will be unveiled on the basis of the SMR will most probably be discussed during the Czech presidency. Although the final form of the revised internal market strategy was not published until the end of 2007, the paths the SMR would take were first outlined at the start of 2007 in an Interim Report, i.e. a report preceding the final presentation of the SMR. Somewhat surprisingly, the Interim Report stated that the internal market reform is essentially complete. The necessary legislative instruments are in place and theoretically cover the perfect functioning of all four fundamental freedoms. However, the Commission identified room for improvement in the practical aspect of the application of European law, where it is still clear that certain areas of the single market do not function as expected. The Commission's focus on improving the enforcement of European law should form the second pillar of the revised strategy.

Besides standard institutes such as infringement or judicial process, for the first time the Commission concentrated more on promoting successful projects for extrajudicial settlement of disputes, such as SOLVIT and FIN-NET. The review of the Single Market Strategy presented in November 2007 then reaffirmed the outlined directions. In the Review proper the Czech Republic found a reflection of certain values that are indispensable to the working of the single market from the point of view of Czech interests. First and foremost among these is the Commission's endeavour – declared on several occasions – to dismantle barriers in the working of the single market and its four freedoms. The Czech Republic co-opted this initiative in the motto of the Czech presidency: “Europe Without Barriers”.

European Investment Bank (EIB)

The European Investment Bank (EIB) is an autonomous body within the structure of the European Union (EU), created to finance capital investment projects that implement the objectives of individual EU policies. It was established by the Treaty of Rome in 1958 as part of the decision to establish the European Communities. The core of EIB activities takes place in EU member states. Outside the EU, it takes part in implementing the EU's development and cooperation policies, under which it provides loans to more than 150 countries. The EIB's supreme bodies are the Board of Governors (composed of ministers, usually finance ministers, of member states), the Board of Directors, the Management Committee and the Audit Board.

The EIB has operated in the Czech Republic since 1992. Its work in the Czech Republic is governed by three Framework Agreements (No. 250/1994 Coll., No. 155/1999 Coll., and No. 280/1998 Coll.), which remained in force when the Czech Republic joined the EU. Upon joining the EU, the Czech Republic, like other EU member states, also became a member of the EIB. The EIB Statute, which is one of the Protocols annexed to the Treaty establishing the European Community, is directly applied to the bank's work in the Czech Republic. The Czech Republic's share in the EIB's subscribed capital is EUR 1,258.8 million (0.764% of the total value of subscribed capital, which is EUR 163,653.7 million). The amount due is EUR 62.9 million (5% of the subscribed sum).

From 1992 to 31 December 2007, the EIB concluded loan contracts in the Czech Republic worth a total value of approx. EUR 7,761 million, of which loans provided directly to the Czech Republic accounted for approx. EUR 2,532 million, loans to regions and municipalities approx. EUR 1,169 million, and private sector loans EUR 4,060 million; of that amount, in 2007 loans provided directly to the Czech Republic accounted for EUR 533 million, loans to regions and municipalities EUR 375 million, and private sector loans EUR 691 million.

In 2007, the Czech Republic signed one new EIB loan contract for the co-financing of projects under the Transport Operational Programme (CZK 14 billion).

Development cooperation and humanitarian aid

Work in 2007 concentrated on the elaboration of certain key commitments that the EU adopted in 2005. Regarding the effectiveness of aid, attention was mainly devoted to questions of complementarity and the division of labour amongst donors. The European Union adopted a Code of Conduct on Division of Labour in Development Policy containing eleven guiding principles for enhancing complementarity amongst EU donors. The European Union also adopted an EU Strategy on Aid for Trade, which defined the EU's spending commitments as pledged in Hong Kong in 2005, i.e. to increase trade-related assistance to at least EUR 2 billion per annum by 2010. Another important policy concept adopted at the EU level was the Consensus on Humanitarian Aid, which sets out the fundamental principles for the provision of humanitarian aid to third countries. The Czech Republic played an active role in drawing up all these documents. Security and development and the issue of "fragile states" were important development topics in 2007.

In line with the European Consensus on Development, the European Union also focused on ensuring that its goals and principles are reflected in intervention strategies at regional level. A good example of the application of the Consensus is the EU Strategy for Africa, which was approved in Lisbon in December 2007 during the second EU-Africa summit and is the first European integrated political framework for improving the coordination and coherence of the policies and instruments of the EU and its member states in respect of Africa.

In 2007, the Czech Republic ratified the Cotonou Agreement, which forms the basis for relations between the EU and ACP region. Development programmes in ACP countries are implemented through resources provided by the European Development Fund (EDF). A financial and implementation regulation for the 10th EDF was adopted in 2007. The overall budget of the 10th EDF is EUR 22.7 billion for the 2008-2013 period. For the first time, the Czech Republic will co-finance this fund with a sum of approximately CZK 3.5 billion. In addition, for the first time the Czech Republic – specifically Czech private companies, non-governmental organisations, etc. – will have the opportunity to take part in the implementation of EDF-financed development projects in all ACP countries. For that reason, in October 2007 the Ministry of Foreign Affairs organised a seminar entitled “European Development Fund: a Challenge for the Czech Republic” – one of the seminar’s aims was to acquaint the general public with the issue of development in ACP countries.

Representation of the Czech Republic before the Community’s judicial bodies

Since the Czech Republic’s accession to the European Union, the Czech Republic’s representation before the Community’s judicial bodies, i.e. the Court of Justice, the Court of First Instance, and the Civil Service Tribunal (jointly referred to hereafter as the European Court of Justice), has been the responsibility of the Ministry of Foreign Affairs, within which this task is assigned to a government agent (T. Boček was appointed to this post by Czech government resolution No. 422 of 5 May 2004). His work is defined by the Czech government resolution No. 113 of 4 February 2004 on the Statute of Government Agent for Representation of the Czech Republic before the Court of Justice of the European Communities and the Court of First Instance. The Czech government resolution No. 435 of 13 April 2005 extended his powers to representing the Czech Republic before the Court of the European Free Trade Association.

The Committee of the Government Agent, an inter-ministerial advisory and consultation body, met at regular sessions in 2007, approximately once a month. Through the Committee, the government agent informs individual ministries about developments in cases before the Community's judicial bodies and about observations presented by the Czech Republic in individual cases. At its sessions, the Committee also discussed questions concerning difficulties in transposing Community law and the planned reform of the European Community's judicial bodies.

In 2007, 43 new Treaty infringement proceedings, through which the Commission ensures compliance with the *acquis communautaire* by member states, were initiated against the Czech Republic. Compared to 2006, that represented a decrease of roughly a third in the number of new proceedings (64 were initiated in 2006); the total number of proceedings initiated against the Czech Republic from accession to the EU to the end of 2007 was 338. A considerable number of these cases were stopped before they reached the phase of an action before the European Court of Justice. At the end of 2007, there were thus 74 ongoing proceedings: 49 of them were in the first procedural phase (formal notice), 23 in the second phase (reasoned opinion) and two in the phase of an action before the European Court of Justice.

Six actions against the Czech Republic were submitted to the European Court of Justice in 2007. A total of six condemnatory judgments have been passed against the Czech Republic (in two cases these were in actions lodged in 2006; in four cases the actions were lodged in 2007 and the judgments were delivered in the same year). All the condemnatory judgments concerned the incomplete transposition of directives in the field of healthcare, or medicaments.

Out of a total of 338 proceedings, as of the end of 2007 256 had been stopped in the phase before they reached the phase of an action; two were stopped after an action had been lodged (the actions were retracted); and in six proceedings a judgment was delivered.

The reasons for the initiation of new proceedings against the Czech Republic in 2007 were failure to perform timely transposition of Community legislation (27 cases in total) or an alleged substantive breach of Community law (16 cases in total). Significant proceedings on substantive grounds initiated in 2007 include the alleged irregular award of public contracts in bus transport in the Ústí nad Labem region in conflict with the directives on public contracts;

the alleged breach of regulations in respect of the NATURA network in connection with the construction of the R 55 road in the South Bohemian region, failure to define protected areas in the NATURA network or failure to respect the prescribed size of the areas in several places in the Czech Republic (most notably the České Budějovice fishponds and Dehtář fishpond in the Třeboň district); alleged faulty application of an exemption from the uniform minimum VAT rate for supplies of live animals, in particular horses; the alleged incomplete transposition of the directive on the award of public contracts; and the alleged incomplete transposition of environmental protection directives in national law (primarily the SEVESO I and II directives and the directive on the contained use of genetically modified organisms).

In references for a preliminary ruling, by means of which member states' national courts turn to the European Court of Justice with a query regarding interpretation of a particular provision of Community law, in 2007 the government agent received approximately 430 submissions in a total of 218 proceedings. The government agent actively participated in a number of proceedings that in some way concerned the legal or factual situation in the Czech Republic, by presenting observations (in a total of twelve proceedings; in two of these proceedings the government agent delivered statements in oral proceedings as well as written observations). The observations dealt with, *inter alia*, general principles of Community law, public contracts, criminal law, labour law, the environment, and the internal market.

In 2007, the European Court of Justice also dealt with references for a preliminary ruling submitted by Czech courts. There were five such proceedings, three of which had been initiated in 2006. In two cases the European Court of Justice answered references for a preliminary ruling by means of a judgment (references for a preliminary ruling in the case of C-64/06 *Český Telecom* and in the case of C-161/06 *Skoma Lux*); in another two cases the proceedings were stopped on procedural grounds without a judgment being delivered on the merits of the case (in the case of C-282/06 *OSA* the Regional Court in Prague withdrew its reference for a preliminary ruling, as did the Court of Arbitration of the Economic Chamber of the Czech Republic and Agrarian Chamber of the Czech Republic in the case of C-126/07 *Reisebüro Bühler*). The latest Czech reference for a preliminary ruling (case of C-572/07 *RLRE Tellmer Property*) was submitted at the end of 2007 by the Regional Court in Ústí nad Labem and concerns the interpretation of the Sixth Council Directive on the harmonisation of the laws of the member states relating to turnover taxes – common system of value added tax. In both cases of references for a preliminary ruling submitted by Czech courts in which the

European Court of Justice delivered a meritorial judgment in 2007 the government agent submitted observations on behalf of the Czech Republic.

The Czech Republic and the European Union's Common Foreign and Security Policy

The Czech Republic regards its involvement in the EU's Common Foreign and Security Policy (CFSP) as an integral part of its membership of the EU. During 2007, the Czech Republic continued to be fully involved in the formulation and implementation of the EU's foreign policy at the level of working groups, in the EU's Political and Security Committee (PSC/COPS), in the Committee of Permanent Representatives (COREPER), and at meetings of political directors and European correspondents. The Czech Republic took part in sessions of the General Affairs and External Relations Council (GAERC) at the foreign affairs ministers level, informal meetings of foreign affairs ministers (Gymnich), and certain EU meetings with third countries.

In all these forums, the Czech Republic sought to make full and constructive use of its status as an EU member. In working groups, it took part in the preparation of materials for the Council of the EU and in information exchange; in the PSC, it helped prepare positions on current foreign policy questions. It also participated in preparing and subsequently implementing CFSP instruments, i.e. presidency declarations and demarches, and common positions and joint actions of the Council of the EU. The Czech Republic was involved in cooperation between EU member states' embassies in third countries and helped draw up assessment, situation and recommendatory reports on third countries. Three Czech embassies held the local EU presidency in the second half of 2007. Intensive political dialogue also took place in international organisations (primarily the UN and OSCE), where the Czech Republic coordinated its positions with those of other EU member states in order to promote EU policies.

Strengthening the transatlantic strategic partnership was one of the top priorities of both the German and Portuguese presidencies. Besides the economic sphere, the principal areas in which mutual cooperation was strengthened included topics of importance for global security and prosperity such as climate change, the shortage of raw materials and resources and, last but not least, international crises and conflicts. The fight against terrorism, human rights dialogue, and democratisation continued to be fundamental priorities.

One major milestone in the development of mutual relations was the EU-USA summit (Washington, 30 April 2007), at which both sides agreed on, among other things, the need to develop effective multilateralism in close connection with the ongoing UN reforms. Cooperation also went ahead successfully in the Middle East, on the question of Iran's nuclear programme, in the reconstruction of Iraq, in Afghanistan and in the Western Balkans. Security issues were also on the agenda at talks between the two sides on enhancing the security of borders, regular conferences on the financing of terrorism and regular discussions on the legal framework of the joint fight against terrorism. Questions concerning the abolition of visa requirements have become a traditional issue and were again discussed in 2007.

Unlike in the previous year, a EU-Canada summit was held in 2007 (Berlin, 4 June 2007). During the talks, the EU and Canada identified the preservation of peace and security in the world, mutual economic cooperation and tackling climate change as shared strategic interests. New goals were also defined as part of the dialogue on visa-free travel for all EU citizens to Canada. The establishment of cooperation between the EU and Canada's Stabilisation and Reconstruction office (START) was an important step.

The year 2007 was significant for the further development of the European Union's relations with Western Balkans countries. The EU focused primarily on the continuation of the Stabilisation and Association Process. A Stabilisation and Association Agreement (SAA) and an Interim Agreement were signed with Montenegro on 15 October 2007. The bringing of the SAA with Serbia into full effect remains conditional on Serbia's full cooperation with the ICTY. Throughout 2007, the signature of the SAA with Bosnia and Herzegovina (initialled on 4 December 2007) continued to be conditional on implementation of the approved police reform, reform of public administration and public service broadcasting, and full cooperation with the ICTY. In autumn 2007, the European Commission presented its regular progress reports for the individual Western Balkans countries and proposals for European/accession partnerships.

In June, the Council of the EU adopted a decision to appoint Slovak diplomat M. Lajčák as EU Special Representative for Bosnia and Herzegovina – he took office on 1 July 2007.

Kosovo is a key issue for the further development of the region. The talks between Belgrade and Pristina sponsored by the international community confirmed that no

compromise agreement was possible. The European Council's conclusions of 14 December 2007 restated this fact and declared that the current state of affairs was unsustainable and that a solution that would strengthen regional stability was necessary. During 2007, work to prepare an international structure in Kosovo and the ESDP rule of law mission went ahead.

Throughout the year the Czech Republic, in line with its strategy towards Western Balkans countries, supported the fastest possible integration of these countries into the EU, on the condition that the applicable criteria for candidate countries are met. The Czech Republic sought to ensure that maximum progress was made in respect of the individual countries. A crucial aspect of this was the outlook for liberalisation of the visa regime (following the signature of visa facilitation agreements in September 2007), provided that the specific conditions are met.

2007 was a year of complex internal political developments in East European countries; to a large extent this was influenced by the enduring regional conflicts in their territories and complicated relations with Russia. Against this background, the advantages of the European Neighbourhood Policy became very clear. The European Neighbourhood Policy was created as a single framework for relations with countries sharing a land or maritime border with the European Union, including Ukraine, Moldova, Georgia, Armenia and Azerbaijan. It is implemented through bilateral cooperation agreements which, despite certain instability in the region, have enabled practical progress to be made in the individual countries' transformation processes. It is this progress that has strengthened the Czech Republic's conviction that the European Neighbourhood Policy is an effective instrument for bringing East European countries as close as possible to the EU.

The Czech Republic therefore welcomed a number of thematic documents in which the European Commission set out in greater detail possible ways to make its cooperation with neighbouring countries more effective in the field of economic integration, migration, regional conflict resolution and certain other areas. It attaches special importance to the European Commission communication "A Strong European Neighbourhood Policy", published in December 2007, which identified the principles of joint ownership, differentiation and regional cooperation as the three guiding principles of the EU's cooperation with its neighbours.

Ukraine made the most rapid progress in reforms and deepening cooperation with the EU. One of the most significant achievements was the opening of negotiations on an Enhanced Agreement on EU-Ukrainian relations at the beginning of the year and the successful course of these negotiations. Other achievements of note are the conclusion of a short-stay visa facilitation agreement and readmission agreement and the preparations for the opening of talks on a comprehensive agreement for a free trade area.

Visa facilitation and readmission agreements were also successfully negotiated with Moldova. The completion of negotiations on the introduction of autonomous trade preferences for Moldova and the opening of a Common Visa Application Centre in Chisinau can be viewed as major successes. The EU Special Representative P. Semneby continued in his work in the countries of the South Caucasus, where significant progress was made in implementing the Action Plans in spite of the complicated situation.

In November 2007, H. Schmid from J. Solana's secretariat paid a visit to Belarus. The visit instigated a new debate on the EU's approach to this country, whose undemocratic regime currently prevents standard cooperation between the two sides. The European Union defined twelve conditions for the establishment of such cooperation. Until these conditions are met, the Union is looking for ways to contribute to the development of Belarus by supporting civil society. After lengthy negotiations, at the end of the year the European Commission signed an agreement with Belarus on the establishment of a delegation in Minsk.

Relations with Russia, which are governed by the framework laid down by the Partnership and Cooperation Agreement, continued to be influenced by Russia's efforts to play a leading role on the international scene. Russia persisted in its endeavour to promote its interests through bilateral dealings with EU member states. Not even the EU-Russia summits in Samara and Mafra brought any progress in the deadlocked negotiations on a new agreement on mutual relations and Russia continued to reject any substantive talks on the state of human rights in the country.

2007 was an important year for the development of relations between the EU and Central Asian states. In June 2007, the European Council adopted the EU Strategy for a New Partnership with Central Asia, which is designed to serve as an overall framework for the activities of the EU and its member states in the region, to define the priorities for the EU's cooperation with the region and to enhance its presence in Central Asia. During the German

presidency, the European Union's Troika of foreign affairs ministers held two meetings with representatives of Central Asia: in Astana on 28 March 2007 and in Berlin on 30 June 2007. During the Portuguese presidency, the EU Troika visited four of the five Central Asian countries to discuss implementation of the Strategy with local representatives and to identify priority projects for each country.

Throughout the year, the Czech Republic was involved in formulating the Strategy for a New Partnership with Central Asia. In connection with the implementation of this Strategy, an informal coordination meeting of donors was held in Brussels on 13 December 2007, initiated by the Czech Republic with support from the other Visegrad Group states.

There was a gradual strengthening of contacts between the EU and Uzbekistan during the year, but the problems associated with the human rights situation persist. The second meeting of experts on the "Andijan events" was held in April 2007 in Tashkent. In May, the first round of human rights dialogue took place, also in Tashkent. Regarding the EU sanctions on Uzbekistan, on 14 May 2007 the European Council extended for a further six months the restrictions on admission for eight individuals. On 15 October 2007, the Council decided to renew for a period of twelve months the arms embargo and the visa restrictions. At the same time, the Council decided to defer implementation of the visa restrictions for a period of six months with a view to encouraging Uzbekistan to take steps to improve the human rights situation. The Czech exercised the local EU presidency in Uzbekistan in the second half of 2007.

In the question of the Middle East peace process, the EU continued to cooperate with its partners within the framework of the Quartet. The Quartet demonstrated its determination to deal with the problems in the Middle East by appointing a special representative, T. Blair. The European Union was actively involved in the Annapolis conference on 27 November 2007, which resulted in the signature of a joint declaration by President M. Abbas and Prime Minister E. Olmert, stating their commitment to engage in negotiations with a view to concluding a peace agreement before the end of 2008. The European Union was also an important participant in the subsequent International Donors' Conference for the Palestinian State held in Paris on 17 December 2007, where the EU pledged a sum of USD 7.4 billion to support the building of a future Palestinian state. The critical humanitarian situation in Gaza led the EU to step up its humanitarian aid efforts. At its ministerial meeting in November, the European Council adopted a strategic document on peace building in the Middle East. At the

end of the year, an agreement was reached with the Israeli authorities on the accreditation procedure for the EUPOL COPPS mission, whose aim is to improve the Palestinian National Authority's civilian police and law enforcement capacity.

Another salient feature of 2007 was the increased involvement of Arab states in the Middle East peace process. A delegation of the League of Arab States (LAS) attended a meeting of the Council of Foreign Affairs Ministers on 14 May 2007, where it presented the Arab Peace Initiative that had been announced at the previous LAS summit in Riyadh. A considerable number of Arab partners also attended the Annapolis Conference.

The institutional crisis in Lebanon persisted. The European Union continued to support the sovereignty, independence, unity and stability of the Lebanese state in accordance with UN Security Council resolutions 1559, 1680, 1701 and 1757. The European Union confirmed its role as Lebanon's principal donor at the Paris III conference, where EU member states' commitments made up 40% of the amount pledged to the Lebanese government for the implementation of economic and social reforms. EU member states are also the leading contributors to the UNIFIL mission – despite certain incidents, 2007 can be regarded as a successful year for UNIFIL. The European Union actively supported the setting up of a UN Special Tribunal for Lebanon, which will be located in the Netherlands.

The European Union played an active role in the preparatory work for the International Compact with Iraq (ICI), which was launched in May 2007. The ICI establishes a framework for the international community's support for the implementation of the Iraqi government's economic, political and security commitments. The European Union also played an active part in dialogue with Iraq's neighbours and continued its dialogue with states in the region with a view to strengthening efforts to stabilise Iraq. The EUJUST LEX mission, whose task is to support the improvement of the capacities of the police and judiciary, went ahead. Two officers of the Police of the Czech Republic served at the EUJUST LEX liaison office in 2007. In 2007, there were two rounds of negotiations on a Trade and Cooperation Agreement, which is intended to form the contractual basis for EU-Iraq relations and should facilitate the integration of Iraq into the international economic system.

The EU's relations with Iran continued to be affected by the insufficient progress in questions of the credibility of Iran's nuclear programme, support for terrorism and its role in the region, and most importantly in the Middle East peace process. The EU's priority was the

human rights situation in Iran, which, in the opinion of the EU, deteriorated. As in previous years, in 2007 there was again no EU-Iran dialogue on human rights. In the question of the nuclear programme, the EU supported the application of the sanctions regime and the adoption of a further UN Security Council resolution; nevertheless, at the same time it continued to work for a diplomatic solution.

Africa was an important theme throughout the year in the light of the second EU-Africa summit (Lisbon, 7-9 December 2007). Rated as highly successful, the summit resulted in the approval of two important documents: the Joint EU-Africa Joint Strategy and the Action Plan, which is intended to implement the ambitious programme of cooperation between the two continents.

Regarding Africa, the European Union devoted its attention primarily to current crisis areas and the ongoing transformation processes. The Great Lakes region, and in particular the conflict in the eastern part of the Democratic Republic of the Congo (DRC), remained at the forefront of the EU's attention and activities. The integrated EUPOL RD Congo mission, whose task is to support the government of the DRC in its reform of the police sector, was launched on 1 July 2007. The work of EUSEC RD Congo, whose role is to support security reform, went ahead throughout the year. The two missions cooperate closely.

By supporting the UN and AU mediation efforts, the European Union continued its engagement in the Sudan/Darfur conflict; the EU also appealed to all sides to find a political solution. The Sudanese government yielded to pressure from the EU and the international community, making it possible to start work on the AMIS transformation mission in Darfur and the UNAMID hybrid mission under the leadership of the UN and AU. The EU Special Representative for Sudan paid regular visits to the region, where he conducted dialogue with all the key actors involved in the Darfur crisis and in the implementation of the peace agreement between the north and south of Sudan (CPA). In view of the continuing instability in the border regions between Chad and the Central African Republic, in October 2007 the Council of the EU adopted a Joint Action for the deployment of an ESDP military mission, EUFOR Tchad/RCA, in these regions.

The European Union also paid attention to improving the political, security and humanitarian situation in Somalia. The EU welcomed the positive development, especially the launching of the National Reconciliation Congress in summer 2007 and the appointment

of a new prime minister. The EU supported the African Union's AMISOM mission – strengthening this mission is an essential precondition for the departure of Ethiopian troops from the country.

In West Africa, following elections in Togo consultations under Article 96 of the Cotonou Agreement were completed and normal political dialogue commenced. In Nigeria elections were held with the participation of an EU monitoring mission. The European Union also supported the holding of elections in Côte d'Ivoire, where the pace of implementation of the Ouagadougou Agreement is very slow. The EU is making considerable effort in Guinea Bissau to support the government's intention to reform the security sector. A civilian ESDP mission is being prepared to complement the resources provided from the European Development Fund and Stability Instrument – the mission's task will be to provide advice and assistance in support of the reform of the security sector.

European Union membership has helped the Czech Republic's long-term endeavour to strengthen its policy on Asia: one contributing factor is the Czech Republic's accession to ASEM (*Asia-Europe Meeting*, formally institutionalised dialogue between Europe and Asia established in the 1990s). Although the Asian region was again not a significant priority of the EU in 2007 – despite the German presidency's considerable efforts to change this trend – there was a considerable strengthening of contacts and numerous high-level meetings. During the German presidency, there were two forums of EU foreign affairs ministers with partners from ASEAN (Nuremberg, 14-15 March 2007) and ASEM (Hamburg, 28-29 May 2007). At both meetings, the Czech Republic was represented by Minister of Foreign Affairs K. Schwarzenberg and made principled statements on the theme of human rights in Myanmar/Burma. At the EU-ASEAN summit in Singapore on 22 November 2007, at which the Czech delegation was led by the foreign affairs minister, a Plan of Action was adopted to implement the Nuremberg Declaration on the EU-ASEAN Enhanced Partnership.

In 2007, negotiations began on a new Partnership and Cooperation Agreement between the European Union and China. As regards the European Union's arms embargo on China, its lifting remains conditional on the improvement of the human rights situation in the country. Similarly, there was no change as regards the granting of market economy status to China.

Against the backdrop of the continuous deterioration of the security situation in Afghanistan, in June 2007 the European Union launched an ESDP mission – EUPOL Afghanistan – to support the rule of law. The Czech Republic plays an active role in this mission.

The European Union's response to the wave of repressions by the military regime in Myanmar/Burma against monks and other peaceful inhabitants of the country in September 2007 was to adopt targeted sanctions against representatives of the military regime whilst stepping up humanitarian aid for the country's population. The Czech Republic actively supported these steps.

The Czech exercised the local EU presidency in Mongolia and Singapore in the second half of 2007.

The highpoint of relations with Latin America was the first ever EU-Brazil summit (Lisbon, 4 July 2007), which symbolically marked the launch of the first strategic partnership between the two sides. During the year, negotiations were opened on an Association Agreement between the EU and Central American states and between the EU and Andean Community states.

In June 2007, the General Affairs and External Relations Council stated in its conclusions on Cuba that the situation in Cuba remained essentially unchanged. The European Union reiterated its call on the Cuban government to undertake political and economic reforms, to release all political prisoners and to grant freedom of information. Talks were also held on the "June Measures", which are restrictive measures targeting representatives of the Cuban regime. Certain member states saw the developments in Cuba as an opportunity to improve mutual relations and a chance to speed up the transformation process in the country. Although the application of the June Measures has been suspended for some time now, they remain in force. During a meeting between the EU Troika and Cuban foreign affairs minister F. Perez Roque on the sidelines of the September UN GA, both sides agreed that dialogue was necessary, but made no concessions and more-or-less restated their conditions for the commencement of mutual cooperation.

In November 2007, GAERC published its conclusions on Colombia, which expressed the EU's solidarity with the Colombian people and its full support for the Colombian government in its search for a negotiated solution to the internal armed conflict.

In the field of human rights, in 2007 the EU stepped up its efforts to implement principles on the death penalty, torture and other cruel, inhuman or degrading treatment, principles on children in armed conflicts and on the protection of human rights defenders. As in previous years, the effective integration of human rights into the CFSP was another priority. The European Union also contributed actively to the work of the UN Human Rights Council during the first year of its existence. The Agency for Fundamental Rights should help to strike a balance in the EU's human rights policy: founded in February 2007, its primary goal is to monitor this issue in the EU and in member states.

The Czech Republic and European Security and Defence Policy

The European Security and Defence Policy (ESDP) continued to develop in 2007. The European Union started to prepare an autonomous military operation in Chad and the Central African Republic (EUFOR Chad/CAR); launched a new civilian mission in Afghanistan (EUPOL Afghanistan); extended a number of existing missions; and started to intensively prepare a civilian mission in Kosovo. Preparations for a civilian mission in Guinea Bissau also got underway. The ESDP also developed its key concepts and activities in the military and civilian dimensions, such as the "battle groups" concept, the European Defence Agency (EDA), the civilian/military planning cell and the integration of civilian/military activities. The Czech Republic's approach was based on the conviction that the ESDP should be complementary to NATO. The Czech Republic emphasised the development of both the military and civilian capabilities that the EU needs to achieve its ambitions as declared in the European Security Strategy of December 2003.

NATO remained the EU's key partner, especially in the military dimension of the ESDP. Nevertheless, relations between EU and NATO stagnated on the political level and were confined mostly to practical cooperation. The civilian/military ALTHEA operation in Bosnia and Herzegovina, conducted by the EU since December 2004, tested "Berlin Plus" cooperation mechanisms, i.e. the use of NATO assets and capabilities for EU-led operations. Opportunities to develop cooperation between the two organisations were presented by the need to coordinate their contributions to the African Union's AMIS II mission to support conflict resolution in the Darfur region of Sudan (terminated as of 31 December 2007). The main challenge for EU-NATO political relations in 2007 was the ESDP civilian missions in Kosovo and Afghanistan. However, mainly due to Turkey's objections to its position in the

CFSP/ESDP it proved impossible to conclude technical agreements between the EU and NATO regarding the two operations, which led to a further stalemate in EU-NATO relations.

Contacts between the EU and UN in 2007 concentrated on cooperation in crisis management: in June 2007 the two organisations approved a Joint Statement on this topic. Specific examples of EU-UN cooperation in the field included the preparation of the EUFOR Chad/CAR military operation; cooperation in placing the African Union's AMIS II mission in the Darfur region of Sudan under the UN banner; and the preparation of an ESDP civilian mission in Kosovo to take over part of the mandate of UNMIK (United Nations Mission in Kosovo).

The EU's cooperation with the African Union in the area of the ESDP went ahead, principally thanks to the EU's support for AMIS II and assistance in the building of AU crisis management capabilities.

The scope of ESDP activities continued to stretch beyond the immediate vicinity of the European Union in 2007. However, the priority for the Czech Republic continued to be the EU's engagement in the Western Balkans, the Middle East, Afghanistan and the post-Soviet area. These territorial priorities informed the Czech Republic's decisions on engagement in ESDP missions as well as discussions and decisions on the overall focus of the ESDP and its activities.

ESDP missions

In 2007, the European Union continued with its most extensive military operation to date, ALTHEA in Bosnia and Herzegovina, which was launched in December 2004 as a follow-up to NATO's SFOR operation. In cooperation with NATO, the EU continued to put the "Berlin Plus" mechanism into practice and applied civilian/military cooperation mechanisms in a situation where there is the EUPM police mission and a special representative of the EU and European Commission operating simultaneously in the area. One of ALTHEA's principal tasks is to ensure stability and security in the country, including combating organised crime. In view of the positive development of the security situation in Bosnia and Herzegovina, the number of personnel in the operation was gradually reduced in 2007. However, on 21 November 2007, the UN Security Council decided to extend the operation's mandate for a further twelve months. During the year, the Czech Republic contributed to the operation mainly by sending its Army personnel. Up to the end of June

2007, there were 52 servicemen of the Army of the Czech Republic in ALTHEA. The scaling down of the operation meant that in July 2007 the Czech presence was reduced to four personnel of Army of the Czech Republic, who serve at the headquarters in Sarajevo.

The EU also went ahead with its EUPM police mission in Bosnia and Herzegovina, which concentrates on supporting the formation of an effective multiethnic police system in Bosnia and Herzegovina through the provision of advice, training and instruction to policemen, and on the fight against organised crime. A decision was made in July 2007 to extend the mission's mandate to 31 December 2009. Five Czech policemen were engaged in EUPM in 2007.

The civilian mission in Iraq, launched in July 2005 (EUJUST LEX), went ahead. In 2007, its mandate was extended for a second time, specifically until June 2009. The mission's objective is to help reform Iraq's criminal justice system by giving expert training to senior state officials, policemen, judges, public prosecutors and officials in the penal system. The mission takes the form of training courses held in EU member states. In the Iraqi capital the mission only has a liaison office, where there were also two officers of the Police of the Czech Republic operating as police coordinators for almost the whole of 2007. Another representative of the Czech Republic worked as a courses coordinator in Brussels.

In 2007, the EU responded to current political developments in the Middle East and partially revised its attitude to the ESDP missions in this area – EUBAM RAFAH and EUPOL COPPS. Consequently, a decision was made in July 2007 to scale down the civilian EUBAM Rafah mission (launched in November 2005 to monitor, verify and evaluate activities by the Palestinian police and customs officers in administering the border crossing between Gaza and Egypt). The main reason for this decision was the long-term inaction of the mission and the closure of the crossing point. The Czech Republic does not participate in this mission.

By contrast, the work of EUPOL COPPS, which had been temporarily suspended as a result of Hamas' election victory, was resumed. The police advisory mission EUPOL COPPS, launched in January 2006 (with a mandate until the end of 2008), is designed to support the development of the Palestinian police. The Czech Republic responded to the reactivation of the mission by sending three police experts. The debate between the EU and Israel on the

mission's accreditation continued in 2007. At the end of 2007, a compromise *modus operandi* was established by an exchange of letters between the EU and Israel.

The ESDP civilian mission in Afghanistan was launched in July 2007. The mission – EUPOL AFGHANISTAN – should last three years. Its principal focus is police reform at the central, regional and provincial levels. The launch of the mission was dogged by a number of complications, which led to a change in the post of mission head (Brigadier-General F. Eichele was replaced by his compatriot Brigadier-General J. Scholz). The situation was successfully consolidated at the end of 2007. The mission represents the Czech Republic's overriding priority in the area of the ESDP. Five Czech policemen were sent to take part in the mission on 22 September 2007. In another expression of support, the Czech Republic has offered a field hospital of the Army of the Czech Republic to serve the mission's requirements.

On 1 July 2007, the civilian mission EUPOL RD Congo started, as a follow-up to the EUPOL Kinshasa mission that ended on 30 June 2007. The mission's tasks are to assist in the reform of the DRC police and to participate in the broader reform of the security sector. Another ESDP civilian mission in the country (EUSEC Congo, launched on 8 June 2005 to support the reform of the security sector) went ahead in 2007. The Czech Republic does not participate in the missions in the Democratic Republic of Congo.

In Africa, the EU also continued to be active in respect of the conflict in the Darfur region of Sudan in 2007: until 31 December 2007 it continued to provide civilian/military assistance for the African Union's AMIS II mission (AMIS EU Supporting Action), commenced in July 2005. The Czech Republic did not participate in the AMIS EU Supporting Action. The situation in Darfur was also one of the reasons that led the EU to start preparing a military operation in Chad and the Central African Republic in 2007 (EUFOR Tchad/RCA), which is intended to observe the security situation and address the security requirements of the population in areas bordering on the western Sudanese region of Darfur.

Outside the ESDP framework, the EU BAM mission on the Moldova-Ukraine border continued in 2007. The mission works on the basis of the European Commission's "rapid reaction mechanism", with the assistance of seconded experts from member states. Its key tasks include expert assistance and the provision of training for border guards and customs officers on border crossings, strengthening an integrated approach to border administration

and supporting cooperation and information exchange between the Moldovan and Ukrainian authorities. The Czech Republic had six civilian experts participating in the mission in 2007 (policemen and customs experts).

Preparations went ahead in 2007 for an ESDP civilian mission in Kosovo – the Czech Republic supports this mission and is prepared to participate in it. The mission was prepared by the EUPT Kosovo planning team, in which the Czech Republic has had one expert in a contracted position since September 2007. The ESDP mission in Kosovo will take over part of the UNMIK mandate, focusing on the police, the judicial sector, customs issues and civil administration.

ESDP capabilities

In the area of military capabilities, the EU continued to implement the Headline Goal 2010 (HG 2010). Under this process and based on the agreed road map for the Progress Catalogue, the Forces Catalogue 2006 was revised at the start of 2007. The new Force Catalogue 2007 (FC 27), which includes new member states Bulgaria and Romania, lists forces and capabilities contributed by member states and compares them with the required capabilities defined in the Requirements Catalogue 2005 (RC 05).

In 2007, the Council of the EU approved the Progress Catalogue 2007 (PC 07), which, among other things, provides an overview of shortcomings in the area of military capabilities and draws attention to the potential risks of ESDP operations.

Significant progress was also made in the formation of battle groups (BGs). As of 1 January 2007, the EU attained the full operational capability to conduct two rapid reaction operations in battle group format, including the capability to launch two such operations almost simultaneously. Subsequently, at the Battle Group Coordination Conference in October 2007, member states confirmed their commitments up to the first half of 2010.

Since January 2007, considerable progress has been made, particularly in finalising the framework structure for the joint Czech-Slovak battle group. Among other things, there was substantial progress in negotiations on command and control. During negotiations with representatives of the operations headquarters in Potsdam (Germany), the modalities of the provision of this level of command for the purpose of the joint Czech-Slovak battle group were agreed on and the recruitment process for these headquarters was launched.

In its third year of existence, the European Defence Agency (EDA) demonstrated that it is an entirely effective instrument capable of developing both new strategies and specific projects as part of the implementation of both current and long-term goals. In autumn 2007, A. Weis took over as the chief executive of the EDA.

As in previous years, it proved impossible to overcome the differences between member states and reach a satisfactory agreement defining a three-year financial framework. Once again, the Council therefore merely adopted an EDA budget for the following year (2008).

On 1 January 2007, the Operations Centre reached operational capability – it was first activated during the MILEX 07 exercise in June 2007. The Operations Centre provides the European Union with additional capacity for planning and commanding autonomous military operations.

Regarding the ESDP's civilian capabilities, the Civilian Headline Goal 2008 was successfully concluded in 2007. The Final Report on the Civilian Headline goal was approved on 19 November 2007 by the Council of Ministers, which also adopted a follow-up Civilian Headline Goal 2010 (CHG 2010). CHG 2010 is based on experiences to date with the civilian dimension of the ESDP and the implementation of civilian missions in particular. CHG 2010 focuses primarily on qualitative improvements in civilian capabilities, as well as on enhancing their availability, developing technological and other instruments necessary for the implementation of civilian missions (e.g. in information exchange, mission security, etc.), and achieving synergies within the EU and outside it (efforts to achieve synergies between the civilian and military dimensions of the ESDP, coordination between pillars within the EU, coordination with the activities of other international organisations and with the bilateral activities of EU member states).

Since July 2007, a Civilian Planning and Conduct Capability unit has operated within the Council Secretariat. Its acting director is simultaneously the Civilian Operations Commander.

The Czech Republic ascribes considerable importance to the development of the civilian dimension of the ESDP. This is reflected in, among other things, the growing number of experts the Czech Republic provides to participate in ESDP civilian missions. Whereas

there were fifteen Czech civilian experts serving in EU missions in 2006, by the end of 2007 the number had risen to twenty-two. This number is expected to increase further in the future.

2. The Czech Republic and the North Atlantic Treaty Organisation (NATO)

For the Czech Republic, the North Atlantic Alliance is the cornerstone of the Euro-Atlantic security architecture, and the Czech Republic's membership of this collective defence organisation is of primary importance for ensuring its national security. From the Czech Republic's point of view, NATO also plays an indispensable role as a transatlantic consultation forum and through its operations and various forms of partnership cooperation it projects security outside NATO's geographical borders.

Therefore, in line with the Czech Republic Security Strategy of 2003, security cooperation with European and North American countries through NATO membership is one of the Czech Republic's foreign policy priorities. This tenet remained intact during 2007 even though a number of independent commentaries and analyses suspected Czech foreign policy of the intention of changing its security priorities as a consequence of the Czech Republic's involvement in missile defence. In fact, the reverse is true: the Czech Republic's foreign policy regarded the bilateral negotiations on involvement in the missile defence system as a clear-cut example of conduct in the spirit of the Washington Treaty (specifically Article 3: *"In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack."*) – in both its negotiations with the USA and its diplomatic activities within NATO the Czech Republic's goal was that the development and construction of the US and NATO systems would be interlinked as closely as possible.

Alliance activities during 2007 centred on work on the tasks identified at the NATO summit in Riga, in November 2006, and preparations for the Bucharest summit (April 2008). The work between summits was framed by NATO ministerial meetings in the course of the year. NATO foreign affairs ministers met three times: in January and December in Brussels and in April at an informal meeting in Oslo; in addition, foreign affairs ministers met with partner countries in June at an informal "EAPC Forum" in Ohrid, Macedonia. NATO defence

ministers met at informal meetings in February in Seville and in October in Noordwijk and at a formal meeting in June in Brussels.

It was decided in 2007 that the Alliance's next summit would take place in April 2008 in Romania and a general understanding was reached that there would be two NATO summits in 2009: the first, a "mini-summit" at the start of 2009 in Brussels, will be a standard opportunity to get to know the new president of the USA and his administration; the second, marking the 60th anniversary of the founding of NATO, will be held in Strasbourg and Kiel. The central themes of the Bucharest summit took shape during negotiations in 2007. Besides NATO enlargement, which is a topic that has long been considered fundamental, it was decided that the summit would also deal with other questions of external relations – consequently, it should be the biggest summit in NATO history in terms of the number of participating states. The Alliance decided that besides the autonomous NATO meeting in the "26" format (or 26 + invited candidates), heads of state and government should also meet in the formats of EAPC (NATO + partner countries), NRC (NATO + Russia), NUC (NATO + Ukraine) and NATO + ISAF (i.e. Alliance + president of Afghanistan + countries contributing to ISAF operations + intergovernmental organisations engaged in Afghanistan (UN, EU, World Bank).

In 2007, the Czech Republic again actively contributed to shaping NATO policy in line with its foreign policy and security priorities as defined in the Czech foreign and security policy strategic documents. In the spirit of solidarity with its Allies, the Czech Republic contributed, in line with its capabilities, to NATO collective defence and other NATO security tasks based on the principle of the indivisibility of security. Its involvement in NATO activities in 2007 was intensive at both the political and military levels. Through its resources and capabilities, the Czech Republic played a substantial part in operations in Kosovo and Afghanistan and the training mission in Iraq. It also contributed to the NRF rotations. The deployment of forces and assets of the Army of the Czech Republic in NATO military operations in 2007 was based on political and security priorities and corresponded to the available resources. In political discussions in NATO during 2007, the Czech Republic was particularly active in the following areas:

- missile defence (*in view of the fact that this Alliance policy intersects with bilateral negotiations between the Czech Republic and the USA this issue is covered by a separate chapter*);
- Alliance operations and the Comprehensive Approach to operations;

- enlargement;
- cooperation with partner countries, particularly the countries of the Western Balkans and countries aspiring to the Membership Action Plan (Ukraine, Georgia);
- NATO-Russia cooperation.

NATO operations and missions

Afghanistan, ISAF

In 2007, the ISAF operation in Afghanistan continued to be the Alliance's biggest and most significant operation. Its primary objectives are to ensure peace and stability in its areas of operation and to assist in building the Afghan security sector and expanding the authority of the central Afghan government across the country. ISAF also represents an Alliance contribution to the fight against international terrorism.

After heavy fighting with the Taliban and the international forces' tactical victory in the south of the country in the middle of 2006, a Taliban offensive was expected in the spring of 2007. That did not occur, however; instead the international and Afghan forces launched an offensive which continued in the form of individual operations in various parts of the country throughout 2007. The large number of offensive operations by Afghan and international units kept the Taliban under pressure. That was one reason why the Taliban resorted increasingly often to an asymmetric warfare strategy in 2007. There was a pronounced increase in the number of suicide attacks and attacks using improvised explosive devices, which were the main cause of death of both Afghan and international troops. What is more, the Taliban has begun to make more frequent use of the civilian population as human shields, leading to an increase in civilian casualties. The Alliance therefore took measures to reduce the number of such cases as much as possible, including follow-up action when investigating incidents and informing the public.

Support for the training and arming of the Afghan National Army continued to be one of the key tasks of ISAF. Besides significant bilateral activities in this regard (most notably by the USA), ISAF helped train the Afghan National Army through Operational Mentoring and Liaison Teams (OMLTs), but these still fall short of the required number. The Afghan

National Army made visible progress in 2007; this was reflected in, among other things, the first extensive operation under Afghan command, in which the south Afghanistan town of Musa Qala was liberated from Taliban control.

In 2007, the Alliance had to contend with certain unfulfilled military requirements of the mission, in particular a shortage of helicopter capacities, combat battalions and Provincial Reconstruction Teams (PRTs) in the Day Kundi, Nimroz and Logar provinces. Another problem was presented by certain restrictions on the use of national contingents. *(NB: the Czech Republic was one of the few countries not to declare any such restrictions for its troops.)*

The Alliance significantly improved its media activities in Afghanistan. The capacities necessary for enhancing strategic communication were defined and implemented in the second half of 2007. One example of the Czech Republic's contribution in this area was its preparations for sending a staff member to the NATO's Media Operations Centre; the staff member subsequently joined the Centre in February 2008. Another key part of the media campaign in 2008 should be the Comprehensive Strategic Political Military Plan – the elaboration of this plan was agreed on by defence ministers at their meeting in Noordwijk and should be completed by the Bucharest summit in April 2008.

In ISAF in 2007, the Czech Republic contributed to the work of the German-led PRT in Badakhshan province in the northeast of the country (approx. 80 servicemen of the Army of the Czech Republic). A Czech field hospital, a light chemical reconnaissance unit and air force specialists of the Army of the Czech Republic, in total numbering 100 personnel, operated at Kabul International Airport (KAIA). From 1 December 2006 to 31 March 2007, the Czech Republic held the role of lead nation for air traffic control. The contingent of the Army of the Czech Republic deployed here numbered 50 personnel in total. In Helmand province in the south of Afghanistan a Military Police special operations group, numbering 35 personnel, carried out tasks in cooperation with British armed forces.

With a view to coordinating efforts and enhancing the Czech presence in Afghanistan the Czech Republic had been considering ways to set up or take over its own PRT in Afghanistan since the start of 2006. However, the original negotiations with Hungary on the take-over of a PRT in Baghlan province foundered in March 2007. Despite its previous promises, Hungary decided to maintain its presence in Baghlan, so the Czech Republic had to

look for an alternative, ultimately deciding to set up a PRT in Logar province in the east of the country. Intensive preparations were conducted during the year so that the Czech PRT could start operating in March 2008.

As a result of the shift in the focus of Czech attention to Logar (civilian component + 200 military personnel) during 2007, the Czech presence in the German-led PRT in Badakhshan was terminated; nevertheless, a decision was made at national level to maintain the Czech presence in other localities – the field hospital at KAIA and military police in Helmand province – at roughly the same level in 2008 as in 2007. Moreover, at the proposal of the Ministry of Defence of the Czech Republic, Parliament of the Czech Republic decided on possible assistance to the Netherlands' troops in Uruzgan province in the form of an 80-man contingent in the second half of 2008, provided the PRT in Logar is functional and the Army of the Czech Republic has sufficient available capacities. Last but not least, in 2007 the Ministry of Defence planned the sending of 120 special forces servicemen, either to operation OEF (Enduring Freedom) or ISAF, whatever is agreed. This deployment has not yet been approved by parliament, however.

In November 2007, the first three of a total of twelve helicopters pledged by the Czech Republic were officially handed over to the Afghan National Army. During 2007, the Czech Republic then provided a contribution of CZK 2 million to the Post-operations Humanitarian Relief Fund, which is used to finance humanitarian assistance during and after combat operations. At the very end of the year, the Czech Republic provided an additional contribution of CZK 1 million to the Fund. It also contributed CZK 2.5 million to a trust fund for the Afghan National Army that is used to finance the transportation of donated equipment from donor countries that are not able to pay for the transport themselves and CZK 0.5 million to the Trust Fund on Physical Security and Stockpile Management of Ammunition in Afghanistan within the framework of the Afghan Cooperation Programme.

Kosovo, KFOR

The KFOR multinational forces operation in Kosovo (Joint Enterprise) is NATO's second biggest operation after ISAF. The objective of the operation is to establish and maintain a secure environment, including public order, and to monitor, verify and when necessary enforce compliance with agreements after the international administration has been established. The operation is made up of a total of 16,500 servicemen from both member and

partner countries, who also provide assistance to the UN mission in Kosovo (UNMIK). NATO decided to maintain its KFOR presence at the same level even after the province's declaration of independence.

On 11 December 2007, the Alliance began formal military planning in Kosovo based on the following political preconditions:

- a) UN Security Council resolution 1244 provides a legal mandate for KFOR;
- b) KFOR operations will continue on the basis of the current Operational Plan and rules of engagement;
- c) the strength of KFOR units will remain unchanged;
- d) the KFOR commander will be able to draw on all existing reserve forces;
- e) the presence of the international police in Kosovo will remain unchanged.

In order to ensure full readiness, the Alliance issued political instructions to the NATO military authorities concerning worst-case scenarios. The KFOR commander therefore has a sufficient mandate to react to the vast majority of contingencies in developments in Kosovo. Moreover, the North Atlantic Council is prepared at any time to provide additional instructions to the military authorities.

The Czech contingent is part of the Multinational Task Force – Centre (MNTF-C) at the Sajkovac base, along with contingents from Finland, Latvia, Slovakia, Ireland and Sweden. At present there are approximately 430 servicemen of the Army of the Czech Republic in KFOR. A reserve company of 116 servicemen was sent to Kosovo for the period of the parliamentary and local elections – it returned home on 16 December 2007. This reserve company is capable of being deployed within five to seven days, if required.

The main component of the contingent of the Army of the Czech Republic – a mechanised company – executed tasks consisting in monitoring the Kosovo-Serb “administrative” border and protecting national minorities and cultural sites; it also assisted in maintaining law and order. In addition, a unit of helicopter pilots served in Kosovo on a ninth-month mission from March to December 2007. The pilots' task was to transport personnel and equipment for the KFOR headquarters and to undertake reconnaissance and humanitarian flights.

Iraq

The Alliance's training mission in Iraq (NTM-I) went ahead in 2007. The mission, which had been launched under a decision taken at the NATO Istanbul summit in 2004, executed tasks to the prescribed timetable and continued with its training programmes despite the complicated security situation in Iraq. One important change was the mission's transition to mentoring, meaning mere supervision over the training that the Iraqis were already able to organise themselves. Another important event was the start of Italian-led "gendarmerie" training of the Iraqi police in October. In November 2007, Italy presented a proposal for broader and more structured NATO cooperation with Iraq going beyond the NTM-I framework and encompassing, among other things, questions of defence sector reform, civilian control over the armed forces and the opening of certain instruments of cooperation accessible to current partner countries. The proposal was welcomed by the Allies and is being elaborated further by NATO. The financing of NTM-I continued in the form of trust funds. There are three Czech military instructors involved in NTM-I.

(NB: For the sake of cohesion this chapter also contains information about the coalition operation in Iraq, even though it is not a NATO operation.)

The international community takes part in the stabilisation and democratisation of Iraq on the basis of a UN Security Council decision. The Multinational Forces (MNF-I) coalition has operated in Iraq since March 2003, when operation Iraqi Freedom started (it ended in May 2003). At present, the principal tasks of MNF-I are to stabilise the security situation and renew the country's security sector and basic administrative functions.

A December 2006 resolution of Parliament of the Czech Republic and a November 2006 resolution of the Senate of Parliament of the Czech Republic defined the strength of the deployment of forces and resources of the Army of the Czech Republic in the context of multinational measures in Iraq in 2007 at up to 100 personnel, the same as in the previous year. The Czech army's contingent operated within the British-led Multinational Division – Southeast (MND-SE) and was situated at the British base at Basra International Airport. The primary objective of the contingent, which is largely composed of two mechanised platoons, was to guard pedestrian and vehicle entrances to the base.

The further presence of the Army of the Czech Republic was consulted with Great Britain at the end of 2007, at which time Parliament of the Czech Republic decided that the existing mandate will end in the middle of 2008. After that, the number of servicemen in Iraq should be reduced and the mission should be changed into a training mission. Intensive negotiations were held at the turn of 2007 and 2008 on the exact stationing and role. The change in the strength of the Czech presence should be viewed in the context of the changing requirements in Iraq and the increase in activities undertaken by the Army of the Czech Republic elsewhere, particularly in Afghanistan.

Support for African Union operations in Africa (Sudan, Somalia)

Based on a request by the African Union (AU), NATO assisted the AU's peacekeeping mission in Sudan (AMIS) from July 2005 to the end of 2007. That was the first mission NATO had ever taken part in on the African continent. The AMIS mission in Darfur province was intended to help end the fighting and violence in the region – in taking this step the AU demonstrated its commitment to be fully engaged on its continent and resolve long-standing crises. NATO, the UN, and the EU fully supported it in this endeavour and offered assistance. The AU then turned to NATO with a request for logistical support. On this occasion, the chairman of the AU Commission visited the North Atlantic Council, the first ever visit of its kind.

NATO provided transport capacities and resources and helped train AU personnel. NATO's assistance also stretched to the strategic and operational deployment of troops. Specifically, the NATO offered aircraft that helped transport troops and civilian police officers. The air support for the mission was provided jointly with the European Union, so there was coordination between the two organisations. Since the start of the mission in June 2005, the NATO and EU flight coordinators have helped provide airlift for the rotation of 37,000 troops, civilian police officers and military observers and a further 32,000 African troops.

NATO also supports AMIS in the context of the development of military capabilities. In 2005, it participated in training personnel at the AU integrated headquarters in Addis Ababa, Khartoum and El Fasher. The training focused on both the strategic and operational levels of planning, including tactics and procedures that the African Union could then fully put to use.

The support for the AMIS mission in Darfur was successfully completed on 31 December 2007, when the mission's transformation into a joint UN and AU mission in Darfur began (UNAMID). The AU was highly appreciative of NATO's assistance and stressed that it would make use of NATO support in the future as well. NATO units thus confirmed their credibility and reliability in respect of the African Union and demonstrated that deployment on the African continent can be a success.

During 2007, NATO reacted positively to the AU's request for logistical support for the AU mission in Somalia (AMISOM) and the provision of training to the AU forces on a comparable scale as in the Darfur operation. However, this assistance has not yet been implemented owing to the absence of a specific request from the AU.

Although the Czech Republic does not contribute resources to the AU operations, it does support them politically.

Operation Active Endeavour

Operation Active Endeavour (OAE) in the Mediterranean was launched in 2001 as NATO's response to the terrorist attacks of 11 September 2001. It is the only NATO operation conducted under Article 5 of the Washington Treaty. In this operation, the Alliance's Mediterranean fleet has been tasked to monitor, board and search any shipping in the Straits of Gibraltar and the Mediterranean Sea that is suspected of collusion with terrorists – e.g. smuggling people, arms, dangerous cargo, money, etc. for terrorist organisations. The operation went ahead in 2007.

A number of non-NATO countries have expressed interest in providing capacities to support OAE in recent years. In 2007 (on a similar scale as in 2006), Russia provided capacities to the operation (participation of the navy ship *Ladny*, 3-17 September 2007); the second partner country to engage in the operation was Ukraine (with the navy ship *Lutsk*, 24 November to 11 December 2007). Based on an exchange of letters from 2006, preparations were made in 2007 for Israeli involvement in the form of intelligence cooperation. Other letters on participation in the operation were signed with Albania and Georgia. Discussions on possible participation were held with Croatia, Algeria, Morocco, Sweden and Finland.

Although the Czech Republic has not contributed resources to the operation, it does support it politically.

Support for the EU operation in Bosnia and Herzegovina under the Berlin Plus mechanism

In 2007, NATO continued to provide resources and capabilities in support of the EU's ALTHEA operation in Bosnia and Herzegovina based on the Berlin Plus mechanism.

Owing to the substantial reduction of the EU's military presence in operation ALTHEA, as of 30 June 2007 the Czech Republic ended its participation in the Multinational Task Force – North (MNTF-N), where a guard platoon served in a multinational guard unit (Czech-Estonian-Austrian-Slovak) and Czech personnel operated at the MNTF-N headquarters in Tuzla, numbering up to 50 personnel in total. After the end of the Czech presence in MNTF-N, five officers of the Army of the Czech Republic served at the EUFOR headquarters in the second half of 2007.

NATO's external relations

NATO enlargement

NATO enlargement is a strategic political question with a long-term impact on member countries' ability to ensure effective collective security as well as on the shaping of the Alliance's security and political role on a global scale. The Riga summit in 2006 confirmed NATO's "open door" policy and also the fact that NATO enlargement would be a principal theme of the Bucharest summit in April 2008. However, the Alliance repeatedly stressed that it will be able to accept new members as soon only when they are ready – candidates will be assessed individually and on the merit of the results they have achieved.

Three Partnership for Peace countries associated under the Adriatic Charter – Albania, Croatia and Macedonia/FYROM – have the status of candidate country (and a realistic hope of being invited to join NATO) and have been undertaking long-term preparations in the context of the Membership Action Plan (MAP). The finalisation of their preparations for joining NATO took place in 2007. Since it joined NATO, the Czech Republic has regarded the Alliance's open door policy as the guiding principle of NATO's contribution towards the elimination of the barriers that have persisted since the Cold War period, and for that reason it also supports the further wave of NATO enlargement encompassing the Western Balkans countries. Having assessed the state of implementation of the MAP in combination with the

symbolism and political impact of enlargement, the Czech Republic prefers that all three countries should be invited to join.

Croatia

Throughout 2007, Croatia appeared to be the country best-prepared to join NATO. Zagreb satisfied the condition of full cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). The Allies also appreciated the maturity of Croatian democracy, Croatia's participation in NATO operations abroad and the gradually growing public support for joining NATO. It was recommended that Croatia should step up its efforts in the questions of judicial reform, the fight against corruption and refugee return. Croatia's most significant participation in NATO operations is in ISAF in Afghanistan, where Croatian personnel served alongside their Czech colleagues in the German-led Provincial Reconstruction Team in Faizabad, among other things. Croatia is a member of a number of regional cooperation groupings and has the ambition to function as a pillar of stability in respect of its neighbours. According to Croatian president S. Mesić, NATO membership is one of the top priorities of Croatia's foreign policy.

Macedonia/FYROM

Euro-Atlantic integration is also a high priority for Macedonia/FYROM. The Allies appreciated the strong public support for joining the Alliance, but criticised problems in the areas of the judiciary, the act on the police and the election act, and the lagging behind of economic reforms and the reforms of the security sector. In 2007, Macedonia declared its interest in having a fully professional army, restructuring army units and doubling the number of its personnel in operations abroad in 2008. However, the dispute with Greece concerning the constitutional name of the country intensified in connection with Macedonia's preparation for NATO membership – Greece even declared its readiness to veto the invitation to Macedonia to join unless the problem is resolved.

Albania

The Alliance has confirmed its support for Albania's membership of NATO and appreciates its participation in NATO operations. According to the assessment to date, Albania has devoted considerable effort to implementing a number of reform measures in key

areas, most notably in defence reform, in the continuing judicial reform and in the fight against organised crime and corruption. Albania still has a long way to go in its reform of the judiciary and election system, however. In 2007, Albania participated in NATO operations in Afghanistan, Bosnia and Herzegovina, and Iraq. It also played a part in the EU's ALTHEA operation in Bosnia and Herzegovina. A high percentage of the Albanian population (90%) support the country's joining NATO.

Partnership for Peace – integration efforts of Ukraine and Georgia

During 2007, Ukraine and Georgia expressed the strongest integration ambitions and interest in obtaining an MAP. NATO's relations with both countries now take the form of "Intensified Dialogue".

The Czech Republic supports the inclusion of both Georgia and Ukraine in the MAP. Ukraine and Georgia should join simultaneously. At the same time, both aspiring states have to accept that at this juncture participation in the MAP is by no means synonymous with automatic future membership of NATO.

Georgia

Right from the start, Georgia has been more active and its government and public have supported the country's transatlantic orientation more strongly and more consistently than in Ukraine's case. That was manifested both in its active approach to Intensified Dialogue and in its efforts to achieve the goals of the security and defence sector reforms, and also in its more frequent consultations with the Allies on questions related to the unresolved conflicts in Georgian territory and on questions of regional security. However, the relatively satisfactory impression created by the reforms was considerably overshadowed by the Allies' intensive discussions regarding several security incidents with the possible involvement of the Russian Federation. At the end of 2007, the conflict-ridden internal political situation significantly harmed Georgia's image in the Alliance and substantially complicated the possibility of offering a Membership Action Plan at the Bucharest summit. The Czech Republic joined the New Friends of Georgia group of countries in NATO and participated in assistance to Georgia in the context of its Euro-Atlantic ambitions. One specific step was a financial contribution to the new trust fund for the destruction of missiles in Georgia.

Ukraine

The development of relations with Ukraine in 2007, which marked the 10th anniversary of the signature of the Charter on a Distinctive Partnership, was again largely influenced by the complicated internal political situation and the holding of early parliamentary elections. However, the political stagnation did not diminish the intensity of mutual practical cooperation and activities in the context of Intensified Dialogue concerning questions of membership and the related reforms. Ukraine remained one of NATO's partners with the most developed spectrum of mechanisms for NATO assistance in the area of defence and security reforms. The fact that Ukraine was the only partner country to contribute both equipment and personnel to all major Alliance operations was proof of the progress in this area and also an expression of shared interests and values.

Side-by-side with the Allies, Ukraine takes part in the operation in Kosovo and provides strategic airlift capabilities. It takes part in training the Iraqi army in NATO's training mission (NTM-I). It also participates in NATO's maritime anti-terrorist operation Active Endeavour and sent civilian experts to Provincial Reconstruction Teams as part of the ISAF mission in Afghanistan.

Despite these positive signs, however, it is an inescapable fact that public support for the transatlantic partnership is weak and, above all, the political elites do not all share the same view of the speed of Ukraine's Euro-Atlantic integration. It was probably for that reason that the question of integration into NATO was not an issue in the campaigns in the run-up to the Ukrainian elections. After the elections, however, the government was formed by parties that are interested in closer cooperation between Ukraine and NATO, so the question of an MAP for Ukraine came back onto the agenda.

The Czech Republic joined in the Alliance's initiative to support non-governmental organisations operating in the field of public diplomacy in Ukraine and contributed funds towards a project to retrain redundant military personnel.

Partnership for Peace – Western Balkans countries

At its summit in Riga, the Alliance invited three more Western Balkans countries to join the Partnership for Peace – Montenegro, Serbia, and Bosnia and Herzegovina. There are differences in these countries' efforts to join NATO, however.

Montenegro

Montenegro is striving to make progress in its relations with NATO and expected that “Intensified Dialogue” would be opened at the Bucharest summit in April 2008. In 2007, it repeatedly declared that NATO membership is a key strategic objective of the country – that is borne out by its activities, among other things commencing an Individual Partnership Action Plan with NATO.

Bosnia and Herzegovina

Bosnia and Herzegovina is the most active of the three countries. It expressed interest not just in Intensified Dialogue but also in a Membership Action Plan (MAP). In 2007, Bosnia and Herzegovina acceded to the Status of Forces Agreement (PfP SOFA) and joined the Partnership for Peace Planning and Review Process (PARP), which aims to achieve the closest possible cooperation with Alliance forces. In addition, a decision was made in 2007 to launch the Individual Partnership Action Plan at the start of 2008.

Serbia

Relations between Serbia and NATO cooled considerably in 2007, chiefly in consequence of the situation in Kosovo where Belgrade claims the Alliance is creating a “puppet state”. Nevertheless, cooperation with Serbia went ahead in the context of the Defence Reform Group (DRG) based in Belgrade, where the Czech Republic plays an active role, most notably in Working Table 3 (training). So far, Serbia has not made much use of the Partnership for Peace, but NATO is prepared to deepen cooperation as soon as Belgrade is ready to do so.

NATO-Russia relations

NATO-Russia relations constitute one of the Alliance’s most visible partnership activities. The establishment of the NATO-Russia Council (NRC) in 2002 marked a milestone in relations. The NRC is NATO’s most intensive partnership format in terms of meetings and consultations, but the political dialogue does not always bring the corresponding results. Further serious cracks emerged in NATO-Russia relations in 2007.

Russia’s growing assertiveness, which was very apparent in Putin’s speech at the security conference in Munich and in the subsequent confrontational steps, such as the

criticism and outright rejection of the USA's offer for a European missile defence pillar, the moratorium on implementation of the commitments set out in the Treaty on Conventional Armed Forces in Europe, the uncooperative attitude towards the question of the status of Kosovo and lastly the exaggerated criticism of the Alliance as such, increased the scepticism felt by a number of NATO countries with regard to the possibilities for deeper cooperation. Although all countries still talk of the need for good political relations, transparency and cooperativeness, in reality the only positive results of NATO-Russia cooperation are found on the practical level. Yet even this cooperation could be more fully and beneficially implemented if Russia were to be more cooperative. At present, the most important NATO and Russian undertaking is the Project for Counter-Narcotics Training of Afghan and Central Asian Personnel. In reality, however, the armed forces of NATO and Russia only cooperate in one operation: NATO's maritime operation Active Endeavour (where Russian involvement is confined to the participation of one ship in the operation for a few weeks a year).

For a long time, greater development of activities on a practical level was also hindered by the fact that Russia delayed the process of signing and ratifying the Status of Forces Agreement (PfP SOFA) – Russia signed the agreement in April 2005 but the federal act on its ratification was only passed in summer 2007. Russia has thus been a state party to PfP SOFA since 27 September 2007. The ratification was not without its problems and Russia attached a number of interpretative comments – NATO member states will deal with the nature and admissibility of these comments as soon as possible.

To a large extent in 2007, Russia used the NRC to express its objections to missile defence and the Treaty on Conventional Armed Forces in Europe. The Czech Republic supported the holding of repeated discussions on these issues in the NRC with a view to finding a solution through intensive political dialogue. Among other things, on the subject of missile defence the NRC twice met in a special format including political and expert representatives from individual member states; the Czech Republic was represented at these meetings by senior representatives of the Ministry of Foreign Affairs and the Ministry of Defence. In the question of continuing NATO-Russia cooperation on Theatre Missile Defence, the completion of the NRC's work plan for 2007 took a long time because of Russia's wish to link this specific technical issue with the general discussion on the entire missile defence system, i.e. not just the NATO system but also the US national system.

The Czech Republic supports NATO in its efforts to conduct practical and mutually advantageous cooperation with Russia and, in particular, to continue with active cooperation in the fight against terrorism, in Theatre Missile Defence, in defence reforms, in conducting joint peace and humanitarian operations, and in coordinating civil emergency planning. At the same time, however, the Czech Republic stresses the need to respect the independence of NATO's decision-making processes and its security interests.

NATO-EU relations

The long-standing problems in political relations between NATO and the EU were aggravated further in 2007 by Turkey's new strategy of blocking, with even greater thoroughness and consistency, all themes and questions in NATO that could lead to a move beyond the formal framework of NATO-EU relations defined in 2003 by the Framework Agreement, which also elaborates individual elements of the Berlin Plus mechanism. The Framework Agreement excludes two Union member states (Cyprus and Malta) from NATO-EU cooperation. The Turkish blocking strategy gradually spread to a wide variety of Alliance themes concerning interaction with the EU, from NATO-EU cooperation in Afghanistan and Kosovo, through implementation of the Comprehensive Approach adopted at Riga, to the conditions for the participation of EU representatives in the Alliance's crisis management exercise CMX 2008. The reason for Turkey's harder-line approach is the disagreement between the EU and Turkey on certain fundamental questions (Turkey's involvement in the ESDP, a solution to the Cyprus question, Turkey's membership ambitions). Turkey therefore used an available lever to strengthen its bargaining position relative to the EU – restricting NATO-EU relations. A solution to the problem is beyond the reach of Czech diplomacy and out of NATO's hands as well.

The only way forward is through informal political dialogue, practical cooperation, bureaucratic contacts and pressure from external circumstances necessitating cooperation (mainly Kosovo and Afghanistan), but even these mechanisms have failed in the light of Turkey's hard-line position.

Euro-Atlantic Partnership Council (EAPC)

2007 was supposed to be primarily a year of work on developing the partnership's political and practical potential, an objective declared at the Riga summit. That could only be

partially achieved, however. Least perceptible progress was made in the oldest and most highly developed format – PfP/EAPC. Although new themes were initiated, such as the implementation of UN Security Council resolution 1325 on women, peace and security, or the initiative against corruption in the defence sector, current political questions remained off the EAPC agenda. The promising start of a new dialogue opened on Afghanistan with a group of Central Asian countries indicated that the trend of thematically oriented regional differentiation between EAPC countries will be one of the possible ways forward.

Mediterranean Dialogue (MeD)

In 2007, the enhanced cooperation on the political level between Alliance countries and MeD countries was reflected in a meeting of defence ministers in Seville in February and foreign affairs ministers in Brussels in December.

As far as practical cooperation is concerned, there was a clear increase in events conducted under the Mediterranean Dialogue Work Programme (MDWP) in 2007: there were over 600 MDWP activities. The main areas of cooperation include the military dimension (85%), the fight against terrorism, civil emergency planning, civil crisis management, and language teaching.

Since January 2007, the Czech embassy in Israel has operated as the NATO Contact Point Embassy (second two-year cycle), in addition to its bilateral function. The principal role of the Contact Point Embassy is to provide information about the Alliance through public diplomacy activities. NATO's role and significance remained unchanged, although it is fair to say that the importance of the Contact Point Embassy has grown as NATO-Israel relations and the debate on the Alliance within Israel have intensified – in 2007 there were more seminars at which the head of the NATO Contact Point Embassy participated; and the Contact Point Embassy also staged more briefings for NATO ambassadors and lower-level bilateral briefings.

The Czech Republic stresses the importance of a pragmatic and flexible concept of the MeD, which consists in adapting cooperation to suit the individual needs of individual partners, as well as the Alliance itself, and it was in this spirit that the Czech Republic acted both within NATO and as the NATO Contact Point Embassy in Israel in 2007.

Istanbul Cooperation Initiative (ICI)

In 2007, the Istanbul Cooperation Initiative continued to be a useful format for the development of political and practical cooperation between NATO countries and certain countries of the Arabian Peninsula, at which the ICI is primarily targeted. Meetings in 2007 between the NATO Secretary General and his deputy and top-level representatives of Bahrain, Kuwait and Qatar contributed to the development of cooperation.

NATO Training Cooperation Initiative (NTCI)

At the Riga summit the North Atlantic Council approved the Training Initiative for MeD and ICI countries. This initiative is intended to share NATO's training expertise with MeD and ICI countries. As agreed at Riga, the initiative should have two phases: the first phase consists in expanding the participation of partner countries in existing training and education programmes and facilities and the establishment of a Middle East faculty at the NATO Defence College (NDC) in Rome; the second phase envisages the possibility of setting up a NATO-MeD/ICI Security Cooperation Centre in the MeD/ICI region.

The first phase of the initiative was implemented in the practical area in 2007: the Middle East faculty, provisionally named the NATO Regional Security Cooperation Courses, is up and running – there is considerable interest in the courses in MeD/ICI countries.

Challenges of the 21st century

Comprehensive Approach (CA)

The Comprehensive Approach is a concept for the planning and conduct of NATO stabilisation operations that considers and uses a whole range of available instruments (i.e. civil as well as military) and effectively coordinates Alliance efforts with other local actors. The NATO summit in Riga, in November 2006, defined the task of developing practical proposals to put the CA concept into practice. However, this “Riga tasking” could not be fulfilled in 2007, even though the said practical proposals were supposed to have been presented and approved at ministerial meetings in April and June 2007. The main reasons were Turkey's blocking strategy in the question of NATO-EU relations (see above) and the unwillingness of certain Allies (most notably France, Germany and Belgium) to accept the compromise offered by Turkey. Turkey's November initiative proposed the separate approval

and implementation of those proposals on which there is consensus. Although the majority of Allies supported this course of action, Germany in particular expressed doubts and subsequently informally rejected it.

As a result, the only practical activity under the CA in 2007 was the January ministerial meeting regarding ISAF, when representatives of NATO states, Afghanistan and countries contributing to the operation gathered around one table with representatives of organisations operating in Afghanistan (UN, EU, World Bank).

Energy security

In 2007, in line with the task set at the Riga summit, the Alliance discussed its possible contribution towards ensuring the Alliance's energy security. Five policy areas for NATO involvement in this field were identified and developed (sharing intelligence, developing regional and international cooperation, support for the protection of critical infrastructure, projecting stability and supporting consequence management). However, the work was complicated – and will probably continue to be complicated – by relatively fundamental differences between the Allies in their views of the role the Alliance should play in energy security.

The Czech Republic views energy security as an important topic for the future and considers it an important element of international security in the broader sense. It is convinced that the Alliance offers added value in this issue.

Cyber security

Following the cyber attacks on Estonia, in 2007 the Alliance started to look at a new security topic: cyber security. In line with the conclusions from the meeting of defence ministers in Noordwijk, in autumn 2007, a NATO policy on cyber defence was drawn up; the policy should be presented at the Bucharest summit. A decision was made to set up a Cyber Defence Management Authority as the supreme NATO coordination body for this issue. The Alliance has not yet reached full consensus on whether in its extreme form a cyber attack may be regarded as an attack under Article 5 of the Washington Treaty.

Strengthening NATO's role in disarmament and non-proliferation of WMD

In September 2007, eight NATO countries (Belgium, Denmark, Hungary, Italy, the Netherlands, Norway and Spain) submitted a non-paper entitled "Raising NATO's Profile in the Field of Arms Control and Disarmament". The non-paper drew attention to the need for a political debate on this topic, especially in the context of the Alliance's discussions on missile defence and the future of the regime of the Treaty on Conventional Armed Forces in Europe. At the ministerial meeting in December, the Alliance then set the task of identifying possible areas for NATO activities in the field of disarmament control by the coming summit.

Miscellaneous

Extension of the NATO Secretary General's term of office

On 10 January 2007, a decision was made to extend the mandate of the present NATO Secretary General Jaap de Hoop Scheffer until spring 2009, i.e. for roughly a further year and a half. The intention was that the present secretary general should steer the Alliance through the anticipated summit marking NATO's 60th anniversary.

Successful candidatures of senior Czech officials to NATO structures

2007 was a successful year in terms of the appointment of senior Czech officials to high-level NATO positions:

1. In November, former defence minister of the Czech Republic J. Šedivý took up the post of NATO Assistant General Secretary for Defence Policy and Planning.
2. In April, former director of the economic affairs division of the Ministry of Defence of the Czech Republic T. Perutka was appointed as Chairman of the NATO Budget Committees.

Atlantic Policy Advisory Group

In September 2007, the Czech Republic organised a meeting of NATO's Atlantic Policy Advisory Group (APAG) in Český Krumlov. This NATO advisory body chaired by the Assistant Secretary General for Political Affairs meets every year at the level of deputy

permanent representatives and heads of the security or analytical departments of member countries' foreign affairs ministries. The group conducts informal brainstorming on strategic aspects of NATO policy. The Czech Republic was one of the few member states that had not hosted the event.

The APAG meeting focused on finding solutions to the following issues:

1. Afghanistan
2. NATO-Russia relations
3. NATO-EU relations
4. The Bucharest summit and follow-up
5. Strategic Concept – does NATO need a new one?

The APAG meeting in Český Krumlov was rated very positively as regards both the substance of the discussion and the organisation of the meeting.

Meeting of political directors of defence ministries

On 20-21 September 2007, the Ministry of Defence of the Czech Republic organised a meeting of directors responsible for the defence policy of NATO countries. The principal purpose of the meeting was to prepare the ground for the meeting of NATO defence ministers in Noordwijk, the Netherlands. The discussion covered questions related to NATO operations, the defence transformation of the Alliance, missile defence, partner cooperation and international security.

The Czech Republic's activities in the field of protection against WMD

Defence Group on Proliferation (DGP)

In the first half of 2007, the Czech Republic continued in its function of co-chair country of the DGP (the other permanent chair country is the USA). The programme of the Czech co-chairmanship was ambitious; it is therefore a success that its top priorities – strengthening external cooperation (in particular NATO-Ukraine and NATO-EU relations) in protection against WMD – were achieved. The culmination of the Czech co-chairmanship term was the holding of a week-long seminar in July 2007 on threats stemming from the use

of WMD, including a practical demonstration of the capabilities of the Army of the Czech Republic in the field of protection against WMD. The seminar took place in Prague; the practical demonstration in Liberec. The Czech Republic's representation in this group comes under the authority of the Ministry of Defence.

Centre of Excellence on CBRN Defence in Vyškov

In March 2007, the Czech Republic was awarded accreditation for the establishment of a NATO Centre of Excellence on CBRN Defence in Vyškov. The Centre reached full operational capability with the opening of a new building in November 2007.

Crisis management exercise

Almost every year, the Alliance organises the CMX crisis management exercise. A second joint NATO-EU exercise had been planned for 2007 (the first took place in autumn 2003). Regrettably, the two organisations could not find the will to harmonise planning procedures, so in the end the highly disappointing decision was made not to go ahead with the exercise. The partners merely met at a joint crisis management seminar in Brussels.

Nevertheless, the Alliance continued along the established road for planning crisis management exercises: the first three planning conferences on the preparation of CMX 2008 took place in 2007 and a decision was made on the rough outlines of the exercise planned for 2009.

Missile Defence (MD)

By far the most important topic of 2007 from the point of view of the Czech Republic's foreign security policy was missile defence, as regards both bilateral negotiations with the USA and the discussion on the development of the Alliance system.

Negotiations with the USA

On 19 January 2007, the United States sent the Czech Republic and Poland a diplomatic note confirming its intention to request both countries' consent for the stationing of missile defence components in their territory – interceptors in Poland and a radar site in the Czech Republic.

In line with a resolution of the Czech Republic's National Security Council of 24 January 2007 regarding "Information on the USA's Request for the Start of Negotiations with the Czech Republic on the Stationing of a Radar System as Part of the Missile Defence System in the Territory of the Czech Republic", a team of experts from the Czech foreign affairs and defence ministries was established to deal with questions of the possible stationing of the radar site in the Czech Republic. The team is headed by the First Deputy Minister of Foreign Affairs. The Czech defence ministry team is headed by the First Deputy Minister of Defence. The team was composed of experts from the two ministries and other government bodies. Its primary task is to prepare the Czech Republic's negotiating position and draw up expert positions on individual aspects of the intention to involve the Czech Republic in the US MD project.

The expert team prepared the Czech Republic's reply to the US diplomatic note with a view to creating a sound basis for further negotiations. The reply, also in the form of a diplomatic note, was approved by the Government of the Czech Republic on 28 March 2007 and presented to the US side on the same day. Following this exchange of diplomatic notes, the expert teams of the USA and Czech Republic could commence negotiations on legally binding agreements.

It was decided that the Czech Republic's potential involvement in the missile defence project would be governed by two principal agreements that would be subject to the approval of both chambers of Parliament of the Czech Republic and ratification by the president.

1. Agreement between the Czech Republic and the United States of America on Establishing a United States Ballistic Missile Defense Radar Site in the Czech Republic; and
2. Agreement between the Czech Republic and the United States of America on the Status of United States Forces Present in the Territory of the Czech Republic.

The negotiations proper commenced in April 2007. They ran throughout 2007 and are expected to be completed in spring 2008. During the negotiations the Czech side proceeded according to the Guidelines approved by the National Security Council, which defined the negotiating team's mandate and negotiating position.

Based on an analysis drawn up by the Ministry of Defence of the Czech Republic, on 3 July 2007 the National Security Council took note of the fact that the location proposed for

the possible radar site is at point 718.8, approximately 2 km northeast of the Míšov municipality in the Brdy military area.

The sides proceeded according to the following rough timetables: if the agreements are signed and ratified by both countries, the actual construction of the radar site would take place in the years 2009-2011. Tests would be conducted in the years 2011-2012 and the radar could be made operational in 2013.

In view of the strategic significance of the ongoing negotiations on the possible establishment of the US missile defence radar site in the Czech Republic, contacts between the two countries were intensified. Besides the regular Czech-American consultations regarding the negotiation of the agreements on the establishment of the radar site in the territory of the Czech Republic, missile defence became one of the main topics of discussions at the highest level – during the visit to the USA by President V. Klaus in March 2007 and the visit to the Czech Republic by US President G. W. Bush in June 2007, and during the visit to the USA by Minister of Foreign Affairs K. Schwarzenberg in April 2007. Besides President Bush, in 2007 Prague was visited by US Secretary of Defence R. Gates, Missile Defence Agency director General H. Obering, a delegation from the US Congress led by chairperson of the Subcommittee on Strategic Forces of the House Committee on Armed Services E. Tauscher, and a number of other senior representatives.

Right from the start, the Czech Republic placed the primary emphasis on transparency and the deepening of cooperation with all partners involved in the missile defence system. Highly useful in this regard were bilateral talks with all countries involved in the US missile defence system (Denmark, Great Britain, Poland) and with countries that have traditionally expressed varying degrees of reservations about the European pillar of US MD (Norway, Germany, France, Austria). The dialogue and exchange of experiences in 2007 were particularly intensive with Poland at all political levels, even though the two countries' negotiation procedures and treaty architectures differ.

In view of Russia's strong opposition to US MD, the Czech Republic closely observed US dialogue with the Russian Federation and appreciated the USA's constructive attitude towards the involvement of Russia in MD. Regrettably, the Russian Federation opted for a confrontational rather than cooperative approach to MD, which undoubtedly had a negative

impact on the discussions about the system, not just at bilateral level but also within NATO and with regard to certain third countries.

The Czech Republic does not see merely strategic and military advantages in its potential involvement in US MD – it also envisages a positive economic impact, mainly because Czech firms and research institutions will have easier access to American arms contracts. The negotiations with the USA therefore also covered this area in 2007.

Negotiations on the NATO MD system

The NATO summit held in Riga, in November 2006, approved the Missile Defence Feasibility Study that was initiated at the NATO summit in Prague in 2002 and that declared that NATO MD was technically feasible. In Riga, the Allies approved a number of tasks for further work on missile defence, including updating the Alliance's assessment of the threats stemming from a possible ballistic missile attack.

In September 2007, an update of the document from 2004 defining the risks and threats to the Alliance posed by ballistic missiles was approved. The update confirmed that the threat to Alliance territory has not decreased; in fact, the proliferation of weapons technologies means the reverse is true.

After the USA submitted its proposal to Czech Republic and Poland in January 2007, it was clear that the work as tasked by the Riga summit would have to be modified so that if bilateral negotiations progressed positively and the “European pillar of US MD” was put in place the Alliance would be able to make full use of this development.

Throughout 2007, Czech diplomacy therefore concentrated, both on the multilateral level in NATO and on the bilateral level with the USA, on finding a suitable way to interlink the negotiations on both systems which are currently in very different phases of implementation.

One success was the outcome of the meeting of NATO defence ministers in Brussels in June 2007, when the task as defined in Riga was modified to the effect that all future work on the development of the NATO system should take into consideration the potential existence of the European pillar of US MD. This modified task served as the Alliance's basis when preparing groundwork for the decisions of heads of state and government at the

Bucharest summit, even though the Alliance had to overcome certain limits of a technical and, even more so, political nature.

In particular, the Alliance conducted analyses that confirmed that the European pillar of US MD brings significant benefits to the security of Europe and can be combined with the NATO missile defence architecture. Czech diplomacy therefore expects the Bucharest summit to achieve the following results (and would regard such an outcome as the successful culmination of its efforts on this issue throughout 2007):

1. confirmation of the increased missile threat;
2. confirmation that the European pillar of US MD will help protect Europe against the missile threat;
3. confirmation of the possibility that the two systems can be combined in future;
4. a report setting out what still needs to be done to protect all of Europe against ballistic missile attacks, i.e. what the possibilities and conditions are for the involvement of NATO MD; or a confirmation that the Alliance's future work will be guided by the principle of the indivisibility of the security of its members, i.e. the assurance that there will not be any major differences in the protection of individual member countries against a possible attack by ballistic missiles.

3. The Czech Republic and Regional Cooperation

Visegrad cooperation

The V4 format has established itself as a natural and respected form of regional policy in Central Europe. Since the Visegrad Group countries' accession to the European Union, EU issues have become a standard part of consultations in the V4 format. Besides bringing countries in the region closer together, V4 also helps shape EU policy and enhance the EU's prestige both in V4 member states and in general. The programmes of the individual presidencies of the Visegrad Group correspond to the priorities of the presidencies of the Council of the EU – as a rule, prime ministers of EU presidency countries are guests at the summits of heads of government of V4 countries. In 2007, the June summit of heads of government of V4 countries was attended by the Portuguese prime minister and the December V4 summit by the prime minister of Slovenia. V4 countries regularly declare their support for EU enlargement, particularly in respect of Western Balkans countries. The Visegrad Group sees EU enlargement as an instrument for reinforcing stability in Europe and strengthening the EU's position in the world, and therefore believes that it should remain an open-ended process. Besides political support, V4 countries provide candidate and potential candidate countries with technical support in the form of know-how, based on their own experiences with the transformation and accession process.

As regards current EU issues, during 2007 there was an intensification of consultations on positions and exchange of experiences between experts from V4 countries' Permanent Representations in Brussels; the COEST, COTRA and COASI issues were regularly discussed; V4 representatives met to discuss the reform of the Common Agriculture Policy and support for the eastern dimension of the ENP, to discuss cooperation in the field of customs or on the issue of the spread of democracy and visa facilitation for citizens of Belarus. On this issue, V4 is trying to find the technical ways and means within the EU to propose a reduction in visa fees for Belarus citizens as a unilateral measure taken by Schengen countries. The Czech Republic presented a draft strategy for policy towards East European countries with a view to establishing a stronger position within the EU for the development of cooperation with countries of the region and gaining the widest possible support for the initiative across the EU. Based on coordinated V4 activities to strengthen the

eastern dimension of the ENP, the V4 presented the following joint statements, contributions and documents in EU bodies:

- The Visegrad Group Contribution to the Discussion on the Strengthening of the European Neighbourhood Policy (via COREU and Gymnich, Bremen, March 2007);
- The Visegrad Group Position Paper on Governance Facility and Neighbourhood Investment Fund (COEST, Brussels, April 2007);
- Joint Statement from the Meeting of Foreign Affairs Ministers of V4 Countries and Moldova (October 2007, Štířín, Czech Republic);
- Joint Political Statement of the Visegrad Group on the Strengthening of the European Neighbourhood Policy (GAERC, Brussels, November 2007).

Another topical issue that was systematically monitored in 2007 was the accession of V4 countries to Schengen. In December 2007, the V4 countries jointly expressed their appreciation to the Portuguese presidency of the Council of the EU for its support and assistance, particularly in connecting to the Schengen Information System.

The meeting of the prime ministers of V4 and Benelux countries in June 2007 confirmed the tradition of long-term cooperation between the two regional groupings; furthermore, during the Slovak and Czech presidencies last year V4 also established contacts with other entities. Enhanced cooperation between V4 and Baltic states at expert level was confirmed by a meeting of prime ministers of V4 countries and Baltic states (B3) on the sidelines of the December European Council in Brussels. The meeting heralded further steps to coordinate mutual activities, most notably in the field of foreign policy activities in respect of East European countries, with particular emphasis on Belarus and strengthening the eastern dimension of the ENP. The activities of V4 and B3 countries were also coordinated within the framework of the Coalition for Visa Equality, particularly as regards Canada and the USA, where positive results were achieved. In the same format, foreign affairs ministers met in Brussels on the sidelines of the European Commission's conference on the ENP. The Czech Republic hosted a seminar organised by the Netherlands and V4 countries to examine the possibilities for trilateral cooperation for the benefit of east and southeast European countries. The Human Rights House in Vilnius hosted a presentation by the Visegrad Group and International Visegrad Fund primarily intended for selected representatives of Belarus. The

meeting of foreign affairs ministers of V4 countries and Moldova in the Czech Republic resulted in a joint statement of support for Moldova.

Parliamentary EU committees and chiefs of general staff met in the V4 + Ukraine format; in the V4 + Romania and Bulgaria format there were meetings of parliamentary agriculture committees and experts in strategic political planning, as well as discussions on questions of regional cooperation at the level of regional development ministers. In addition, a meeting was held between experts on EU issues from the foreign affairs ministries of V4 countries and France. At working level during 2007, a plan was made for regular consultations between V4 countries and Japan (foreign affairs ministers expressed the will to implement selected projects in Hamburg in May 2007), Israel and the GUAM organisation (Georgia, Ukraine, Azerbaijan, Moldova) to identify specific areas of potential cooperation. The attention of V4 is gradually spreading to more remote areas as well, such as the Caucasus or Central Asia: a V4 non-paper entitled “Implementation of a Strategy for a New Partnership between EU and Central Asia” was presented at a session of the working party for Eastern Europe and Central Asia (COEST) in Brussels in July 2007.

In the area of V4 inter-ministerial cooperation, meetings between ministers of culture, education, justice, defence, transport, agriculture and the environment brought concrete results in 2007. Transport ministers discussed member countries’ positions on the EU’s new legislative proposals on road transport and other projects of the European Commission. The 17th Culture Ministers meeting presented the Literary Anthology of Visegrad 4 Countries, a collection of works by Central European writers, and supported the Visegrad Library project managed by Host publishers from Brno, which is to present the development of literature in V4 countries over the past fifteen years. The agriculture ministers focused mainly on the EU Common Agricultural Policy, reform of the wine sector and sugar sector, and milk quotas. The meeting of environment ministers was attended by British Secretary of State for Environment, Food and Rural Affairs I. Pearson; cooperation focuses on waste, the drawing of EU funds, soil protection and cooperation on energy. The ministries also cooperate within the framework of the EU ministerial councils and working groups. Cooperation between Visegrad ministries at the level of expert forums in 2007 took place mainly in the fields of culture, education, defence, trade and industry, the interior, and tourism. Meetings in the V4 format were also held between experts on security policy and presidents of academies of sciences.

A summit of V4 presidents took place in Keszthely, Hungary, in September 2007.

The programmes of the International Visegrad Fund (IVF) were expanded in 2007. The increase in the Fund's budget to EUR 5 million per annum from 2007 resulted in a marked increase in both the number of grant applicants and the number of scholarships provided by the IVF. Compared to the previous years the number of provided scholarships doubled; the number of applicants for grants is also rising constantly. The International Visegrad Fund is one of the biggest providers of scholarships in Ukraine and a decision was made to provide IVF scholarships to students from Western Balkans countries as well from the year 2008/2009. A new programme also awards one-off financial support to universities that introduce Visegrad studies as a course. In connection with the foreign policy priorities of V4, the IVF is widening the geographical scope of its activities to encompass an eastern and southeastern dimension, with the emphasis placed mainly on the transfer of V4 countries' know-how and transformation experiences to countries in other regions. These goals are achieved primarily through "strategic projects" that derive from the priorities of the programmes of V4 presidencies. In line with the priorities of the Slovak presidency of V4, the themes of strategic grants for 2007 were: Linking Regional V4 Identity with European Identity, Modern Approaches to Raising the Awareness of the Public about Visegrad Cooperation, and Sharing V4 Know-how with Neighbouring Regions. In 2007, the V4 presidency also supported further steps in the V4 information and communication strategy and PR activities, also covering the work of the IVF.

Meetings of representatives of Visegrad Group states in 2007:

- 10-12 January 2007 – meeting of culture ministers of V4 countries in Budapest (Hungary);
- 15-16 January 2007 – meeting of parliamentary EU affairs committees of V4 countries and Ukraine in Krakow (Poland);
- 8-10 March 2007 – meeting of justice ministers of V4 countries in Hévíz (Hungary);
- 12 April 2007 – meeting of V4 defence ministers in Bratislava (Slovakia);
- 18 April 2007 – meeting of speakers of parliament of V4 countries in Prague (Czech Republic);
- 19-20 April 2007 – meeting of V4 transport ministers in Stará Lesná (Slovakia);

- 23-24 April 2007 – meeting of presidents of Academies of Sciences of V4 countries, Smolenice (Slovakia);
- 24-25 May 2007 – meeting of V4 environment ministers in Prague (Czech Republic);
- 28-29 May 2007 – meeting of foreign affairs ministers of V4 countries and Japan in Hamburg;
- 18 June 2007 – official summit of prime ministers of V4 countries and Portugal in Bratislava (Slovakia);
- 25-26 June 2007 – conference of V4 regional development ministers and their counterparts from Bulgaria and Romania in Sliach (Slovakia);
- 20-21 September 2007 – summit of presidents of V4 countries in Keszthely (Hungary);
- 27-28 September 2007 – meeting of culture ministers of V4 countries in Bratislava (Slovakia);
- 25 October 2007 – meeting of foreign affairs ministers of V4 countries and Moldova, Štířín (Czech Republic);
- 9-10 December 2007 – unofficial summit of prime ministers of V4 countries and Slovenia in Ostrava (Czech Republic);
- 14 December 2007 – meeting of prime ministers of V4 countries and Baltic states in Brussels.

Central European Initiative (CEI)

The year 2007 was something of a milestone for the CEI in terms of the achievement of its original purpose, i.e. bringing its countries closer to the EU and preventing the creation of new dividing lines in Europe: following Bulgaria's and Romania's accession to the EU exactly half (i.e. nine) of the members of the CEI are in the EU. Consequently, the CEI could not avoid a debate about its future direction. The effort to change the scope of the CEI was reflected in negotiations about its reform – the major part of 2007 was devoted to preparing this reform, both at the level of CEI working groups and, most notably, at meetings of national coordinators and the executive secretariat. In line with the CEI Plan of Action adopted in 2006 for the 2007-2009 period, the reform focuses on strengthening CEI activities in the following areas in the coming period: enterprise development, including tourism; information society and the media; intercultural cooperation, including minorities;

environment, climate, and sustainable energy; multimodal transport; science and technology; sustainable agriculture; interregional and cross-border cooperation. The final form of the reform was approved by the prime ministers of CEI member states at their November meeting in Sofia, and most of the reform process will take place during 2008.

The vast majority of CEI activities take place through approved projects that are financed or co-financed out of the relevant CEI funds. Following the preliminary evaluation and selection of the project proposals, 80 cooperation projects worth a total of EUR 5.1 million were approved, with the CEI's funding accounting for 15.3% of that sum, i.e. EUR 785,000.

What is more, the CEI provided a further EUR 506,000 from its Trust Fund at the EBRD for four technical cooperation projects and took part in the implementation of ten EU-funded programmes worth a total of EUR 9.4 million (providing a contribution of EUR 794,000).

The number of approved projects and related financing confirm that the CEI has not lost its significance and viability in the current conditions of a highly competitive environment of multifarious international institutions in the European area. The accent on bottom-up initiatives and flexible response to the changing needs of both the member countries and their mutual cooperation remains the CEI's comparative advantage.

Thematically, the CEI's attention in 2007 was focused primarily on the areas of transport, energy (with the emphasis on the use of renewable energy sources), agriculture, tourism, cross-border cooperation and human resources development. It was here that the Czech Republic significantly enhanced its profile by organising an international CEI conference entitled "Forum on Human Resource Development"; the conference has been held regularly in Prague since 2005 with the financial support of the Czech Republic. In 2007, this conference was specifically devoted to adult education and training in regions. The organisation of this conference – which has been categorised as a CEI "feature event" since 2006 – represents the Czech Republic's concrete contribution to the pursuit of the original objectives of the CEI: facilitating exchanges of experiences and know-how to spur economic growth (in the given case by strengthening the workforce's employability and competitiveness on the changing labour market) and to assist the integration efforts of CEI member states, including bringing them closer to the EU. As in previous years, the conference

was organised by the National Training Fund and held under the aegis of the Ministry of Foreign Affairs of the Czech Republic on 7 December 2007; it was attended by First Vice-Chair of the Government Research and Development Council M. Kopicová. The conference was preceded by a meeting of the CEI Working Group on Human Resources Development and Training, which the Czech Republic co-chairs.

As the CEI presidency country, Bulgaria reflected its own priorities in the calendar of significant CEI events in 2007 that Bulgaria itself organised. Besides traditional events, such as the Summit Economic Forum, the Youth Forum, and the regular institutional meetings of heads of government, foreign ministers, parliamentarians and, of course, CEI national coordinators, Bulgaria also hosted meetings of agriculture ministers on the question of food quality control, and meetings of transport ministers on questions of the modernisation and optimisation of transport infrastructure in the CEI region.

The negotiations conducted within the CEI in 2007 were accompanied by discussions on the prospects for further regional cooperation following Bulgaria's and Romania's accession to the EU as of 1 January 2007 and the progress in bringing Western Balkans countries closer to the EU and European Neighbourhood Policy, which has key significance for the eastern countries of the CEI. Deepening CEI cooperation with other regional organisations and institutions should also be an important instrument for achieving these goals.

Regional Partnership

The Regional Partnership (Austria, Czech Republic, Hungary, Poland, Slovakia, and Slovenia) is a grouping that, since its inception in 2001, has focused mainly on cooperation on issues falling within the competence of interior ministries (internal security, asylum and consular matters), on culture and on joint infrastructure projects; its foreign policy focus is mainly on the Western Balkans region.

At the highest level in 2007 there were meetings of ministers of foreign affairs, interior and speakers of parliament; there were also numerous expert consultations between representatives of other ministries.

In the area of foreign policy, cooperation between Regional Partnership countries focuses mainly on assistance to Western Balkans countries in their efforts to integrate into the

EU (known as the Budapest process). Every Regional Partnership member country is the coordinator of assistance in one of the specified areas. The Czech Republic is the coordinator for cooperation in the transfer of experiences concerning the application of internal market principles. As part of this project, in 2007 the Ministry of Foreign Affairs of the Czech Republic and the Czech Office for Standards, Metrology and Testing co-organised three seminars for experts from Western Balkans countries and an expert tour of the capital cities in the area, combined with lectures by experts from the Office and the Ministry. The 8th conference of foreign affairs ministers in Bratislava reviewed the Budapest process to date and discussed its further deepening. The Serbian Minister of Foreign Affairs V. Jeremić was a guest at the conference.

In recent years, the field where cooperation has been developing most successfully and bringing concrete results has been internal security, falling within the competence of interior ministries (the so-called Salzburg Forum, which comprises the Regional Partnership countries and Romania and Bulgaria). The Salzburg Forum's long-term focus is on police cooperation in the fight against organised crime, the security of external borders, migration, security at major sporting events (e.g. the football European Championships), cooperation in ensuring road safety, and information exchange. In 2007, interior ministers from Salzburg Forum countries met in Innsbruck and with their counterparts from Albania, Bosnia and Herzegovina, Montenegro, Croatia, Macedonia/FYROM and Serbia in Pleven, Bulgaria; they also meet regularly on the sidelines of meetings of the Justice and Home Affairs Council in Brussels or Luxembourg.

The Central European Cultural Platform is a successful form of cooperation in the Regional Partnership format. Its working group, which concentrates on promoting the cultural life and art of Regional Partnership countries, meets regularly twice a year; in 2007, these meetings were held in Wroclaw in Poland and in Linz in Austria.

Meetings of representatives of Regional Partnership states in 2007:

- 11-12 June 2007 – meeting of the Central European Cultural Platform (Regional Partnership) in Wroclaw;
- 3 July 2007 – 8th conference of foreign affairs ministers of the Regional Partnership and Serbia in Bratislava;
- 12-13 July 2007 – meeting of interior ministers of the Salzburg Forum (Regional

Partnership + Romania and Bulgaria) in Innsbruck;

- 21 September 2007 – meeting of interior ministers of Regional Partnership countries, Romania, Bulgaria, Albania, Bosnia and Herzegovina, Montenegro, Croatia, Macedonia/FYROM and Serbia in Pleven, Bulgaria;
- 21-22 October 2007 – meeting of the Central European Cultural Platform (Regional Partnership) in Linz;
- 9-10 November 2007 – summit of speakers of parliament of Regional Partnership countries in Budapest.

Stability Pact for South East Europe

For the Stability Pact for South East Europe, 2007 was a year of preparations for the end of its work and the transfer of responsibility for regional cooperation to the countries of the South East European region as represented by a successor organisation, the Sarajevo-based Regional Cooperation Council (RCC). The accession of Bulgaria and Romania to the EU from 1 January 2007 meant that the countries of the Western Balkans were surrounded on all sides by EU member states. Moldova retained its specific place in the Stability Pact as the only beneficiary country without clear prospects for EU membership.

The Czech Republic participated actively in the transformation of the Stability Pact and the formation of the new RCC and pledged to continue providing both expertise and financial assistance to the region in the future. In this context, the Czech Republic was one of the first countries to provide a contribution in support of the creation of the RCC Secretariat and also became a member of the nascent RCC Board.

With a view to assisting the ongoing transformation, disengagement from the SESP framework and making individual areas of regional cooperation independent of one another, the Czech Republic financially supported the programme activity of the SESP regional centres. This assistance was provided to projects of the Zagreb-based Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC), focusing on exchange of experiences from preparations for membership in the North Atlantic Alliance and European Union. The Czech Republic also supported a project of the Skopje-based Migration, Asylum and Refugees Regional Initiative, whose aim is to assist Western Balkans countries implement visa facilitation agreements, and the Disaster Preparedness Prevention Initiative (DPPI), whose significance in the region continued to grow in consequence of the floods and

fires that have endangered countries in the region in recent years.

The Czech contribution to the work of the Danube Infrastructure Cooperation Forum under the Southeast Europe Cooperative Initiative (SECI) was for a similar purpose – the Forum is meant to help improve the use of the Danube and its benefit for the economic and social development of the South East Europe region.

Within *Working Table I for democratisation and human rights*, the Czech Republic continued to support a Caritas Czech Republic project designed to help integrate Roma citizens into Serbian society by solving problems with personal documents and using training courses to improve their qualifications and subsequent prospects on the labour market.

Within *Working Table II for economic cooperation, renewal and development*, the Czech Republic went ahead, on the basis of a Regional Partnership initiative, with the transfer of experiences with preparations for EU accession, focusing on the issue of standardisation and normalisation, holding expert seminars for experts from Albania, Bosnia and Herzegovina, Croatia, Montenegro, Macedonia/FYROM, Serbia, organised by the Czech Office for Standards, Metrology and Testing in cooperation with the Ministry of Foreign Affairs.

The Czech Republic actively supported the efforts of *Working Table III for defence and security* by continuing the secondment of a representative of the Czech Republic to the Office of the Special Coordinator of the Stability Pact in Brussels. The Czech Republic's long-term contribution to the Stability Pact was rewarded by the appointment of Czech diplomat J. Kalašnikov to the post of director of Working Table III.

The Czech Republic paid increased attention to Kosovo, partly in connection with the ongoing negotiations on its future status. By supporting a project to complete the construction of a sports centre for young people in the municipality of Zvečan, the Czech Republic strove to improve the living conditions of the predominantly Serbian population living in the north of Kosovo. Similarly, the Czech Republic contributed to the renovation of the Orthodox monastery of Draganac, thus supporting the self-help activities of the local population seeking to preserve the monastery, which is one of the focal points of the Serbian Orthodox community in Kosovo. The presence of the Czech military contingent in KFOR in Kosovo also contributed significantly to the overall stabilisation of the area.

The Czech Republic also supported Stability Pact activities in the context of international organisations, chiefly the European Union and North Atlantic Alliance.

4. The Czech Republic and Other European International Organisations and Forums

The Czech Republic and the Organisation for Security and Cooperation in Europe (OSCE)

The Czech Republic continues to regard the OSCE as an important part of the European security architecture. Supporting its work is one of the Czech Republic's long-term foreign policy priorities. The Czech Republic's primary concern is for the OSCE to be a flexible organisation capable of adapting to current challenges and tasks. The Czech Republic supports efforts to strike a balance between all three dimensions of the OSCE (military/political, economic/environmental, and humanitarian/human rights) and ensure the observation of the adopted standards by all participating states and in all these dimensions of its work. The Czech Republic also supports the OSCE's efforts to continue to improve its ability to monitor cases of violation of these standards and subsequently help remedy the situation.

The Czech Republic systematically advocates making the OSCE capable of responding flexibly to old and new security threats and risks, and adjusting its instruments accordingly. In the Czech Republic's view, the OSCE's primary roles are conflict prevention, post-conflict renewal and the fight against terrorism. The Czech Republic supports the further deepening of cooperation between Euro-Atlantic organisations and the OSCE security dimension in line with the principles of the Platform for Cooperative Security, approved at the OSCE summit in Istanbul in 1999.

As in previous years, in 2007 the Czech Republic continued to be fully involved in cooperation with other EU member states within the OSCE framework, where EU members account for almost half the participating countries (27 out of 56) and EU members' contributions make up roughly two-thirds of OSCE funds. The Czech Republic was actively involved in formulating EU positions on general matters and specific problems discussed by the OSCE.

In its political and military dimension, the OSCE constantly seeks to implement existing confidence and security building measures as contained in the 1999 Vienna Document to implement the OSCE Document on Small Arms and Light Weapons and other documents such as the Code of Conduct, Principles Governing Conventional Arms Transfers, Global Exchange of Military Information, to support implementation of the Anti-Personnel Landmines Convention, etc. The Czech Republic plays an active role in all these activities.

One highly important part of the OSCE's work in the political and security dimension consists in the talks on the arms control regime that take place in the context of the Joint Consultative Group of the states parties to the Treaty on Conventional Armed Forces in Europe (CFE). 30 OSCE participating states are states parties to the CFE, which the Czech Republic regards as one of the cornerstones of European security.

The Czech Republic strives to ensure that the adapted Treaty on Conventional Armed Forces in Europe is ratified soon. The Agreement on Adaptation of the CFE is significant for the Czech Republic because it eliminates the bloc-based concept of the original treaty and improves the verification system for the structures of the states parties' armed forces. Implementation of the Adapted CFE should further enhance transparency and build confidence in the disarmament regime as a whole. Like other NATO countries, the Czech Republic will ratify the Adapted CFE after Russia fulfils the political commitments it assumed in respect of Georgia and Moldova at the OSCE Summit in Istanbul in 1999 (known as the Istanbul commitments).

2007 saw the culmination of the Russian Federation's long-standing dissatisfaction that NATO states have not yet ratified the Adapted CFE. At Russia's suggestion, an Extraordinary Conference on the Adapted CFE was convened in Vienna in June 2007, but it brought no significant progress in the negotiations to date. Other, informal talks on the issue took place during October and November (Bad Saarow, Paris) and also on the sidelines of the OSCE Ministerial Council meeting in Madrid in November 2007. However, these talks brought neither tangible results nor any rapprochement of positions.

In summer 2007, Russia declared that it intended to suspend its observance of the commitments set out in the operative Treaty (CFE). However, the Treaty does not legally enable a unilateral moratorium.

Russia's suspension of the implementation of its commitments stemming from the Treaty entered into effect at midnight on 12 December 2007. Its first consequence was that Russia did not hand over its annual information on its armed forces and on implementation of its Treaty commitments to the other states parties by the given deadline (14 December 2007).

Based on a US initiative, since summer 2007 there have been frequent bilateral negotiations with the Russian Federation as part of the Parallel Actions Plan, supported by NATO countries, whose purpose was to help bring the two sides' positions closer together and create the right conditions for, among other things, ratification of the Adapted CFE. These negotiations brought no significant results by the end of 2007, however.

Besides the Extraordinary Conference on the CFE, the high point of the political security dimension was the 5th Annual Security Review Conference (ASRC) held in Vienna in June 2007. The 17th Annual Implementation Assessment Meeting (AIAM), which has now traditionally become the main political/military event of the Forum for Security Cooperation, was a similarly important event (March 2007).

The main OSCE event in the economic/environmental dimension in 2007 was the 15th Economic and Environmental Forum – the first part took place in Vienna on 22-23 January and the second part in Prague on 21-23 May. On the occasion of the second part of the 15th EEF organised by the Czech Republic, Chairman-in-Office of the OSCE and Minister of Foreign Affairs of Spain M. A. Moratinos paid a visit to the Czech Republic on 21 May 2007. As usual, the UN Economic Commission for Europe (UNECE) took part in the 15th EEF.

The 15th EEF focused on “Key Challenges to Ensure Environmental Security and Sustainable Development in the OSCE Region: Land Degradation, Soil Contamination and Water Management”. The Czech delegation played an active part in both parts of the 15th EEF and in its Second Preparatory Conference, focusing on water management, that was held in Zaragoza on 12-13 March 2007.

In 2007, Spain held the OSCE chairmanship. Its term of office culminated with the 15th OSCE Ministerial Council, held in Madrid on 29-30 November 2007. The Czech Republic's delegation was led by Minister of Foreign Affairs K. Schwarzenberg. The plenary session was addressed by the OSCE participating states, the chairman of the OSCE Parliamentary Assembly, the OSCE secretary general, and representatives of international and regional organisations and OSCE Mediterranean and Asian partner countries.

In its address, the Czech Republic strongly emphasised the need to observe the OSCE's principles, standards and commitments; it stressed the need to preserve the autonomy of the Office for Democratic Institutions and Human Rights (ODIHR) and expressed its appreciation for the ODIHR's work in organising and conducting election observation missions in OSCE participating states. It also recalled the importance of the CFE for European security and criticised the attitude of certain states to negotiations on this issue.

Due to difficulties in reaching consensus among the 56 participating states, once again the OSCE Ministerial Council did not achieve many significant results. For the fifth consecutive time, the OSCE Ministerial Council was not able to agree on the text of a Ministerial Declaration, which should be the most important document adopted at the meeting. The Ministerial Council approved a total of twelve documents, but some of these are merely formal or declaratory in nature.

Important documents include the decision on the OSCE chairmanships after 2008 (Greece in 2009, Kazakhstan in 2010 and Lithuania in 2011), partly because it had proved impossible to find a consensus-based solution in the organisation for a long period of time.

The decision on the OSCE's future engagement in Afghanistan may also have positive practical impacts. The document is general in its tone, however, and concrete measures and projects regarding the OSCE presence in Afghanistan still have to be drawn up.

Although it had been expected that several regional statements would be adopted, in the end only one regional statement on Nagorno-Karabakh was adopted. Other approved documents include a statement on OSCE cooperation with partner countries and materials dealing with terrorism, tolerance and non-discrimination, and environmental strategy. It proved impossible to adopt a document on the legal personality of the OSCE that had required considerable effort and time to draw up.

As in previous years, an important part of the OSCE's work in 2007 was its offices, centres and missions ("OSCE field missions") in individual participating states in Southeast Europe, East Europe, the Caucasus and Central Asia. The nineteen field missions focus on providing assistance to the host countries and their work concerns all three OSCE dimensions. There were ten Czech citizens working in OSCE field missions at the end of 2007.

In 2007, the Czech Republic was actively involved in seven OSCE/ODIHR election observation missions in a number of OSCE participating states. It sent one long-term and thirty-four short-term observers on these missions in 2007.

The Czech Republic continues to pay great attention to the work of the Prague office of the OSCE Secretariat. The Ministry of Foreign Affairs provides premises for the office free of charge and seconds the head of this institution. It is the interest of the Czech Republic to enhance further the significance of the office and to deepen its activities for the benefit of the entire organisation, strengthen its function as an archive of historical documents, its role in providing information to experts and the general public, its research capacity, its conference services and, most notably, the annual session of the OSCE Economic and Environmental Forum, which is attended by around 400 people.

The OSCE's annual calendar included three supplementary meetings in the human dimension (on the issue of promotion and protection of human rights; on freedom of assembly and association; and on sexual abuse of children) and the traditional two-week Human Dimension Implementation Meeting (HDIM). There were also several events organised by the OSCE Special Representative and Coordinator for Combating Trafficking in Human Beings.

Throughout the year, the priority of the Spanish chairmanship of the OSCE in the human dimension was the issue of intolerance and discrimination. The chairmanship continued to draw on the reports of its three representatives for various forms of intolerance (anti-Semitism, intolerance against Muslims, discrimination against Christians and members of other religions and other forms of intolerance). After their work was reviewed at the end of the year their mandates were extended. Two conferences were organised: a conference in Bucharest (June 2007) on all forms of intolerance and discrimination, and a conference in Cordoba (October 2007) on the fight against intolerance against Muslims. The Czech Republic continues to be one of the countries that prefer a "holistic" approach to the issue of intolerance.

The OSCE Representative on Freedom of the Media, who actively and impartially promotes the freedom of the media throughout the OSCE region and draws attention to specific cases of violations of this freedom, is also seeking to make defamation decriminalised. On this issue, the OSCE representative sent a letter to the minister of justice

of the Czech Republic appealing for the decriminalisation of slander and libel in the Czech Republic.

Throughout the year, Office for Democratic Institutions and Human Rights (ODIHR) continued to be the target for intensive criticism from certain member states. In response to a proposal designed to restrict the ODIHR's autonomy when observing elections, the Czech Republic supported a counter-proposal for the preservation of this autonomy and the strengthening of OSCE member countries' election commitments. Neither proposal was adopted, but the autonomy of the ODIHR remained intact.

The question of the participation of non-governmental organisations in OSCE events came to the forefront of attention during 2007. Criticism expressed by non-governmental organisations has for long been inconvenient for a number of countries. Such countries endeavour to use procedural measures to limit the participation of non-governmental organisations in OSCE actions as much as possible. The Czech Republic stood firm on its principled position rejecting restrictions on participation by non-governmental organisations.

Council of Europe

The 117th session of the Council of Europe's Committee of Ministers was held in Strasbourg on 10-11 May 2007. Serbia took over the chair of the Council of Ministers for a six-month period and was replaced by Slovakia in November 2007. The Czech delegation at the meeting was led by the Czech Republic's ambassador to the Council of Europe.

The principal points on the agenda were: 1) consolidation of the human rights protection system, and specifically deliberations on reform of the control mechanism of the European Convention on Human Rights in the light of the report prepared by the Group of Wise Persons; and 2) relations between the Council of Europe and the European Union, in particular the Memorandum of Understanding, follow-up of the recommendations of the Juncker report and cooperation between the Council of Europe and EU Agency for Fundamental Rights. A third topic was follow-up work on other priorities resulting from the 3rd Council of Europe summit, most notably implementation of the Action Plan in the field of structural reform and reform of the organisation's working methods and the development of inter-cultural dialogue. The ministers adopted a communiqué whose central theme was the implementation of the decisions of the 3rd Council of Europe summit.

During the 117th session of the Council of Ministers, Montenegro was officially welcomed as the 47th member state of the Council of Europe and a Memorandum of Understanding between the CoE and the EU was signed.

In November 2007, the CoE high-level task force on social cohesion, which was set up under a decision taken at the 3rd summit with a view to reviewing the CoE's existing strategy to promote social cohesion and define new requirements in the 21st century and in which the Czech Republic was represented by an expert from the Ministry of Labour and Social Affairs, completed its almost two-year assignment. The report prepared by the task force outlines various approaches to the issue of social cohesion and both short-term and long-term goals and contains a number of recommendations for member states.

Two observers from the Czech Republic participated in the Council of Europe's election observation mission in Kosovo (17 November 2007).

The 3rd Council of Europe Forum for the Future of Democracy was held in Stockholm/Sigtuna on 13-15 June 2007. Its core theme was "Power and Empowerment: the interdependence of democracy and human rights"; the discussions focused on the working of representative and direct democracy and the influencing of political decision-making by civil society in ways other than the exercise of the right to vote.

On 18-19 June 2007, Minister of Foreign Affairs K. Schwarzenberg visited Strasbourg and met with the Council of Europe Secretary General T. Davis. During a visit to Strasbourg (14-16 November 2007), Chairman of the Government Legislative Council and Minister C. Svoboda also held a meeting with the CoE Secretary General as well as with the President of the European Court of Human Rights, J.-P. Costa. The CoE Secretary General T. Davis visited the Czech Republic for a meeting of the supreme bodies of the Council of Europe Development Bank (CEB), held in Prague on 14-17 June 2007.

The Czech Republic was actively involved in negotiations on the Council of Europe's programme of activities for 2008 and in budget discussions. Although funding was increased for the European Court of Human Rights and the CoE Commissioner for Human Rights, the financial surplus from 2006, combined with the CoE Secretary General's requirement that all directorates and bodies of the CoE comply with economy measures, helped maintain zero real growth (i.e. the budget was only increased by the inflation coefficient). The Czech Republic voted to approve the budget; in accordance with its long-term priorities in the Council of

Europe, the Czech Republic promoted strengthening (and increasing funding for) programmes and cooperation and development activities focusing primarily on the countries of East Europe and the Western Balkans and on the issues of human rights and legal cooperation.

In 2007, the Czech Republic supported the reform measures in the Council of Europe secretariat (simplifying and clarifying the internal working of the organisation and identifying internal savings, including pay growth limits for secretariat staff and the well-considered hiring of external staff). As part of the reforms, the Directorates General I and II were merged in 2007 to create the Directorate General for Human Rights and Legal Affairs. The Czech Republic supported the merger on the condition that this would be merely the first step in the reform of the secretariat's structure. The Czech Republic will continue to push for reform, particularly in the social cohesion and cultural affairs directorates.

In 2007, the Czech Republic signed one CoE convention, namely the Protocol amending the European Convention on the Suppression of Terrorism (ETS 190).

The European Court of Human Rights delivered a total of eleven judgments and thirteen other decisions in respect of the Czech Republic in 2007. On 13 November 2007, it delivered a judgment in the case of *D. H. v Czech Republic* concerning the placement of eighteen Roma children in special schools. The court held that the Czech Republic had violated the prohibition of discrimination enshrined in Article 14 of the European Convention on Human Rights, read in conjunction with Article 2 of Protocol No. 1 to the Convention (right to education).

5. The Czech Republic and International Organisations

United Nations Organisation (UN)

The Czech Republic's participation in UN activities is increasingly channelled through the EU's coordination mechanisms. The Union's positions on UN-related issues that are subject to coordination within the EU are formulated primarily by the CONUN working group, but also by CODUN, CONOP, COHOM, CODEV and COTER, and presented at UN forums by the EU presidency. The Czech Republic acts independently in matters where there is no common EU position.

Principal UN bodies

61st session of the UN General Assembly

The 61st session of the United Nations General Assembly (GA), chaired by Bahrain's ambassador Haya Rashed Al Khalifa, continued in the first half of 2007. One of the main topics of this part of the session was implementation of the commitments adopted in the Outcome Document of the UN summit in 2005 regarding reform of the UN (making the organisation's management and working more effective and reviewing older mandates). In addition, a whole series of conferences on economic and social development took place during the spring part of the 61st UN GA. Newly established institutions – the Peacebuilding Commission (PBC) and the Human Rights Council (HRC) – also stepped up their work.

62nd session of the UN General Assembly

The main (autumn) part of the 62nd session of the UN GA took place from 18 September to 21 December 2007 in New York. Former Macedonian foreign affairs minister S. Kerim was elected president of the 62nd UN GA. The key events from the point of view of the Czech Republic were: 1) the election of non-permanent members of the UN Security Council; 2) the High-level Meeting on Climate Change organised by the UN Secretary General; and 3) the opening General Debate of the General Assembly. Top-level political representatives of the Czech Republic attended all three events in New York. Other central themes of the programme of the autumn part of the 62nd UN GA were global climate change, inter-cultural and inter-religious dialogue, the fight against poverty and the Millennium Development Goals, disarmament and international security, the fight against terrorism, human rights, and making the UN's work more effective, including impacts on its budget.

The Czech delegation at the 62nd UN GA in New York was led by President V. Klaus, accompanied by Minister of Foreign Affairs K. Schwarzenberg.

On 24 September 2007, on the eve of the General Debate of the 62nd UN GA, a one-day High-Level Meeting on Climate Change was convened by the UN Secretary General Ban Ki-Moon. The meeting was attended by representatives of 151 countries, including 71 heads of state and government. President V. Klaus took part in the summit on behalf of the Czech Republic.

The summit featured a debate that was divided into four thematic plenaries that took place in parallel: (1) *Adaptation*, concerning the need to adapt to climate change, where President V. Klaus took part in the panel discussion; (2) *Mitigation*, concerning the need to reduce emissions; (3) *Technology*, concerning the need to develop and disseminate technologies; and (4) *Financing*, concerning possible sources and means of financing environmental measures. The Secretary General's intention was to create sufficient political momentum for the UNFCCC (United Nations Frame Convention on Climate Change) held on 3-14 December 2007 on the Indonesian island of Bali. The consensual approval of a resolution on global climate protection entitled "Protection of global climate for present and future generations of mankind" also sent out a clear signal.

The General Debate of the UN GA took place from 25 September to 3 October 2007. The opening speeches were delivered by UN Secretary-General Ban Ki-Moon and president of the UN GA S. Kerim. High-level representatives of the 192 UN member states took part in the General Debate. V. Klaus delivered a speech on behalf of the Czech Republic.

In their speeches, the representatives of UN member states drew attention both to global problems and to the specific problems of individual countries. Many speakers dealt with the response to crises in problematic regions, above all Darfur, the Middle East, Iraq and Afghanistan, and the fight against terrorism. Considerable attention was paid to tackling the problems of climate change, especially their link to the Millennium Development Goals and the issue of development in general, the eradication of poverty and the fight against transferable diseases. Support was expressed for multiculturalism and the UN's role in resolving worldwide problems was reaffirmed. It was recommended that the effort to reform the UN should continue.

Upon the initiative of the UN GA president, a "High-level Dialogue on Inter-religious and Inter-cultural Understanding and Cooperation for Peace" was held on 4-5 October 2007. The Dialogue was convened with a view to strengthening the initiative calling on UN member states and civil society to support activities promoting tolerance and respect for other religions, cultures and languages. The Dialogue featured speeches by more than 70 ministers and diplomats and civil activists from UN member states. Deputy Minister of Foreign Affairs H. Bambasová took part in the Dialogue on behalf of the Czech Republic and gave a speech during the debate. Two informal panel discussions with leading academics and religious leaders took place in parallel with the debate.

At the elections to the UN Security Council at the 62nd UN GA, the Czech Republic was a candidate for a non-permanent seat for the two-year term of 2008-2009. The other candidate in the Eastern European Regional Group was Croatia. In the light of the results of the second round of voting, the Czech delegation decided to withdraw its candidacy, paving the way for Croatia to be elected in the third round. Costa Rica, Vietnam, Burkina Faso, and Libya were elected to the other non-permanent seats on the UN Security Council.

On 22 December 2007, the plenary session of the 62nd UN GA adopted a resolution approving a budget of USD 4.172 billion for the 2008-2009 term, which represents a slight decrease from the previous two-year period. The European Union managed to push through the reduction of certain budget expenditures, thanks partly to the Czech Republic's involvement. Unlike in previous years when the budget was approved on a consensus basis, this time a vote was called, with the USA the only country voting against. It justified its position by the need to assess the budget in its entirety, which was not possible in the case of the submitted proposal.

Commemorative high-level plenary meeting devoted to the follow-up to the outcome of the 27th Special Session on Children

This meeting of the 62nd UN GA took place on 11-13 December 2007 in New York. The Czech Republic was represented by a delegation led by the Deputy Government Minister for Human Rights and National Minorities and composed of representatives from the Ministry of Education, Youth and Sports and the Permanent Mission of the Czech Republic to the UN in New York. The Deputy Minister gave an address informing about implementation of the conclusions of the 27th Special Session on Children in the Czech Republic. The delegation also participated in the panel discussions, accompanying events and, most notably, the negotiations on the declaration that was adopted at the end of the session and reaffirmed the political support for the conclusions of the 27th Special Session on Children and the recommendations of the Secretary General's "World Fit for Children" report.

UN Security Council

In 2007, the UN Security Council adopted 56 resolutions and issued 47 presidential statements. Besides extending the mandate of ongoing peace operations and responding to events in the Middle East, its agenda also covered the imposition of sanctions

against DPRK and Iran, the worsening security and humanitarian situation in Darfur/Sudan and Somalia, developments in Afghanistan, and the establishment of a special tribunal in connection with the assassination of the former Lebanese prime minister R. Hariri. However, one of the most sensitive political questions discussed by the Security Council in 2007 was the question of the status of Kosovo – consensus could not be reached between the members of the Security Council in 2007, mainly due to the inflexible position of the Russian Federation.

Thematic debates were again a regular item on the Security Council's agenda in 2007; these represent one possible way to discuss topics related to the causes and consequences of armed conflicts, including their impacts on certain social groups such as women and children, counter-terrorism, the reform of the security sector, non-proliferation of weapons of mass destruction and control of the undesirable stockpiling of small arms and light weapons. Climate change became a new topic in thematic debates in the Security Council in 2007.

UN Economic and Social Council

The substantive session of the UN Economic and Social Council (ECOSOC) was held in Geneva on 2-27 July 2007. The substantive session was divided into the following segments: high-level segment (HLS), coordination segment, operational activities segment, humanitarian affairs segment and general segment. The Czech Republic is an ECOSOC member for the 2006-2008 term; its delegation was led by Ambassador T. Husák, the Permanent Representative of the Czech Republic to the UN Office in Geneva.

In the HLS, there was a high-level discussion on current trends in economic development and international economic cooperation, involving senior representatives of UN bodies and organisations, Bretton Woods institutions and the World Trade Organisation, who presented their analyses of the state of and outlook for the development of the global economy. Another item on the agenda of the HLS was the Annual Ministerial Review of the fight against hunger and poverty, based on “national voluntary presentations” of the concerned developing countries. The end of the HLS was devoted to an official event marking the launch of the Development Cooperation Forum (DCF), which should help bring a better understanding of the conceptual framework for genuinely effective development aid provided/received on the widest possible multilateral basis, i.e. harmonised and fully consistent with the Paris Declaration and Monterrey Consensus.

UN international conferences

World Summit on the Information Society (WSIS) / ITU

In 2007, the Czech Republic participated in post-WSIS activities, i.e. the process set in motion by the 2nd phase of the World Summit on the Information Society / WSIS II (Tunis, 16-18 November 2005) and guided by the Action Plan for 2005-2015. Most of the activities were coordinated by the Ministry of Informatics, and after its abolition by the Ministry of Interior, in cooperation with the Ministry of Foreign Affairs. The aim of the post-WSIS period is to ensure implementation of the conclusions of both phases of WSIS and continuation of the process supporting the creation of a global information society for all, focusing on people and their universal development. The Czech Republic again took part in the Internet Governance Forum, whose second session was held in Rio de Janeiro on 12-15 November 2007. In 2007, the Czech Republic reaffirmed its earlier favourable position on the vision of a global information society and its readiness to help resolve the “digital divide” issue in Africa by implementing another project, in collaboration with the International Telecommunication Union (ITU) and a partner from the Netherlands, designed to improve computer and internet literacy – this project is taking place, for the first time, in Uganda.

Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants (POPs)

The 3rd Conference of Parties of the Stockholm Convention on Persistent Organic Pollutants took place in Dakar from 30 April to 4 May 2007. The Czech government delegation was led by Deputy Minister of the Environment K. Bláha. The conference approved the continuation of the work of the Persistent Organic Pollutants Review Committee in its current format and composition. Representatives of the Czech delegation informed the meeting about the state of preparation of the National Implementation Plan in the Czech Republic.

Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer

The 19th meeting of the parties to the Montreal Protocol, which was held in Montreal from 17 to 21 September 2007, adopted a decision specifying the final exemptions for critical

use of methyl bromide by economically developed states The Czech delegation was led by departmental director at the Ministry of the Environment J. Hlaváček. At the session, the Czech Republic was re-elected to the executive committee of the Multilateral Fund for Implementation of the Montreal Protocol for 2007.

Convention on the International Trade in Endangered Species (CITES)

The 14th Conference of the Parties to the Convention on the International Trade in Endangered Species was held in The Hague on 3-15 June 2007. The Conference discussed the need to place the international trade in wild animals under the control of all the countries in the world. The Czech Republic was represented by Deputy Minister of the Environment F. Pojer.

Conference of Parties to the Framework Convention on Climate Change (UNFCCC) and Meeting of the Parties to the Kyoto Protocol (KP)

The 13th Conference of Parties to the Frame Convention on Climate Change and 3rd Meeting of the Parties to the Kyoto Protocol, which entered into force on 16 February 2005 following its ratification by the Russian Federation, took place in Bali on 4-15 December 2007. The Framework Convention and its follow-up Kyoto Protocol are two of the most important documents on climate change; they are the legal foundation for reducing emissions of greenhouse gases to a level not dangerous to Earth in terms of their interaction with the planet's climactic system. One of the central topics was therefore a discussion on further action to be taken in the process of reducing greenhouse gas emissions after 2012. The address given by the head of the Czech delegation, Minister of the Environment M. Bursík, dealt with implementation of the Czech national commitment under the Kyoto Protocol. In the Czech Republic, the session's conclusions will be elaborated upon by the inter-ministerial commission on climate change.

UN Convention to Combat Desertification

The 1st Extraordinary Conference of the Parties to the United Nations Convention to Combat Desertification was held in New York on 26-30 November 2007. The Czech delegation was led by departmental director at the Ministry of the Environment J. Hlaváček.

UN specialised agencies

UN Industrial Development Organisation (UNIDO)

UNIDO is a UN organisation specialising in assistance to developing and transforming countries in the fields of industry, environmental technologies, energy and agriculture. UNIDO helps these countries build up export capacities and a favourable investment climate and assists their integration into the world economy.

The General Conference held in December 2007 was attended by a Czech delegation led by I. Počuch, head of the Permanent Mission of the Czech Republic to the UN in Vienna. The General Conference was preceded in May and June by sessions of the Programme and Budget Committee and the Industrial Development Board, of which the Czech Republic is a member.

The Czech Republic provided a voluntary contribution of CZK 2.5 million to the Industrial Development Fund (IDF). Czech institutions were involved in the implementation of cleaner production projects and a “Training Course on Technology Foresight for Practitioners”, focusing on water management, that was held in Budapest.

United Nations Food and Agriculture Organisation (FAO)

In 2007, the Czech Republic retained its position as the biggest FAO donor among new European Union members. The Czech Republic was represented in the FAO Committee on Constitutional and Legal Matters (2005-2007).

The most significant event of 2007 was the holding of the 34th Session of the FAO Conference (17-24 November 2007), i.e. the supreme governing body of this international organisation which meets regularly at two year-intervals. The Czech delegation was led by I. Hlaváč, 1st Deputy Minister of Agriculture and Chairman of the Czech National Committee for Cooperation with the FAO. The Conference adopted a decision to launch a fundamental reform of the FAO that would transform it into an organisation capable of reacting flexibly to the needs and expectations of member states in the 21st century.

Voluntary contributions drawn from the development cooperation budget heading of the Ministry of Agriculture of the Czech Republic were again allocated via the joint trust fund; in 2007, a total of CZK 10.75 million was provided to cover the costs of FAO training courses and seminars organised in the Czech Republic for experts from East European countries, a new joint Czech Republic/FAO forestry project in Mali, and a contribution to the

national forestry programmes facility that enabled the Czech Republic to join the steering committee of the FAO/NFP Facility.

The number of Czech experts operating as specialists in the FAO head office remained unchanged in 2007: there are currently three working at FAO Rome.

World Health Organisation (WHO)

The 60th World Health Assembly was held in Geneva on 14-23 May 2007, attended by a Czech delegation led by M. Vít, Deputy Minister of Health and Chief Public Health Officer of the Czech Republic.

The 60th World Health Assembly discussed questions of international health security in connection with the entry into force of the revised International Health Regulations. A total of thirty resolutions were adopted during the session, concerning polio and smallpox, the fight against malaria and TB, pandemic influenza preparedness, integrating gender analyses and other related themes. At the end of the session, the World Health Assembly adopted a Medium-term Strategic Plan for 2008-2009.

International Labour Organisation (ILO)

The 96th session of the International Labour Conference, the supreme ILO body, was held in Geneva from 30 May to 15 June 2007. Under the principle of regional rotation, a representative of Africa was supposed to be elected president of the conference. As no joint candidature was put forward by the African group, Albanian deputy labour and social affairs minister K. Sulka was elected to the position. The principal themes of the session were the report of the Director-General of the International Labour Office on implementation of its programme for 2006-2007, with an appendix on the situation of workers in the occupied Arab territories, the “Global Report on the ILO Declaration on Fundamental Principles and Rights at Work for 2007”, focusing on discrimination in the world of work, and Director-General’s report entitled “Decent Work for Sustainable Development”. The Convention on Work in Fishing and related Recommendation were new instruments adopted at the session.

A separate session of the Committee for Implementation of ILO Conventions and Recommendations discussed Burma/Myanmar’s violation of Convention No. 29 concerning forced labour. In support of members’ efforts to achieve the organisation’s goals in the

context of globalisation, the Committee on Strengthening the ILO's Capacity stressed the importance of periodical evaluations of the programme cycle of activities, and greater concentration on implementation of the Decent Work Agenda and on partnership with key UN entities. The Committee on the Promotion of Sustainable Enterprises highlighted the role of the public sector in economic and social development and the possibility of the ILO contributing to the promotion of decent work through the development of sustainable enterprises. The Czech Republic played an active role in the work of all committees and the plenary.

In 2007, the Czech Republic also took part in both regular – spring and autumn – sessions of the Governing Body as a deputy member. The Czech Republic was actively involved in the work of the informal but prestigious Industrialised Market Economy Countries (IMEC) grouping.

World Meteorological Organisation (WMO)

The 15th Congress of the World Meteorological Organisation (WMO) was held in Geneva on 7-25 May 2007. The Congress was attended by more than 1,000 delegates representing 188 member countries of the WMO and a further 36 international organisations. The Czech delegation was led by the director of the Czech Hydrometeorological Institute I. Obrusník. The Congress reviewed the elapsed four-year period of the WMO's work, elected new top officials and approved a work plan for the coming four years.

International Civil Aviation Organisation (ICAO)

In 2007, the 36th session of the ICAO Assembly was held in Montreal. The session elected 36 states to the ICAO Council for the 2007-2010 term and re-elected ICAO Council president R. K. González for the coming period. The Czech delegation at the 36th session of the ICAO Council was led by Deputy Minister of Transport I. Vykydal.

Civil aviation safety and security remained at the centre of attention of the Council and the entire ICAO in 2007. Audits of implementation of the relevant technical annexes of the Chicago Convention are a tried-and-tested instrument in this regard.

The Czech Republic is one country whose civil aviation has successfully passed through the ICAO's Universal Safety Oversight Audit Programme.

Although the Czech Republic is not an elected member of the Council, its interests have been promoted there through the Rotating Group of Central European States (Czech Republic, Hungary, Romania, Slovakia, Slovenia) and its current representative, the Romanian permanent representative. The role of similar groupings within the ICAO is gaining in significance: in the absence of geographical quotas or official geographical groups, the growing interest in Council membership makes it increasingly difficult to succeed single-handedly in the elections.

World Tourism Organisation (UNWTO)

The World Tourism Organisation carries out a wide range of activities in all areas of tourism, focusing mainly on strengthening international cooperation in the fields of marketing, development of new forms of tourism (ecotourism and agrotourism), promotion of the environmentally and socially sustainable nature of tourism development, and standardisation of tourism facilities and services. Considering the role tourism plays in the Czech economy, these are questions of great significance for the country. The Czech Republic makes use of analytical information and forecasts provided by the UNWTO in the formulation of the relevant policies.

The 17th UNWTO General Assembly was held in Cartagena de Indias (Colombia) on 23-29 November 2007. The key themes on the agenda were: climate change, new tourism trends, and the overall prospects for tourism over the coming years.

The Czech Republic was a successful candidate for membership of the Committee for Statistics and Macroeconomic Analysis of Tourism for the 2008-2011 term. The principal tasks of the Committee are as follows: enabling international comparability of tourism statistics; ensuring a sufficient quantity of credible data on tourism activities and the industries that provide related goods and services; safeguarding the legitimacy and credibility of national Tourism Satellite Accounts (TSA); promoting macroeconomic analysis of tourism and the importance of compiling policies and strategies; setting and promotion of tourism statistics international standards; participating in the revision of other international standards; gathering and publishing statistical data; and securing international comparability of tourism statistics.

International Maritime Organisation (IMO)

The EU attaches special importance to implementation of IMO standards: even its landlocked member states with no maritime fleet are required to have in place all the legislation stemming from IMO membership and the existing legal instruments related to maritime shipping.

The IMO currently has 167 member states and three associate members. The 25th Assembly of the IMO was held in London on 19-30 November 2007. The Assembly elected 47 states to the IMO Council, which is the IMO's supreme executive body. A delegation of the Czech Republic, led by Ambassador J. Winkler, attended the Assembly.

United Nations Educational, Scientific and Cultural Organisation (UNESCO)

The 34th session of the General Conference, UNESCO's supreme body, took place in Paris from 16 October to 3 November 2007. The General Conference is the culmination of UNESCO's regular two-year programme cycle. The delegation of the Czech Republic, led by Minister of Culture V. Jehlička, was composed of representatives of the Ministry of Foreign Affairs, Ministry of Education, Youth and Sports, Ministry of Culture, Ministry of Interior, Ministry of the Environment and the Academy of Sciences. As the Czech Republic was one of the vice-presidency countries at the General Conference, it could significantly influence the course of the conference and contribute to the consensual adoption of documents, such as the sensitive question of the resolution commemorating the famine in Ukraine in the 1930s. The Czech delegation supported the adoption of a new Medium-Term Strategy for 2008-13 and UNESCO's Programme and Budget for 2008-9. Both documents establish a clearer focus on the priority tasks in each of the programme sectors, ensure the continuing reform of the Secretariat and strengthen the use of instruments to assess the effectiveness of programmes.

Two substantive sessions (the 176th and 177th) of the Executive Board were held during the year to prepare for the General Conference. The Czech Republic's membership of the Executive Board (2003-7) and its vice-presidency of the General Conference in the second half of this period enabled it to take an active part in the sessions. After its membership of the Executive Board ends, the Czech Republic will be represented in six subsidiary bodies; it was elected to four of them at the General Conference.

Three Czech anniversaries were added to the list of UNESCO cultural anniversaries for 2008-9: J. Hlávka, B. Martinů and J. Low ben Bezalel. At present, the Czech Republic has a total of 12 heritage sites on the UNESCO World Heritage List; other nominations are in various phases of preparation and discussion. The “One World” film festival, which focuses on the promotion of human rights, received a UNESCO award in 2007.

As part of its development cooperation, in 2007 the Czech Republic again provided a voluntary contribution of CZK 5 million towards UNESCO projects in developing countries, including projects focusing on post-war reconstruction in the culture and education sectors, mainly in Iraq and Afghanistan.

The Czech Commission for UNESCO co-organised a number of educational and cultural events, mainly as part of the ongoing UN Decade of Education for Sustainable Development and the preparations for the International Year of Planet Earth. The composition of the Commission was changed during the year when the mandate of most of its members expired.

The secretariat of the Czech Commission for UNESCO also coordinates cooperation with the Czech network of UNESCO associated schools – around fifty basic and secondary schools participate in its work. Their educational activities to promote UNESCO ideas focus mainly on the promotion of human rights, education for sustainable development, cooperation with schools in other countries in the form of participation in competitions and other exhibitions, and cooperation with partners in the Czech Republic. In spring 2007, the annual “UNESCO Schools Week” was devoted to the theme of “The Power and Sickness of the Media”, covering various aspects of access to information and their influence. The Commission secretariat also co-organised the autumn Annual Meeting of UNESCO Affiliated Schools, held this time in Přeborn in November 2007.

One important project organised in collaboration with the Commission secretariat and with financial support from UNESCO’s budget came at the end of the year: the “Youth Conference on Sustainable Development” was organised by the Environmental Education Club of the Czech Republic, which has for long been one of the Commission’s key non-governmental partners.

World Intellectual Property Organisation (WIPO)

For WIPO, 2007 was marked by fairly dramatic events surrounding the person of the WIPO Director General and the failure to adopt a budget for the 2008-2009 period. The agreement reached on the Development Agenda can be viewed as one of few successes. However, agreement could not be reached on the convening of a diplomatic conference to negotiate a treaty on the rights of broadcasting organisations.

The General Assembly re-elected the Czech Republic as a member of the Programme and Budget Committee for the coming term of 2007-2009. The principal items on the Programme and Budget Committee's agenda were the programme implementation report for 2006, the revised budget for the 2006-2007 biennium, and the draft programme and budget for the 2008-2009 term. The discussion was somewhat complicated by the proposal to reduce PCT (Patent Cooperation Treaty) fees and the possibility of utilising available reserves. The Programme and Budget Committee also discussed a report on progress in the project to construct a new building, which should start in February 2008 and be completed by the end of April 2010. The General Assembly re-elected the Czech Republic as a member of the Programme and Budget Committee for the coming term of 2007-2009.

The 43rd meeting of the Governing Bodies of WIPO was held in Geneva from 24 September to 3 October 2007. The course of the entire session was affected by the situation surrounding the WIPO Director General and the internal audit report concerning the use of different dates of birth by Director General K. Idris. For the first time in the history of WIPO, a vote was held on its programme and budget. As the required two-thirds majority was not achieved, WIPO member states did not approve the programme and budget for 2008-2009 and the revised programme and budget for 2006-2007. The votes against came from developed countries which argued that the submitted proposals could not be approved until the points on the agenda concerning the reduction in PCT fees and the internal audit report are closed.

The work of the standing committees (on copyright and related rights; on the law of trademarks, industrial designs and geographical indications), the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, the Provisional Committee on Proposals Related to a WIPO Development Agenda,

the Advisory Committee on Enforcement, and other expert bodies of the WIPO went ahead in 2007.

The Standing Committee on Copyright and Related Rights (SCCR) held two special sessions with a view to preparing a draft treaty on the protection of broadcasting organisations that would form the basis for the convening of a diplomatic conference. However, the persisting major differences in the positions of member states meant that in the end a decision was made to leave the issue on the agenda of regular sessions of the SCCR, with the understanding that a decision to convene the diplomatic conference can only be taken once agreement has been reached on the objective, specific scope and object of protection.

At its two sessions in the first half of 2007, the Provisional Committee on the Development Agenda (PCDA) agreed on 45 proposals submitted in relation to the development agenda. The chairman of the PCDA subsequently conducted consultations, based on which the General Assembly adopted a recommendation for the immediate implementation of 19 selected proposals. The General Assembly also approved the PCDA proposal for the establishment of a Committee on Development and Intellectual Property to draw up a work plan for the implementation of the adopted recommendations, to monitor, evaluate, discuss and submit reports on the implementation of all recommendations, and to discuss other questions related to intellectual property and development.

UN programmes, funds and other specialised bodies

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

The United Nations Development Programme (UNDP) is the principal UN body for coordinating development work. It has global reach and annually administers finances of USD 10 billion, making it the biggest provider of grant aid in the UN system.

The Czech Republic provides most of its finances to the UN development system through the UNDP. Thanks to a contribution made to the “trust fund” (CZK 19 million), Czech experts on environmental matters and energy efficiency and economic transformation, medical personnel (primarily in the area of the fight against HIV/AIDS) and specialists in small and medium-sized enterprise or waste and water management, may take part in UNDP projects and programmes. In this way, Czech expertise was involved in Turkmenistan,

Armenia, Georgia, Belarus, Moldova, Uzbekistan, Serbia, Macedonia/FYROM, Montenegro, Bosnia and Herzegovina, Kosovo, Albania, and Ukraine in 2007.

Czech membership of the Joint Executive Board of the UNDP and UN Population Fund (UNFPA) expired as of 31 December 2004; the Czech Republic therefore continued to attend sessions of the executive board as an observer. In 2007, the UNDP/UNFPA Joint Executive Board had, as usual, two regular sessions (23-26 January and 11-15 September), held in New York.

United Nations Conference on Trade and Development (UNCTAD)

UNCTAD's work in 2007 was to a large extent influenced by the preparations for UNCTAD XII conference due to take place in Accra, Ghana, in April 2008. As far as ordinary activities are concerned, attention focused on implementation of the conclusions of the previous year's Mid-Term Review. Consultations also went ahead regarding the recommendations of the Panel of Eminent Persons established by the UNCTAD Secretary-General in 2005 to review possible ways to make UNCTAD more effective and enhance its development role and impact.

There were two executive sessions and one regular session of the Trade and Development Board (TDB) in 2007.

The 41st executive session of the TDB was held on 18-20 April 2007. There, the Board approved reports from the sessions of all three commissions (i.e. on trade; on investment; and on enterprise), the report of the Working Party on the Medium-Term Plan and Programme Budget, and the topics for expert meetings. The Board also approved the submitted proposal of themes for UNCTAD XII and further action with regard to the recommendations of the Panel of Eminent Persons.

The 42nd executive session of the TDB, devoted to UNCTAD's activities in favour of Africa, took place on 27 June 2007. The discussion centred on a report by the secretariat. Alongside the issue of the least developed countries, Africa is one of the EU's priorities. In its position as the biggest donor to Africa, the EU has for long supported UNCTAD's work for Africa and urges the secretariat to strengthen it further by providing coherent and effective aid.

The 54th regular session of the TDB was held in Geneva on 1-11 October 2007. P. Draganov, Bulgarian ambassador and a representative of Group D, which also includes the Czech Republic, became the new president of the TDB – he also chaired UNCTAD XII. Estonia was elected as the 151st member of the TDB. At its 54th session the Board adopted conclusions concerning economic development in Africa, implementation of the Programme of Action for the Least Developed Countries and decisions on UNCTAD activities in the field of technical cooperation. In addition, the Board formally established a preparatory committee for UNCTAD XII comprising all member states.

Substantive preparations for UNCTAD XII got underway in the first half of 2007 in the form of intensive and difficult consultations on the conference's themes. In the end, "Addressing the Opportunities and Challenges of Globalisation for Development" was chosen as the principal theme. In July 2007, the Secretary-General of UNCTAD presented his own report, which was not intended to serve as a basis for negotiations. That role was fulfilled by the text written by the president of the TDB that was presented to delegations in November 2007, i.e. after the regional groups had presented their positions, which he tried to take into consideration. Before the year's end there were two readings of this text, which indicated how difficult the upcoming negotiations would be. The discussions confirmed the marked differences of opinion between the G77 group of developing countries and the group of developed countries, including the EU.

The fight against transnational organised crime and drugs in the United Nations

UN Commission for Narcotic Drugs (CND)

The 50th CND session was held in Vienna on 12-16 March 2007. The CND dealt with traditional topics, such as reducing the demand for drugs and the supply of drugs and the issue of the illegal drugs trade. True to tradition, the CND appraised the implementation of commitments in respect of international anti-drugs conventions and the 2006 annual report of the International Narcotics Control Board. Considerable attention was paid to strengthening the concept of alternative development, consisting in the eradication of illicit drugs crops and their replacement with other commercially viable crops. The Czech Republic is actively involved in a number of the CND mechanisms for international cooperation in the fight against the international trade in drugs.

In 2007, the Czech Republic made a voluntary contribution of CZK 3 million to the UN Drug Control Programme (UNDCP) for the Central Asian Regional Information and Coordination Centre (CARICC), whose purpose is to promote and coordinate police cooperation and information exchange between the countries of Central Asia, the Russian Federation and Azerbaijan. CARICC will have the status of an international organisation based in Kazakhstan and with liaison offices in individual member states. CARICC counts on close cooperation with Interpol, Europol, and the World Customs Organisation. Besides this project, the Czech Republic contributed CZK 2 million to the General Purpose Fund to support the UNODC budget.

UN Commission for Crime Prevention and Criminal Justice (CCPCJ)

The CCPCJ held a session on 23-27 April 2007. The substantive part of the session focused on evaluating the work, financing, and management of the UN Office on Crime and Drugs (UNODC), implementation of the Vienna Declaration, and strengthening technical assistance and development cooperation in the area of the fight against corruption, organised crime and terrorism.

UN Office on Drugs and Crime (UNODC)

The priorities of the UNODC continue to be the ratification and implementation of legal instruments, implementation of the conclusions of the Bangkok Declaration, technical and expert assistance, international cooperation in the area of crime prevention and the fight against trafficking in human beings and drugs, development aid with a view to eradicating the cultivation of coca and opium, the fight against money laundering and corruption, and implementation of legal instruments related to the fight against terrorism.

United Nations Committee on the Peaceful Uses of Outer Space (COPUOS)

In June (6-15 June 2007, Vienna), a Czech delegation led by Professor V. Kopal took part in the 50th session of the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS). As in previous years, the session dealt with questions of maintaining outer space for peaceful purposes and implementation of the recommendations of the UNISPACE III conference. The Committee approved UN space debris mitigation guidelines and discussed the financing of the UN-SPIDER system. A “Symposium on Space and Water” was another event at the session. Professor Kopal was elected chairman of the Legal Subcommittee.

The Czech Republic was active at sessions of COPUOS’s Scientific and Technical Subcommittee and Legal Subcommittee during the year. The Scientific and Technical Subcommittee discussed questions linked to the issue of remote sensing of Earth, space debris, the use of nuclear power sources in outer space, the danger of an asteroid colliding with the Earth and the utilisation of the geostationary orbit. A symposium on the use of the geostationary orbit took place during the session. Agreement was reached on the establishment of a global system for organising the prevention and mitigation of and response to natural disasters using space technologies (UN-SPIDER). The session of the Legal Subcommittee was held from 26 March to 5 April 2007 and dealt with the status and application of the five UN conventions on outer space, a definition and delimitation of space, legal aspects of the use of geostationary orbit, and the practice of states and international organisations in registering space objects.

At the 62nd UN GA, the Czech Republic supported the provision of part of the finances for the implementation of the UN-SPIDER project out of the UN regular budget for 2008-2009.

United Nations Volunteers Programme (UNV)

The Czech Republic demonstrated its support for volunteer activities in the UN system through the participation of twenty-three Czech volunteers, thirteen of them women, in UNV multilateral programmes. Czech volunteers served in long-term missions, mainly in countries in Africa, Asia and the Balkans, specifically: Kosovo, Angola, Bosnia and Herzegovina, Afghanistan, Yemen, Mongolia, Morocco/Western Sahara, Sudan, East Timor, Vietnam, Nepal, Ukraine and Côte d'Ivoire. The highest numbers of Czech volunteers work in Bosnia and Herzegovina, Kosovo, and East Timor.

Together with the UNV, the Czech Republic is constantly looking for additional ways and means of cooperating both on joint projects and with a view to increasing participation and strengthening the role of Czech volunteers in UN peace missions.

One way to increase the involvement of Czech citizens in UN peace missions is through direct contact with staff of the UNV headquarters in Bonn as part of the Special Recruitment Drives that the UNV National Contact Point (UNV NCP) has organised once a year since 2006 at its Prague office, involving representatives from the UNV headquarters in Bonn. At one such recruitment drive UNV staff get to meet 50-60 Czech volunteers short-listed by the NCP UNV. The selection process is based on participants' CVs and a personal interview in English.

The aim of these recruitment drives is to enhance Czech candidates' chances of being included in the UNV's offers and subsequently increasing the number of Czech volunteers accepted to UN peace missions.

United Nations Commission for Social Development (CSocD)

The 45th session of CSocD was held in New York on 7-16 February 2007; it was attended by a delegation of the Czech Republic. The high-level segment was attended by director of the UN Department of the Ministry of Foreign Affairs J. Kára. The main item on the agenda at the session was implementation of the Copenhagen Action Plan as the framework for international social development efforts and its link to the implementation of the Millennium Development Goals.

United Nations Commission on Sustainable Development (CSD)

The 15th session of the CSD was held in New York from 30 April to 11 May 2007. The delegation of the Czech Republic was led by Deputy Prime Minister and Minister of the Environment M. Bursík. J. Hlaváček from the Ministry of the Environment held the post of vice-chair of the Bureau for Europe. The main themes were as follows: energy for sustainable development, industrial development, air/atmospheric pollution, climate change, and cross-cutting themes (financing and management). Differences of opinion between the representatives of developing countries and EU member states prevented an agreement being reached; the Commission merely adopted the Bureau Chair's final text.

Commission on the Status of Women (CSW)

The 51st session of the CSW was held in New York from 26 February to 9 March 2007; it was attended by representatives of the Ministry of Foreign Affairs and the Ministry of Labour and Social Affairs. In this area, the Czech Republic focuses primarily on equality of status for women, gender statistics and budgeting.

UN Statistical Commission

Although the Czech Republic is not a member of the UN Statistical Commission during the current term of office (it is a candidate for the 2010-2012 term), it does participate in its sessions through the Czech Statistical Office and, most importantly, is involved in statistical activities at international level. At regional level, the Czech Republic is a fully-fledged member of the Conference of European Statisticians – a joint body of the UN Economic Commission for Europe, OECD and Eurostat – where it takes part in a whole series of activities in various areas of statistical work.

UN Environment Programme (UNEP)

The work of the UNEP focuses on promoting the development of international cooperation on the environment, coordinating UN environmental programmes, monitoring the state of the environment around the world, proposing solutions to the most important environmental problems, promoting the development of research and arranging the exchange and dissemination of information on the environment. The UNEP is responsible for the

environmental aspect of sustainable development and its links with the economic and social dimension of sustainable development.

The 24th session of the UNEP Governing Council and 8th Global Ministerial Environment Forum were held in 2007 (5-9 February 2007, Nairobi). The 58 members of the Governing Council, the supreme body of the UNEP, are elected for four-year terms. In December 2005, the Czech Republic was re-elected as a member of the Governing Council for 2006-2009.

The 24th session of the UNEP Governing Council adopted fifteen decisions on a number of substantive environmental issues in connection with the implementation of international strategic documents, above all the Millennium Development Goals, the conclusions of the World Summit on Sustainable Development and its Plan of Implementation from 2002, the Basel Convention Strategic Plan for the promotion of technologies and capacity building from 2005, and the Strategic Approach to International Chemicals Management from 2006.

The Czech Republic provides voluntary annual contributions to the UNEP Environment Fund: in 2007 it contributed CZK 5 million.

UN Programme for Human Settlements (UN-HABITAT)

UN-HABITAT is a UN programme focusing systematically on the issue of human settlements and the related questions of sustainable development and implementation of the Millennium Development Goals.

The supreme body of UN-HABITAT is the Governing Council, which meets at two-year intervals. The 21st Governing Council session was held on 16-20 April 2007 in Nairobi, Kenya. The discussions concentrated on sustainable urban development and the fight against poverty. At its 21st session the UN-HABITAT Governing Council approved a medium-term strategy for 2008-2013.

The Czech Republic provides a voluntary annual contribution to UN-HABITAT's budget; in 2007 it contributed CZK 2.5 million.

UN Economic Commission for Europe (UNECE)

In 2007, the UNECE continued to exercise its mandate as a regional economic organisation of the UN. The 62nd plenary session was held in Geneva from 25 to 27 April 2007 and was attended by a Czech delegation. The Czech Republic is perceived in the UNECE as an active member state: Czech experts are involved in dozens of UNECE bodies and working groups.

The continuing effort to reform the UNECE and make its work more effective – a process launched in 2005 – culminated in the re-structuring of its management and working bodies in 2006. In 2007, UNECE activity focused on technical cooperation, with the traditional involvement of the Czech Republic.

Attention was also paid in 2007 to UNECE's cooperation with the Organisation for Security and Cooperation in Europe (OSCE), among other things in the preparation and holding of the 15th OSCE Economic and Environmental Forum, whose second part again took place in Prague (21-23 May 2007). On this occasion, the Czech Republic was visited on 21 May 2007 by the OSCE Chairman-in-Office and Minister of Foreign Affairs of Spain M. A. Moratinos.

Another significant event in 2007 was the 6th Ministerial Conference of the UNECE entitled "Environment for Europe", which took place in Belgrade on 10-12 October; a delegation of the Czech Republic actively participated in the conference.

Miscellaneous

The 59th Annual Meeting of the International Whaling Commission was held in Anchorage, Alaska, on 4-31 May 2007. The Czech delegation was led by P. Hýčová, Commissioner for the Czech Republic and member of staff of the international biodiversity department of the Ministry of the Environment. The Czech Republic's position is that of the EU, i.e. a "conservationist position", consisting in the protection of whales against Japan's efforts to practise commercial whaling.

In 2007, the Czech Republic continued to donate to the World Food Programme (WFP), which relies on voluntary contributions from donor countries, institutions, private enterprise and individuals. The Czech Republic provided a total of CZK 8.5 million to the

WFP in 2007, comprising CZK 6 million for humanitarian projects in Sudan and Uganda and CZK 2.5 million in the form of a voluntary contribution to the WFP's budget.

The Czech Republic was a member of the Committee for the UN Population Award in 2007.

The Czech Republic and international organisations

The Czech Republic and the world economy

Organisation for Economic Cooperation and Development (OECD)

The Czech Republic's participation in the work of the OECD in 2007 encompassed a broad range of areas and themes and involved the majority of ministries and a number of other institutions as well. The Czech Republic attended the sessions of a number of conferences, committees and working bodies and took part in preparing documents and materials and resolving topical questions concerning the economic development of member countries and the world as a whole. The OECD paid considerable attention to issues of the constantly expanding cooperation with non-member countries and also to the debate on problems of enlargement and the financing of the organisation's further development. In 2007, the Czech Republic supported the work of the OECD through an array of voluntary financial contributions supporting the modernisation of selected policies, the working of the administration, education, and the interests of the Czech Republic in respect of OECD non-members. The Czech Republic also started to prepare for the upcoming publication of its economic survey.

The OECD also adopted some measures designed to increase the effectiveness of management and decision-making processes, to assess the work of committees and working groups and to better identify priorities for the organisation's future work. The Czech Republic actively participated in these talks and defended its priorities. In the discussion on OECD enlargement, the Czech Republic strongly advocated the establishment of apolitical, non-discriminatory selection criteria for potential accession candidates, ensuring a level playing field after the opening of accession talks and defining consistent procedural rules for integration into the organisation.

The OECD Ministerial Council Meeting (MCM 2007) was held on 15-16 May 2007. A meeting of the Governing Board of the International Energy Agency and the OECD Forum with representatives of non-governmental organisations ran in parallel with the MCM on 14-15 May 2007.

The Czech delegation was led by Minister of Industry and Trade M. Říman, with Deputy Minister M. Tlapa as his alternate. The delegation consisted of representatives of the foreign affairs, industry and trade, and finance ministries and the Permanent Delegation of the Czech Republic to the OECD. The MCM, held under the title of “Innovation: Advancing the OECD Agenda for Growth and Equity”, was chaired by Spain, represented by the Deputy Prime Minister and Minister of Finance P. Solbes; Japan and Poland were vice-chairs of the meeting. The meeting was devoted to the socio-economic impacts of globalisation, the role of transnational corporations, and the question of migration. One central topic was the promotion of innovation and growth against the backdrop of differing productivity results in OECD countries. The ministers described climate change as a huge challenge for the whole world and one that needs to be tackled by sound policies. After long strategic deliberations, the OECD reached the decision to open accession talks with Chile, Estonia, Israel, the Russian Federation, and Slovenia and to offer “enhanced engagement” to Brazil, China, India, Indonesia, and South Africa. The ministers discussed the future challenges to an open global trading system. They declared that the successful conclusion of the Doha Development Agenda is essential for the multilateral trading system. This will mainly involve analyses and recommendations with regard to the costs and the benefits of liberalising trade, the formulation of domestic policies to eliminate new barriers to trade, ensuring that bilateral, regional and preferential arrangements complement the multilateral system and also proposals for effective ways to liberalise the trade in services. In its analysis work, data cooperation and elaboration of the Aid for Trade initiative, the OECD will work more closely with the WTO.

The meeting of the Governing Board of the International Energy Agency focused mainly on questions of energy security, with the discussion centring on strategies for a sustainable energy future.

The OECD Forum, a platform for discussions between representatives of member countries’ governments and the broader expert public and representatives of civil society, ran in parallel with the Ministerial Council Meeting. Its key theme of “Innovation, Growth and Equity” corresponded to the thematic focus of MCM 2007.

On 27-30 June 2007, Istanbul hosted the *Second OECD World Forum on "Statistics, Knowledge and Policy"*, devoted to measuring and fostering the progress of societies in broader terms than just the traditional economic viewpoint. Professor B. Moldan was invited to deliver a speech on behalf of the Czech Republic; the meeting was attended by a numerous delegation led by President of the Czech Statistical Office J. Fischer.

A high-level meeting of the Development Assistance Committee was held in Paris on 3-4 April 2007. The Czech delegation was led by Deputy Minister of Foreign Affairs H. Bambasová. The key topics included migration, governance in instable countries and the challenges of the Paris Declaration. Important for the Czech Republic was the discussion on the role of emerging donors, during which, among other things, the Peer Review of Czech development cooperation was assessed: the Czech Republic was the first DAC non-member to undergo this form of Peer Review.

On 26-27 April 2007, the Ministry of Foreign Affairs of the Czech Republic organised a roundtable on the Czech Republic's foreign development cooperation. The main aim was to discuss the future of the Czech Republic's foreign development cooperation in the light of the OECD recommendations from the "OECD/DAC Special Review of the Czech Republic's Development Cooperation" (Peer Review).

Deputy Executive Director of the International Energy Agency W. Ramsay attended a conference entitled "Security of Energy Supply", which took place in the Czech Republic from 31 May to 1 June 2007.

On 12-13 June 2007, President of the State Office for Nuclear Safety D. Drábová participated in the Regulators' Forum of the Nuclear Energy Agency (NEA), where she was one of the keynote speakers.

On 11-12 September 2007, a Round Table on Sustainable Development devoted to the economic potential of biofuels and the environmental and social impacts of their production and use was attended by First Deputy Minister of Agriculture I. Hlaváč.

On 16 October 2007, there was a meeting of the Global Forum on Trade focusing on outsourcing in information and communication technologies. One of the materials discussed was a case study about the Czech Republic as a beneficiary country. M. Zálešák, executive

director of Czech ICT Alliance, commented on the case study on behalf of the Czech Republic.

Internal coordination of the Czech Republic's work in the OECD was guaranteed by the Inter-ministerial Working Group for Cooperation with the OECD, which is composed of representatives of all central bodies of state administration involved in the OECD's work. The Ministry of Foreign Affairs has the overall coordinating role for the Czech Republic's membership of the OECD. During 2007, the working group concentrated on preparations for key OECD sessions and the ongoing assessment of the Czech Republic by the OECD, and on drawing up a report for the government on instruments recommended by the OECD in 2007 and their implementation in the Czech Republic.

In 2007, the Czech Republic provided voluntary contributions to OECD projects in line with its priorities. Most contributions were provided by the Ministry of Foreign Affairs and were channelled into support for OECD cooperation with non-members (e.g. DAC cooperation with emerging donors or as part of the good governance programme for Middle East and North African countries (MENA)). Other voluntary contributions from the Minister of Foreign Affairs budget heading went to specific cooperation projects between the Czech Republic and the OECD. Other traditional providers of voluntary contributions are the Ministry of Education, Youth and Sports, the Ministry for Regional Development, the Ministry of the Environment – in 2007 these ministries were joined by the Office for the Protection of Competition. In total, the Czech Republic provided EUR 213,000 in voluntary contributions in 2007.

World Trade Organisation (WTO)

In 2007, the Czech Republic continued to promote its interests in the WTO and across the spectrum of trade policy primarily through the European Commission. That was the case because of the European Community's exclusive competence in this area. As in the preparation of the EU's common positions, the Czech Republic primarily made use of Committee 133 and other bodies of the Council of the EU and European Commission or coordination meetings of the WTO's working bodies in Geneva. The Czech Republic is still viewed as a liberal country that strongly promotes progress in accelerating the liberalisation of trade and finalising its multilateral rules. In this spirit it participated actively in the work of the relevant bodies.

Multilateral trade talks on the Doha Development Agenda (DDA) remained the most important area of the WTO's work. However, in 2007 there was again no significant progress on the definition and adoption of modalities for trade liberalisation in individual areas of the DDA (agriculture, non-agricultural products, services). At the end of July 2007, texts were published for the finalisation of modalities in agriculture and non-agricultural products. In the end, both texts were accepted as a basis for further talks, with the understanding that they would be updated by the end of 2007 on the basis of these talks. The update was then postponed to the turn of January and February 2008. Greater progress is still prevented by the insurmountable differences arising as a result of the persistence of certain leading representatives of world trade and certain groups of countries, particularly developing countries, on key questions of market access and domestic support in agriculture and in non-agricultural market access.

The Czech Republic supported the efforts to complete the talks on the DDA as quickly as possible and welcomed all corresponding activities by the European Commission, in both Committee 133 and other bodies. It actively supported the Commission's cooperative and flexible approach, with the understanding that a final agreement should be reached if at the expense of the interests of EU member states or certain areas of the DDA. In the talks on the DDA, the Czech Republic promoted the equitable involvement of developing countries in world trade. In the WTO's general affairs, the Czech Republic was active in the spirit of its general positions advocating liberalisation and the strengthening of the rules governing the international trade system.

International Monetary Fund (IMF)

The Czech Republic's voting power in the IMF (0.38 %) is determined by its current membership quota. A membership quota reform process is currently taking place in the IMF, however: its goal is to achieve a fairer reflection of the relative weights of individual countries, especially the fast-growing economies of Asia.

In 2007, in line with the conclusions of the Singapore resolution (approved in 2006), discussions in the IMF focused on a new model for calculating quotas and *ad hoc* increases in the second phase. Agreement has not yet been reached on this issue between member countries, however. The Czech Republic is an "under-represented" country in terms of all considered variables except GDP.

At present, cooperation primarily takes the form of regular annual IMF missions to the Czech Republic, undertaken in accordance with Article IV of the IMF Articles of Agreement. These missions result in recommendations for the government's economic policy and assessments of developments in the fiscal and monetary area, financial sector developments and progress in structural changes in the preceding period. The last IMF mission ended on 19 November 2007 and its preliminary report (called the Concluding Statement) is published on the Czech Ministry of Finance's web site. The complete official report of the IMF mission in the Czech Republic will be made available once it has been discussed by the IMF Executive Board (it will be published during February 2008).

The Czech Republic is one of a few countries that have been included in pilot studies using GFSM2001 methodology (Government Finance Statistics Manual 2001). This methodology is designed to improve the IMF's fiscal analysis.

In 2007, the Czech Republic became involved in the process of cancelling Liberia's debt to the IMF. The Czech Republic's share is SDR 2.2 million (Special Drawing Rights) – approx. CZK 65 million.

World Bank Group (WBG)

There was no fundamental change in the Czech Republic's relationship with the WB in 2007 – the Czech Republic is currently in the “post-graduation period” (its graduation from WB activities was officially confirmed on 12 April 2005). As a graduated member country, the Czech Republic is no longer eligible to draw loans from the WB; on the contrary, it is expected to provide more aid to WB client countries, both financial and technical. The Czech Republic will be able draw limited technical assistance free of charge from the WB until June 2008. The Czech Republic made considerable use of WB technical assistance in previous years (advice provided by the WB's own and external experts).

In 2007, the WB completed the following technical assistance projects for the Czech Republic:

- *Official Development Assistance (ODA)*

In November 2007, the WB presented the Czech Republic with its final report “Evaluation and Monitoring of ODA”.

- *Protection of the Tax Base on the Corporate Revenues Tax against the impact, resp. consequences of using of the International Accounting Standards in Accounting*

The study was completed and presented in July 2007.

- *Good Governace in the Financial Markets – Additional Pension Insurance*

The report was completed and presented in March 2007.

- *Consumer's Protection in the Financial Market*

The conclusions of the study were presented and published in June 2007.

The first phase of a project entitled “Financing of Financial Markets Supervision” took place in June 2007, when a mission of WB experts visited the Czech Republic. The conclusions are currently being drawn up. The Ministry of Finance of the Czech Republic and the Czech National Bank have agreed that the Czech Republic will not be interested in going ahead with the second phase of this project.

The Czech Republic is a member of the “Belgian constituency” in the WB. In 2007, the Czech Republic initiated two meetings of representatives of countries from this constituency in Prague. The first meeting, entitled “Key Instruments for Development” and attended by representatives of the WB and EBRD, took place in March. The second meeting was held in December and focused on current questions related to the work of the WB (WB long-term strategy, its strategy towards middle-income countries, the role of MIGA, the question of remittances); experts from the WB participated in the discussion of the individual themes.

In the International Development Agency, the Czech Republic is participating in the 14th replenishment of resources, providing a total of CZK 271.46 million (for the period from 1 July 2005 to 30 June 2008); the last instalment was paid on 15 January 2008).

The Czech Republic is also involved in the MDRI (Multilateral Debt Relief Initiative). Its total contribution to MDRI for the 2007-2016 period is CZK 93.83 million (payable in annual instalments).

European Bank for Reconstruction and Development (EBRD)

Following Czech government resolution No. 571 of 17 May 2006, which approved the document entitled “Graduation of EBRD Operations in the Czech Republic”, the graduation

process in the Czech Republic took place in 2006 and 2007. On 23 October 2007, the EBRD Board of Directors decided in London that the Czech Republic had graduated from EBRD operations. The Ministry of Finance of the Czech Republic subsequently took steps to complete the graduation process. EBRD President J. Lemierre described the Czech Republic's graduation as proof of the successful culmination of the transformation process in the Czech Republic. The graduation became effective as of the end of 2007. The graduation took place in a way ensuring no detriment to the interests of clients, investors, the Czech Republic as an EBRD shareholder, and the EBRD itself and its interests in the Czech Republic.

With the graduation process complete, the EBRD no longer invests in new projects in the Czech Republic, even in the context of regional projects. Existing projects will run their course in line with the contractual commitments, so the EBRD will continue to have active investments in the Czech Republic for a number of years; these investments are both direct and indirect, e.g. through investment funds the bank has invested in.

By graduating from EBRD operations, the Czech Republic joined the ranks of states with developed economies that no longer require the EBRD's services. The recognition of a member country as a developed state by such an international financial institution as the EBRD is regarded as an important signal for foreign investors.

The EBRD is prepared to continue to support Czech firms' investments in countries that receive the bank's assistance. In doing so, however, EBRD funds will be invested on attractive emerging markets in transforming countries, and not in the Czech Republic.

Upon completing the graduation process the Czech Republic became an EBRD donor country; during its two years as a donor the Czech Republic has built up an excellent, respected position and has acquired the reputation of a very active partner. The Czech Republic is engaged in EBRD donor activities under the Western Balkans Fund, whose mission is to support projects and develop institutions and legislation in Western Balkans countries. In 2006 and 2007, the Czech Republic contributed a total of EUR 1.5 million to the Fund. The reason for the Czech Republic's involvement is that the Western Balkans is one of the Czech Republic's foreign policy and economic priorities.

Besides the support that the Czech Republic has already provided to the Western Balkans Fund, Czech government resolution No. 1448 also approved the establishment of Czech Republic – ODA Technical Cooperation Fund, whose value is EUR 1.5 million. Use of

the finances is restricted to EBRD technical cooperation projects contracted solely to Czech firms.

Council of Europe Development Bank (CEB)

The CEB, until 1 November 1999 called the Council of Europe Social Development Fund, was established in 1956. It currently has 40 shareholders – most of the member states of the Council of Europe (CoE). It is attached to the CoE and placed under the CoE's supreme authority. The CEB is legally and financially autonomous and constitutes the principal tool of the solidarity policy pursued by the CoE. The CEB's management bodies are the Governing Board, the Administrative Council (each member country has one representative on these two bodies) and the Auditing Board. The Czech Republic has been a member of the CEB since 12 February 1999.

The CEB's priority objective is to help resolve social problems in member countries, primarily in aiding refugees, immigrants and victims of natural or environmental disasters. The Bank also provides credit, chiefly for projects to create and preserve jobs in small and medium-sized enterprises, to build social housing, for social infrastructure, for environmental protection projects, to promote education and health, for the modernisation of agriculture, to improve the quality of the environment in disadvantaged urban areas, and to protect cultural heritage (including the restoration of historical monuments). To date, the Czech Republic has not applied to the CEB for a loan to cover the needs of the state. The CEB has provided two private sector loans worth a total of approximately CZK 1 billion.

On 15-16 June 2007, Prague hosted the annual joint meeting of the CEB's management bodies (Governing Board, Administrative Council, Auditing Board). The meeting proper was preceded by bilateral talks between the management of the CEB and finance ministry representatives, and a CEB presentation for representatives of state administration and local self-government.

International Bank for Economic Cooperation (IBEC)

The IBEC was established by the Agreement on the Establishment and Work of an International Bank for Economic Cooperation of 22 October 1963. The former Czechoslovakia was a founding member of the IBEC and the Czech Republic's membership was established by virtue of its succession to international agreements concluded by

Czechoslovakia. Currently, the bank has nine members: the Russian Federation, the Czech Republic, Poland, Bulgaria, Romania, Slovakia, Cuba, Mongolia and Vietnam.

Following the abolition of the Council for Mutual Economic Assistance (COMECON) and the change in the principles of foreign trade between member states of the bank, work has started on preparing the bank for transformation into a financial institution operating on a commercial basis, whose activities would conform to the economic interests of its member states under the new conditions. At the beginning of the 1990s, however, the bank got into financial difficulties as a consequence of the unpaid commitments of some member states. Most debtor countries repaid their commitments in recent years; the Russian Federation did so at the end of 2007. Cuba's debt remains outstanding. In 2007, the bank's financial situation again prevented it from increasing the volume of banking operations and with some difficulty the bank returned a slight profit. Member countries are striving to ensure the bank's rapid transformation into an institution that meets international standards and plans for the future.

International Investment Bank (IIB)

The IIB was founded by the Agreement Establishing an International Investment Bank of 10 July 1970. The bank's current members are the same group of states as in the IBEC, except for Poland.

For the same reasons as the IBEC, the IIB also got into financial difficulties in the 1990s; the debts owed by member countries have been gradually settled. In 2004, the IIB's financial relations with the Russian Federation were settled completely. Not only was the IIB able to restore its financial equilibrium, it also managed to increase fundamentally the volume of its revenue-generating assets, despite the fact that Cuba's debt remains outstanding.

In 2007, the IIB completed its transition to international reporting and accounting standards and formulated certain fundamental policies: Credit Policy, Risk Management Policy, and Information Policy. At present, the bank is striving to raise its entire banking business to a level comparable with international practice, and member states are looking closely at the question of its transformation into an international development bank.

The Czech Republic's membership of certain other international organisations

European Laboratory for Particle Physics (CERN)

CERN carried out two core tasks in 2007:

1. completing the LHC (Large Hadron Collider), the biggest and most complex scientific instrument ever built, which is scheduled for start-up in May 2008.
2. completing the ATLAS, ALICE, CMS, LHCb and TOTEM experiments to be run on the LHC.

The planned aims of the Czech Republic's cooperation with CERN – both in fundamental particle physics research and in the development of new technologies and materials and their practical application (mainly in medicine and in building the GRID computer system) – were successfully achieved in 2007. The unique scientific results achieved have been published in 154 works and discussed at 19 international conferences and expert meetings. Researchers, PhD. students and graduate students from all fifteen Czech institutions cooperating with CERN took part in these projects.

The Czech Republic's cooperation with CERN helped improve the qualifications of young Czech scientists and technicians. In 2007, this applied to around thirty PhD. students, twelve technicians and fourteen graduate students. A number of students also attended special courses, conferences, schools and summer activities organised by CERN. Educational lectures and visits to CERN were organised for secondary school teachers and the general public. The media informed the public about the Czech Republic's cooperation with CERN. In addition, there were several popular lectures at schools, small private observatories and cooperating universities.

The Czech Republic made a contribution to CERN worth CZK 159 million in 2007, which is around 0.91% of CERN's budget. The return achieved through industrial contracts won from CERN in the Czech Republic was extraordinary, amounting to around 112.1% in 2007. Another source of satisfaction in 2007 was the bestowing of CERN's prestigious industrial award to ON Semiconductor company for supplying and developing state-of-the-art semiconductor particle sensors that were manufactured at the company plant in Rožnov pod

Radhoštěm. 2007 was therefore a highly successful year for the Czech Republic's cooperation with CERN.

Joint Institute for Nuclear Research (JINR)

The Joint Institute for Nuclear Research is, like CERN, a significant international intergovernmental organisation for the experimental and theoretical study of basic particles of matter and their interactions. Recently, the work of these two organisations has been suitably complementary. One example of the successful cooperation between these two international organisations was the joint organisation of the prestigious European School of High Energy Physics held in the Czech Republic in 2007. At the congress centre of the Academy of Sciences of the Czech Republic at Třešť, which was the venue for the school, more than one hundred selected students from many different countries heard lectures by leading experts, including one Nobel Prize laureate.

As in previous years, the Czech Republic's cooperation with the JINR in 2007 focused on joint long-term target projects. There were 45 projects, with the results of cooperation with the JINR summarised in over 58 joint works published (or accepted for publication) in international magazines and more than 70 papers at international conferences, symposia, working meetings, etc. As part of cooperation with the JINR, Czech scientists continue to take part in a number of experiments together with other international research centres (in Germany, France, Italy, the USA etc.), as well as processing the results of various experiments.

Excursions have been organised for several dozen Czech university students in recent years; these are gradually shifting towards specialised work experience in JINR laboratories. In 2007, there was also a summer school on nuclear physics methods and accelerators in biology and medicine, staged in cooperation with the JINR in the Czech Republic.

There are currently two Czech citizens serving as deputy laboratory directors in the JINR, where laboratories are major organisational units, comparable in size with the largest institutes of the Academy of Sciences of the Czech Republic. One former deputy laboratory director was appointed vice-director of the JINR.

During the last ten years, the Czech contribution to the JINR has hovered at a level slightly above CZK 18 million per annum. In addition to the approximately CZK 3.5 million that the Czech Republic is obliged to provide in cash according to the JINR Charter, the remainder of the Czech membership contribution is supplied in the form of goods produced in the Czech Republic. It has recently become increasingly common for firms that have established themselves as prime JINR suppliers to win additional major contracts from the JINR facility at Dubna over and above the Czech membership contribution, as well as orders from other foreign scientific institutions. These regard the JINR's satisfaction with these firms as a very good reference. Due to the weakening of the US dollar, the currency membership contributions to the JINR are paid in, against the rouble and the Czech koruna, it was necessary to decide to increase the membership contribution. Accordingly, a membership contribution of CZK 28.5 million was approved for the Czech Republic for 2008.

European Organisation for Astronomical Research in the Southern Hemisphere (shortened to the European Southern Observatory, or ESO)

On 1 January 2007, the Czech Republic became the thirteenth member of the European Southern Observatory – it is currently the only new EU member state to have joined the ESO. The ESO is a highly prestigious inter-governmental organisation based in Garching, near Munich, Germany, and with a local centre and three research facilities in Chile.

The organisation coordinating the Czech Republic's cooperation with the ESO is the Ministry of Education, Youth and Sports. The two representatives of the Czech Republic (from the education ministry and the Academy of Sciences) in the supreme body, the Council, attended its 110th and 111th meetings (in Barcelona on 5-6 June 2007, and in Garching on 4-5 December 2007). Czech representatives also feature in all four of the ESO's main committees: the finance, users', observing programmes, and scientific and technical committees.

Right from the start, the Czech Republic expressed interest in the participation of Czech businesses in ESO tenders for supplies in connection with the enlargement of the head office at Garching and instrumentation for the research facilities in Chile. The Ministry of Foreign Affairs undertook a systematic initiative to raise awareness in the Czech business community of the existing opportunities. One important step in this regard was the establishment of a Czech Liaison Office on 15 November 2007 (education and foreign affairs ministries, Academy of Sciences, CzechTrade): one aim of the Czech Liaison Office is to

hold “information days” to inform potential Czech participants about the conditions and opportunities of ESO tenders and, from the long-term point of view, to provide timely and full information about these tenders.

European Civil Aviation Conference (ECAC)

In 2007, the European Civil Aviation Conference (ECAC) concentrated mainly on this pan-European governmental organisation’s cooperation with other global-impact organisations. Special attention was paid to the widening of the powers and scope of the European Aviation Safety Agency (EASA) relative to the activities of the Joint Aviation Authorities (JAA), including the relevant questions of civil aviation safety.

With the Czech Republic’s active participation, the ECAC also dealt with the issues of aviation security, primarily in order to prevent serious discrepancies between the regulatory frameworks of EU member states and those ECAC countries that are not in the EU. In 2007, the ECAC conducted intensive dialogue with the United States aviation authorities about further convergence of harmonising measures in the area of aviation (in cooperation with the EU). The ECAC also played an active role in the activities of European states in the field of environmental protection, the facilitation of air transport and promoting the reform of the International Civil Aviation Organisation (ICAO). General aviation was a new area in which the ECAC started to perform consultation activities for EU bodies in 2007.

European Conference of Ministers of Transport (ECMT)

The 91st session of the Council of Ministers of the European Conference of Ministers of Transport (ECMT) was held in Sofia on 29-31 May 2007. The meeting’s principal theme was the mitigation of congestion, which can act as a barrier to economic development. The conference also made substantial progress in the transformation of the ECMT into the International Transport Forum (ITF). The Czech delegation was led by Minister of Transport A. Řebíček.

International Exhibitions Bureau (BIE)

The International Exhibitions Bureau (BIE) regulates and modifies the conditions for organising World Exhibitions – EXPOs – and publishes a calendar of these events. The

exhibitions approved by the BIE are not commercial in nature. The Czech Republic was elected to the Information and Communication Committee for the 2006-2007 term.

The BIE is headed by Secretary General V. Gonzales Loscertales and President J.-P. Lafon, who was elected at the 142nd BIE General Assembly in Paris on 26-27 November 2007. A vote held at the assembly on the host country of EXPO 2012 was won by the Republic of Korea (Yeosu). Preparations for the Czech Republic's participation at EXPO Shanghai 2010 are currently going ahead.

International Institute of Refrigeration (IIR)

The IIR's mission is to promote knowledge of refrigeration technology and all its applications in order to address issues including food safety and environmental protection (reduction of global warming, prevention of ozone depletion). The IIR has committed itself to improving quality of life and promoting sustainable development. Its findings are used in industry and trade, healthcare, the environment, and agriculture. The Czech Republic has been chosen to host the 23rd International Refrigeration Congress of the IIR in 2011 (Prague). The Czech Republic's participation in the IIR enables it to acquire and subsequently apply the latest scientific knowledge concerning the application of refrigeration and refrigeration technologies in the chemicals and foodstuffs industries and in agriculture and medicine. Equally important is the presentation of achievements in this field by Czech experts at the IIR congress and the use of this forum to find foreign markets for Czech firms in the field of the application of refrigeration and refrigeration technologies.

International Whaling Commission

The 59th Annual Meeting of the International Whaling Commission was held in Anchorage, Alaska, on 4-31 May 2007. The Czech Republic delegation was led by P. Hýčková, Commissioner for the Czech Republic and member of staff of the international biodiversity department of the Ministry of the Environment. The Czech Republic's position is that of the EU, i.e. a "conservationist" position, consisting in the protection of whales against Japan's efforts to practise commercial whaling.

6. Non-proliferation, Arms Control and Disarmament

International talks on non-proliferation of weapons of mass destruction (WMD), arms control and disarmament were at the focus of the work of the UN Security Council, the 1st Committee (for disarmament and international security) of the General Assembly of the United Nations, the UN Disarmament Commission in New York, the Conference on Disarmament in Geneva, the Resolution 1540 Committee on Non-proliferation of WMD and other international organisations and international control regimes and initiatives in which the Czech Republic is a participant. In 2007, the Czech Republic's activities in this field were governed by Goal of the Government of the Czech Republic No. 149 of April 2007 and also the EU Strategy against Proliferation of Weapons of Mass Destruction.

Nuclear weapons

Nuclear Non-proliferation Treaty

At the turn of April and May 2007, Vienna hosted a meeting of the 1st Preparatory Committee (PrepCom) for the 8th Review Conference (RC) of the Nuclear Non-proliferation Treaty (NPT), scheduled for 2010. Its aim was to assess the state of implementation of the articles of the NPT and to enable signatory states to discuss recommendations for strengthening the NPT regime that should be established by the 8th NPT RC. Issues that featured in the discussion on the promotion of nuclear non-proliferation included the implementation of International Atomic Energy Agency (IAEA) safeguards agreements and export controls and the consequences of non-implementation of the NPT (Iran, DPRK) and the implementation of UN SC resolutions in the Middle East. By virtue of its chairmanship of the Zangger Committee, the Czech Republic delivered a separate address concerning the implementation of Article III (2) of the NPT. The Czech Republic also took part in the preparation of an EU working document on export controls.

International Atomic Energy Agency and Nuclear Non-proliferation Treaty

The International Atomic Energy Agency (IAEA) occupies an extremely important place in the nuclear non-proliferation effort, particularly in connection with the Treaty on the

Non-proliferation of Nuclear Weapons (NPT), which remains the foundation of the global system of non-proliferation of nuclear weapons, especially for implementation of commitments arising from “safeguards agreements” by states.

Despite several years of intensive IAEA verification activities, there remain doubts about the aims of Iran’s nuclear programme. Iran is not implementing the resolutions of the IAEA Board of Governors or the UN Security Council; in violation of these resolutions it is going ahead with enrichment at Natanz and construction of a heavy-water reactor at Arak. UN Security Council resolutions 1737(2006) and 1747(2007) contain binding sanctions against Iran that restrict international cooperation in the area of enrichment and reprocessing of nuclear materials and in the development of ballistic missiles. The IAEA’s report of 15 November 2007 states that the IAEA does not have reliable and accurate knowledge about the state of Iran’s nuclear programme, though it admits that some progress has been made in cooperation with Iran.

The adoption of an agreement entitled “Initial Actions for the Implementation of the Six-Party Joint Statement” in 2007 marked a fundamental change in the situation concerning the IAEA’s safeguards activities in the DPRK. Its most important point is the DPRK’s commitment to shut down and seal the Yongbyon nuclear facility, including the reprocessing plant, and allow IAEA inspectors to conduct monitoring and verification. Based on this agreement, five facilities at Yongbyon were shut down by September 2007. As the costs of the IAEA’s verification and monitoring activities could not be incorporated into its regular budget for 2007, these activities had to be financed in a different way, mainly from voluntary contributions (USA, Japan, EU). The IAEA member states emphasise the need for continuing dialogue with a view to achieving a peaceful and comprehensive solution to North Korea’s nuclear programme and the early denuclearisation of the Korean peninsula. The importance of the IAEA’s contribution to all steps of the process is stressed. It is the only authority that can confirm the implementation of the agreed steps.

The issue of multilateral nuclear approaches to the nuclear fuel cycle (MNA) and the related questions of guaranteed supplies of nuclear fuel were discussed by the IAEA in 2007. The Agency’s Director General stressed that with the anticipated renaissance in nuclear power nuclear fuel supplies could become the Achilles heel of the non-proliferation regime. That

makes it essential that uranium enrichment and plutonium separation are put under international control.

In June 2007, the IAEA approved the status of integrated safeguards for the Czech Republic, thus confirming the non-existence of undeclared nuclear materials or activities, and began to apply the highest level of its safeguards measures. The Czech Republic thus became one of the few countries in the world with a significant nuclear programme about which the IAEA could pronounce this conclusion.

In its participation in the IAEA Technical Cooperation Programme (TCP), the Czech Republic continues to build up its position as a net donor, i.e. a country that contributes more to the TCP projects fund than it draws down. In 2007, the Czech Republic provided contributions to various IAEA activities worth a total of CZK 7.3 million from the budget heading of the Ministry of Foreign Affairs and almost CZK 6.4 million from finances of the State Office for Nuclear Safety, which has the authority over a considerable part of the agency's scope. Above all, the Czech Republic supported the work of the Technical Cooperation Fund (TCF), the Programme of Action for Cancer Therapy (PACT), the Nuclear Security Fund (NSF) and also the Czech Republic Support Programme (CZSP), under which the Czech Republic also organises training courses for IAEA inspectors.

The most important activity in the field of technical cooperation with the IAEA was the repatriation of high-enriched spent nuclear fuel from the Nuclear Research Institute at Řež, near Prague (December 2007), to the Russian Federation for reprocessing. This marked the culmination of the “trilateral initiative” of the USA, Russian Federation and IAEA, which the Czech Republic actively joined in 2004 in the context of the Global Threat Reduction Initiative.

Nuclear Suppliers Group (NSG)

The Czech Republic regards the Nuclear Suppliers Group (NSG) as one of the most important international control regimes and a key tool for strengthening the NPT – it therefore actively participates in its work.

In the political field, the plenary session of the NSG in Cape Town focused on questions of the implementation of the UN SC resolutions on Iran and DPRK. It also discussed relations between the NSG and India in connection with the US–India Civil Nuclear

Cooperation Initiative. For the second year, the Licensing and Enforcement Experts Meeting (LEEM) was chaired by the Czech Republic; in its recommendations it emphasised the need for information exchange regarding implementation of the UN SC sanctions resolutions. The NSG maintains extensive contacts with non-member countries through the chair country, which was the Republic of South Africa in 2007.

Zangger Committee

The Zangger Committee is an internationally recognised nuclear control regime, established under Article III (2) of the NPT. The Committee co-formulates the conclusions of NPT review conferences concerning nuclear export controls. The Committee's annual meeting was held in Vienna on 13 November 2007 under the chairmanship of P. Klucký, a representative of the Ministry of Foreign Affairs of the Czech Republic. The Committee confirmed its role as an important instrument in the control of nuclear equipment and material. Contact with the Resolution 1540 Committee was resumed. In addition, the process of publishing new items on the Committee's lists was completed.

Comprehensive Nuclear-Test-Ban Treaty

The Comprehensive Nuclear-Test-Ban Treaty (CTBT) is another crucial instrument in nuclear non-proliferation. The Czech Republic was the first European country to ratify the Treaty and supports all activities designed to bring the CTBT into force. The most significant event of 2007 was the 5th CTBT Article XIV (Entry-into-Force) Conference, held in September. In its Final Declaration, a set of measures designed to promote the entry into force of the CTBT (assistance to the remaining states yet to ratify, strengthening international cooperation etc.) was consensually adopted.

The National Data Centre (NDC; Institute of Physics of the Earth of Masaryk University in Brno), which operates the IMS auxiliary seismological station at Vranov, near Brno, was connected to new terminals of the global communication infrastructure (GCI).

Chemical and biological weapons

Chemical weapons

In December 2007, the 12th session of the Conference of the States Parties to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention – CWC) discussed further steps for putting into effect the Action Plan for National Implementation of the CWC and the Action Plan for Universality of the CWC, as well as procedures for destroying newly declared chemical weapons. The conference was attended by a Czech delegation led by the Czech Republic's ambassador to the Netherlands P. Mareš. Another important event was the tenth anniversary of the founding of the Organisation for the Prohibition of Chemical Weapons (OPCW); seminars, conferences and meetings were held in various OPCW member states as part of the celebrations.

The Czech Republic is a member of the OPCW Executive Council for the May 2007 – May 2009 term; since May 2007 it has also been the coordinator of the Eastern Europe regional group. The Czech Republic again provided a voluntary contribution (this time CZK 2 million) to the Voluntary Trust Fund for Assistance against Chemical Weapons under Article X of the CWC. For the fifth time, it also contributed to a project for the destruction of chemical weapons stockpiles in the Russian Federation (Schuchye destruction facility) in 2007.

Biological weapons

In accordance with the decision of the 6th Review Conference of the States Parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (BTWC), the annual meeting of the states parties to the BTWC was held in Geneva on 10-14 December 2007. The meeting was attended by a Czech delegation led by the Permanent Representative of the Czech Republic to the United Nations Office in Geneva T. Husák.

The meeting discussed the following issues:

- a) ways and means to enhance national implementation, including enforcement of national legislation, strengthening of national institutions and coordination among national law enforcement institutions;
- b) regional and sub-regional cooperation on implementation of the BTWC.

The meeting noted the results of the Meeting of Experts held in August 2007 and approved a set of measures (recommendations) that should be incorporated into the states' national legislation. For the first time, there was a roundtable discussion between representatives of governments and non-governmental organisations; the panel devoted to representatives of the biotechnology industry was also a first.

The Czech Republic continues to support a multilateral approach to tackling problems in the area of the BTWC and, in collaboration with other EU countries, actively participates in all meetings of experts and the states parties. In the context of the preparations for its presidency of the EU, it is also actively involved in preparing EU documents via the "e-taskforce" method.

Australia Group

The 22nd plenary meeting of the Australia Group (AG), an international control regime designed to prevent the spread of chemical and biological substances and dual-use technologies, was held in Paris on 4-7 June 2007. The meeting was attended by a Czech delegation composed of representatives of the ministries of foreign affairs, industry and trade, defence, and interior, the State Office for Nuclear Safety, the General Directorate of Customs and the Security Information Service. For the first time, Croatia attended the meeting as a new AG member. The main political questions dealt with by the plenary were the membership of the Russian Federation and Chile and cooperation with China. The meeting approved the report of the Chair concerning outreach activities and requested that these activities be intensified.

Several proposals designed to strengthen the AG's work were approved; considerable attention was paid to the question of "brokering" and intangible technology transfers. The meeting also approved an amendment of the animal pathogens list and an update of the factors (criteria) for considering the addition of chemicals to the control lists.

Ballistic missiles and WMD means of delivery

The 22nd plenary meeting of the Missile Technology Control Regime (MTCR) took place in Athens on 5-9 November 2007. The meeting was attended by a Czech delegation composed of representatives of the ministries of foreign affairs, industry and trade, defence, and interior, the General Directorate of Customs and the Security Information Service. The plenary adopted several decisions focusing on regional non-proliferation of WMD, the implementation of UN Security Council resolution 1540, the question of the notification of denied exports, membership of the MTCR and outreach activities. Twelve countries (eight of them EU member states) expressed an interest in joining the MTCR, but consensus was not reached on this issue and no new partners were admitted. Other important questions included the strategies for obtaining materials and technologies, brokering, transportation, new technologies, the financing of proliferation, the proliferation of intangible technologies and the use of unmanned aerial vehicles.

The Czech Republic and other international arrangements concerning non-proliferation of WMD

In line with its foreign policy priorities and security interests, the Czech Republic is an active participant in informal initiatives of the international community designed to strengthen the fight against WMD proliferation and terrorism. The key platforms are listed below.

Hague Code of Conduct (HCOC – International Code of Conduct against Ballistic Missile Proliferation)

Since its inception in 2002, the HCOC's objective has been to prevent the proliferation of ballistic missiles by means of voluntary exchange of annual declarations and notifications about planned space launches. In cooperation with other EU states, the Czech Republic is striving to make the HCOC universal. The 6th HCOC annual meeting in June 2007 was attended by a Czech delegation composed of representatives of the foreign affairs and defence ministries. The meeting emphasised the need for compliance with all the existing confidence-building measures; increasing the number of such measures is inappropriate at this juncture.

Proliferation Security Initiative (PSI)

The PSI was formed in 2003; its principal objective is to help counter efforts to acquire WMD or dual-use goods. As part of this initiative, the Czech Republic again took part in certain other PSI exercises in 2007.

G8 Global Partnership against the Proliferation of WMD

The Czech Republic joined this initiative (announced at the G8 Sea Island Summit) in 2004 and every year (including in 2007) provides a voluntary contribution of CZK 2 million to a British project to destroy chemical weapons in the Russian Federation.

Global Threat Reduction Initiative (GTRI)

The Czech Republic joined the GTRI at the outset in 2004. In cooperation with the IAEA, it has repatriated highly enriched nuclear fuel to the country of origin three times (for more details see the section on the IAEA).

Conventional weapons

Anti-personnel mines

A meeting of states parties to the Convention on the Prohibition of the Use, Stockpiling, Production, and Transfer of Anti-personnel Mines and on their Destruction (known as the Ottawa Convention) took place in Jordan in November 2007. The meeting was attended by a Czech delegation composed of representatives of the foreign affairs and defence ministries. The meeting's principal topics were universal accession to the Convention and implementation of the commitments stemming from the Convention. The participants prioritised the destruction of stockpiled anti-personnel mines, mine clearance, and humanitarian activities to help mine victims and assist the development of mine-cleared territories. In 2007, the Czech Republic again contributed to humanitarian mine clearance and aid for mine victims, both through international organisations and as a part of bilateral cooperation.

Restrictions on the use of some conventional weapons

A meeting of the States Parties to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (CCW) was held in Geneva in November 2007. The meeting was attended by a Czech delegation led by the Permanent Representative of the Czech Republic to the United Nations Office in Geneva, Ambassador T. Husák. The principal theme of the meeting was cluster munitions. (Under a Norwegian initiative, several meetings were held outside the CCW framework on this question; the Czech Republic also took part in these meetings.) In keeping with tradition, the meeting of the states parties also addressed the question of compliance with the Convention, participation in meetings and increasing the number of states parties.

Small arms and light weapons

The Czech Republic continued to support the implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Forms, adopted in 2001 (UN Programme of Action). In 2007, the Czech Republic again contributed to projects related to small arms and light weapons under the “UN Trust Fund for the Consolidation of Peace through Practical Disarmament Measures” and presented a report on implementation of the UN Programme of Action.

Wassenaar Arrangement

In December 2007, the 13th plenary meeting of the Wassenaar Arrangement on Export Controls for Conventional Weapons and Dual-Use Goods and Technologies was attended by a Czech delegation led by the head of the Permanent Mission in Vienna, Ambassador I. Počuch. The meeting approved numerous amendments to the list of controlled goods, welcomed the first expert-level dialogue with the MCTR, approved amendments to the “Elements for Export Controls of MANPADS”, adopted “Best Practices to Prevent Destabilising Transfers of Small Arms and Light Weapons through Air Transport”, approved a “Statement of Understanding on End-use Controls for Dual-use Items” and agreed to continue to undertake outreach through dialogue with non-Participating States.

7. The Czech Republic in the fight against international terrorism

The fight against international terrorism remains one of the priorities of Czech foreign policy. The Czech Republic regards its involvement in the international efforts to combat terrorism both as an expression of solidarity with states affected by terrorism and as a response to a security threat that affects international peace and stability and thus concerns the security situation in the Czech Republic.

2007 again confirmed that Islamist groups account for the majority of the numerous terrorist attacks and incidents around the world. In geographical terms, the regions worst affected by terrorism were again the Middle East, along with South and South East Asia. The situation in Iraq was particularly critical: there, the numerous victims were targeted by Sunni terrorists.

Regardless of the differences in the data published by institutions dealing with terrorism, even the sober figures are alarming: around 3,479 terrorist attacks were registered around the world in 2007, claiming the lives of 8,763 people. Compared to the previous year, the number of terrorist incidents fell by around 48%.

Terrorism is a complex problem: it is a socio-cultural as well as a political phenomenon that is becoming a constant threat to civilisation in all parts of the world, including Europe. In the last few years, Europe has suffered two large-scale Islamist terrorist attacks. The security risk in Europe is still high. Mitigating the terrorist threat has become a long-term task that requires more than just repressive measures: intensive international cooperation and improved awareness are also essential.

Islamist terrorist organisations and individuals continue to represent the greatest security threat for the states of the Euro-Atlantic civilisation. A substantial portion of these attacks are carried out by very loosely connected or entirely autonomous terrorist groups, often linked by nothing more than a shared ideology. Terrorists do not respect borders or cultural diversity; in fact, they exploit them as a weakness of Euro-Atlantic civilisation to carry out attacks and acquire new recruits. Unfortunately, there has been no decline in the terrorists' ability to plan and execute sophisticated attacks, and reducing the threat of terrorism has become a long-term objective of the international community.

Analyses of current trends in Islamist terrorism draw attention to the problem of radicalisation and the formation of terrorist cells within European Union states. Above all, there is radicalisation among second and third-generation immigrants, while the war in Iraq generates new recruits for terrorist organisations and provides them with an opportunity for training. Terrorists are actively taking advantage of all the facilities offered by society, in particular state-of-the-art technologies and communications, to plan, finance and carry out their attacks. The internet is for them both a propaganda and communication tool, as well as a source of information.

Statistically, the predominant forms of terrorism in the European Union in 2007 were separatist (Corsica, Basque region) and left-wing (Italy, Greece). A total of 52 terrorist incidents were registered in the EU in 2007, resulting in one fatality.

As a member of the EU, NATO and the UN, the Czech Republic advocates a comprehensive approach to the fight against terrorism, stressing international cooperation and respect for human rights. It pays particular attention to identifying the political, economic, social, cultural and religious causes of terrorism.

On 7 July 2007, the International Convention for the Suppression of Acts of Nuclear Terrorism (New York, 13 April 2005), concluded within the United Nations, entered into force in general and for the Czech Republic, when the twenty-second country of the international community became a state party to this Convention (the Czech Republic ratified the Convention on 25 July 2006).

On 27 November 2007, the Czech Republic signed, with reservation of ratification, the Protocol amending the European Convention on the Suppression of Terrorism (Strasbourg, 15 May 2003). When signing the Protocol, the Czech Republic made a declaration concerning the Protocol's relationship to the international counter-terrorism treaties that were negotiated in recent years at universal level.

In 2007, terrorism remained an important issue in both Czech bilateral and multilateral relations and a regular topic in talks held by representatives of the Czech Republic on visits abroad. The central purpose of this dialogue is to narrow the divide between different views on terrorism and to exchange information. Structured discussions on the fight against international terrorism paved the way for better intelligence sharing among NATO member states and partners, and broader cooperation with other international organisations during anti-

terrorist operations and building up capabilities for the fight against terrorism. In 2007, the Czech Republic focused on terrorism not just as part of NATO operations (KFOR, ISAF), but also in the context of transformation activities and its contribution to the development of CBRN capabilities (multinational NATO chemical, biological, radiological and nuclear defence battalion), for example, through its role as co-chair of the Defence Group on Proliferation (DGP). In addition, a decision was made in 2007 to continue with the Czech Republic's engagement in Operation Enduring Freedom, in which the Czech Republic participated in 2006.

In the EU, the Czech Republic continued to implement the European Security Strategy and was involved in formulating the EU Common Foreign and Security Policy, founded on mutual solidarity and support among member countries. The Czech Republic continues to contribute to analyses of the security situation and terrorist threats drawn up by the EU's Joint Situation Centre and took part in discussions on political, legal and technical documents related to the fight against terrorism. Within the UN, the Czech Republic, along with other EU member states, contributed to the adoption of the Global Counter-Terrorism Strategy and strives to bring the work on the Universal Convention on International Terrorism to a successful conclusion.

The Czech Republic contributed to the fight against the financing of terrorism by passing two statutes: Act No. 69/2006 Coll., on implementation of international sanctions, and Act No. 70/2006 Coll., amending acts related to the act on international sanctions.

National Plan of Action against Terrorism

In February 2008, the Czech government approved the fourth update of the National Plan of Action against Terrorism for 2007-2009. This strategic document contains a set of tasks that should be executed within the two-year time frame so that the Czech Republic is prepared to confront terrorist threats. The plan is divided into the following four parts: 1. Improving communication and cooperation between entities involved in the fight against terrorism and enhancing the conditions for their work; 2. Protecting the population and critical infrastructure; 3. Preventing the formation of closed immigrant communities and the radicalisation of their members; 4. The Czech Republic's foreign policy in the fight against terrorism.

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

The Czech Republic is actively implementing the first-ever UN Global Counter-Terrorism Strategy, which was adopted by consensus in the form of a resolution at the 61st UN GA on 8 September 2006. UN member states agreed on the need to adopt coordinated and very specific counter-terrorism measures at the national, regional and international levels. Annexed to the Strategy is a Plan of Action denouncing terrorism in all its forms. The UN Global Counter-Terrorism Strategy also institutionalises the United National Counter-Terrorism Implementation Task Force (CTITF), whose purpose is to ensure the coordination, implementation and coherence of the entire system of UN counter-terrorism measures.

The CTITF then adopted a programme of work and established working groups to carry forward a number of initiatives; the Czech Republic is actively responding to these initiatives. One of the CTITF's outputs is the Counter-Terrorism Online Handbook (<http://www.un.org/terrorism/cthandbook>), an electronic database created to provide member states and other concerned entities with information on the CTITF's activities and UN resources contributing to the fight against terrorism.

A symposium entitled "Advancing the Implementation of the UN Global Counter-Terrorism Strategy" held in Vienna on 17-18 May 2007 was a milestone in the counter-terrorism agenda. The meeting was a step in the implementation of the Strategy by all member states; at the symposium a number of countries, including the Czech Republic, mentioned their own concrete projects to support the implementation of the Strategy and expressed their unequivocal support for the CTITF.

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

The FATF is an intergovernmental group established in 1989 under an initiative of G7 countries; it advocates worldwide coordination and implementation of international and national rules and policies in the fight against money laundering and terrorist financing. The Czech Republic is not a member of this group, but is involved in cooperation with it through the Moneyval Committee (PC-R-EV), which has been an associate member of the FATF since 2006. In 2007, Moneyval approved a report on the results of the third round of evaluation of the Czech Republic.

8. Foreign Development, Humanitarian Aid and Transformation Cooperation

As a member of the European Union (EU) and the international community of democratic and economically developed countries, the Czech Republic advocates the principle of human solidarity and solidarity among states and shoulders its portion of the responsibility for resolving worldwide problems. One of the manifestations of this approach is foreign development cooperation (FDC), an integral part of Czech foreign policy. The Czech Republic performs and provides FDC on both a bilateral and multilateral basis, in line with international principles and its own interests.

The fundamental strategic document governing FDC is the Concept of Foreign Development Aid of the Czech Republic for 2002-2007, which the Czech government noted by its resolution No. 91 of 23 January 2002. The Concept declares that FDC is based on the principles of partnership, effectiveness and transparency and its principal objective is to help reduce poverty in less developed parts of the world by means of sustainable economic and social development. The Czech Republic fully supports the international development goals (*Millennium Development Goals – MDGs*) that took shape during UN international conferences in the 1990s and were confirmed by the UN summit in the year 2000.

The provision of foreign development cooperation and humanitarian aid is governed by the Principles of Foreign Development Cooperation after the Czech Republic's Accession to the EU, approved by government resolution No. 302 of 31 March 2004 and amended by government resolution No. 1070 of 19 September 2007. The Principles defined cooperation programmes with priority countries as the core of Czech FDC, in order to strengthen the predictability and effectiveness of Czech FDC. In 2004, the Czech government approved the objective of channelling Czech FDC into the following priority countries: Angola, Zambia, Vietnam, Mongolia, Yemen, Moldova, Bosnia and Herzegovina, Serbia and Montenegro.

The government subsequently approved development cooperation programmes for 2006-2010 between the Czech Republic and these eight priority countries. Besides development cooperation programmes with priority countries, development projects and other forms of development activities (e.g. providing university scholarships for students from developing countries, assisting refugees in the Czech Republic, cancelling and restructuring debts, etc.) also take place to a lesser degree in other countries.

Every year, the government approves the bilateral foreign development cooperation plan for the following year and assessments of projects for the previous year. In 2007, government resolution No. 686 of 25 July 2007 approved the FDC plan for 2008 and an FDC medium-term budget outlook up to 2010. Implementation of projects is governed by the “Rules for Selecting and Financing Bilateral FDC Projects”, approved by government resolution No. 1311 of 12 October 2005. These rules are supplemented by a practical “FDC Project Cycle Manual”.

In line with the Concept and with due regard to international commitments (e.g. the European Consensus on Development and the Paris Declaration on Aid Effectiveness), the Ministry of Foreign Affairs drew up a proposal of measures to make the FDC management and implementation system more effective. This proposal, entitled “Transformation of the Development Cooperation System of the Czech Republic”, was approved by government resolution No. 1070 of 19 September 2007. The proposal envisages the creation of an inter-ministerial Development Cooperation Council, the gradual transfer of all development cooperation projects to the Ministry of Foreign Affairs by 31 December 2010 and the launch of the Czech Development Agency on 1 January 2008.

Based on the government’s legislative plan, in 2007 the Ministry of Foreign Affairs prepared the outline of a bill on foreign development cooperation and humanitarian aid and submitted it to the government for discussion.

The Development Centre at the Institute of International Relations was abolished on 31 December 2007; from 1 January 2008 it will be replaced by the said Czech Development Agency.

In line with the Concept, increased emphasis was placed on the involvement of the non-government sector and the public in development cooperation. The primary sources of information include the Ministry of Foreign Affairs web site at www.mzv.cz/pomoc, or its English-language version www.mfa.cz/aid. In collaboration with Palacký University in Olomouc, the 10th Development Aid Summer School took place in 2007.

In addition to bilateral development cooperation, in 2007 the Czech Republic also provided humanitarian aid, transformation aid and multilateral development aid via the EU budget, UN agencies, and international financial institutions (these forms of FDC are covered

by other chapters of this report). The total value of these activities of the Czech Republic in 2007 was CZK 3.628 billion (estimate as of 14 March 2008 based on OECD/DAC methodology).

Foreign humanitarian aid in 2007

A sum of CZK 70 million was earmarked in the Treasury Administration heading of the Czech Republic's state budget for the provision of foreign humanitarian aid in 2007. In addition, the grant projects by Czech non-governmental organisations launched in 2006 went ahead in 2007; unused finances of CZK 15.5 million for these projects were transferred to the reserve fund and drawn down in 2007.

The biggest single amount of humanitarian aid provided by the Czech Republic in 2007 was the CZK 10.5 million package released by the Ministry of Foreign Affairs to alleviate the protracted crisis in Sudan. CZK 5 million of that sum was implemented through the UN World Food Programme (WFP); CZK 5 million supported the AMIS peacekeeping mission within the framework of the 9th EDF of the European Union; and the remaining CZK 500,000 was channelled through British organisation HART to deal with this crisis.

The second significant beneficiary of Czech humanitarian aid in 2007 was Afghanistan, where Quick Impact Projects worth CZK 5.4 million were implemented in cooperation with the Czech embassy in Kabul. A mine clearance project implemented by the HALO Trust was supported with CZK 4.2 million and a grant project by the non-governmental organisation Berkat received CZK 637,660. Also in Afghanistan, a continuing project by non-governmental non-profit organisation People In Need to improve healthcare facilities received CZK 10.6 million.

The Czech Republic also provided significant humanitarian aid to Iraq, totalling CZK 5.2 million: CZK 3 million was used via the UNHCR to help refugees and CZK 2.2 million went towards a project for a charitable children's hospital.

The Czech Republic also provided financial support to countries affected by earthquakes in 2007: Solomon Islands – CZK 400,000; Peru – CZK 5 million. The Czech Republic also granted financial humanitarian aid to countries affected by floods: Bolivia – CZK 2.2 million; Zambia – CZK 1.5 million; Nepal – CZK 2 million; Democratic People's Republic of Korea – CZK 500,000; Uganda – CZK 1 million; Ghana – CZK 1.5 million. The

Czech Republic expressed its support for Burmese refugees in Malaysia, Thailand and India, providing a total of CZK 2.4 million via MERCY Malaysia, British organisation HART and the TBBC consortium of non-governmental organisations. Via the UNHCR, the Czech Republic allocated a sum of CZK 2.2 million in aid to Somali refugees in Yemen.

In addition, the Czech Republic's humanitarian aid reacted to the catastrophic drought that affected Djibouti (CZK 400,000) and Moldova (CZK 5 million – in-kind aid in the form of grain supplies). In-kind humanitarian aid worth a total of CZK 2 million (in the form of supplies of fire extinguishing material and equipment) was dispatched from the Czech Republic in connection with the extensive fires in Albania and Macedonia/FYROM. The Czech Republic responded to the disaster caused by the explosions in Mozambique by providing humanitarian aid worth CZK 1 million through the Red Cross. In autumn 2007, Hurricane Dean struck the Caribbean, causing wide-scale damage. The Czech Republic joined in the international community's assistance to the Caribbean, allocating a financial contribution totalling CZK 2.5 million to the worst-hit Caribbean countries. In addition, the Czech Republic provided a financial contribution of CZK 1.5 million to Bangladesh following Cyclone Sidr.

In providing humanitarian aid in 2007, the Czech Republic observed the Good Humanitarian Donorship principles approved in Stockholm in 2003. On officially adopting these principles in 2006, the Czech Republic joined the ranks of developed aid donors both in the EU and on a worldwide scale.

In view of the genuine humanitarian need and the Czech Republic's commitments in connection with the Good Humanitarian Donorship, the Czech Republic also provides financial support to efforts to deal with protracted crises. Besides the aid already mentioned (Sudan, Afghanistan, Iraq), in 2007 the Czech Republic also provided CZK 5.2 million towards projects by Czech non-governmental non-profit organisations: People in Need and Caritas Czech Republic in Sri Lanka. Finally, the Czech Republic provided a financial contribution of CZK 3 million towards efforts to deal with the protracted crisis in the Palestinian Autonomous Territories.

9. Transformation policy

Transformation policy is a new element introduced in Czech foreign policy in 2007. It brings together the foreign policy tools that may be used to influence the state of human rights and democracy in the world. Transformation policy is designed to motivate political processes leading towards long-term stability and prosperity and to help emancipate human rights defenders and civil society as key actors in sustainable democratic change. The appropriate financial instrument, available to the Ministry of Foreign Affairs since 2004, is the transformation cooperation programme. The experiences gained from cooperation with civil society in target countries are then factored into the decision-making process. The Czech Republic's purposeful work in this field also helps enhance the country's image abroad.

Transformation cooperation programme

The transformation cooperation programme complements the Czech Republic's foreign development cooperation system. At the same time, it is a separately defined component of government policy towards transforming countries, as well as countries with undemocratic regimes. The aim of this cooperation is to help ensure that ongoing or possible future changes in these countries lead to democracy and the rule of law, and not to chaos, conflict and destabilisation. Transformation cooperation concentrates on creating and strengthening democratic institutions, the rule of law, civil society, and the principles of good governance. It is implemented primarily through projects targeting education and the dissemination of information, opinions and experiences, and in particular experiences with non-violent resistance to totalitarian systems and the subsequent social transformation process, which the Czech Republic underwent in the 1990s. It is characterised by systematic cooperation with and support for civil society groups and non-governmental organisations – contact with state authorities in the beneficiary countries may be deliberately ruled out.

In 2006, transformation cooperation continued to target countries of priority interest to the Czech Republic's foreign policy where there is a tradition of mutual contacts and a likelihood that the sharing of Czech experiences will be successful (Belarus, Bosnia and Herzegovina, Cuba, Georgia, Iraq, Moldova, Myanmar/Burma, Serbia, and Ukraine).

In 2007, the transformation cooperation programme funded a total of 45 projects of cooperation between Czech non-governmental organisations and institutions and their

counterparts in the target countries and independent activities of the Czech Ministry of Foreign Affairs. A number of the projects involving Czech organisations are multilateral or international in nature; the Transformation Cooperation Programme stresses coordination with other governmental and non-governmental providers of support and reflects the trends in EU policy towards the countries concerned. Total expenditure on transformation cooperation projects and activities in 2007 amounted to CZK 41.7 million.

Examples of transformation cooperation projects in 2007

Belarus

International Association Civic Belarus

Support for “European Radio for Belarus”

European Radio for Belarus is an international project based in Warsaw, whose aim is to provide objective information to the citizens of Belarus. The station broadcasts by satellite, on FM and on the internet (www.euroradio.fm). The station targets young listeners, offering popular music as well as news and current affairs information.

Support for the Belarusian non-governmental sector and Belarusian scholarship beneficiaries (information exchange, study stays, consultation services, development of Human Rights House in Vilnius)

This activity is designed to support Belarusian non-governmental organisations and assist them in establishing cooperation with their Czech counterparts. Under the project, group and individual study visits to the Czech Republic were organised for representatives of the Belarusian non-governmental sector, as well as visits to the Human Rights School in Vilnius for Czech instructors. The project implementer also provided consultation and legal assistance to Belarusian students and organisations. The Human Rights House in Vilnius provides Belarusian non-governmental organisations with safe premises for their work and educational projects (seminars, conferences, training). The Czech Republic is one of this project's international partners.

Association for International Affairs

A European Alternative for Belarus

Support for the work of independent school “Euroclubs” to enable them better to promote European values and integration and inform about developments in Central European countries following their accession to the EU. Under the project, a study visit to the Czech Republic was organised for six Belarusian teachers. In addition, seven seminars in the regions with the involvement of a Czech expert were organised for teachers and members of the Euroclubs. Ten “micro-grants” were provided in support of the Euroclubs and a teachers’ handbook on the history of European countries was prepared.

People In Need

Today’s investment in the future of Belarus – contacts, image, analytical potential of a democratic Belarus.

The project mediated direct humanitarian aid to victims of political persecution (79 people in total were supported) and in-kind support to civic organisations (nine organisations and initiatives in total). The project helped improve awareness about the situation in Belarus in the Czech Republic and other countries. Bulletins on current affairs in Belarus were distributed every month to more than 400 recipients from both the specialist and general public. Two Belarusian lawyers were taught about transformation and human rights legislation and practice in the Czech Republic. Micro-grants were used to support five scientific research projects.

Archdiocesan Charity Prague (Caritas)

Education of Belarusian students at selected Czech universities I and II

A long-term project under which ten young Belarusians study in the Czech Republic. In the first half of 2007 they completed their study of the Czech language; in June they all passed entrance examinations to the universities of their choice. Throughout the time of their studies, the project implementing organisation provides the students with the necessary resources and involves them in its volunteer activities.

Union of Towns and Municipalities

Development of self-governing democracy in Belarus: support for the introduction of principles of democratic governance at local level

Members of local councils are informed about the transformation and reform of public administration and the working of democracy at local level.

Society of Friends of HOST Magazine

Support for the participation of Belarusian authors in the Month of Authors' Reading festival

The participation of Belarusian writers in the Month of Authors' Reading in July 2007, where Belarus was guest of honour (defrayal of the costs of travelling to and staying in the Czech Republic).

Georgia

Organisation for Aid to Refugees

Support for the work of non-governmental organisations working with refugees and internally displaced persons in Georgia II

The project made it possible to train the staff of non-governmental organisations dealing with refugees and internally displaced persons in cooperation with the non-governmental platform Cchinali House, a confederation of fifteen smaller organisations working with refugees from the Cchinali region in South Ossetia. Social workers and lawyers from these organisations learnt about the Czech model of cooperation between non-governmental organisations and integration into European structures. The activities included the second year of the Czech-Georgian Legal and Social Clinic, intended for staff of non-governmental organisations, state administration and university students.

Iraq

Assistance for dealing with the cholera epidemic

The Czech Republic responded swiftly to the cholera epidemic in the provinces of northern Iraq and provided material and expert assistance. Training was provided for representatives of state administration and local government; Iraq received a donation of a laboratory for performing chemical and microbiological analysis of sources of unsafe drinking water.

People In Need

Support for the transformation of Iraqi society – non-governmental organisations, civil society, journalists, local government

A long-term project launched in 2004; through a wide range of activities – study visits, courses, training, direct support – it contributes to the development of civil society and its effective role in transformation and democratisation in southern Iraq.

Hradec Králové University, Faculty of Informatics and Management

Courses for a group of students from Iraq

Four students will complete a course in Information Management and Applied Informatics at the Hradec Králové University in June 2008.

Masaryk University Brno, Faculty of Natural Sciences

Course in Chemistry for Conservation/Restoration

The masters course in Chemistry for Conservation/Restoration for two students is part of the long-term activities undertaken by the Czech Republic with a view to conserving Iraq's cultural heritage.

Cuba

People In Need

Support for democratic opposition in Cuba

Direct support for civil society, independent journalists, doctors, teachers, activists in independent trade unions, church representatives, and civic activists. Another part of the project is the provision of information to the Czech, European and global public about the situation in Cuba and coordinating the activities of pro-democracy institutions and personalities.

Institute of Documentary Film

Documentary Cuba

Creation of a network of emerging documentary filmmakers; provision of material resources and training; linkage to the Cuban civil sector and with European filmmakers and institutions. A documentary film about “The Ladies in White” (*Damas de Blanco*) was made as part of the Ministry of Foreign Affairs project.

Support for a network of independent pharmacies in Cuba

Supplies of medicines for those who have restricted access to healthcare.

Serbia

Agora Central Europe

Increasing the influence of citizens on local decision-making

Strengthening democracy and the development of civil society at local level through effective public participation in decision-making processes. The project acquaints local government representatives with the possibilities and methods of civic participation and offers assistance for dealing with specific problems.

VIA Foundation

Transformation cooperation with the Balkan Community Initiatives Fund (BCIF) – phase III

A long-term project seeking to develop fundraising and the culture of private donorship in Serbia.

South Moravia Region

Utilisation of experiences with the transformation of public administration in the Sumadija region

Study visits and seminars focusing on the development and improvement of the performance of the Regional Economic Development Agency for the Sumadija and Pomoravlje Regions, which participates in drawing up development projects for local government; some projects receive financial support from the Czech Republic.

Bosnia and Herzegovina

Europeum Institute for European Policy

A Czech Path to the EU

More than forty participants (journalists, NGO practitioners and local government representatives) from the whole of Bosnia and Herzegovina underwent training in Sarajevo and study visits to the Czech Republic focusing on themes related to Czech experiences with integration into the European Union. Participants in the study trip to the Czech Republic had the opportunity to meet, discuss and set up new professional partnerships with their counterparts from the Czech Republic.

Moldova

People In Need

Increasing the capacity of Transnistrian non-governmental organisations

Development of civic life and activities in the Transnistrian region; training in project management; practical cooperation in the form of micro-grants, with the emphasis on establishing contacts and cooperation between organisations under the jurisdiction of Chisinau and Tiraspol. Drawing up monthly bulletins on the political situation in Moldova, with the emphasis on the Transnistrian region.

Prague Security Studies Institute

Sharing Czech transformation experiences with Moldova

A transformation seminar for participants in the political education course at the partner institution in Moldova (Institute for Development and Social Initiatives Viitorul); potential political leaders among the young generation who share democratic and European values and are prepared to promote these values in their country.

Myanmar/Burma

People In Need

Burma projects of People in Need

Expanding and systemising activities in support of the democratic movement in Myanmar/Burma. The activities focus on three main areas: 1) Direct support for Burmese dissidents and the families of political prisoners (*financial contributions are provided by private donors – Club of Friends of People in Need*); 2) raising awareness about the situation in Myanmar/Burma, international support for the democratic movement; 3) dissemination of information about transformation in the countries of Central and Eastern Europe, internships in the Czech Republic for NGO practitioners.

Institute of Documentary Film

Support for activities of the Yangon Film School in 2007

Courses in filmmaking with particular emphasis on documentary films, as this genre suffers worst from state control and censorship.

Film and TV School of the Academy of Performing Arts (FAMU) – Moving Image Centre and Burmese projects of FAMU

The project comprises one-year study at FAMU in Prague for one scholarship beneficiary whose opportunities for study in Myanmar/Burma are restricted for political reasons. It also includes a workshop designed to bring closer together independent artists, expelled students, former political prisoners and people cooperating with the dissent movement who are interested in cinematography and video and want to enhance the creative skills they already possess. One objective was the establishment of an independent platform called the Myanmar Moving Image Centre.

Ukraine

Europeum Institute for European Policy

Transfer of experiences with the process of European integration from Czech non-governmental organisations to their Ukrainian counterparts.

This project of cooperation with a pan-Ukrainian network of non-profit organisations, founded in May 2006 on the initiative of the International Renaissance Foundation, comprised a study tour of the Czech Republic for representatives of twelve NGOs. The study tour had three priority themes: monitoring of the activities of the government and public administration in the field of EU policies, information campaigns and educational activities related to EU issues, and effective networking at European level and participation in international projects.

People in Need

Southern and eastern Ukraine – democratisation of governance: participation of citizens and media in decision-making processes

Training project targeting two areas necessary for the functioning of democratic society: 1) investigative journalism – a series of seminars on the subject of investigative and civic journalism and the legal protection of investigative journalists was held in Donetsk in eastern Ukraine; 2) local government - in Donetsk, Czech experts presented the fundamental changes which the Czech Republic has undergone in the area of local government since 1989.

Association for International Affairs

A European Alternative for Eastern Ukraine

Three all-day seminars for local secondary school teachers and journalists on the EU, NATO and developments in Central European countries following integration to these structures. The ten most active participants then undertook a study trip to the Czech Republic.

Belarus, Serbia, Bosnia and Herzegovina

Transitions Online

Reporting EU Integration – Improving reporting on EU integration and reform

The training cycle for journalists from Belarus (as well as journalism students and those who are unable to study), Serbia, and Bosnia and Herzegovina comprised 1) a one-month online distance learning course and 2) a five-day course in Prague. Participants in the training were provided with the knowledge necessary for accurate and impartial reporting, with the emphasis placed on internet journalism and “blogging”. The study materials were prepared in collaboration with the BBC.

CERGE

Postgraduate study for students from selected European and Asian countries embarking on the path of transition to democracy and market economy in 2007

As part of transformation cooperation, in the years 2005-2009 the Ministry of Foreign Affairs is supporting a programme of postgraduate study in macroeconomics and economic transformation at the CERGE joint workplace of the Economics Institute of the Academy of Sciences of the Czech Republic and Charles University for several dozen students from the priority countries of transformation cooperation and from other countries of the Eastern Europe, Central Asia, Balkans, and Southern Caucasus region.

II. THE CZECH REPUBLIC'S BILATERAL RELATIONS

Note on the economic relations tables in the following section: The tables show selected mutual trade and investment indicators from 2005 to 2007. (To reduce the size of the bilateral relations section, tables containing data on mutual economic relations are only given for the Czech Republic's 30 most important trading partners, unlike in previous versions of the Report.) The "Share of 2007 Aggregate Indicators (%)" column refers to the aggregate values of the Czech Republic's foreign trade in 2007.

1. The Czech Republic's relations with Central European countries

AUSTRIA

(Republic of Austria)

Relations with neighbouring Austria, one of the Czech Republic's most important foreign-policy and trading partners, are a priority of Czech foreign policy. The Czech Republic's accession to the European Union and Austria's presidency of the EU in the first half of 2006 were very beneficial to mutual relations. The high level of cultural contacts and developing cross-border cooperation bear witness to the success of the two countries' neighbourly relations.

Another cause for satisfaction is the frequency of bilateral political contacts – the decline in the second half of 2006 was followed by an increasing intensity of contacts in 2007. On various occasions there were several meetings of presidents, two bilateral meetings of prime ministers and two meetings of foreign affairs ministers. Consultations between the foreign affairs ministries had proved useful in the period before and during the Austrian presidency of the Council of the EU, and these consultations were followed up in 2007 by a number of expert talks.

Cross-border contacts between citizens form a fundamental pillar of Czech-Austrian relations. From this point of view, the Czech Republic's accession to the Schengen area can be viewed as the final act in the process of overcoming the traumas associated with the recent separation of the two societies by an impassable frontier. Ties on the political, economic and cultural level continue to develop on the basis of the constantly improving infrastructure.

Austria has also for long been one of the Czech Republic's biggest trading partners: it is currently the Czech Republic's sixth biggest trading partner overall and the fifth most important export market. Austria also remains the third biggest investor in the Czech Republic.

Some questions in bilateral relations remain open. The Czech Republic has an interest in a revision of the Austrian transitional period for the free movement of labour. There are differences of opinion and heightened sensitivity on the question of atomic energy in the context of energy security and the case of the Temelín nuclear power plant, certain aspects of Schengen enlargement, and also in some questions concerning interpretation of the countries' shared past. Infrastructure projects, especially the completion or upgrading of road and rail links between the countries, may require a more flexible approach in the future. The revitalisation of the Fratres – Slavonice railway link and completion of the motorway linking Vienna and Brno are two such projects.

Visits by representatives of the Czech Republic:

- 16-18 March 2007 – official visit to Tyrol by President V. Klaus;
- 26 March 2007 – working visit to Vienna by Minister of Foreign Affairs K. Schwarzenberg;
- 23 April 2007 – working visit to Vienna by Prime Minister M. Topolánek;
- 4 July 2007 – Minister of Foreign Affairs K. Schwarzenberg addressed the Diplomatic Academy in Vienna;
- 20 August 2007 – Minister of Foreign Affairs K. Schwarzenberg addressed the European Forum in Alpbach;
- 22-23 August 2007 – working visit to Vienna and Mürzsteg by President V. Klaus;
- 26-28 October 2007 – Minister of Foreign Affairs K. Schwarzenberg attended a meeting of the Trilateral Commission in Vienna;

- 14 December 2007 – meeting between President V. Klaus and Federal President H. Fischer in Vienna.

Visits by representatives of Austria:

- 27 February 2007 – official visit to Prague by Federal Chancellor A. Gusenbauer;
- 24-26 May 2007 – meeting of Central European presidents in Brno;
- 14 June 2007 – working meeting of foreign affairs ministers K. Schwarzenberg and U. Plassnik at Louka Monastery, Znojmo – conference marking the anniversary of 1968;
- 19 June 2007 – meeting in Prague between Minister of Foreign Affairs K. Schwarzenberg and Minister of the Environment M. Bursík and Governor of Upper Austria J. Pühringer.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	177 692 786	186 978 131	204 863 500	4.2
	year-on-year index	102.4	105.2	109.6	
Exports	CZK thousands	104 667 551	109 590 161	114 929 890	4.7
	year-on-year index	115.7	104.7	104.9	
Imports	CZK thousands	73 025 235	77 387 970	89 933 610	3.8
	year-on-year index	87.9	106.0	116.2	
Balance	CZK thousands	31 462 316	32 202 191	24 996 280	

Source: 1) Czech Statistical Office, March 2008 (foreign trade data)

The standard of economic relations between the Czech Republic and Austria has traditionally been high and is characterised by considerable intensity. After the stagnation of foreign trade in 2006 (and particularly Czech exports), in 2007 the growth index for Czech exports to Austria attained a value of 104.9 and the imports growth index 116.2. Austria was the Czech Republic's sixth biggest trading partner in 2007.

The Czech Republic's principal export commodities: non-electric machinery, devices and motors, pumps, computers, electrical machinery, devices and motors, radios, television sets, motor vehicles, tractors, wheeled and other vehicles, mineral fuels, oil and oil products, gas, electricity, timber and wood products, *et al.*

The Czech Republic's principal import commodities: non-electric machinery, devices and motors, pumps, computers; electrical machinery, devices and motors, radios, televisions; iron and steel, semi-finished products, sheet metal, rods, wires; plastics and plastic products; mineral fuels, oil and oil products, gas, electricity, motor vehicles, tractors, wheeled and other vehicles; iron and steel products; paper, cardboard, paperboard and their products; toys, games, sports equipment; aluminium and aluminium products; timber and wood products, charcoal; locomotives, railway carriages, trams, transport and signalling equipment.

Bilateral agreements concluded in 2007

- Protocol of the Government of the Czech Republic and the Government of the Republic of Austria Amending the Agreement between the Government of the Czechoslovak Socialist Republic and the Government of the Republic of Austria to Settle Issues of Common Interest in Connection with Nuclear Safety and Radiation Protection (so-called Information Agreement), Prague, 20 December 2007.

Cultural relations

2007 was an exceptionally rich year in Czech-Austrian cultural relations. In keeping with tradition, the Czech Centre in Vienna was highly active in the field of cultural contacts. Besides organising literary readings, exhibitions and concerts, it also engaged in a number of local cultural events. Two of the key cultural events of 2007 were utterly unique film screenings organised in cooperation with FilmArchiv Austria: an M. Forman retrospective and "Kafka's Children" featuring avant-garde films of the Prague Spring. The most successful individual event of the year was the celebration of the 100th anniversary of the birth of director A. Hackenschmied, organised in cooperation with the film and media company Synema and the Film and Television Faculty of the Academy of Performing Arts (FAMU).

In addition, in 2007 the Embassy of the Czech Republic in Vienna prepared a whole series of literary evenings and podium discussions on topical socio-political questions of

Czech-Austrian relations. The 70th anniversary of the death of T. G. Masaryk and the 30th anniversary of the signature of Charter 77 were commemorated, among other things. Part of the Czech community, associated in the “Cultural Club of Czechs and Slovaks in Austria”, has traditionally played a role in developing cultural cooperation. The Cultural Club publishes a monthly periodical called “Club”. The Diplomatic Academy in Vienna, which has been headed since 2005 by writer and the Czech Republic’s former ambassador to Austria J. Gruša, has also been involved in supporting joint Czech-Austrian cultural activities in recent years.

Austrian culture is promoted in Prague and the Czech Republic by the Austrian Cultural Forum, which has operated in Prague for twelve years.

In 2007, negotiations went ahead on a cultural agreement to supersede the now obsolete Agreement on Cooperation in the Field of Culture, Education and Science concluded between the Czechoslovak Socialist Republic and the Republic of Austria in 1977. In December 2007, a meeting was held in Vienna between delegations of the Ministry of Foreign Affairs of the Czech Republic and the Austrian Federal Ministry for European and International Affairs on a final draft of the agreement; the resulting text should undergo the approval process at governmental and parliamentary level in both countries in the first half of 2008.

University cooperation, which takes place between more than seventeen Czech and Austrian institutions, is based on either bilateral inter-university agreements or as the Programme of Action of the Czech Republic and the Republic of Austria – Cooperation in Science and Education, which has been implemented since 1992. Two Austrian universities now offer major courses in Czech studies, with the university in Salzburg joining the university in Vienna in 2007. Regional cooperation between schools went ahead successfully.

GERMANY

(Federal Republic of Germany)

Relations with Germany have traditionally been one of the priorities of the Czech Republic. The standard of relations has been very good in recent years, as confirmed both by the frequency of meetings between top-level representatives and by their concrete results. Intensive economic relations and close cooperation between regions, municipalities, schools

and non-governmental organisations contribute to the full utilisation of the potential stemming from the countries' geographical proximity.

In 2007, and above all in the first six months of the year when Germany held the presidency of the Council of the EU, Czech-German political dialogue focused mainly on current questions of cooperation in the field of European policy. Consequently, one of the principal themes of bilateral talks was the Czech Republic's position on the "Reform Treaty". The quality of bilateral cooperation was also confirmed by the successful Czech presence in German-led Provincial Reconstruction Teams in Afghanistan, as part of both the ISAF mission in Faizabad (Badakhsan province) and the EUPOL Afghanistan mission in Faizabad and Kunduz.

The support on both sides for continuation of the work of the Czech-German Fund for the Future is confirmation of the forward-looking character of mutual relations. The Czech-German Declaration of 1997 planned the Fund's activities for a ten-year period. In 2007 its work was extended by means of a financial contribution from both sides, with the understanding that questions of compensation and issues of the past will make way for a preferential focus on current questions of cooperation, chiefly youth exchanges and cultural and cross-border cooperation.

Visits by representatives of the Czech Republic:

- 11 February 2007 – visit to Berlin by Minister of Foreign Affairs K. Schwarzenberg;
- 23-24 February 2007 – visit to Dresden by President V. Klaus;
- 26-27 February 2007 – visit to Berlin by Deputy Prime Minister A. Vondra;
- 10-11 March 2007 – visit to Berlin by Minister of Foreign Affairs K. Schwarzenberg;
- 17 April 2007 – visit to Meseberg by President V. Klaus;
- 26 April 2007 – visit to Berlin by Minister of Foreign Affairs K. Schwarzenberg;
- 11 May 2007 – visit to Berlin by Minister of Foreign Affairs K. Schwarzenberg;
- 17 June 2007 – visit to Meseberg by Prime Minister M. Topolánek;
- 19 June 2007 – visit to Berlin by Minister of the Interior I. Langer;
- 22 July 2007 – visit to Flossenbürg by Minister D. Stehlíková;

- 17 October 2007 – visit to Munich by Prime Minister M. Topolánek;
- 26 October 2007 – visit to Dresden by Prime Minister M. Topolánek;
- 23 November 2007 – visit to Pirna and Schwandorf by Minister of the Interior I. Langer;
- 10 December 2007 – visit to Berlin by President V. Klaus;
- 18 December 2007 – visit to Dresden by President V. Klaus;
- 21 December 2007 – Prime Minister M. Topolánek, Deputy Prime Minister A. Vondra and Minister of the Interior I. Langer visited the Czech-German border on the occasion of the enlargement of the Schengen area.

Visits by representatives of Germany:

- 26 January 2007 – visit to Prague by Federal Chancellor A. Merkel;
- 28 March 2007 – visit to North Bohemia by Federal President H. Köhler;
- 29 March 2007 – visit to Prague by Federal Environment Minister S. Gabriel;
- 9-10 November 2007 – visit to Prague by Federal Minister for Foreign Affairs F.-W. Steinmeier;
- 21 December 2007 – Federal Chancellor A. Merkel and Federal Minister of the Interior W. Schäuble visit the Czech-German border on the occasion of the enlargement of the Schengen area.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	1179024817	1272289562	1429 986 537	29.5
	year-on-year index	101.1	107.9	112.4	
Exports	CZK thousands	628 529 570	679 597 485	764 091 866	31.0
	year-on-year index	100.9	108.1	112.4	
Imports	CZK thousands	550 495 247	592 692 077	665 894 671	28.0
	year-on-year index	99.3	107.7	112.4	
Balance	CZK thousands	78 034 323	86 905 408	98 197 195	

Sources: 1. Czech Statistical Office, March 2008 (foreign trade data)

With a share of roughly one third of Czech foreign trade turnover, Germany is the Czech Republic's most important trading partner. Exchange of goods has been growing for a number of years. The principal factors in this are German investments in the Czech Republic and the Czech Republic's entry to the EU.

Germany is by far the Czech Republic's biggest trading partner in terms of both imports and exports and is also the biggest direct foreign investor in the Czech Republic.

Trade exchange with Germany continued to grow in 2007. The achieved results reflect the positive effects of the Czech Republic's accession to the EU and German investments in the Czech Republic. The German market is composed of 16 states ("*Bundesländer*") that differ in size, intensity, commodity structure and import regimes.

A significant proportion of trade turnover with Germany is accounted for by three states: Bavaria, North Rhine-Westphalia and Baden-Württemberg. These are followed by three more states: Saxony, Lower Saxony and Hesse.

The commodity structure of trade exchange between the Czech Republic and Germany has been relatively stable for several years now. Machinery and transport equipment, along with various finished products, continue to form the core of Czech exports to Germany, with a two-thirds share.

The Czech Republic's principal export commodities: transport equipment (passenger cars and accessories thereof), electrical apparatus, machinery and equipment for various industrial sectors, tyres, rubber industry and plastics industry products.

The Czech Republic's principal import commodities: transport equipment, electrical apparatus, devices and appliances, machine engineering products, power-generating machinery and equipment, office machinery, computers, optics and precision mechanics, chemical products, food industry products.

Bilateral agreements concluded in 2007

- Arrangement between the Government of the Czech Republic and the Government of the Federal Republic of Germany on the Establishment of New Tourist Footpaths Cutting Across State Borders and a Change to the Regimes on Existing Tourist Footpaths, Prague, 30 April 2007;

- Arrangement between the Government of the Czech Republic and the Government of the Federal Republic of Germany on a Change to Traffic on the Činovec – Altenberg Border Crossing, Amending the Agreement between the Government of the Czech Republic and the Government of the Federal Republic of Germany on Border Crossings on Common State Borders of 18 November 1996, Prague, 13 June 2007 (*NB: since the Czech Republic's accession to the Schengen area on 21 December 2007, the agreement on small-scale cross-border traffic on tourist footpaths and other agreements concerning state borders are applied only in the case of the exceptional re-introduction of controls on state borders*);
- Arrangement on an Amendment to the Arrangement between the Ministry of Defence of the Czech Republic and the Federal Ministry of Defence of the Federal Republic of Germany on the Mutual Exchange of Servicemen and Civilian Staff of Their Armed Forces for the Purpose of Gaining or Broadening Education, Bonn, 31 January 2007;
- Agreement between the Government of the Czech Republic and the Government of the Federal Republic of Germany on Recognition of the Equivalence of Education Certificates in the Field of University Education, Prague, 23 March 2007.

Cultural relations

In the context of the German presidency of the Council of the EU, the German embassy in Prague organised a “Czech-German Cultural Spring”. The project, comprising more than a hundred events, opened with a fashion show on 21 March 2007 and closed on 21 June 2007 with the premiere of Orff’s *Carmina Burana* performed by the Czech Philharmonic Orchestra. As in previous years, one of the principal events in Czech-German relations was the 12th German-Language Theatre Festival in Prague in autumn 2007.

In January 2007, as part of the 10th anniversary of the Czech-German Declaration, the Czech embassy in Berlin staged a podium discussion on “Good Neighbours, Czechs and Germans 10 Years After the Signature of the Czech-German Declaration” and an important exhibition of “Contemporary Glass Art: Ten Years of the Czech-German Declaration in a Glass Mirror”. In March 2007, Minister of Foreign Affairs K. Schwarzenberg opened an exhibition in Berlin devoted to V. Havel and modern Czech history. The exhibition arose out of a combination of two projects: the exhibition of the Ministry of Foreign Affairs of the Czech Republic “Václav Havel in the Transformations of Europe” and “Citizen Havel”. In

Zwiesel, Bavaria, an exhibition entitled “Bavaria, Bohemia, 1,500 Years of Neighbourhood” was opened in the presence of the Minister of Culture of the Czech Republic V. Jehlička. The exhibition mapped and compared the historical development of the two countries. In August 2007, a ceremony was held in the residence of the federal president in Berlin to mark the completion of an extensive series of translations from Czech entitled “Tschechische Bibliothek”, where the main protagonist in the series of publications E. Thiele received the Federal Cross of the Order of Merit; there were also readings from selected works. A large number of Czech-German cultural projects and youth exchanges were implemented, with the continuing financial support of the Czech-German Fund for the Future. The three Czech Centres are particularly important mediators of Czech culture in Germany – they are located in Berlin, Dresden and Munich. The image of the Czech Republic is also shaped considerably by the activities of several dozen cultural associations of all kinds, which operate throughout Germany and intensively cooperate with partners from the Czech Republic.

In the field of research into the countries’ shared past, work started in 2007 on a documentation project of the Czech government. The project, taking place under the guidance of the Institute for Contemporary History of the Academy of Sciences of the Czech Republic, will deal with active, mainly Sudeten German, opponents of Nazism who, after World War II, were affected by measures applied against what was called the “enemy population” in Czechoslovakia. This issue is also the subject of a touring exhibition that will be installed in selected German venues.

HUNGARY

(Republic of Hungary)

- The standard of relations between the Czech Republic and Hungary has for long been high and corresponds to relations between neighbouring countries. With a view to further deepening cooperation at bilateral level, a Memorandum of Understanding was signed between the Ministry of Foreign Affairs of the Czech Republic and the Ministry of Foreign Affairs of the Republic of Hungary in 2006. Implementation of this Memorandum of Understanding went ahead in 2007. Since 2007, one new area of cooperation between the foreign affairs ministries has been joint participation in projects promoting democratisation and respect for human rights in third countries.

- Compared to the previous year, in 2007 there was a greater number of bilateral visits by top-level state representatives. This was a consequence of the calming down of the internal political situation in the two countries after 2006, which was an election year in both the Czech Republic and Hungary. In addition, cooperation and contacts between the Czech Republic and Hungary developed within the framework of the Visegrad Group, Regional Partnership, European Union and NATO. The idea of making use of V4 mechanisms during the Czech Republic's upcoming presidency of the Council of the EU was a joint Hungarian and Czech initiative that met with support among the other countries of the Visegrad Group.

Visits by representatives of the Czech Republic:

- 19 March 2007 – official visit by Minister of Foreign Affairs K. Schwarzenberg;
- 29-30 March 2007 – official visit by Prime Minister M. Topolánek;
- 20-21 September 2007 – President V. Klaus attended a summit of V4 presidents;
- 7-9 November 2007 – visit by Minister of Health T. Julínek.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	90 311 561	113 272 849	144 621 594	2.98
	year-on-year index	108.3	125.4	127.4	
Exports	CZK thousands	50 878 292	63 665 212	76 922 297	3.12
	year-on-year index	108.8	125.1	120.3	
Imports	CZK thousands	39 433 269	49 607 637	67 699 294	2.84
	year-on-year index	107.5	125.8	136.0	
Balance	CZK thousands	11 445 000	14 057 575	9 223 003	

Sources: Czech Statistical Office, March 2008 (foreign trade data)

Hungary is one of the Czech Republic's leading economic partners. Throughout the Czech Republic's existence, foreign trade turnover with Hungary has been rising dynamically by tens of percent. Hungary has for long been one of the Czech Republic's most important trading partners (11th in 2007, 11th in 2006, 12th in 2005).

The Czech Republic's principal export commodities: passenger cars and lorries including parts and accessories of such, colour television screens, aniline, mineral oils, laundry agents, tyres, cables, parts of transmission and reception apparatus, coal, live pigs, pork, electric current, woodworking machine components, petrol, accumulators, sugar, chocolate, cable systems, electric conductors, nitric acid, plastic products, pulp, tractors, printing paper, cotton fabric, electric motors, television sets, window frames, wood in the rough, household appliances.

The Czech Republic's principal import commodities: machinery and transport equipment, machine parts, pharmaceuticals, transmission and reception apparatus, automatic data processing machines and units thereof, paper and paperboard, compression ignition and spark ignition wiring sets, printers and keyboards, food and agricultural products (pork, smoked products, salamis, wine, paprika, sunflower oil), televisions, light bulbs, plastic products, electric motors, gearboxes, videos.

Bilateral agreements concluded in 2007:

- Agreement on Cooperation in the Area of Tax Administration Activity between the Ministry of Finance of the Czech Republic and the Ministry of Finance in Hungary, Prague, 29 November 2007.

Cultural relations

Czech-Hungarian cultural relations have a long tradition; there has for long been considerable Hungarian interest in Czech culture. True to tradition, in 2007 the key Czech cultural events in Hungary again included the "Bohemian Ball" and the "International Book Festival", featuring presentations of Hungarian translations of Czech literature.

There were also concerts by well-known Czech musicians in Hungarian cities: J. Stivín, the group Čechomor, M. Topferová and others; and performances by, among others, Gypsy.cz and D. Bárta at the prestigious Sziget summer festival. There was considerable

interest in a travelling exhibition of photographs of B. Hrabal, whose work is very popular in Hungary, screenings of films based on the author's works and discussions about his legacy. Other Czech writers, for example A. Lustig, were presented to the Hungarian public. The 30th anniversary of Charter 77 was commemorated with a discussion and exhibition in Budapest. The film *Some Secrets* was screened at "Young Arts from Central Europe" festival; *I Served the King of England* was premiered at the "Festival of Cinemas". "Czech Days" was a feature of the "Moveast" international film festival in Pécs. The Alfred in the Courtyard theatre company was a guest at the "Gest" festival. A number of Czech classical musicians, among them cellist J. Bárta, also performed in Hungary in 2007.

The third year of a presentation combining the tourism, trade and cultural aspects of the Czech Republic in Budapest's Grand Market Hall met with considerable interest.

POLAND

(Republic of Poland)

Poland is an important neighbour and ally of the Czech Republic in the region. Relations with Poland are strategic in nature. Besides cooperation within the European Union and NATO, very intensive bilateral cooperation continued in 2007. Czech-Polish dialogue on questions of regional cooperation, as well as on other themes, also took place within the framework of the Visegrad Group. At the end of the year, an agreement was concluded on regular cooperation between various departments of the two countries' foreign affairs ministries.

There were continued contacts between top-level representatives of the two countries; contacts were particularly intensive at the presidential level. Cooperation between ministries and contacts between parliamentary representatives developed successfully. The foreign affairs and defence ministries held regular consultations on questions related to the negotiations on the stationing of components of the US missile defence system in the territories of the Czech Republic and Poland.

There was a further deepening of the civic dimension of mutual relations and the conditions for developing even closer ties were put in place. An important event from this

point of view was the two countries' accession to the Schengen area, which should further facilitate the development of civic contacts in future. Cross-border and regional cooperation focused on the implementation of joint EU-financed projects designed to develop neighbouring regions.

Visits by representatives of the Czech Republic:

- 25 January 2007 – working visit by President V. Klaus;
- 4-6 February 2007 – official visit by President of the Senate of Parliament P. Sobotka;
- 19-20 February 2007 – official visit by Prime Minister M. Topolánek;
- 10-12 July 2007 – official visit by President V. Klaus.

Visits by representatives of Poland:

- 25 May 2007 – working visit by President L. Kaczyński;
- 11-12 December 2007 – working visit by President L. Kaczyński.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators(%)
Turnover	CZK thousands	193 341 006	240 104 637	28 4454 227	5.9
	year-on-year index	111.4	124.2	118.5	
Exports	CZK thousands	102 341 418	121 779 253	148 044 825	6.0
	year-on-year index	113.2	119.0	121.6	
Imports	CZK thousands	90 999 588	118 325 384	136 409 402	5.7
	year-on-year index	109.5	130.0	115.3	
Balance	CZK thousands	11 796 330	3 453 869	11 635 423	

Sources: 1. Czech Statistical Office, March 2008 (foreign trade data)

Poland was the Czech Republic's third most important trading partner in 2007. Trade relations continue to develop dynamically. Czech exports still exceed imports, even though the rate of growth of imports outstripped that of exports in 2007.

The Czech Republic's principal export commodities: base metals and base metal products, machinery and transport equipment (passenger cars, tractors, machine tools), plastic and rubber products, chemicals, mineral products.

The Czech Republic's principal import commodities: copper wire, coke, mineral fuels and lubricants, coal, electricity, furniture, food products, textiles, footwear, live animals, beverages, tobacco.

Bilateral agreements concluded in 2007

- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Horní Lištná-Leszna Górna);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Dolní Lipka-Boboszów);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Závada-Golkowice);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the

Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Hrádek nad Nisou - Porajów);

- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Osoblaha-Pomorzowiczki);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Dolní Marklovice-Marklowice Górne);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Vidnava-Kalków, Staré Město-Nowa Morawa);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and

the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Kunratice-Bogatynia);

- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Bílý Potok-Paczków);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Pišť-Owsiszcze);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Zlaté Hory-Konradów);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Bukovec-Jasnowice);
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 3 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on

Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes;

- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 3 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes;
- Arrangement between the Government of the Czech Republic and the Government of the Republic of Poland on an Amendment to Annex 1 of the Agreement between the Government of the Czech Republic and the Government of the Republic of Poland on Border Crossings, Crossings on Tourist Footpaths Cutting Across State Borders and the Principles of Crossing State Borders Outside Border Crossings, signed in Warsaw on 22 November 1996, concluded by an exchange of notes (Bohumín-Nowe Chalupki).

Cultural relations

Cooperation in culture and education formed a significant part of mutual contacts and retained its traditionally high standard.

Cultural presentation was handled to a great extent by the Czech Centre in Warsaw and the Polish Institute in Prague, which offered the Czech and Polish public a number of events from the field of film, art, music and literature during the year. The two countries' ministries of culture, their part-subsidised organisations, cultural institutions, commercial agencies, private entities and partner towns also participated in cultural cooperation. Talks were held in 2007 between the Czech and Polish culture ministries on a new implementing document for the cultural agreement.

Traditional cultural events in 2007 included the traditional "Without Borders" theatre festival held in Český Těšín and Polish Cieszyn, and the 18th annual "Czech-Polish Days of

Christian Culture”. Other events included “Czech Day” in Kraków, an exhibition of works by A. Mucha, an exhibition of photographs entitled “Charter 77”, and other activities.

Cooperation in education was based on the Programme of Cooperation between the Ministry of Education, Youth and Sports of the Czech Republic and the Ministry of Science and Higher Education of the Republic of Poland for the Years 2006-2009. Based on this programme, direct cooperation between universities went ahead, including scholarships for students of Polish and Czech studies and exchanges of academic staff on study, research and scientific stays. Czech language and literature teachers work in Polish universities and *vice versa*. The annual “Bohemian Studies Days” in Warsaw was attended by students from all over Poland.

SLOVAKIA

(Slovak Republic)

The Czech Republic attaches paramount importance to the high standard of all aspects of relations with Slovakia and regards it as one of the top priorities of its foreign policy. That is now traditionally reflected in the close cooperation between the two countries in multilateral forums, above all the European Union, NATO, the UN and the Visegrad Group.

The frequency of contacts at all levels bears witness to the high standard of relations. The highly extensive inter-ministerial cooperation is characterised by a shared interest in a number of joint projects. Czech-Slovak cross-border cooperation, financed out of the Cross-Border Cooperation Operational Programme 2007-2013, is going ahead successfully.

Visits by representatives of the Czech Republic:

- 11-13 January 2007 – visit by President V. Klaus;
- 13 January 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg;
- 23-24 April 2007 – visit by a delegation of the Committee on National Economy, Agriculture and Transport of the Senate of Parliament;
- 24-26 May 2007 – presidents of both chambers of Parliament of the Czech Republic M. Vlček and P. Sobotka attended a Conference of the Speakers of EU Parliaments;

- 2-4 October 2007 – visit by a delegation of the Budget Committee of the Chamber of Deputies of Parliament;
- 6-7 November 2007 – visit by a delegation of the Committee on Mandate and Parliamentary Privilege of the Chamber of Deputies of Parliament and the Committee on Mandate and Parliamentary Privilege of the Senate of Parliament;
- 26 November 2007 – Prime Minister M. Topolánek attended the 1st meeting of the European Nuclear Energy Forum in Bratislava;
- 21 December 2007 – meeting between prime ministers M. Topolánek and R. Fico at the Hodonín-Holíč border crossing.

Visits by representatives of Slovakia:

- 11-12 February 2007 – visit by Prime Minister R. Fico;
- 16 March 2007 – visit by Minister of Foreign Affairs J. Kubiš;
- 3-5 September 2007 – working visit by Minister of Foreign Affairs J. Kubiš;
- 21 December 2007 – meeting between prime ministers M. Topolánek and R. Fico at the Hodonín-Holíč border crossing.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	261 149 710	289 833 848	345 857 961	7.1
	year-on-year index	109.2	111.0	119.3	
Exports	CZK thousands	161 348 112	180 046 308	218 628 120	9.0
	year-on-year index	110.9	111.6	121.1	
Imports	CZK thousands	99 801 598	109 787 540	127 229 841	5.4
	year-on-year index	106.3	110.0	116.5	
Balance	CZK thousands	61 546 513	70 258 768	91 398 279	

Sources: Czech Statistical Office, March 2008 (foreign trade data)

Slovakia remained the Czech Republic's second biggest trading partner in 2007. Trade turnover grew by 19.3% year-on-year.

Slovakia accounted for 7.14% of the Czech Republic's total foreign trade.

The Czech Republic's principal export commodities: motor vehicles and parts, electricity, coal, medicaments, insulated wire, cables, television sets, iron and steel products.

The Czech Republic's principal import commodities: gas oil, motor petroleum and other light oils, iron flat-rolled products, electricity, motor vehicles and parts, insulated wire, cables.

Bilateral agreements concluded in 2007

- Agreement between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Slovak Republic on the Division and Use of Documents Created before the Dissolution of the Czech and Slovak Federal Republic, Bratislava, 6 February 2007;
- Agreement between the Government of the Czech Republic and the Government of the Slovak Republic on the Storage of Emergency Supplies of Oil and Oil Products of the Slovak Republic in the Territory of the Czech Republic, Prague, 22 February 2007.

Cultural relations

Czech-Slovak cultural relations continue to enjoy a high level of interest on both sides. There is a wide-ranging presentation of Czech culture in Slovakia on both a commercial and non-commercial basis, making it accessible to all interested parties. A number of cultural events took place in 2007 under the Programme of Cooperation between the Ministry of Culture of the Czech Republic and the Ministry of Culture of the Slovak Republic for the Years 2005-2007. Many cultural events have traditionally been staged during "Czech and Slovak Cultural Cooperation Month", which has taken place every October since 2001. During this month, there are regular presentations of Czech culture in Košice, Nitra and Bratislava.

SLOVENIA

(Republic of Slovenia)

The standard of bilateral relations between the Czech Republic and Slovenia is very good. There was a pronounced intensification of relations in 2007 as a result of the high

number of visits at governmental and parliamentary level. Intensive cooperation also went ahead in 2007 in the context of the Regional Partnership, European Union and NATO.

Visits by representatives of the Czech Republic:

- 5 January 2007 – working visit by Minister for Foreign Affairs A. Vondra;
- 31 May – 1 June 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg;
- 28-29 June 2007 – visit by Minister of Agriculture P. Gandalovič;
- 17 July 2007 – visit by Minister of Industry and Trade M. Říman;
- 26-27 July 2007 – Deputy Prime Minister for European Affairs A. Vondra attended the Bled Strategic Forum;
- 1-2 October 2007 – visit by President of the Senate of Parliament P. Sobotka.

Visits by representatives of Slovenia:

- 24 July 2007 – visit by State Secretary for European Affairs J. Lenarčič;
- 3-4 October 2007 – visit to the “Tourfilm” festival by Minister for Growth Ž. Turk;
- 16 November 2007 – official visit by Minister of Foreign Affairs D. Rupel;
- 3 December 2007 – working visit by Minister of Defence K.V. Erjavec;
- 10-11 December 2007 – Prime Minister J. Janša attended the summit of prime ministers of V4 countries and Slovenia.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	19 760 491	21 679 046	25 511 093	0.53
	year-on-year index	102.0	109.7	117.7	
Exports	CZK thousands	10 692 477	10 854 098	13 426 615	0.54
	year-on-year index	108.7	101.5	123.7	
Imports	CZK thousands	9 068 014	10 824 948	12 084 478	0.51
	year-on-year index	95.3	119.4	111.6	
Balance	CZK thousands	1 624 463	29 150	1 342 137	

Sources: Czech Statistical Office, March 2008 (foreign trade data)

In the economic field, the dynamic growth in trade exchange continued in 2007. Trade with Slovenia ranked 25th in the order of the Czech Republic's total foreign trade (22nd in exports and 28th in imports).

The Czech Republic's principal export commodities: passenger cars, machine engineering products, tyres, steel industry products and tubes, cattle, cereals, paper, pulp, chemicals, unroasted malt, glass, timber, foodstuffs, aluminium products, *et al.*

The Czech Republic's principal import commodities: pharmaceuticals, paper, motor vehicles, white goods, automatic gambling machines, aluminium products, household electrical and heating appliances, electricity generator motor parts, chemical products, electrical engineering products, machine engineering products, consumer products.

Bilateral agreements concluded in 2007

- Agreement between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Republic of Slovenia on Cooperation in the Field of Military Geography, Prague, 24 May 2007;

Programme of Cooperation in the Field of Culture between the Ministry of Culture of the Czech Republic and the Ministry of Culture of the Republic of Slovenia for the period of 2007 - 2009, Ljubljana, 10 December 2007.

Cultural relations

Czech-Slovene cultural relations were again characterised by high intensity in 2007, supported by the signature of a cultural cooperation programme between the two countries' culture ministries. Authors' readings were organised to mark the publication of Slovenian translations of two novels, *The Seven Churches* by M. Urban and *Sister* by J. Topol. Several events promoting the Czech Republic at primary schools were staged as part of "Europe Day" on 8-9 May 2007. Czech films were screened at a festival in Ljutomer, at "European Film Days" and at the "LIFFE" and "Animateka" festivals. The traditional summer violin school under the tutorship of Professor T. Tuláček was held in Ljutomer, and a concert by P. Kohout celebrated the legacy of Czech organists in Slovenia.

SWITZERLAND

(Swiss Confederation)

Czech-Swiss relations continued to develop very well in 2007. Meetings of top-level representatives were again complemented by dynamic direct cooperation between higher local government units and towns in the Czech Republic and Swiss cantons, towns and municipalities.

An event of note in 2007 was the signing of the significant Framework Agreement between the Government of the Czech Republic and the Swiss Federal Council concerning the Implementation of the Swiss-Czech Cooperation Programme to Reduce Economic and Social Disparities within the Enlarged European Union ("cohesion contribution"). In the case of the Czech Republic, this Swiss "cohesion contribution" amounts to approximately CZK 2 billion. Starting in 2008, these finances will be distributed among Czech entities, predominantly in economically weaker and structurally disadvantaged regions.

In mutual trade, the previous year's turnover was again exceeded in 2007. The Czech Republic thus remained Switzerland's biggest trading partner in Central and Eastern Europe.

Visits by representatives of the Czech Republic:

- 15 November 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg;
- 21 December 2007 – signature of the Framework Agreement between the Government of the Czech Republic and the Swiss Federal Council concerning the Implementation of the Swiss-Czech Cooperation Programme to Reduce Economic and Social Disparities within the Enlarged European Union – the Czech Republic was represented by Deputy Minister of Foreign Affairs H. Bambasová.

Visits by representatives of Switzerland:

- 2-4 October 2007 – working visit by Director of the State Secretariat for Economic Affairs J.-D. Gerber, combined with a visit to the Brno International Engineering Fair.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	51 582 100	57 627 108	67 361 717	1.4
	year-on-year index	107.2	111.7	116.9	
Exports	CZK thousands	23 541 928	29 531 460	35 424 286	1.4
	year-on-year index	110.6	125.4	120.0	
Imports	CZK thousands	28 040 172	28 095 648	31 937 431	1.3
	year-on-year index	104.5	100.2	113.7	
Balance	CZK thousands	1 203 582	1 435 812	3 486 855	

Sources: 1. Czech Statistical Office, March 2008 (foreign trade data)

Switzerland is the Czech Republic's 17th most important trading partner. The volume of Czech-Swiss trade registered continued growth in 2007. The Czech Republic's balance of trade surplus amounted to CZK 3,487 million in 2007.

The Czech Republic's principal export commodities: machinery and transport equipment, textile and leatherworking machinery, power-generating equipment and machinery, digital data processing systems, automated data processing machinery,

telecommunications equipment, office machinery, metalworking machinery, ball-bearings, electrical machinery, market products including metal products, non-ferrous metals, iron products, various structures, tyres, paper and paperboard, various industrial products including specialist scientific instruments, clothing products and accessories, furniture, children's toys and prams, chemicals including organic chemicals and carbonic acids, food products.

The Czech Republic's principal import commodities: chemicals (pharmaceutical products and medicaments, organic chemical products, dyes, pigments, essential oils, plastics and plastic products), machinery and transport equipment (metalworking machinery, machine tools, office machinery and data processing equipment, electrical switching devices, electrical apparatus and devices, printing machinery, clothing products, paper, paperboard, textile yarns and cotton fabrics, specialist scientific and control instruments, orthopaedic devices and aids, precision engineering (watch-making) products, jewellery and goldsmiths' products, *et al.*

Bilateral agreements concluded in 2007

- Framework Agreement between the Government of the Czech Republic and the Swiss Federal Council concerning the Implementation of the Swiss-Czech Cooperation Programme to Reduce Economic and Social Disparities within the Enlarged European Union, Bern, 21 December 2007.

Cultural relations

Cultural relations are not governed by any treaties; cultural exchange takes place primarily on a commercial basis.

Czech art has traditionally had a good reputation in Switzerland, with the potential for further development. A number of concerts of works by Czech composers and performances by Czech musicians took place. In 2007, the Embassy of the Czech Republic in Bern co-organised, *inter alia*, concerts in Switzerland that were staged under the "Czech Dreams" project and the "12th Bohuslav Martinů International Music Days" in Basel, as well as staging a film evening for the Central and Eastern Europe parliamentary group.

Certain foundations and associations run mainly by Czech communities in Switzerland also make a major contribution to the Czech-Swiss cultural cooperation. There are 21 Czech

community associations with approximately a thousand members. The Union of Czech and Slovak Associations in Switzerland is an umbrella organisation associating 18 Czech community associations, most of them focused on the Sokol sports movement. Other Czech community organisations include the Swiss branch of the Czechoslovak Society for Arts and Sciences, the Swiss Olga Havlová Association and Sokol Solothurn.

2. The Czech Republic's relations with northern and eastern European countries

ARMENIA

(Republic of Armenia)

Bilateral relations between the Czech Republic and Armenia registered some progress during 2007, but still fell short of both the existing political and economic potential. In 2007, there were working visits by deputy foreign affairs ministers and a meeting of foreign affairs ministers on the sidelines of the conference on the European Neighbourhood Policy in Brussels in July 2007.

The opening of a Prague office of the Armenian embassy in Vienna in July 2007 was an important step towards strengthening mutual relations.

In April 2007, the second round of expert talks on the text of a double taxation avoidance treaty was held in Prague, completing the work on the text of the draft treaty.

Visits by representatives of the Czech Republic:

- 29-30 October 2007 – working visit by First Deputy Minister of Foreign Affairs T. Pojar.

Visits by representatives of Armenia:

- 21 May 2007 – Deputy Minister of Foreign Affairs A. Bairbourtian attended the OSCE Economic and Environmental Forum in Prague.

Economic relations

Trade turnover with Armenia increased by 12.8% year-on-year to CZK 473.9 million, largely driven by growth in Czech exports: exports increased by 17.0% to CZK 342.8 million, while imports were up 3.0% to CZK 131.1 million.

The Czech Republic's principal export commodities: machinery and transport equipment (in particular food industry machinery), cleansing and washing preparations, medicaments, sanitary fixtures, crockery.

The Czech Republic's principal import commodities: ferrous alloys, crude rubber, heating apparatus, spirits.

Development cooperation

In its development cooperation with Armenia the Czech Republic concentrated on the issue of illegal migration. Projects were implemented in Yerevan, Charentsavan and Meghradzor, and a public awareness campaign was conducted in other cities too. Approximately CZK 1 million was spent on development cooperation with Armenia in 2007.

Cultural relations

Armenia made use of one of the two government scholarships offered for the 2007/2008 academic year.

AZERBAIJAN

(Republic of Azerbaijan)

Relations between the Czech Republic and Azerbaijan were dominated by economic cooperation. In 2007, the First Minister of Foreign Affairs T. Pojar held consultations in Baku. The foreign affairs ministers of both countries met on the sidelines of the conference on the European Neighbourhood Policy in Brussels (July 2007) and on the sidelines of the UN General Assembly in New York (September 2007).

The opening of an Azerbaijani embassy in Prague in August 2007 was a significant step towards activating mutual relations.

The Czech Republic strove to increase the number of treaties governing its relations with Azerbaijan in all fields of common interest so that the necessary preconditions are established for the further development of relations.

Visits by representatives of the Czech Republic:

- 1 November 2007 – consultations by First Deputy Minister of Foreign Affairs T. Pojar.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	14 908 841	23 027 574	21 922 066	0.5
	Year-on-year index	190.4	154.5	95.2	
Exports	CZK thousands	892 645	1 094 480	1 185 329	0.05
	Year-on-year index	136.4	122.6	108.3	
Imports	CZK thousands	14 016 196	21 933 094	20 736 733	0.8
	Year-on-year index	195.3	156.5	94.5	
Balance	CZK thousands	-13 123 551	- 20 837 988	- 20 543 201	

Source: Czech Statistical Office, March 2008

As an oil producer, Azerbaijan is one of the countries that export this raw material to the Czech Republic. The Azerbaijani market also possesses the greatest potential for increased Czech exports to the South Caucasus region.

The Czech Republic's principal export commodities: bridges and bridge sections, medicaments, glassware, cleansing preparations and cosmetics, motor vehicles, food industry machinery, sanitary fixtures.

The Czech Republic's principal import commodities: mineral fuels, lubricants and related materials, hazelnuts, cotton.

Bilateral agreements concluded in 2007

- Agreement on Co-operation in the Area of the Tax Administration Activity between the Ministry of Finance of the Czech Republic and the Ministry of Taxes of the Republic of Azerbaijan, Baku, 11 September 2007.

Cultural relations

As in previous years, the Czech Republic offered Azerbaijan two government scholarships for the 2007/2008 academic year; Azerbaijan made use of one scholarship.

BELARUS

(Republic of Belarus)

In view of the internal political situation in Belarus and the absence of basic democratic principles, bilateral cooperation was confined to working contacts, mainly in the trade and economic field.

The Czech Republic played an active role in formulating and implementing European Union policy on Belarus, actively supporting the preservation of the EU's existing approach as defined in the 2006 non-paper "What the European Union Could Bring to Belarus". In the relevant international organisations the Czech Republic backed the international community's efforts to democratise Belarus and developed transformation projects to support civil society and cultural and educational programmes.

In October 2007, Minister of Foreign Affairs K. Schwarzenberg met with representative of the Belarusian opposition A. Milinkievich.

Economic relations

Trade turnover with Belarus increased by 12.8% year-on-year to CZK 5,941.0 million, driven by growth in Czech exports: Czech exports increased by 38.0% to CZK 3,590.2 million, while imports were down 11.7% to CZK 2,350.8 million.

The Czech Republic's principal export commodities: machinery and transport equipment, electrical apparatus and accumulators, agricultural machinery, food industry machinery, glass, iron and steel rolled products, sanitary fixtures, plastics, medicaments, food products.

The Czech Republic's principal import commodities: mineral oils, yarns, fabrics and textile products, fertilisers, polyacrelates and polyamides, metallurgical products, tractors and spares, wires, cables, adhesives.

Cultural relations

In education, the Czech Republic concentrated on supporting Czech language teaching at the state university in Minsk and provided eleven government scholarships to Belarusian students for the 2007/2008 academic year.

The Embassy of the Czech Republic in Belarus held regular discussion meetings with Belarusian students of Czech studies and maintained frequent contacts with Belarusian cultural associations.

DENMARK

(Kingdom of Denmark)

Relations between the Czech Republic and Denmark developed actively at both the bilateral and multilateral level, particularly in the context of both countries' membership of the European Union, NATO and the UN. The two countries share similar views on a number of European and other foreign-policy questions. Denmark has for long been an important economic partner of the Czech Republic. Trade exchange increased again in 2007. The balance of trade developed positively in the Czech Republic's favour and there was growth in Danish investments in the Czech Republic.

Visits by representatives of the Czech Republic:

- 23-24 April 2007 – Deputy Prime Minister and Minister of the Environment M. Bursík attended the ASEM environment ministers' meeting;
- 5-6 November 2007 – visit by a delegation of Subcommittee on Prisons of the Chamber of Deputies of Parliament;
- 3 December 2007 – working visit by First Deputy Minister of Foreign Affairs T. Pojar.

Visits by representatives of Denmark:

- 24 March 2007 – working visit by Prime Minister A. F. Rasmussen;

- 21 June 2007 – working visit by Minister of Defence S. Gade.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	26 070 000	39 088 000	40 908 000	0.8
	Year-on-year index	123.6	149.9	108.8	
Exports	CZK thousands	14 233 000	20 889 000	21 837 000	1.0
	Year-on-year index	144.2	146.8	106.5	
Imports	CZK thousands	11 837 000	18 199 000	19 071 000	0.8
	Year-on-year index	105.5	153.7	111.6	
Balance	CZK thousands	2 396 000	2 690 000	2 766 000	

Sources: Czech Statistical Office, March 2008 (foreign trade data)

Denmark has for long been one of the Czech Republic's significant economic partners. Mutual trade exchange grew by almost 9% in 2007, with exports and imports providing equal impetus to this growth.

The Czech Republic's principal export commodities: road motor vehicles, telecommunications equipment, toys and sports equipment, metallurgical products, office machinery, electrical apparatus and devices, clothing products, prefabricated buildings, furniture.

The Czech Republic's principal import commodities: toys and mechanical assembly sets (Lego), electrical recording devices, pharmaceutical products, plastics and plastic products, aluminium products, optical instruments, chemical silk, paper, pork, fish, food products.

Cultural relations

Three Czech films were screened at the "Copenhagen International Film Festival" (20-30 September 2007): *Empties* by J. Svěrák, *I Served the King of England* by J. Menzel and *Marta* by M. Novaková. A retrospective of films by J. Svěrák took place at the Danish Film Institute in October. The director personally introduced two of his films, *Empties* and *Kolya*.

Eight documentaries by Czech filmmakers were screened at the "Copenhagen International Documentary Festival" (9-18 November 2007).

Czech violinist J. Šonský and Brazilian pianist P. Bretas performed works by Czech composers B. Smetana, B. Martinů, O. F. Korte and A. Dvořák at a concert on 27 March 2007.

The Choral Society of Moravian Teachers gave a performance in the Sorgenfri Church in Virum, Copenhagen.

In April 2007, J. Růžička represented the Czech Republic with an exhibition at the House of Danish Graphics Artists entitled “One Room – Two Sides”.

On 27 November 2007, a seminar was held in the Danish Institute for Human Rights to mark the 30th anniversary of the founding of Charter 77 and to promote human rights and democracy in the world. The seminar was attended by a number of Czech guests, among them A. Šabatová and J. Ruml.

Presentations of Danish culture in the Czech Republic included the “Danish Winter” project at Scandinavian House in Prague; Danish musicians also performed at the “Prague Spring” festival. The Danish National School of Theatre participated in the Prague Quadrennial of stage design and theatre architecture.

ESTONIA

(Republic of Estonia)

Estonia is an important partner of the Czech Republic. Both countries’ membership of the European Union and NATO contributed to the further development of mutually beneficial bilateral cooperation in 2007, in both the political and the economic, security and cultural fields.

Visits by representatives of the Czech Republic:

- 17-21 July 2007 – working visit by Deputy of the Chamber of Deputies of Parliament Z. Novotný with a group of five experts to make a detailed study of electronic election methods and legislation in Estonia;

- 12-13 September 2007 – official visit by President of the Senate of Parliament P. Sobotka with a Senate delegation composed of senators L. Janáčková, L. Macák, J. Kalbáč, P. Pakosta and J. Štětina.

Visits by representatives of Estonia:

- 4-6 June 2007 – working visit by President T. H. Ilves to Prague, where he attended a conference on “Democracy and Security: Core Values and Sound Policies”;
- 5-6 August 2007 – private visit by Prime Minister A. Ansip to Prague, where he received the 2007 Vašek and Anna Maria Polak Award for promotion of freedom, democracy and market economy. The award was bestowed by The American Institute on Political and Economic Systems.

Economic relations

The Czech Republic’s principal export commodities: machinery and transport equipment, market products, industrial consumer goods, passenger cars and other passenger vehicles, glass, automatic data processing machinery.

The Czech Republic’s principal import commodities: market products, industrial consumer goods, machinery and transport equipment, flat rolled iron products, simply worked timber, prefabricated buildings.

Cultural relations

A number of cultural events took place in Estonia in 2007 with considerable support from the Embassy of the Czech Republic in Tallinn. At the start of February, an exhibition entitled “The Beauties of Czech Baroque Architecture” was opened in the library of the University of Tartu; at the end of April the exhibition was installed in the Tallinn City Museum. An exhibition of “Cubism in Czech Architecture” opened at the Museum of Estonian Architecture in Tallinn in the middle of February. In the spring and summer months, J. Ungrád’s illustrations for *The Conquest of Saaremaa Island*, a book by M. Toman, were exhibited at the Deco Gallery, the Kohtla-Järve City Gallery and the Kuressaare Cultural Centre.

On 19 June 2007, the Embassy of the Czech Republic in Tallinn hosted a ceremony at which the *Gratias Agit* award was presented to L. Metsar, a writer and translator into Estonian of dozens of works by prominent Czech authors who was unable to attend the award ceremony in Prague. The laureate received the award from the Czech ambassador to Estonia M. Lexa.

At the start of August, an exhibition of “The Magic World of Czech Illustrators for Children” was installed in the building of the Pärnu County Government and subsequently in the National Library in Tallinn.

At the 11th “Black Nights Film Festival” at the turn of November and December 2007, Z. Svěrák was awarded the jury prize for best actor for his performance in the film *Empties*.

FINLAND

(Republic of Finland)

The Czech Republic’s relations with Finland, which are founded on both countries’ membership of the EU and NATO, have been developing successfully on the basis of problem-free and successful cooperation. In 2007, in the context of EU cooperation the Czech Republic made use of a wide range of valuable Finnish experience and expertise regarding presidency of the Council of the EU (e.g. a seminar at the Ministry of Foreign Affairs of the Czech Republic in April 2007).

Visits by representatives of the Czech Republic:

- 30 May – 1 June 2007 – working visit by a delegation of the Committee on Petitions of the Chamber of Deputies of Parliament;
- 24-28 September 2007 – working visit by First Deputy Minister of the Interior J. Salivar (accompanied by a delegation of the General Directorate of the Fire Rescue Service of the Czech Republic);
- 1-5 December 2007 – visit by a delegation of the Supreme Audit Office, led by its president F. Dohnal, for the Contact Committee Meeting of the presidents of EU supreme audit institutions.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	18 861 000	24 414 000	26 765 000	0.6
	Year-on-year index	120.2	129.4	109.6	
Exports	CZK thousands	10 343 000	12 371 000	14 154 000	0.6
	Year-on-year index	148.4	119.6	114.4	
Imports	CZK thousands	8 518 000	12 043 000	12 611 000	0.5
	Year-on-year index	97.7	141.4	104.7	
Balance	CZK thousands	1 825 000	- 782 000	1 543 000	

Source: Czech Statistical Office, March 2008

The Czech Republic's principal export commodities: television sets (21% share of total exports), passenger cars (13%), automatic data processing machinery (6%), rolled steel products (5%).

The Czech Republic's principal import commodities: paper and paperboard (12% share of total imports), rolled steel products (11%), television and radio transmission apparatus (11%), tyres and inner tubes (4%).

Cultural relations

The lively cultural exchange between the two countries continued in 2007. In January, an exhibition of graphic art by A. Born took place in Pori and a festival of Czech films opened in Helsinki. In March, an exhibition of puppets entitled "Friends on Strings" was staged with the cooperation of Theatre Museum in Helsinki, the Museum of Puppets in Chrudim and M. Kostelecký, set designer of the Drak Theatre. In May, Finland hosted the Eurovision Song Contest, at which the Czech Republic was represented by rock group Kabát. An exhibition called "Tsarist Russia through the Eyes of Czech Photographers" took place in Tampere in September. In October, Prague theatre company Krepsko performed at the "Wordless Physical Festival" in Helsinki. A delegation of the Union of Czech Booksellers and Publishers took part in the "Helsinki Book Fair" in October. In December, a seminar was held in Helsinki to mark the 30th anniversary of Charter 77, at which the principal guests were D. Němcová and J. Dienstbier.

GEORGIA

Intensive political contacts between the two countries went ahead at the governmental and parliamentary level in 2007 – the high point in mutual relations to date was the official visit to Georgia by Prime Minister M. Topolánek in May 2007. In 2007, the Czech Republic continued to be one of the prominent supporters of Georgia's gradual integration into Euro-Atlantic structures. Representatives of the Czech Republic played an active part in meetings of the New Group of Georgia's Friends, and Minister of Foreign Affairs K. Schwarzenberg attended a ministerial meeting of the New Group of Georgia's Friends in Vilnius in September 2007. In 2007, talks were held on treaties concerning protection of investments, air transport, road transport, readmission, and cooperation in culture, education, science and sports.

Visits by representatives of the Czech Republic:

- 10-12 May 2007 – official visit by Prime Minister M. Topolánek;
- 31 October 2007 – consultations by First Deputy Minister of Foreign Affairs T. Pojar;
- 2 January 2007 – First Deputy Minister of Foreign Affairs T. Pojar attended the Tbilisi Summit 2007.

Visits by representatives of Georgia:

- 14-16 May 2007 – official visit by Speaker of Parliament N. Burjanadze;
- 12-13 June 2007 – working visit to Prague by Prime Minister Z. Noghaideli.

Economic relations

There has been practically no change in trade relations with Georgia. Trade turnover amounted to CZK 1098.5 million, a 1.1% fall year-on-year. Exports, worth CZK 892.5 million, remained at the 2006 level, whilst imports of CZK 206.0 million represented a year-on-year fall of 3.4%. Czech investors achieved significant success in the privatisation of Georgia's energy sector (privatisation of hydroelectric plants).

The Czech Republic's principal export commodities: machinery and transport equipment, military material, cosmetics, hygiene and sanitary articles, malt, beer.

The Czech Republic's principal import commodities: edible nuts, parts and accessories for metalworking machinery, wine of fresh grapes, spirits.

Cultural relations

The core of educational cooperation consisted in the provision of government scholarships – 4 scholarships are offered to Georgia every year. All four scholarships were used for the academic year 2007/2008.

A jazz concert was held in Tbilisi on October 28 to mark Czech National Day.

Development cooperation

As part of the development cooperation with Georgia that began in 2003, the Czech Republic continued to focus on the issue of illegal migration from Georgia to the Czech Republic and European Union - long-term projects seeking to stabilise the economic situation of Georgian citizens are financed by the Ministry of the Interior of the Czech Republic. The projects were and are being implemented in the capital Tbilisi and in the Imereti, Guria and Samtskhe-Javakheti regions. In 2007, a project for milk processing in the Dmanisi region was launched; the project comes under the authority of the Ministry of Agriculture. One small-scale local project was implemented in Imereti and Ajaria with the cooperation of the Embassy of the Czech Republic in Tbilisi. A total of approximately CZK 11 million was spent on development cooperation projects in 2007.

GREAT BRITAIN

(United Kingdom of Great Britain and Northern Ireland)

In 2007, the frequency of bilateral meetings between the Czech Republic and the United Kingdom continued at the same pace at both political and working level. The United Kingdom expressed interest in cooperating with the Czech Republic during preparations for its presidency of the Council of the EU, among other things in the form of seminars and work placements for Czech and British civil servants in partner institutions.

Cooperation in the field of security constituted a significant part of bilateral relations. Both countries have been taking part in military operations in Iraq, Afghanistan and Kosovo. Cooperation went ahead on BMATT CEE (British Military Advisory and Training Team for Central and East Europe), which operates at Vyškov and serves to improve the training of non-commissioned officers of the Army of the Czech Republic and to prepare instructors to train non-commissioned officers from Central and East European countries. For the fifth time, the Czech Republic contributed CZK 2 million to a British project to destroy chemical weapons in the Russian Federation. The Ministry of Foreign Affairs of the Czech Republic also provided humanitarian aid worth CZK 500,000 to Sudan through British organisation HART (Humanitarian Aid Relief Fund) and a further CZK 1,000,000 towards HART activities in Myanmar/Burma.

From the point of view of consular services, the opening of the Honorary Consulate of the Czech Republic in Belfast, Northern Ireland, was a significant development.

Visits by representatives of the Czech Republic:

- 25-28 February 2007 – working visit by a delegation of the Committee on Budgetary Control of the Chamber of Deputies of Parliament;
- 17-20 April 2007 – working visit by the Standing Senate Commission on Media;
- 13 June 2007 – working visit by Prime Minister M. Topolánek;
- 17-19 July 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg;
- 7-9 November 2007 – official visit by President V. Klaus;
- 11-14 November 2007 – working visit by a delegation of the Permanent Commission on Banking of the Chamber of Deputies of Parliament.

Visits by representatives of the United Kingdom:

- 13 March 2007 – working visit by the Parliamentary Defence Committee;

- 6-7 March 2007 – working visit by Minister for Europe G. Hoon;
- 10-11 April 2007 – working visit by Deputy Prime Minister J. Prescott;
- 14-16 October 2007 – working visit by Her Royal Highness Princess Anne.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	131 371 580	155 767 013	188 977 030	3.9
	Year-on-year index	99.5	118.6	119.7	
Exports	CZK thousands	86 464 414	101 750 103	123 828 500	5.0
	Year-on-year index	1076.4	117.7	120.7	
Imports	CZK thousands	44 907 166	54 016 910	65 149 060	2.7
	Year-on-year index	88.5	120.3	118.0	
Balance	CZK thousands	41 557 249	47 733 193	58 697 340	

Sources: 1. Czech Statistical Office, March 2008

The United Kingdom has for long been one of the Czech Republic's ten most important trading partners. In 2007, the UK represented the 5th largest export market (after Germany, Slovakia, Poland and France) and was the 12th biggest importer to the Czech Republic. Czech exports to the UK attained a value of CZK 123.3 billion, a year-on-year increase of 20.2%. Imports from the UK attained a value of CZK 63.6 billion, a year-on-year increase of 15.2%. The Czech Republic ended the year with a balance of payments surplus of CZK 59.7 billion. The Czech Republic has had a balance of trade surplus with the UK since 2001, with the value of exports rising every year. The value of imports from the UK fluctuates. The Czech Republic's balance of payments surplus with the UK is its third largest, after Slovakia and Germany.

The Czech Republic's principal export commodities: data processing machines, passenger cars, colour television sets, automobile parts, telecommunications equipment, hospital beds including parts, data processing machine parts and accessories, electrical lighting and signalling apparatus, tyres, alternate current generators, steel rods and bars, car

radios, air-conditioning equipment parts, printing machinery parts and accessories, parts for jet and turboprop engines, optical recording media, aluminium vats and cans, confectionary.

The Czech Republic's principal import commodities: parts and accessories for telecommunications equipment, medicaments, passenger cars, data processing machinery parts and accessories, front-end overhead loaders and earth excavators, television videogames and coin-operated games, electric condensers, automobile parts, electronic integrated circuits, organic detergents, chemical products and preparations, wheeled tractors, textiles, electrical apparatus for voltage not exceeding 1000V, cadmium products, memory units, plastic articles.

Cultural relations

In 2007, the cultural presentation of the Czech Republic in the United Kingdom was dominated by a cycle of events marking the 400th anniversary of the birth of Václav Hollar, one of the most important graphic artists of the 17th century, who worked and died in London. The cycle included an exhibition of Hollar's works at the British Museum and other venues, church services, history lectures and authors' readings and other events commemorating this eminent figure. Another key event in 2007 was an evening commemorating the 30th anniversary of Charter 77. During the evening there was a discussion with Václav Havel and a concert by the Plastic People of the Universe.

In classical music, conductor-in-chief of the BBC Symphony Orchestra J. Bělohlávek achieved considerable success. In the 111-year history of the unique concert series of BBC Proms, he was the first conductor of the Last Night of the Proms who is not a native English speaker.

Talks went ahead in 2007 on the possibility of re-introducing Czech studies at Sheffield and Cambridge universities.

ICELAND

(Republic of Iceland)

Relations between the Czech Republic and Iceland have traditionally been friendly. The two countries are linked by their NATO membership, emphasis on the transatlantic link and partnership in the European Economic Area (EEA). Cooperation between the two countries has centred on trade relations; Iceland has displayed increasing interest in deepening bilateral relations. The countries' good relations are supported by cooperation on projects financed out of the funds that Iceland provides to the Czech Republic (and other new EU/EEA members) as part of EFTA countries' bilateral financial mechanism.

Visits by representatives of the Czech Republic:

- 17-22 June 2007 – visit by a delegation of the Committee on Health and Social Policy of the Senate of Parliament;
- 4-10 October 2007 – working visit by the Permanent Delegation of the Parliament of the Czech Republic to the NATO Parliamentary Assembly.

Economic relations

The Czech Republic's principal export commodities: passenger cars, passenger motor vehicles for public transport, office machines and automated data processing machines, prefabricated buildings, clothing products and accessories, structures of iron, steel and aluminium, iron and steel.

The Czech Republic's principal import commodities: market products (aluminium, iron and steel), accounting for more than 4/5 of total imports from Iceland.

Cultural relations

Five contemporary Czech films (*Empties*, *Roming*, *Grandhotel*, *One Hand Can't Clap* and *Loners*) were screened at the "Reykjavik International Film Festival" held from 27 September to 7 October 2007.

IRELAND

2007 was an important year for Czech-Irish relations as it marked the 60th anniversary of the establishment of diplomatic relations. The year also confirmed the existence of modern, reliable and conflict-free relations between two partner countries and European Union members. The frequency of bilateral working visits at expert level (*inter alia* on human rights, security policy) remained high and there were contacts between the two countries' parliaments. The presentation of Czech culture in Ireland targeted Irish regions and also the large number of Czech citizens making use of the opportunities presented by the open Irish labour market.

Visits by representatives of the Czech Republic:

- 26 February – 1 March 2007 – visit by a delegation of the Budget Committee of the Chamber of Deputies of Parliament.

Visits by representatives of Ireland:

- 13-16 December 2007 – official visit by Ceann Comhairle J. O'Donoghue, Chairman of Dáil Éireann, and a joint parliamentary delegation.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	18 695 340	20 977 947	24 786 312	0.5
	Year-on-year index	117.9	112.2	118.5	
Exports	CZK thousands	8 051 543	9 108 557	8 373 660	0.4
	Year-on-year index	124.9	113.1	92.3	
Imports	CZK thousands	10 643 796	11 869 390	16 412 652	0.7
	Year-on-year index	113.06	111.5	147.7	
Balance	CZK thousands	- 2 592 253	- 2 760 833	- 8 038 992	

Sources: Czech Statistical Office, March 2008 (foreign trade data)

In 2007, Ireland retained its position among the Czech Republic's thirty biggest trading partners. The value of imports rose by roughly 48%. Ireland was also a significant investor in services and industry in the Czech Republic.

The Czech Republic's principal export commodities: office machinery and data processing machinery, telecommunications equipment, machinery and plant for the power industry, specialist scientific instruments, road vehicles, leather products, rubber products, textile products, wood products, paper products, glass, ceramics, iron, steel, metal products.

The Czech Republic's principal import commodities: machinery and plant equipment, measuring and other scientific instruments, office machinery, various telecommunications and electrical equipment, medicaments and pharmaceutical products, chemical agents, dyes and tanning materials, various consumer goods, marine products, beverages and other food products.

Cultural relations

On the occasion of the 60th anniversary of the establishment of bilateral diplomatic relations, on 13 February 2007 the Embassy of the Czech Republic held a celebratory reception at the Royal Institute of the Architects of Ireland in Dublin. On this occasion, Irish prime minister B. Ahern sent a personal message; the keynote speech was given by Minister of State for European Affairs N. Treacy. The evening also marked the inauguration of an exhibition entitled "Czech Architects Abroad".

The Pavel Haas String Quartet gave its premiere performance in Ireland on 15 June 2007 in Bray. Virtuoso violinist I. Ženatý and pianist I. Ardašev returned to perform in front of their established fans: from 14 to 18 November 2007 they gave a series of concerts in Graighmannagh, Waterford, Limerick and Tullynally under the aegis of the Czech embassy.

The theme of a festival of theatre, music and dance ensembles in Clonmel was movement and migration. The Prague studio of the Farm in a Cave chose for their performance on 10 July 2007 a scenic composition entitled *Sclavi – The Song of an Emigrant* about the difficult homecoming process for emigrants.

With the support of the Embassy of the Czech Republic in Dublin and Czech Radio, Moravian music ensemble Tomáš Kočko & Orchestra gave several concert performances in Ireland (Dublin, Cork) from 31 August to 2 September 2007.

In April 2007, there was a successful tour by the Accordion Orchestra of F. Chopin Arts School from Mariánské Lázně, led by A. Smutný, in the Kells district and by The Prague

Choir of choirmaster L. Mátl in Portarlinton and Wexford. The Bohemiachor choir, conducted by J. Staněk and K. Fojtová, took part in the 53rd Cork International Choral Festival on 2-6 May 2007. During Advent, the Irish public were entertained by the Paprsek mixed children's choir from Mladá Boleslav, led by M. Klipec: from 13 to 17 December 2007 in Dublin the choir performed solo and to the accompaniment of the Irish student symphony orchestra Yops.

LATVIA

(Republic of Latvia)

The traditionally very good relations between the Czech Republic and Latvia continued to develop in 2007. Above all, consultations on questions discussed within the European Union and NATO gained in intensity; cooperation in the security field deepened; and the volume of mutual trade grew.

Visits by representatives of the Czech Republic:

- 26-29 March 2007 – working visit by a delegation of the Committee on Public Administration and Regional Development of the Chamber of Deputies of Parliament;
- 13-14 September 2007 – working visit by President of the Senate of Parliament P. Sobotka.

Economic relations

The Czech Republic's principal export commodities: transport equipment, machinery and plant equipment, stone, glass and plaster products, base metals and products of such, food products.

The Czech Republic's principal import commodities: metals and metal products, food productions, wood and wood products, machinery and plant equipment, textiles and textile goods.

Bilateral agreements concluded in 2007

- Agreement between the Ministry of Education, Youth and Sports of the Czech Republic and the Ministry of Education and Science of the Republic of Latvia on Co-operation in the Field of Education, Youth and Sports for the Period 2007 - 2010, Riga, 14 August 2007.

Cultural relations

There is considerable interest in Czech culture in Latvia. That is borne out by the success of the travelling exhibition called “Five Centuries of Czech-Latvian Literary Relations”, which in 2007 alone visited nine Latvian cities, as well as the large number of visitors to other events such as the exhibitions “Czech Press Photo”, “The Magic World of Czech Illustrators for Children” and “Václav Havel in Europe’s Metamorphoses”. Latvian children have regularly and successfully taken part in the “Lidice International Art Competition” – in the 34th year of the competition they won 38 awards, which were presented at a ceremony at the beginning of 2007 under the aegis of the Czech embassy in Riga. The Minister of Culture of the Czech Republic conferred the *Artis Bohemiae Amicis* award on Mr J. Krastiņš for his lifelong translation work.

LITHUANIA

(Republic of Lithuania)

Lithuania is an important partner and ally of the Czech Republic. Common interests in the EU and NATO helped enhance the dynamism of bilateral relations in 2007, which was reflected in an increasing number of bilateral and multilateral contacts. Another important factor was the impulse for deeper cooperation in the regional format of Visegrad Group (V4) cooperation with Baltic states (B3), initiated by the Czech side during its presidency of the Visegrad Group.

Visits by representatives of the Czech Republic:

- 21-24 May 2007 – visit by a delegation of the Committee on Public Administration, Regional Development and Environment of the Chamber of Deputies of Parliament;

- 20-23 June 2007 – visit by a delegation of the Constitutional Court of the Czech Republic, led by its president P. Rychetský;
- 10-12 September 2007 – official visit by President of the Senate of Parliament P. Sobotka;
- 13-14 September 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg on the occasion of the 4th meeting of the New Group of Georgia's Friends in Vilnius;
- 10-11 October 2007 – working visit by Deputy Prime Minister for European Affairs A. Vondra on the occasion of the Vilnius Energy Security Conference;
- 20-22 November 2007 – visit by a delegation of the Committee on Budgetary Control of the Chamber of Deputies of Parliament;
- 4 December 2007 – political consultations by First Deputy Minister of Foreign Affairs T. Pojar.

Visits by representatives of Lithuania:

- 4-6 June 2007 – visit by a delegation of the Committee on Rural Affairs of the Seimas;
- 3-5 December 2007 – visit by a delegation of the Committee on Foreign Affairs of the Seimas.

Economic relations

Lithuania is a standard and reliable trading partner. Trade exchange with Lithuania is constantly increasing.

The Czech Republic's principal export commodities: machinery and transport equipment, primarily Škoda passenger cars, steel profiles, sanitary fixtures, household chemicals, electrical household appliances, kitchen furniture, glass and ceramics, heating

boilers and radiators, tools and implements, clothing, crockery and kitchen utensils, medicines and human and veterinary medicine products.

The Czech Republic's principal import commodities: refrigerators, chemical raw materials, textile fibres and yarn, furniture and other wooden products, aluminium. The biggest increase in imports came in the chemical raw materials category.

Cultural relations

Work by the A. Dvořák Society and the Lithuanian-Czech Society significantly contributed to the promotion and development of mutual relations in the field of culture.

Successful cultural events in 2007 included the exhibitions "Czech Press Photo 2006" and "Young Czech Photographers", presenting a collection of photographs by graduates of the Institute of Creative Photography of the Faculty of Philosophy and Sciences of the Silesian University in Opava, and concerts by several Czech classical musicians. In June 2007, Professor J. Tůma performed a solo concert of organ music at the traditional "Organ Summer" international festival in the Nida coastal resort. In August 2007, there was a concert by the Prague Guitar Quartet in St. Catherine's Church in Vilnius. Perhaps the most successful concert was that of Czech pianist P. Kašpar, who performed with the Lithuanian National Symphony Orchestra on 29 September 2007 to open the new season of the National Philharmonic Society of Lithuania.

MOLDOVA

(Republic of Moldova)

The good and friendly relations between the two countries were raised to a new level after Moldova opened its embassy in Prague in April 2007. On 1 January 2007, the Embassy of the Czech Republic in Chisinau (established in December 2005) opened a consular section. One proof of the quality of relations the was cooperation between state representatives at working level in 2007. For the first time in several years, trade turnover registered growth.

In 2007, the Czech Republic continued to push for closer relations between Moldova and the EU. It did so partly through bilateral initiatives under which three expert consultations were held, focusing solely on the issue of the EU-Moldova Action Plan (political questions,

the internal market and trade, and justice and home affairs). Another opportunity for strengthening ties between the EU and Moldova came when the Czech embassy in Chisinau held the local presidency of the Council of the EU during the Portuguese presidency in the second half of 2007. Furthermore, during its presidency of the Visegrad Group the Czech Republic organised a joint meeting of foreign affairs ministers of V4 countries and Moldova in Prague on 25 November 2007, at which a declaration was adopted supporting Moldova's European aspirations.

In the field of the EU Common Foreign and Security Policy, the Czech Republic continued to strive for a solution to the Transnistrian conflict based on the principle of the territorial integrity of the Republic of Moldova.

Visits by representatives of Moldova:

- 24 November 2007 – meeting between Minister of Foreign Affairs K. Schwarzenberg and Minister of Foreign Affairs and European Integration of the Republic of Moldova A. Stratan (on the eve of the meeting of V4 foreign affairs ministers with Minister Stratan at Štiřín Castle).

Economic relations

In 2007, foreign trade turnover with Moldova grew by 31.3% to reach CZK 257.7 million, largely driven by imports, which increased by 141.2% to CZK 360.6 million. Czech exports grew by 10.9% to CZK 897.1 million.

The Czech Republic's principal export commodities: motor vehicles, cleansing and washing preparations, medicaments, polyethylene, food industry machinery and equipment, non-woven textiles, glass, *et al.*

The Czech Republic's principal import commodities: metallurgical rolled products, wine, jam, marmalade, honey, clothing accessories, *et al.*

Humanitarian aid

The Czech Republic was one of the first countries to respond to the call issued by the Moldovan leadership in connection with the catastrophic drought in summer 2007: the Czech Republic supplied 420 tonnes of winter wheat for sowing as humanitarian aid.

Transformation cooperation

Moldova is one of the Czech Republic's eight priority countries of the foreign development cooperation programme for 2006-2010. In 2007, a total of fifteen projects went ahead in the fields of improving the quality of the environment, migration management, the development of the Moldovan rural areas and assisting the state administration reform. In addition, three "small-scale local development projects with immediate effect" were implemented.

Cultural relations

The renovation of a local school in the village in Holuboie, financed by a donation of the Czech Republic, went ahead in 2007. The Novohrad Czech community club, whose activities are partly financed through contributions provided by the Czech Republic, operates in this village, where some of the inhabitants have Czech roots. A small-scale development project of the Czech embassy financed certain accessories and additional equipment of the brass band, which has been the hub of the Czech community living in this area since the second half of the 19th century. Members of the Czech community again welcomed the opportunity to improve their Czech at Dobruška and in Prague in 2007. The Embassy of the Czech Republic helped establish an information link between Czech communities in Chisinau and Holuboie.

The Czech Republic provided Moldova with eight university scholarships in 2007.

THE NETHERLANDS

(Kingdom of the Netherlands)

In 2007, the traditionally very good relations between the two countries continued to develop, supported by meetings at the highest political level and at working level. The framework for mutual relations is their shared membership of the European Union and North Atlantic Alliance, where they often share similar opinions and positions.

In the field of security cooperation, the Netherlands appreciated the offer to send Czech servicemen to participate in the Alliance mission in the Uruzgan province of Afghanistan, where the Netherlands has an extensive contingent.

Bilateral contacts are also enhanced by the numerous partnerships between towns and municipalities in the Czech Republic and the Netherlands (there are more than 60 such partnerships). In the educational and cultural field, the Czech Republic and the Netherlands are linked by the figure of Jan Amos Comenius – his museum and mausoleum in Naarden is co-financed by both countries.

Visits by representatives of the Czech Republic:

- 4 June 2007 – working visit by Prime Minister M. Topolánek;
- 27-28 November 2007 – working visit by President of the Supreme Court of the Czech Republic Iva Brožová;
- 31 January – 2 February 2007 – working visit by Supreme Public Prosecutor R. Vesecká;
- 9-13 July 2007 – working visit by a delegation of senior public prosecutors from Prague and Olomouc.

Visits by representatives of the Netherlands:

- 23 April 2007 – working visit by Minister for European Affairs F. Timmermans.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	144170061	161068632	173449078	3.7
	Year-on-year index	117.7	111.7	107.7	
Exports	CZK thousands	70285235	77095394	80767377	3.5
	Year-on-year index	95.0	109.7	104.7	
Imports	CZK thousands	73884826	83973238	92681701	3.9
	Year-on-year index	152.2	113.6	110.4	
Balance	CZK thousands	-35995591	-6877844	-11914324	

Source: Czech Statistical Office, March 2008

The Netherlands is one of the Czech Republic's most significant economic partners for both trade and investments. In 2007, the Netherlands remained the Czech Republic's 8th biggest partner in terms of mutual trade turnover. Exports and imports both grew at a stable rate, but, as in previous years, the Czech Republic ended the year with a slight balance of trade deficit with the Netherlands.

The Dutch Antilles and Aruba are also part of the Kingdom of the Netherlands. However, the Czech Republic's trade relations with these territories only account for a very small proportion of the total turnover.

The Czech Republic's principal export commodities: machinery and parts (primarily computers), television sets and media, iron and steel products, passenger cars, plastics, organic chemical products, medical instruments, furniture, clothing.

The Czech Republic's principal import commodities: computer parts and digital circuits, motor vehicles (primarily towing vehicles and lorries), plastics and plastic products, pharmaceutical products and organic chemical products, flowers and vegetables.

Bilateral agreements concluded in 2007

- Memorandum of Understanding between the Ministry of Labour and Social Affairs of the Czech Republic and the Ministry of Social Affairs and Employment of the Kingdom of the Netherlands on Data Exchange and Cross-Border Cooperation in

Combating of Fraud in Transnational Posting of Workers and Illegal Labour, Prague, 28 November 2007.

Cultural relations

The most significant cultural event of 2007 in the field of economic and cultural promotion was the autumn “Czech Days” in regions of the Netherlands. Under this project, Czech design and architecture was presented in the Netherlands in September, a set of exhibitions marked the 15th anniversary of the establishment of cooperation between the towns of Příbram and Hoorn and, last but not least, a Czech design evening was staged for the business community in the Netherlands.

For the first time, the traditional international film festival in Rotterdam at the turn of January and February 2007 featured a Czech experimental film section. Another significant cultural event was a song recital entitled “The Musical Year in Four Parts” by Z. Marková and M. Šedivý in The Hague in March. Czech art was presented at the June exhibition of photographs by D. Šperk called “Without Borders”. An interesting event in science and research was the November presentation at the European Space Agency in Noordwijk of Czech space industry suppliers associated under the Czech Space Alliance.

NORWAY

(Kingdom of Norway)

The Czech Republic and Norway are primarily linked by their partnership in NATO and membership of the European Economic Area (EEA). The countries’ good relations were underpinned by cooperation on Czech development projects financed out of the funds that Norway provides to the Czech Republic (and other new EU/EEA members) as part of a bilateral financial mechanism and EFTA countries financial mechanism.

Visits by representatives of the Czech Republic:

- 21-23 April 2007 – working visit by a delegation of the Committee on European Affairs of the Senate of Parliament;

- 26-27 April 2007 – Minister of Foreign Affairs K. Schwarzenberg attended a meeting of NATO foreign affairs ministers;
- 6-9 May 2007 – working visit by the Chamber of Deputies Permanent Delegation to the Assembly of Western European Union (Spitzbergen);
- 30 October 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg;
- 18-21 November 2007 – working visit by a delegation of the Permanent Commission on Equal Opportunities of the Chamber of Deputies of Parliament.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	18 238 000	23 177 000	21 876 000	0.5
	Year-on-year index	107.7	127.1	94.3	
Exports	CZK thousands	6 781 000	9 071 000	12 886 000	0.5
	Year-on-year index	114.2	133.8	141.9	
Imports	CZK thousands	11 457 000	14 106 000	8 990 000	0.4
	Year-on-year index	104.2	123.1	63.7	
Balance	CZK thousands	-4 676 000	-5 035 000	+3 896 000	

Sources: Czech Statistical Office, March 2008

The Czech Republic's principal export commodities: machine engineering products, mostly machinery and transport equipment (Škoda cars), followed by market products. These commodities accounted for more than 4/5 of total exports to Norway. The key export items to Norway include road vehicles, pipes, tubes, hollow profiles, iron and steel fittings, office machinery and automatic data processing machines.

The Czech Republic's principal import commodities: mineral fuels, lubricants and related materials – natural gas (accounting for 3/5 of total imports from Norway); followed by market products (aluminium, aluminium alloys and non-ferrous metals).

Cultural relations

On 3 April 2007, the Embassy of the Czech Republic in Oslo was the venue for a meeting of members of the Czech community interested in Czech Easter traditions.

On 24 May 2007, Norwegian theatre, set design and architecture professionals and journalists attended a presentation at the Czech embassy of the “Prague Quadrennial 2007” and the planned Norwegian participation at this event.

On 22 October 2007, the “3rd literary seminar” was held at the Czech embassy in Oslo. The seminar was prepared in cooperation with the Ministry of Culture of the Czech Republic with a view to promoting contemporary Czech literature abroad. The theme of this year’s seminar was “Leading Figures of Contemporary Czech Literature” and the guest was Czech writer J. Topol, whose novel *Night Work* was simultaneously published in Norway.

On 11 December 2007, the Czech embassy organised its traditional pre-Christmas cultural event. A meeting called “Moley in Norway”, which gave Norwegian children the chance to watch Czech animated films and meet the figure of Moley, received considerable attention among the Norwegian public.

RUSSIA

(Russian Federation)

2007 brought significant new developments in traditional Czech-Russian relations. The first-ever state visit to Russia by the president of the independent Czech Republic was the culmination of one phase in bilateral relations. The April negotiations conducted by President V. Klaus in the Russian Federation made clear the full breadth of mutual contacts based on the long-term pragmatic approach of both sides. Thanks to intensive high-level dialogue, Czech-Russian relations are characterised by partnership, openness and mutual respect.

One new aspect of bilateral relations throughout the year was the theme of the development of a European pillar of the American missile defence system – in various forms and degrees of intensity this theme featured in all political contacts. A significant outcome of the president’s talks was the separation of this issue from the overall context of Czech-Russian bilateral relations, thus ensuring that their previous dynamism, especially in economic cooperation, was maintained. During the implementation of the results of the president’s visit to Russia, a number of interesting contacts took place in the second half of the year, indicating the political and economic substance of relations for the coming period. The prospects for a further deepening of bilateral cooperation continue to be based on preserving the pragmatic approach and maintaining the high level of political dialogue.

Other significant successes were achieved in Czech-Russian economic cooperation. The growth in the total volume of mutual trade, and most notably Czech exports, confirmed Russia's role as a key long-term partner and verified the effectiveness of the instruments of economic cooperation that are applied in mutual contacts. Above all, these instruments are an emphasis on the overall diversification and attainment of new quality in trade and economic relations; the furtherance of intensive cooperation with the regions of the Russian Federation; and the implementation of the mechanism of the Intergovernmental Commission for Economic, Industrial and Scientific and Technical Cooperation, whose third session was held in Prague in October 2007.

In multilateral diplomacy, the Czech Republic played an active role in discussions on the entire spectrum of relations with the Russian Federation. Relations between the Russian Federation and the European Union were affected by the political approaches of both sides and no major breakthrough was achieved. In line with its priorities the Czech Republic contributed to the progress in the issue of energy security. Furthermore, the atmosphere in relations between NATO and Russia was influenced by Russia's assertive position, as declared at the start of the year, and other contentious issues in the field of security cooperation.

Visits by representatives of the Czech Republic:

- 26-29 April 2007 – state visit to the Russian Federation by President V. Klaus;
- 20-21 August 2007 – First Deputy Minister of Defence M. Barták, First Deputy Minister of Foreign Affairs T. Pojar and Chief of General Staff of the Army of the Czech Republic V. Pícek held negotiations in Moscow;
- 9-14 September 2007 – visit by a joint delegation of parliamentary deputies and senators headed by the Chairman of the Committee on Foreign Affairs of the Chamber of Deputies J. Hamáček;
- 6-7 December 2007 – working visit to Sverdlovsk province by President of the Senate of Parliament P. Sobotka.

Visits by representatives of the Russian Federation:

- 22-23 October 2007 – 3rd session of the Czech-Russian Intergovernmental Commission for Economic, Industrial and Scientific and Technical Cooperation (Deputy Prime Minister S. Naryshkin), Prague;
- 20-21 December 2007 – Aide to the President and Special Representative of the President for Issues of the Development of Relations with the European Union S. Yastrzhembsky held negotiations in Prague.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	138 244 344	168 376 579	170 660 674	3.5
	Year-on-year index	145.4	122.1	100.6	
Exports	CZK thousands	33 646 294	42 589 113	57 571 445	2.3
	Year-on-year index	139.2	126.6	135.2	
Imports	CZK thousands	104 598 051	126 174 106	112 248 200	4.7
	Year-on-year index	147.5	120.6	89.0	
Balance	CZK thousands	- 70 951 757	- 83 587 993	- 54 676 755	

Source: Czech Statistical Office, March 2008

The Russian Federation was the Czech Republic's 10th biggest trading partner in terms of trade turnover in 2007. Russia possesses considerable raw material reserves and scientific and industrial potential, making it a significant partner of the Czech Republic in both exports and imports (primarily energy raw materials). In October 2007, the 3rd session of the Czech-Russian Intergovernmental Commission for Economic, Industrial and Scientific and Technical Cooperation was held in Prague. This platform has facilitated the development of both trade-policy dialogue and economic cooperation.

The Czech Republic's principal export commodities: motor vehicles, tyres, automatic data processing machines, medicaments, pulp products, plastic products, metallurgical material, machine tools, prefabricated buildings, taps, valves and fittings, glass, porcelain, food products, beer, *et al.*

The Czech Republic's principal import commodities: crude oil, natural gas, iron ore, nickel, aluminium, pig iron, ferrous alloys, wood, *et al.*

Bilateral agreements concluded in 2007

Protocol to the Convention between the Government of the Czech Republic and the Government of the Russian Federation for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, Moscow, 27 April 2007;

- Agreement between the Government of the Czech Republic and the Government of the Russian Federation on the Organisation of Repairs to MI-24 (Mi-35), Mi-171Š (Mi-8, Mi-17) Helicopters and their Modernisation in the Territory of the Czech Republic, Moscow, 27 April 2007;
- Agreement between the Government of the Czech Republic and the Government of the Russian Federation on the Reciprocal Protection of Intellectual Property during Bilateral Military-Technical Cooperation, Moscow, 27 April 2007;
- Programme of Cooperation between the Ministry of Culture of the Czech Republic and the Ministry of Culture of the Russian Federation for the Years 2007-2009, Moscow, 27 April 2007.

Cultural relations

In Moscow, the presentation of culture is organised by the Czech Centre, which is also endeavouring to expand into more remote regions (Kislovodsk, Novorossiysk, Novosibirsk, Nizhny Novgorod etc.). In St. Petersburg and Yekaterinburg, the promotion of Czech culture is also organised by consulates general, which partly draw on the cultural services offered by the Czech Centre.

The programme of cultural activities in the given territory, which is highly specific in terms of cultural perceptions, comprised all forms of culture (art and photography exhibitions, music and theatre performances, film screenings, literary evenings *et al.*) and “formats” (from

small-scale and informal meetings with eminent figures to large-scale festivals and multi-genre projects).

Overall, the cultural events sought to address the broadest possible public, but individual events often targeted a specific group (Russian students of Czech studies, literature or art experts, alternative art enthusiasts etc.). The vast majority of events were organised in cooperation with Russian partners. A festival entitled “M@narchia” was organised in cooperation with other EU member states. The most demanding project, involving several organisations headed by Prague City Hall, was “Prague Days” in Moscow. The City Hall and the Czech Centre in Moscow were also instrumental in organising the St. Petersburg Theatre Season, which took place in Prague.

SWEDEN

(Kingdom of Sweden)

One significant impulse for the development of Czech-Swedish relations, which are very good and problem-free in all areas, was the cooperation between the two countries in the preparation for the presidency of the Council of the EU in 2009, including collaboration with France and the relevant EU institutions when drawing up the 18-month programme of the “trio” of consecutive presidencies.

Other areas of priority interest for the two countries in 2007 were their participation in peacekeeping operations in the Balkans and Afghanistan, development cooperation and humanitarian aid in crisis regions, the protection of human rights, support for the EU enlargement process and regional cooperation. Mutual economic relations maintained their existing intensity and dynamism: imports and exports grew, the commodity structure (dominated by Czech exports of machine engineering products) remained the same and the Czech Republic’s balance of trade surplus was maintained.

Visits by representatives of the Czech Republic:

- 17-18 April 2007 – official visit by Prime Minister M. Topolánek, with a delegation composed of Minister of Industry and Trade M. Říman and First Deputy Minister of Foreign Affairs T. Pojar, who both conducted separate bilateral negotiations;

- 23-26 April 2007 – working visit by a delegation of the Committee on European Affairs of the Senate of Parliament;
- 22-25 May 2007 – working visit by a delegation of the Committee on Environment of the Chamber of Deputies of Parliament;
- 1-2 October 2007 – working visit by Minister of Agriculture P. Gandalovič.

Visits by representatives of Sweden:

- 28 May 2007 – working visit by Minister for European Affairs C. Malmström;
- 19-20 September 2007 – working visit by Minister for Foreign Affairs C. Bildt and Minister for European Affairs C. Malmström. Their programme included the opening of trilateral cooperation of the Council of the EU presidency trio of France, the Czech Republic and Sweden, and participation at the inauguration of an exhibition of the Codex Gigas (“Devil’s Bible”);
- 19-20 September 2007 – visit by the sister of the King of Sweden, Princess Christina Mrs. Magnusson, to the inauguration of the Codex Gigas exhibition.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	tis.Kč	58 001 000	57 823 000	70 735 000	1.3
	index oproti min.roku	89.3	99.7	122.0	
Exports	tis.Kč	28 003 000	35 244 000	43 377 000	1.8
	index oproti min.roku	141.1	125.9	123.8	
Imports	tis.Kč	29 998 000	22 579 000	27 358 000	0.8
	index oproti min.roku	154.7	75.3	119.2	
Balance	tis.Kč	-1 995 000	12 665 000	16 019 000	

Sources: Czech Statistical Office, March 2008

The positive trend in trade exchange between the Czech Republic and Sweden continued in 2007. Czech exports grew by around 23%. Implementation of the offset

programme related to the lease of Swedish Gripen fighter jets continued successfully. The volume of direct Swedish investment in the Czech economy also grew.

The Czech Republic's principal export commodities: passenger cars, office machinery (IT), motor vehicle parts and accessories, television sets, fuel pumps, motors and generators, telecommunications equipment, rolled iron products, wires and cables.

The Czech Republic's principal import commodities: iron and steel products (tubes and pipes, rolled steel etc.), paper and paperboard, telecommunications equipment (mobile and other), medicaments, non-ferrous metals (aluminium, lead and alloys), passenger cars including parts and accessories, road tractors and trailers, chemical products (fibrous material, paints etc.).

Cultural relations

The most significant cultural events in 2007 were the exhibition of the manuscript of the *Codex Gigas*, or "Devil's Bible", at the National Library in Prague and an exhibition entitled "War Booty" at the Royal Armoury in Stockholm, which is the biggest-ever presentation of European weapons, books and paintings – one section of the exhibition is devoted to works of art from Bohemia and Moravia. Another important presentation of the Czech Republic was a seminar marking the 30th anniversary of Charter 77, attended by leading representatives of Charter 77 and the Charter 77 Foundation in Sweden.

UKRAINE

Bilateral relations between the Czech Republic and Ukraine in 2007 represented standard relations between two countries whose foreign-policy relations have the potential for growth. During the visit to the Czech Republic by Ukraine's Minister of Foreign Affairs B. Tarasyuk in January 2007, a Joint Statement by the Ministers of Foreign Affairs of the Czech Republic and Ukraine on Cooperation in Implementing the EU-Ukraine Action Plan was adopted.

The Czech Republic supported Ukraine's transformation efforts and Euro-Atlantic aspirations by providing both know-how and finances for specific development and transformation projects. A meeting of the Mixed Commission for Economic, Industrial and

Scientific and Technical Cooperation in Kiev in March 2007 helped strengthen bilateral cooperation.

Another central aspect of mutual relations was the Czech Republic's care for the Czech community – in 2007, finances were provided to the Czech community in Ukraine for cultural activities and for visits to the Czech Republic, both for students of Czech and for children requiring medical treatment.

The Consulate General of the Czech Republic in Donetsk opened in 2007.

Visits by representatives of the Czech Republic:

- 19-21 March 2007 – a Czech delegation led by Deputy Minister of Industry and Trade T. Hüner attended the first meeting of the re-opened Mixed Czech-Ukrainian Commission for Economic, Industrial and Scientific and Technical Cooperation in Kiev;
- 9 May 2007 – official visit by President of the Senate of Parliament P. Sobotka on the occasion of the ceremonial unveiling of a symbolic war grave dedicated to Volhynia Czechs in the city of Rovno;
- 2 July 2007 – visit by President of the Chamber of Deputies of Parliament M. Vlček, Prime Minister M. Topolánek, Vice-president of the Senate of Parliament J. Liška and Minister of Defence V. Parkanová on the occasion of the commemoration of the 90th anniversary of the Battle of Zborov.

Visits by representatives of Ukraine:

- 15 January 2007 – working visit by Minister of Foreign Affairs B. Tarasyuk.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	33 386 416	36 394 185	37 854 960	0.9
	Year-on-year index	126.5	109.0	104.0	
Exports	CZK thousands	16 936 489	21 653 186	24 007 492	1.0
	Year-on-year index	142.5	127.8	110.9	
Imports	CZK thousands	16 449 927	14 740 999	13 847 468	0.6
	Year-on-year index	113.4	93.9	93.9	
Balance	CZK thousands	486 562	6 912 187	10 160 024	

Source: Czech Statistical Office, March 2008

Ukraine was the 20th biggest partner of the Czech Republic in terms of total trade turnover and the second most important partner in the Commonwealth of Independent States. The potential of trade and economic relations can be described as unequivocally positive with regard to Ukraine's strengthening European orientation and its membership of the WTO.

The Czech Republic's principal export commodities: Czech exports are dominated by products with a high degree of processing, such as machinery and plant equipment, motor vehicle parts and components, industrial fittings, electrical apparatus, devices and appliances, machinery and equipment for the power industry and other industries, telecommunications equipment, chemical compounds, sanitary articles, yarns and textiles.

The Czech Republic's principal import commodities: these are dominated by raw materials – metal ores and metal waste, ferrous and non-ferrous metals, ferrous alloys; also electrical apparatus, clothing products, wood, furniture *et al.*

Cultural relations

In 2007, the Czech Centre organised or co-organised 44 different cultural events. Most of these events took place in Kiev, but many were also staged outside the capital in cooperation with the Consulates General of the Czech Republic in Lvov and Donetsk (Odessa, Tarnopol, Melitopol, Uzhgorod and other cities).

The most significant and biggest event was the cultural programme marking the 90th anniversary of the Battle of Zborov.

In keeping with tradition, the Czech Centre took part in preparing a charity fair held on the first Advent weekend by diplomatic missions in Kiev.

57 Ukrainian students attended Czech language courses organised by the Czech Centre in 2007.

3. The Czech Republic's relations with south and southeast European countries

ALBANIA

(Republic of Albania)

The Czech Republic's bilateral relations with Albania developed successfully in 2007. Intensive bilateral dialogue took place both between representatives of the executive (meetings of presidents and foreign affairs ministers) and in the context of inter-parliamentary contacts. On 29 June 2007, a meeting of foreign affairs ministers K. Schwarzenberg and L. Basha was held at the EAPC Security Forum in Ohrid. Above all, Albania was very interested in Czech experiences with the implementation of political and economic reforms and the process of the Czech Republic's integration into European and Euro-Atlantic structures.

Visits by representatives of the Czech Republic:

- 9-11 May 2007 – working visit by a delegation of the Committee on Defence of the Chamber of Deputies of Parliament;
- 16-21 May 2007 – working visit by a delegation of the Committee on Legal and Constitutional Affairs of the Senate of Parliament.

Visits by representatives of Albania:

- 7-10 February 2007 – official visit by Speaker of Parliament J. Topalli;

- 1-3 April 2007 – official visit by Minister of Defence F. Mediu;
- 24-26 May 2007 – President A. Moisiu attended a meeting of presidents of Central European states in Brno.

Economic relations

Trade exchange between the Czech Republic and Albania stagnated in 2007. Most of the business done to date does not yet constitute long-term cooperation between Czech and Albanian firms. Mutual trade exchange still falls short of the absorption potential of the Czech and Albanian markets. The Czech Republic maintained a high balance of trade surplus with Albania.

The Czech Republic's principal export commodities: chemicals industry products (cleansing preparations, lubricating and cleaning waxes, polyethylene), motor vehicles, machinery and apparatus, toys, textile industry products, rubber and rubber products (tyres for buses and lorries), pharmaceutical industry products, plastics and plastic products, construction, transport and agricultural mechanisms and machinery, spares for power-generating equipment, finished products.

The Czech Republic's principal import commodities: seeds, fruits and plants for manufacture of scents and medicaments, textile industry products, footwear, dried fruits, toys, spices.

Development cooperation:

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Industrial development	Technical Assistance of the Czech Office for Standards, Testing and Metrology (ÚNMZ) to Albanian Testing Institutions for Technical Normalisation, Metrology, State Testing	ÚNMZ	2007	1 186	1 280
Healthcare	Sue Ryder Field Palliative Care for the Terminally Ill and Operation of a Hospice in Albania	Domov Sue Ryder, o.p.s.	2005-2007	3 180	9 542
Transport	Railway Remote Control System Throughout the Entire Albanian Railways Network	SUDOP Praha a.s.	2006-2007	2 329	2 329
Total				6 695	x

Government scholarships:

Government scholarships	Bachelor's study	Master's study	Doctorate study	Total
Number of scholarship beneficiaries	-	2	2	4

Humanitarian aid:

Form of aid	Implementing organisation	Period	Volume of aid (CZK thousands)
Aid for dealing with the consequences of fires in Albania and Macedonia/FYROM	General Directorate of the Fire Rescue Service of the Czech Republic	July 2007	1 885 663*

Cultural relations

Czech-Albanian cultural cooperation is substantially constrained on both sides by the amount of funds earmarked for this purpose. Significant events included a concert of classical music entitled “Spring in Prague”, organised by the Embassy of the Czech Republic in Tirana at the start of May 2007 as part of “European Culture Week” under the aegis of the Delegation of the European Commission – the concert was extremely well received.

The provision of government scholarships continued to be an important part of development cooperation with Albania. In 2007, three Albanian scholarship beneficiaries were admitted to Czech universities. In addition, there were several dozen self-funded Albanian citizens studying in the Czech Republic.

ANDORRA

(Principality of Andorra)

Czech-Andorran relations have consistently been good. The presentation of the credentials of J. P. Laborda, the first-ever Andorran ambassador to the Czech Republic, resident in Vienna, on 2 May 2007 was an important development in bilateral relations.

Visits by representatives of the Czech Republic:

* The humanitarian aid was divided between Albania and Macedonia/FYROM.

- 24-26 May 2007 – members of the Permanent Delegation of Parliament of the Czech Republic attended the Economic Conference of the OSCE Parliamentary Assembly.

Visits by representatives of Andorra:

- 30 March – 1 April 2007 - (unofficial) working visit by Minister of Housing, Higher Education and Research Meritxell Mateu Pi.

Cultural relations

In 2007, Andorra initiated an amendment to the agreement on the working of the Catalan lectorate at the Department of Romance Studies of the Faculty of Philosophy and Arts of Charles University. Talks on the text are ongoing. As in the previous agreement, the parties are to be the Andorran government and Charles University. The lectorate has operated at Charles University since 1991 and is financed by the Andorran government and sponsors. Catalan is not taught as a separate major subject at Charles University, but as an optional subject. The offer of Catalan courses is linked to the establishment of “Aula de Recursos de Catalá” (ARCA) in 2002. On average 120 Czech students apply to study Catalan every year, and roughly half that number attend summer school in Andorra.

BELGIUM

(Kingdom of Belgium)

Relations between the Czech Republic and Belgium retained their positive dynamism. There was an increase in bilateral contacts, largely due to the initiative of the Czech side. Besides contacts at the Belgian federal level, new ties with the Belgian regions and communities were initiated and the active spectrum of mutual relations was broadened. There was very favourable development in economic relations between the two countries, with a substantial increase in the volume of trade exchange. Following the signing in 2007 of a two-year programme of cooperation with the Francophone Community of Belgium and the Walloon Region, focusing mainly on joint priorities in the fields of the environment, scientific research, educational cooperation and cultural diversity, the conditions were prepared for the signature of an equivalent programme of cooperation for 2008-2010 with the Flemish Region.

Visits by representatives of the Czech Republic:

- 24 March 2007 – working visit by President of the Senate of Parliament P. Sobotka for the celebrations of the 50th anniversary of the signature of the Treaties of Rome in Brussels;
- 19-21 November 2007 – working visit by a delegation of the Committee on Environment of the Chamber of Deputies of Parliament, led by its Vice-chairman V. Mencl.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	86904772	103 625 846	116866 260	2.4
	year-on-year index	110.3	119.2	112.8	
exports	CZK thousands	50362515	61610282	69889775	2.8
	year-on-year index	113.4	122.3	113.4	
imports	CZK thousands	36542257	42015564	46976485	2.0
	year-on-year index	106.4	115.0	111.8	
balance	CZK thousands	13820258	19594718	22913290	

Source: Czech Statistical Office, March 2008 (foreign trade data)

Belgium is one of the Czech Republic's important trading partners: it is the 10th biggest market for Czech exports and the 14th biggest importer to the Czech Republic. Belgium was the Czech Republic's 12th most important partner in terms of foreign trade turnover in 2007.

The Czech Republic's principal export commodities: machinery and transport equipment, including passenger cars and parts of such, industrial consumer goods, telecommunications equipment, electrical engineering equipment, electrical appliances, furniture, glass.

The Czech Republic's principal import commodities: chemicals, in particular plastics, steel and products made of steel and cast iron, passenger cars, towing vehicles and trailers, parts for power-generating machinery, glassware.

Cultural relations

The most significant events included the inauguration of an exhibition of works by T. Bím as part of the opening of the new premises of the Czech Centre in Brussels, an exhibition of photographs by H. Jakrlová, the inauguration of an exhibition of artworks by master blacksmith P. Tasovský, and an exhibition of young artists entitled "Reality". Special attention was paid to the presentation of Czech literature. Prose author P. Hůlová was featured at the "Passa Porta" literary festival. A meeting of poets and prose authors P. Král, S. Dvorský and P. Voskovec was a successful literary evening. In music, the key events were a piano concert by A. Skoumal, a "Clarinet Factory" concert organised as part of the "Roisin Summer Music Festival 2007", and a jazz concert by the Luboš Andršt Blues Band. A significant event in classical music was the performance by the Prague Symphony Orchestra organised in cooperation with Bozar and Europalia 2007.

BOSNIA AND HERZEGOVINA

Bilateral relations between the Czech Republic and Bosnia and Herzegovina have traditionally been good and dynamic. This is reflected in the standard of cooperation and the frequency of contacts at various levels between the two countries. Meetings of state representatives and expert-level talks of state administration led to the treaty basis between the countries being enlarged. The Czech Republic continued to provide assistance to Bosnia and Herzegovina, adding government scholarships and the promotion of Czech culture to the existing forms of cooperation. In September 2007, the Sarajevo-based International League of Humanists conferred the "Humanist of the 20th Century" award on V. Havel, thus expressing the esteem that the former Czech president enjoys in Bosnia and Herzegovina.

In 2007, the Czech Republic continued to be represented in international institutions operating in Bosnia and Herzegovina. Besides Czech officers in the European Union Police Mission, in September 2007 Czech diplomat I. Bušniak took office as UN Deputy High Representative (OHR) and head of the OHR regional office in Banja Luka.

Visits by representatives of the Czech Republic:

- 15-16 May 2007 – visit by a delegation of the Committee on Security of the Chamber of Deputies of Parliament;
- 8-9 November 2007 – working visit to Sarajevo by Minister of Foreign Affairs K. Schwarzenberg.

Visits by representatives of Bosnia and Herzegovina:

- 24-26 May 2007 – meeting between President V. Klaus and Chairman of the Presidency N. Radmanović at the meeting of presidents of Central European states in Brno;
- 20 November 2007 – visit by a delegation led by the Chairman of the Council of Ministers N. Špirić;
- 20 November 2007 – visit by Minister of Finance D. Vrankić.

Economic relations

In May 2007, the firm ČEZ signed an implementation agreement with Elektroprivreda Republike Srpske regarding the construction of a new thermal power plant Gacko II, modernisation of the existing Gacko I plant and expansion of mining in the adjacent mine. The project's total value is approximately EUR 1.4 billion, making it the biggest foreign investment in Bosnia and Herzegovina. Trade turnover between the Czech Republic and Bosnia and Herzegovina amounted to EUR 150,738,000 in 2007, a 5.4% increase over 2006. Trade exchange has for long been dominated by several standard items, with short-term fluctuations in other commodities.

The Czech Republic's principal export commodities: automobile industry products, in particular chassis for passenger cars, gearboxes, drive-axles, wheels, exhaust mufflers.

The Czech Republic's principal import commodities: iron ore concentrates, filtering apparatus parts, iron and steel tubes and profiles, oil and fuel filters for automobiles.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Industrial development	Modernisation and Installation of Control Systems at the PK Dubrava Surface Mine – Phase 2	SEZ a.s., Chomutov	1998-2010	6 500	121 000
	Assistance in the Development of Specialised Technical and Material Facilities in Vascular Surgery – Sarajevo, Tuzla and Mostar Hospitals	Výzkumný ústav pletářský, a.s., Brno	2006-2010	7 000	33 320
	Delivery of Technology for the Purposes of the Implementation of a Waste Disposal Integrated System in the Una-Sana Canton	GEOtest, a.s. Brno	2006-2010	7 488	34 300
	Electrification of Villages in the Vicinity of Derventa	Svět jako domov, o.p.s. Č. Budějovice	2006-2010	2 500	9 800
Migration and security	Assistance in Building Migration and Asylum Infrastructure	Asylum and Migration Policy Department, Ministry of the Interior of the Czech Republic	2007-2009	1 092	4 500
Agriculture	Conservation of the Genetic Fund and Improvement of the Production Properties of Cattle Imported to Republika Srpska in Bosnia and Herzegovina in the Post-war Period	Karpatia, s.r.o.	2005-2009	6 300	32 466
	Transfer of Technology for Pheromone Evaporators against Bark Beetles in the Forests of Bosnia and Herzegovina	BIOTREND, s.r.o.	2005-2009	3 200	16 000
	Support for Cooperative and Private Farming	Svět jako domov, o.p.s. Č. Budějovice	2006-2009	7 185	1 536
Transport	Feasibility Study “Capacity Building in the Railway Sector” (account statement from 2006)	Eurovision s.r.o.	2004-2007	624	1 783
	Banja Luka Public Transport Study – proposal for optimal arrangement	SUDOP	2006-2007	1 328	2 388
Small-scale local projects under the Embassy of the Czech Republic					
Czech embassy, Sarajevo	Preservation and Archiving of Photographic Works by Fr. Topič (2 nd year)	The National Museum of BiH, Sarajevo	2007	106	x
	Anti-mine Awareness Programme in Three Municipalities in Lopare District	Posavina Without Mines	2007	140	x
	Children’s Playground	Srbac Town Hall	2007	112	x
	Educational-therapeutic Programme for Animal Protection	The Sarajevo Society for the Prevention of Cruelty to Animals	2007	0	x
	Culture and Education Student Centre	Kriterion Sarajevo – Art house cinema, Foundation	2007	56	x

	Training and Equipment for Mountain Rescue Service Personnel	Mountaineering Club "Plasa" Jablanica	2007	56	x
	Improving Tourist Infrastructure in Mountain Regions of Bosnia and Herzegovina	Planinarski Savez Bosne i Hercegovine - PSBIH	2007	111	x
	Improving Milk Production	Agricultural Cooperative Bobar	2007	196	x
Trilateral projects					
Ministry of Foreign Affairs	Establishment of Organic Farming in Blidinje (CIDA)	ENWET, o.s.	2007	1 098	x
Total				45 092	x

Transformation cooperation

Project name	Implementing organisation	Drawdown in 2007 (CZK thousands)
Promoting Public Participation in Local Decision-making*	Agora Central Europe	739 000

Government scholarships

Government scholarships	Bachelor's study	Master's study	Doctorate study	Total
Number of scholarship beneficiaries	6	6	1	13

Bilateral agreements concluded in 2007

Two agreements were signed with Bosnia and Herzegovina in 2007: an agreement on succession to treaties and a double taxation avoidance agreement.

Cultural relations

The Embassy of the Czech Republic in Bosnia and Herzegovina organised eleven cultural events in several cities in 2007. For example, "Czech Film Week", focusing on contemporary cinema, in Sarajevo and Bihać; performances by the Walinger Quartet in Mostar, Sarajevo and Tuzla; and exhibitions "Prague – the Heart of Europe", "Long-lost Faces", "Historical Glass for the Blind" and "Bosnia and Herzegovina in Czech Sources". There was also a separate project to commemorate the anniversary of Sarajevo-based architect of Czech origin K. Pařík, which comprised the issue of a postage stamp, the renovation of a headstone, the unveiling of a commemorative plaque, an exhibition and a concert.

* The project was implemented in Serbia and Bosnia and Herzegovina.

Nineteen students from Bosnia and Herzegovina were accepted for study in the Czech Republic on government and non-government scholarships in 2007. More than sixty students signed up for the new year of Czech language and literature courses in Banja Luka in 2007. Those interested in studying Czech in Sarajevo attended a one-term intensive course co-organised by the Embassy of the Czech Republic in Bosnia and Herzegovina and the Czech community association Česká beseda Sarajevo.

BULGARIA

(Republic of Bulgaria)

Bulgaria is a close and traditional partner of the Czech Republic in South East Europe. The significance of mutual cooperation increased upon Bulgaria's accession to the EU. The tradition of friendly relations and the similarity of economic reforms remain a good basis for continuing growth in Czech exports to and investments in Bulgaria. With the full opening of the Czech labour market after Bulgaria's accession to the EU, interest among Bulgarian citizens in working in the Czech Republic increased substantially. In foreign policy the Czech Republic and Bulgaria hold very similar positions on the situation in the Balkans.

Visits by representatives of the Czech Republic:

- 28-30 March 2007 – official visit by President of the Senate of Parliament P. Sobotka;
- 7-9 November 2007 – official visit by Prime Minister M. Topolánek;
- 26-27 November 2007 – visit by Deputy Prime Minister for European Affairs A. Vondra (participation at the CEI summit).

Visits by representatives of Bulgaria:

- 25-26 May 2007 – visit by President G. Parvanov (participation at a meeting of presidents of Central European states in Brno);
- 10-12 June 2007 – visit by a delegation of the Labour and Social Policy Committee of the National Assembly;

- 27-28 June 2007 – working visit by Deputy Prime Minister and Minister of Foreign Affairs I. Kalfin.

Economic relations

The first year of Bulgaria's membership of the EU contributed substantially to further growth in mutual trade cooperation. The balance of trade was highly uneven, however. The value of Czech exports to Bulgaria was almost 3.5 times higher than imports from Bulgaria (CZK 10.58 billion compared to CZK 2.98 billion), even though the rate of growth of imports from Bulgaria slightly outstripped that of Czech exports. The Czech Republic is also viewed in Bulgaria as a significant foreign investor and moreover, at this juncture, as a partner whose experiences with implementing EU rules – chiefly in the economic field – could be useful for Bulgaria and mutually beneficial from the Czech Republic's point of view.

The Czech Republic's principal export commodities: passenger cars, combed wool, memory units, plastic tubes, cleansing preparations, polymers of ethylene, milk and cream, paper and paperboard, electrical switches and resistors, printing machinery, steam-generating boilers, medicaments, equipment for distributing electricity, glass, tyres.

The Czech Republic's principal import commodities: iron and steel flat rolled products, radiators, aluminium, copper, synthetic rubber, electrical apparatus, furniture, clothing and underwear, biscuits.

Cultural relations

The work of several societies of friends, the Czech community association, association of students of Czech Bohemia Club and the Czech Centre in Sofia provides broad opportunities for developing and promoting mutual relations in the field of culture. The most significant cultural events in 2007 included a performance by the Theatre of Spejbl and Hurvínek, a tour by the Czech Clarinet Quartet, a tour by the P. J. Ryba jazz trio, several exhibitions of Czech photographers and the 11th National Competition for Czech and Slovak Music. In Varna, a statue was unveiled of K. Škorpil, the founder of Bulgarian archaeology.

Educational cooperation was formalised by an arrangement between the education ministries. Czech and Bulgarian language teachers operate in both countries. There was still considerable interest in Czech language courses in Bulgaria – Czech was taught at three

universities. An increasing number of graduates found work with Czech firms operating in Bulgaria. There was a pronounced increase in direct cooperation between Czech and Bulgarian universities.

CROATIA

(Republic of Croatia)

Relations between the Czech Republic and Croatia were friendly and untroubled. Relations were not even marred by the two countries' competing for a non-permanent seat on the UN Security Council. The Czech Republic supported Croatia's accession to NATO and the EU. At various levels in 2007, the Czech Republic shared with Croatia the experiences it gained during the integration processes and from its membership of both NATO and the EU.

As in previous years, Croatia's importance as an economic partner continued to grow, as did the volume of trade exchange between the two countries. Croatia has traditionally been the most popular destination for Czech tourists – in 2007, Czech tourists were the largest in number after Germans, Italians and Slovenes.

Visits by representatives of the Czech Republic:

- 12-13 June 2006 – official visit by Minister of Foreign Affairs K. Schwarzenberg;
- 5-7 July 2007 – working visit by Deputy Prime Minister A. Vondra on the occasion of the Croatia Summit in Dubrovnik.

Visits by representatives of Croatia:

- 24-26 May 2007 – working visit by President S. Mesić on the occasion of the meeting of presidents of Central European states in Brno.

Economic relations

The dynamic growth in trade exchange continued in 2007 (up approx. 25%) to attain a total value of CZK 14.65 billion. Czech exports to Croatia grew faster than imports (28% and

11% respectively), which increased the Czech Republic's already pronounced balance of trade surplus with Croatia (65% of total trade).

The Czech Republic's principal export commodities: passenger cars, metallurgical material, electrical machinery and apparatus, cleansing preparations and detergents, paper and cardboard and products of such, glassware, rubber and rubber products.

The Czech Republic's principal import commodities: cocoa and cocoa products, electrical machinery and apparatus (transformers), furniture, prefabricated structures.

Cultural relations

The most prominent presentation of Czech culture in Croatia was the 13th year of "Czech Film Week", which was opened by director J. Menzel with his film *I Served the King of England*. The opening was attended by President S. Mesić and spouse. During "Europe Week" in May, an exhibition of "Czech UNESCO Sites" was inaugurated in Vukovar. In June there was a joint exhibition of glass artists J. Tišljar (Croatia) and J. Frydrych (Czech Republic) in Split. An exhibition of photographs by V. Birgus took place in Zagreb in September.

CYPRUS

(Republic of Cyprus)

The Czech Republic and Cyprus share friendly relations that have been developing at both bilateral and multilateral level, especially in the context of the European Union. The principal common theme for representatives of both countries in 2007 was agricultural policy. In 2007, bilateral cooperation developed at parliamentary level in particular, where the culmination of relations was a visit to the Czech Republic by President of the House of Representatives of the Republic of Cyprus D. Christofias.

Trade exchange with Cyprus registered substantial growth in 2007; cooperation in tourism is an area with particularly strong prospects. Out of the new EU member states, the Czech Republic is Cyprus' second most important partner in incoming tourism.

Visits by representatives of the Czech Republic:

- 29-31 May 2007 – working visit by a delegation of the Committee on Agriculture of the Chamber of Deputies of Parliament;
- 15-18 November 2007 – visit by Minister of Agriculture P. Gandalovič.
- Visits by representatives of Cyprus:
- 25-27 October 2007 – working visit to the Czech Republic by President of the House of Representatives D. Christofias.

Economic relations

Mutual economic relations confirmed the previous year's dynamic growth. Trade turnover grew by 7.7% to attain a value CZK 1,238,465,000. Czech exports to Cyprus amounted to CZK 898,173,000 (up 16.1%) and imports from Cyprus CZK 340,296,000 (down 9.4%). There was demand in Cyprus for Czech technologies (e.g. waste management technologies) and machine engineering products.

The Czech Republic's principal export commodities: motor vehicles, iron and steel products, automatic data processing machines, washing powders, television sets.

The Czech Republic's principal import commodities: pharmaceutical products, stainless steel flat-rolled products, citrus fruit.

Cultural relations

The principal impulse for strengthening the cultural awareness of the Czech Republic was the organising of "Czech Days in Cyprus" by the Embassy of the Czech Republic in cooperation with CzechTourism and other organisations. The event featured musical performances and a presentation of the CzechTourism agency at the medieval site of Casteliotissa in Nicosia. The Ballet Prague Junior Ensemble of the Dance Centre Prague took

part in the 10th “European Dance Festival”. The Pan-Cypriot Union of Expatriates and Friends of the Czech Republic was also active.

FRANCE

(French Republic)

2007 was a significant year for relations between the Czech Republic and France because of the two countries’ consecutive presidencies of the Council of the EU, France in the second half of 2008 and the Czech Republic in the first half of 2009. Consequently, there was an intensification of bilateral contacts and cooperation. Numerous consultations were held concerning the preparations for the presidency and the formulation of a joint programme. On 15 October 2007, on the sidelines of a meeting of the General Affairs and External Relations Council, a joint statement was signed in which France, the Czech Republic and Sweden declared their intention to prepare an 18-month programme in the European spirit so that it reflects the fundamental priorities of all three countries and simultaneously ensures continuity of the operation of the European Union. As part of the preparations for the presidency, an agreement was also concluded regarding exchanges of Czech and French diplomats.

Relations between France and the Czech Republic continued to develop successfully at multilateral level as well, in the context of European integration and Euro-Atlantic partnership. One significant event was the official visit to France by Prime Minister M. Topolánek on 8-9 October 2007, during which President N. Sarkozy offered the Czech Republic a strategic partnership. The substance and form of this partnership will be finalised in the following months.

Cooperation at regional level has been developing promisingly: there were numerous events in the context of partnerships between regions, towns and municipalities in the Czech Republic and France. There are particularly intensive activities in the field of culture, the provision of services to citizens, education, urbanism and regional development and communal policy. Last but not least, considerable attention is paid to the development of mutually advantageous economic relations. France has for long been one of the Czech Republic’s most important trading partners.

Visits by representatives of the Czech Republic:

- 10 April 2007 – working visit by Deputy Prime Minister A. Vondra;
- 15 June 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg;
- 17-18 September 2007 – working visit by Minister of Transport A.Řebíček;
- 8-9 October 2007 – official visit by Prime Minister M. Topolánek;
- 22-26 October 2007 – visit by a delegation of the Committee on Foreign Affairs, Defence and Security of the Senate of Parliament, led by its chairman R. Sequens;
- 12-15 November 2007 – visit by a delegation of the Committee on Health Care of the Chamber of Deputies Parliament, led by its chairman D. Rath;
- 17 November 2007 – Deputy Prime Minister A. Vondra attended a seminar on the EU;
- 17 December 2007 – working visit by First Deputy Minister of Foreign Affairs T. Pojar;
- 18-19 December 2007 – working visit by Minister and Chairman of the Legislative Council of the Government of the Czech Republic C. Svoboda.

Visits by representatives of France:

- 30 August 2007 – visit by Minister for Agriculture and Fisheries M. Barnier;
- 11-12 September 2007 – visit by the Delegation for the EU of the National Assembly;
- 20 September 2007 – working visit by State Secretary for European Affairs J.-P. Jouyet.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	182723752	220384453	242042927	5.0
	year-on-year index	112.4	120.6	110.3	
exports	CZK thousands	99481455	120217742	132679194	5.4
	year-on-year index	125.1	120.8	111.4	
imports	CZK thousands	83242297	100166711	109345733	4.6
	year-on-year index	100.2	120.3	109.1	
balance	CZK thousands	8713136	18100725	23333461	

Source: Czech Statistical Office, March 2008

France is one of the Czech Republic's most important trading partners. In 2007, the rate of growth of Czech exports to France again outstripped imports from France. Mutual economic relations were supported by a visit by Prime Minister M. Topolánek with a business delegation, focusing on energy and the aviation and space industries, and by a slight increase in activity by French investors. In terms of total foreign trade turnover, France was the Czech Republic's fourth biggest trading partner in 2007.

The Czech Republic's principal export commodities: machinery and transport equipment, industrial consumer goods, chemicals and related products, food products and live animals, mineral fuels, lubricants, metal and rubber products, textiles, electric motors and generators.

The Czech Republic's principal import commodities: machinery and transport equipment, electrical equipment, apparatus and appliances, medicaments and pharmaceutical products, industrial consumer goods, iron and steel, plastic products, chemicals.

Cultural relations

The start of the year was dominated by commemorative events marking the 30th anniversary of Charter 77. This programme took place both in Paris and in the French regions, where there was effective cooperation between the Czech Centre and CERI-Sciences-Po. The main event in Paris was a seminar on "The Legacy of Charter 77 and the Creation of a

European Public Space”, involving political scientists, philosophers, historians and direct protagonists of Charter 77.

On 10 April 2007, a ceremony was held for the unveiling of a plaque commemorating the magazine Testimony and its founder P. Tigrid. The ceremony was attended by Deputy Prime Minister of the Czech Republic A. Vondra, Mayor of Paris B. Delanoë and former Czech president V. Havel.

The music season featuring a Czech repertoire registered considerable successes. Among them was the production of Janáček’s opera *The Makropulos Affair*, directed by K. Warlikowski and conducted by Czech conductor T. Hanus at the Bastille Opera House. A performance of a different Janáček opera, *From the House of the Dead*, in the new theatre in Aix-en-Provence was another outstanding presentation of Czech music. Of the large number of exhibitions it is worth mentioning “Biedemeier – from Craftsmanship to Design, Vienna and Paris 1815-1830” at the Louvre, “Václav Havel in Europe’s Metamorphoses” in Ris Orangis and Beaune, and “Portraits and Landscapes”, an exhibition of Puteaux Group artists featuring three paintings by F. Kupka.

Czech theatre was represented by, among others, the Brno-based Goose on a String performing at L’Apostrophe in Cergy-Pointoise and three Dostoyevsky plays directed by V. Morávek.

GREECE

(Hellenic Republic)

Relations between the Czech Republic and Greece were traditionally problem-free and successfully developed in all areas of common interest, in the context of EU cooperation and Euro-Atlantic alliance. Economic cooperation between the two countries was relatively successful in 2007. The priority sectors for its further development in Greece continued to include transport infrastructure (primarily railways) and the environment (waste management equipment and technologies, renewable sources of energy). Tourism held an important place in bilateral economic relations, accounting for 90% of the turnover achieved in services. Contacts in the fields education, science and culture were successfully developed.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	9 804 361	12 596 485	12 689 960	0.2
	year-on-year index	109.4	128.4	100.7	
exports	CZK thousands	7 103 889	9 270 992	9 315 187	0.3
	year-on-year index	107.4	130.5	100.4	
imports	CZK thousands	2 700 472	3 325 494	3 374 773	0.1
	year-on-year index	115.0	123.1	101.4	
balance	CZK thousands	4 403 417	5 945 498	5 940 414	6.8

Source: Czech Statistical Office, March 2008 (foreign trade data)

2007 was a period of stagnation in trade with Greece, as regards both exports and imports. In the case of Czech exports, this was caused by one-off factors (in 2006 the sale of Czech Airlines aircraft to Greek carrier Aegean Airlines was effected) and by a decline in exports of motor vehicles (down 11.1%). Even so, 5.8% more new Škoda automobiles were registered in Greece in 2007 than in the previous year. There was considerable diversification of Czech exports in 2007, as, with the exception of passenger motor vehicles and aircraft, in other commodities growth of 18.3% was achieved. The Czech Republic continued to have a high balance of trade surplus with Greece (over CZK 5.9 billion); to a lesser extent, the same applied to the overall balance of payments (approx. CZK 4.8 billion).

The Czech Republic's principal export commodities: motor vehicles, children's toys, miscellaneous automatic data processing machines, polyethylene, coniferous wood sawn or chipped, turbine parts, television sets, air-conditioning apparatus, household and office glassware, pipes, tubes and seamless profiles, direct-current motors and generators, telephone accessories.

The Czech Republic's principal import commodities: oranges, other fresh or dried fruit, spirits, tobacco, T-shirts, nuts, cotton.

Cultural relations

Under the Programme of Cultural and Educational Cooperation there were regular exchanges of participants in summer language courses and relatively extensive exchange of

academic workers and university students. There continued to be strong interest in university study in the Czech Republic, primarily at Czech medical faculties. Increased interest in direct cooperation between schools at the level of primary and secondary education was also registered.

Greek translations of works by several Czech writers were published in 2007 (B. Hrabal, I. Klíma, M. Kundera, K. Legátová). During 2007, the Embassy of the Czech Republic in Athens organised a number of cultural events, mostly in music, cinema and literature; these events, many of which took place outside the capital, were favourably received by the Greek public. The engagement of the Bohuslav Martinů Philharmony at the “Festival of the Aegean” and a performance by the Czech Radio Symphony Orchestra in Athens contributed substantially to the cultural presentation of the Czech Republic in Greece. Director J. Menzel was president of the international competition jury at the “48th Thessaloniki International Film Festival” (16-25 November 2007). His film *I Served the King of England* received an honorary award at the festival.

ITALY

(Republic of Italy)

Relations between the Czech Republic and Italy were very good and developed dynamically at bilateral and, in particular, multilateral level. For both countries, the primary uniting factor was their membership of the EU and NATO; in the Union above all, the two countries held similar positions, for example on EU enlargement or the issue of Kosovo. Direct consultations on institutional reform took place between the two countries’ presidents and prime ministers. At parliamentary level in particular, a number of bilateral and multilateral meetings took place in 2007 (there is especially strong interest in dialogue on the Czech side) and operative consultations at the level of senior ministry staff continued.

Italy is one of the Czech Republic’s most important trading partners. The Czech Republic’s growing balance of trade surplus and the shift in the structure of exports towards products with high value added are positive trends. Bilateral cooperation has also been developing at regional level. There are more than 50 partnerships between towns and municipalities; relations between Italian regions (particularly in central and northern Italy) and Czech regions have also been evolving.

Visits by representatives of the Czech Republic:

- 26 January 2007 – working visit to Rome by Minister of Justice J. Pospíšil;
- 5-8 March 2007 – working visit to Rome by a delegation of the Committee on European Affairs of the Chamber of Deputies of Parliament;
- 14-17 March 2007 – official visit to Rome by Minister and Chairman of the Legislative Council of the Government of the Czech Republic C. Svoboda;
- 21-23 March 2007 – President of the Senate of Parliament P. Sobotka attended the celebrations of the 50th anniversary of the signature of the Treaties of Rome in Florence and Rome;
- 23 April 2007 – working visit to Rome by President V. Klaus;
- 28 May – 3 June 2007 – working visit to Milan by Minister and Chairman of the Legislative Council of the Government of the Czech Republic C. Svoboda;
- 19-21 September 2007 – Deputy Prime Minister J. Čunek attended a meeting of the Centrist Democrat International in Rome;
- 6-7 September 2007 – President V. Klaus attended the Cernobbio economic forum;
- 7-10 October 2007 – a delegation of the Chamber of Deputies of Parliament attended the European Interparliamentary Space Conference in Rome;
- 9-12 October 2007 – working visit to Rome by a delegation of the Committee on Security of the Chamber of Deputies of Parliament;
- 21-23 October 2007 – working visit to Venice by Minister and Chairman of the Legislative Council of the Government of the Czech Republic C. Svoboda;

- 28-29 October 2007 – a parliamentary delegation attended a meeting of the Committee on Political and Home Affairs of the CEI Parliamentary Assembly;
- 29-30 October 2007 – Chairman of the Committee on European Affairs of the Chamber of Deputies of Parliament O. Liška attended a meeting of the Committee on Improving the Quality of Life, Exchanges between Civil Societies and Culture of the Euro-Mediterranean Parliamentary Assembly;
- 6-9 November 2007 – working visit to Rome by a delegation of the Permanent Commission on Media of the Chamber of Deputies of Parliament;
- 21-23 November 2007 – working visit to Rome by a delegation of the Permanent Commission on the Work of the Office of the Chamber of Deputies of Parliament.

Visits by representatives of Italy:

- 25-27 April 2007 – working visit to Prague by a delegation of the Senate Standing Committee on European Policies;
- 14 May 2007 – working visit to Prague by Prime Minister R. Prodi;
- 25-26 May 2007 – President G. Napolitano attended a meeting of presidents of Central European states in Brno;
- 27-29 June 2007 – working visit to Prague by a delegation of the Standing Committee on Foreign Affairs of the Chamber of Deputies;
- 23-25 November 2007 – Speaker of the Chamber of Deputies F. Bertinotti attended the 2nd Congress of the Party of the European Left in Prague.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
turnover	CZK thousands	166 920 244	97 292 622	227 277 292	4.8
	Year-on-year index	99.6	118.2	115.2	
exports	CZK thousands	79 760 424	98 891 817	114 517 480	4.8
	Year-on-year index	106.8	123.9	115.8	
Imports	CZK thousands	87 159 820	98 400 805	112 759 812	4.7
	Year-on-year index	93.8	112.9	114.6	
Balance	CZK thousands	- 7 399 396	491 012	1 757 668	

Source: Czech Statistical Office, March 2008 (foreign trade data)

Trade exchange between the Czech Republic and Italy developed dynamically in 2007. Italy was the Czech Republic's fifth biggest trading partner in terms of mutual trade turnover. It is the sixth biggest importer to the Czech Republic, and is closing in on fifth place. Italy is the sixth biggest market for Czech exports. The development of economic relations is boosted by trade exchange between the two countries' small and medium-sized enterprises based on supplies of finished products and manufacturing subcontracts. One favourable aspect of Czech exports is that Czech firms are achieving success on the Italian market for machine engineering products, including precision engineering.

The Czech Republic's principal export commodities: machinery and transport equipment, industrial products, chemicals and related products, passenger cars, buses, metalworking machines, paper, agricultural produce.

The Czech Republic's principal import commodities: machinery and transport equipment, industrial products, chemicals, household electrical and mechanical devices, textile yarns and fabrics, footwear, furniture, food products.

Cultural relations

D. Vávra represented the Czech Republic at the 3rd international conference of European authors "TransEuropaExpress" in Rome in February 2007. At the celebrations of the 50th anniversary of the signature of the Treaties of Rome in March 2007 the Czech Republic was represented by historical fencing group Gobaro. The 52nd "Biennale di Venezia" international art exhibition that ran from 6 June to 21 November 2007 featured an

exposition by I. Jůzová entitled “Collection – Series”. Another highly successful event was the “Pampaedia” project at the start of November in Florence, featuring a presentation of the first illustrated Italian translation of J. A. Comenius’ book *The Labyrinth of the World and the Paradise of the Heart*, The project also comprised an exhibition entitled “Orbid Pictus” and an exhibition of entries to the competition to choose the illustrator of *The Labyrinth of the World and the Paradise of the Heart*. The project culminated with *Vivat Comenius*, a performance by A. Strejček and Š. Rak. Czech films were screened at numerous film festivals. At the “Sottodiciotto” film festival for young people the Czech Republic was represented by *Maharal*.

LUXEMBOURG

(Grand Duchy of Luxembourg)

Relations between the Czech Republic and Luxembourg are positively influenced by the two countries’ awareness of their shared history. The opening of resident embassies in Prague and Luxembourg in 2002 was a reflection not only of the high standard of mutual relations, but also of the fact that important European Union institutions are based in Luxembourg. The rapport between the Czech Republic and Luxembourg and systematic and open dialogue in search of mutually advantageous arrangements led the government of Luxembourg to open its labour market to Czech citizens with effect from 1 November 2007.

Visits by representatives of the Czech Republic:

- 22 April 2007 – bilateral talks in Luxembourg between Minister of Foreign Affairs K. Schwarzenberg and Prime Minister J.-C. Juncker (on the sidelines of the General Affairs and External Relations Council of the EU);
- 14-16 November 2007 – visit by a delegation of the Committee on European Affairs of the Chamber of Deputies of Parliament.

Visits by representatives of Luxembourg:

- 29 March 2007 – working visit by Minister for European Affairs N. Schmit;
- 6 June 2007 – visit by Minister of Justice and Minister of Treasury and Budget L. Frieden, accompanied by a business delegation;

- 23-26 September 2007 – visit by a delegation of the Legal Affairs Committee and Institutional and Constitutional Affairs Committee of the Chamber of Deputies.

Economic relations

Luxembourg is not one of the Czech Republic's principal trading partners: in terms of trade turnover it is the 44th biggest partner, accounting for 0.15% of the Czech Republic's total foreign trade. In 2007, exports (CZK 2,786,477,000) and imports (CZK 5,340,194,000) grew at the same rate – 8.3%. As in recent years, the Czech Republic's balance of trade deficit deepened. Luxembourg plays a much more significant role in direct foreign investment in the Czech Republic than in trade exchange. The value of direct investments was CZK 39.7 billion as of 31 December 2007.

The principal fields for Luxembourg's investments are real estate, retail, machinery and equipment hire, wholesale, credit and insurance, manufacture of electrical machinery, manufacture of radio, television and communications apparatus, manufacture of machinery and plant equipment, manufacture of rubber and plastic products, publishing and printing, *et al.*

Cultural relations

The main presentations of Czech culture in 2007 were expositions of Czech art (an exhibition of photographs by M. David called "Temporary Residence", an exhibition of coins commemorating the Luxembourg royal dynasty by M. Vitanovský, Czech set design from the Theatre Faculty of the Academy of Performing Arts (DAMU) at the "Prague Quadrennial", artworks by P. Besta, and glass objects by Richard and Lenka Čermák, *et al.*).

The Embassy of the Czech Republic also co-organised the "Czech-Luxembourg Ball", a presentation of a CD released by Bohemia Luxembourg Trio, a performance by children's ensemble Jitro, a Christmas concert, and the "Summer Theatre Minifestival".

MACEDONIA/FYROM

(Former Yugoslav Republic of Macedonia/FYROM)

The Czech Republic has supported the Stabilisation and Association Process and the Former Yugoslav Republic of Macedonia's efforts to integrate into Euro-Atlantic security structures. The intensification of contacts at the highest political level and the growing interest of Czech businesses in investing in FYROM and accessing its market indicated the potential for the further development of bilateral relations, which are based especially on economic cooperation.

The decision to add a resident ambassador to the staff of the Embassy of the Czech Republic in Skopje and to prepare for the opening of a consular section in mid 2008 was evidence of the interest on both sides in stepping up bilateral relations. FYROM also declared its intention to open an embassy in Prague at the start of 2008.

Regarding bilateral agreements, a new Treaty on Social Security entered into force on 1 January 2007. During 2007, both sides expressed an interest in concluding a new intergovernmental Agreement on Cooperation in the Field of International Road Transport.

Visits by representatives of the Czech Republic:

- 28-29 June 2007 – Minister of Foreign Affairs K. Schwarzenberg attended a meeting of the Security Forum of the Euro-Atlantic Partnership Council (EAPC) in Ohrid;
- 14 September 2007 – working visit to Skopje by Minister of Defence V. Parkanová;
- 21-23 November 2007 – visit by a delegation of the Committee on Foreign Affairs of the Chamber of Deputies of Parliament.

Visits by representatives of FYROM:

- 29 April – 1 May 2007 – official visit to Prague by Prime Minister N. Gruevski;

- 22 November 2007 – security consultations by State Secretary at the Ministry of Foreign Affairs of Macedonia/FYROM I. Ilievski with Deputy Minister of Foreign Affairs T. Pojar;
- 28-30 November 2007 – visit to Prague by Speaker of Parliament L. Georgievski.

Economic relations

In 2007, there was continued strong growth in trade exchange, and especially in Czech exports. Czech firms were interested in participating in development projects and in investments, primarily in the power sector. Other focuses of interest for Czech firms were environmental protection and the development of transport and communal infrastructure. In foreign development cooperation, the implementation of a three-year project to remediate environmental hotspots at the OHIS firm in Skopje was launched; and a financial contribution was provided under a small-scale local project to renovate the J. A. Comenius Primary School in Skopje.

The Czech Republic's principal export commodities: motor vehicles, tractors, reactors, boilers, electrical devices, cleansing and washing preparations, glass and glass products, sugar and confectionary, food products of animal origin, paper, cardboard, paperboard.

The Czech Republic's principal import commodities: iron and steel and products of such, beverages, spirit-based liquids, tobacco and tobacco products, clothing and accessories, knitted textiles, transport equipment, vegetables, fruit, zinc and zinc products.

Development cooperation:

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Environment	Environmental Hotspots at the OHIS Chemicals Plant in Skopje	Enacon, s.r.o.	2007-2009	2 182	9 447

Humanitarian aid:

Form of aid	Implementing organisation	Period	Volume of aid (CZK thousands)
Aid for dealing with the consequences of fires in Albania and Macedonia/FYROM	General Directorate of the Fire Rescue Service of the Czech Republic	July 2007	1 885 663*

**The humanitarian aid was divided between Albania and Macedonia/FYROM.*

Cultural relations

Cultural relations between the Czech Republic and FYROM concentrated mainly on educational cooperation, in particular Czech language teaching in FYROM and vice versa. A Czech language teacher has been working long-term at Ss. Cyril and Methodius University in Skopje; Macedonian language teachers taught at Charles University in Prague and Masaryk University in Brno.

On a reciprocal basis, four places at Czech language summer schools in Brno and Plzeň are provided every year by the Ministry of Education, Youth and Sports. FYROM provides four places at a Macedonian language summer school in Ohrid. Every year, the Czech Republic provides a limited number of scholarships for university study. There was considerable interest in studying in the Czech Republic and the number of candidates exceeded the number of places offered.

MALTA

(Republic of Malta)

Although no official visits took place, the standard of Czech-Maltese relations remained very good in 2007. The Czech Republic and Malta were linked by membership of the European Union and by similar views on its arrangement, which stem from the size of the two countries and their historical ties. Cooperation took place primarily through the Embassy of the Czech Republic in Rome; there is a small Czech community in Malta and a very industrious Honorary Consulate of the Czech Republic, who is particularly active in the field of culture. In security, both countries were engaged in the fight against international terrorism.

* The humanitarian aid was divided between Albania and Macedonia/FYROM.

Economic relations

Notwithstanding the substantial fluctuations in individual years, trade exchange between the Czech Republic and Malta has been increasing since the year 2000, but the volume was still very low in 2007. Malta was a small and specific market in view of the country's geographical location. Malta was a traditional market for Czech machine engineering products and Škoda automobiles. Tourism represented a significant aspect of economic cooperation – Malta has become an established destination for Czech tourists. The Czech Republic had a balance of trade deficit with Malta in 2007.

The Czech Republic's principal export commodities: industrial products, machinery and transport equipment, raw materials, chemicals, foodstuffs.

The Czech Republic's principal import commodities: electrical apparatus and plant equipment, artificial fibres, chemicals, knitwear, medicaments.

Cultural relations

O. Trojan's film *Zelary* was screened at the 9th "European Film Festival" in February 2007. As part of the "Intimate Letters" project in Malta, the Bennewitz String Quartet performed Janáček's *Intimate Letters* in March 2007. The Martinů String Quartet performed a concert at the Manoel Theatre in April.

MONTENEGRO

(Republic of Montenegro)

The Czech Republic supported the continuing stabilisation process in the new independent state, and in particular the country's continuing European and Euro-Atlantic integration. The Czech Republic therefore welcomed the signing, in October, of the Stabilisation and Association Agreement between the European Union and Montenegro, and commenced the process of its internal ratification. In September 2007, Montenegro signed visa facilitation and readmission agreements with the EU, which have been effective since 1 January 2008, including for the Czech Republic. With a view to supporting the developing cooperation in tourism and facilitating visits by Czech tourists, a temporary consular agency was set up in the capital of Montenegro in the summer months of 2007.

Visits by representatives of the Czech Republic:

- 25 October 2007 – visit by Deputy Minister of Foreign Affairs T. Pojar.

Visits by representatives of Montenegro:

- 24-26 May 2007 – President F. Vujanović attended a meeting of presidents of Central European states in Brno;
- 16 October 2007 – visit to Prague by Minister for Foreign Affairs M. Ročen.

Economic relations

There was slight growth in mutual trade in 2007. Czech exports of goods amounted to CZK 587 million (compared to CZK 570 million in 2006). The value of Czech imports in 2007 was more than CZK 93 million (double the figure from 2006, when the value was CZK 47 million). The value of trade turnover was CZK 680 million, and the Czech Republic returned a surplus in the balance of trade in goods (not including services) of CZK 493 million.

The Czech Republic's principal export commodities: air-conditioning apparatus, automobiles, washing preparations, coke, television sets.

The Czech Republic's principal import commodities: iron and steel tubes, steel.

Bilateral agreements concluded in 2007

A Memorandum on Cooperation between the Ministry of the Environment of the Czech Republic and the Ministry of Tourism and Environmental Protection in the Field of Environmental Protection was signed. In addition, both sides approved a draft amendment to the Agreement on the Promotion and Reciprocal Protection of Investments.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Environment	Remediation, Reclamation and Revitalisation of Hazardous Waste after Extraction of Lead-zinc Ores at Mojkovac	Vodní zdroje, a.s.	2006-2008	8 446	23 054

PORTUGAL

(Portuguese Republic)

Portugal was a significant partner and ally of the Czech Republic in both the European Union and the North Atlantic Alliance. Portugal held the Presidency of the Council of the EU in the second half of 2007. During the presidency, the Czech prime minister paid two visits to Portugal and the foreign affairs minister three, as well as a whole series of other ministerial-level contacts. These bilateral meetings further strengthened relations between the Czech Republic and Portugal and confirmed the natural affinity between the two countries in most questions.

Before Portugal took over the presidency, a meeting was held in Prague on 26 April 2007 between Deputy Prime Minister A. Vondra and Portuguese Secretary of State for European Affairs M. L. Antunes, during which the two countries coordinated their positions and procedures in the context of the institutional reform of the EU.

Another significant event was Minister of the Interior I. Langer's visit to Portugal in March 2007, during which the Portuguese side handed over software and information for the SISOne4All application in connection with the Czech Republic's accession to the Schengen area. Portugal played a very important role in promoting the enlargement of the Schengen area to take in the new member states, including the Czech Republic.

Visits by representatives of the Czech Republic:

- Prime Minister M. Topolánek during the European Council (October 2007) and for the signing of the Reform (Lisbon) Treaty (December 2007);
- Minister of Foreign Affairs K. Schwarzenberg attended Gymnich in Viana de Castelo (September 2007), the European Council, EU-Africa Summit (December 2007), and the signing of the Reform (Lisbon) Treaty (December 2007);
- Deputy Prime Minister and Minister of the Environment M. Bursík, informal meeting of EU environment ministers (August 2007).

Economic relations

Economic relations with Portugal have been characterised by considerable dynamism in recent years. Portugal was the 31st biggest market for Czech exports and the 34th biggest importer to the Czech Republic. The value of Czech exports to Portugal exceeds that of imports from Portugal. In keeping with tradition, passenger cars, components for automobile manufacture and spare parts were the largest individual category of exports. According to Portuguese statistics, the Czech Republic has overtaken Denmark, Poland and Finland in terms of the value of its exports to Portugal.

The Czech Republic's principal export commodities: machinery and transport equipment, industrial consumer goods, automatic data processing machines, metallurgical materials, electrical apparatus, glass, textiles, tyres, metalworking machinery.

The Czech Republic's principal import commodities: machinery and transport equipment, chemicals, raw materials, radio receivers and audio reproduction apparatus, road vehicles and accessories, synthetic fibres, furniture and parts, tyres, yarns and clothing parts, medicaments, textile materials, footwear, wine.

Cultural relations

The travelling exhibition “Czech Comics” was staged in Lisbon from February to April 2007. In the second quarter of 2007, the Embassy of the Czech Republic helped organise the Portuguese participation in the “Prague Quadrennial” of theatre architecture and set design. Portugal was represented at “PQ 07” by eminent theatre architect J. Mendes Ribeiro.

On 1-10 June 2007, Setúbal hosted the “Festiroia International Film Festival”, at which J. Menzel presented his film *I Served the King of England*. The director was awarded the Golden Dolphin Lifetime Career Achievement Award at the festival. At the “Camões Institute Festival of Portuguese Language Centres” the Prague student club POIS, formed at the Portuguese language centre in Prague, performed a play by Portuguese dramatist J. Mendes.

In the second half of 2007, the Music Museum organised an exhibition of typical musical instruments of EU countries, at which the Czech Republic presented a replica of old bagpipes. The Embassy of the Czech Republic organised a recital of seven greats of Czech classical music and presented a Radio Vltava audio programme entitled *A Walk Around Karlštejn*, which featured in the “European Radio Art Online Festival” on Portuguese radio station Antena 3.

T. Vrána’s film *Outlook* was screened at the “International Young Film Festival” in the city of Fundão. In the second half of 2007, there was an exhibition of young artists of the Central European Platform, at which the Czech Republic was represented by works by D. Pitín and J. Nepraš. The ballet of the National Theatre in Prague performed in the city of Almada in October. One highly significant development in 2007 was the opening of talks with the University of Lisbon on the establishment of a master’s course in Slavonic studies, including Czech language and culture.

ROMANIA

Romania was one of the Czech Republic's most important partners in South East Europe, an ally in NATO and a partner in the European Union. The increase in the number of official visits at both governmental and parliamentary level was evidence of the very good standard of bilateral relations. By sharing its experiences, the Czech Republic actively assisted Romania as a new EU member. The Czech Republic fully opened its labour market to Romanian citizens as of the date of Romania's accession to the EU, i.e. on 1 January 2007.

Economic relations continued to register very dynamic growth in 2007. In view of its economic potential, the size of its market and the tradition of ties between the countries, Romania is one of the Czech Republic's biggest and most interesting partners.

Visits by representatives of the Czech Republic:

- 26-28 March 2007 – official visit by President of the Senate of Parliament P. Sobotka, accompanied by a business mission;
- 17-19 April 2007 – visit by a delegation of the Committee on Foreign Affairs of the Chamber of Deputies of Parliament;
- 8-11 November 2007 – visit by a delegation of the Committee on Agriculture of the Chamber of Deputies of Parliament.

Visits by representatives of Romania:

- 23-26 May 2007 – visit by a delegation of the Committee on European Affairs of Parliament;
- 24-25 May 2007 – President T. Basescu attended a meeting of presidents of Central European states in Brno;
- 14-15 July 2007 – visit by Patriarch Teoctist of the Romanian Orthodox Church;

- 22-23 October 2007 – visit by Minister of Foreign Affairs A. Cioroianu.

Economic relations

The upward trend in trade exchange continued in 2007, albeit at a somewhat slower rate than in previous years. Romania was the Czech Republic's biggest trading partner in South East Europe, in terms of both turnover (in excess of EUR 40 billion) and exports. The balance of trade surplus with Romania is one of the biggest in the Czech Republic's bilateral statistics: in 2007 it amounted to over CZK 20 billion.

The Czech Republic's principal export commodities: motor vehicles including parts and accessories, iron and steel and products of such, electrical apparatus, devices and appliances, medical products and sanitary fixtures, metal products, rubber products, office machinery and automated data processing machines, non-metallic mineral products, medicaments and pharmaceuticals, general industrial machinery and equipment, soap, washing, lubricating and polishing preparations and waxes.

The Czech Republic's principal import commodities: iron and steel and products of such, motor vehicle parts and accessories, electrical apparatus, devices and appliances, general industrial machinery and equipment, aluminium and aluminium products, clothing and accessories, rubber and rubber products, furniture, footwear.

Cultural relations

The Embassy of the Czech Republic organised "Czech Days in Iași" in September 2007 and "Czech Business Day" in October as part of the TIB international technical fair in Bucharest. It also organised a presentation at the IndAgra international food and agriculture fair. There was a wide-ranging media campaign to promote the Czech Republic as part of the celebrations of National Day in October and on the occasion of a ceremony to present the Romanian translation of *History of the Lands of the Bohemian Crown*.

During a visit to Prague by the Romanian foreign affairs minister in October 2007, an Agreement on Cooperation in the Fields of Culture, Education, Science, Youth and Sports was signed. Czech and Romanian students continued to attend summer language courses and to participate in several-month study visits. Romanian and Czech language instructors worked at Charles University and Bucharest University respectively.

Programmes for Czech community members went ahead in 2007. Three Czech teachers were again sent to Czech communities in the villages of Svatá Helena (Sfinta Elena), Gernik, and Eibenthal. Czech community members also attended the language course at Dobruška and a methodological course on Czech language tuition.

SERBIA

(Republic of Serbia)

The Czech Republic supported the efforts by the Republic of Serbia to move closer to European and Euro-Atlantic structures, even though these aspirations clashed with the efforts to resolve the contentious problem of the final status of the Serbia's southern province of Kosovo, which has been under UN administration since 1999. In this spirit the Czech Republic welcomed the initialling of the Stabilisation and Association Agreement between the European Union and its member states on the one hand and the Republic of Serbia on the other, which took place on 7 November 2007. The Czech Republic is prepared to commence ratification of the agreement as soon as it is signed.

In the context of the EU's Common Foreign and Security Policy, the Czech Republic promoted an increased political role for the EU in Kosovo and increased responsibility for its overall development. At the same time, the Czech Republic worked hard to deepen traditional bilateral political, cultural and trade ties. Serbia is one of the priority countries of the Czech Republic's foreign development cooperation for the years 2006 to 2010.

Economic relations

The Czech Republic had a balance of trade surplus with Serbia in 2007. According to official statistics of the Czech Statistical Office, Czech exports to Serbia amounted to CZK 8.75 billion and imports from Serbia CZK 2.58 billion; trade turnover attained a value of CZK 11.33 billion, making the Czech Republic's balance of trade surplus CZK 6.16 billion. Official figures released by the Statistical Office of Serbia give considerably higher results for bilateral trade exchange. A revision of the Agreement on Reciprocal Protection and Promotion of Investments and the Agreement on the Avoidance of Double Taxation was commenced during 2007. In addition, work started on the preparation of an Agreement on Bilateral Development Cooperation.

The Czech Republic's principal export commodities: aviation technology, motor vehicles and spare parts, accumulators, tyres, tyre cord, mechanical devices and instruments, polyethylene, iron and steel products.

The Czech Republic's principal import commodities: sheet iron and steel, iron and steel profiles, sheet aluminium, tyres, sheet copper, cocoa products, methanol.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Industrial development	Ensuring Continuity of Extraction at the Rembas and Soko Mines	Výstavba dolů Ostrava, s.r.o.	2006-2010	4 000	24 500
	Implementation of Czech Medical Resources in the Field of Vascular Surgery – Belgrade Clinical Centre	Výzkumný ústav pletářský, a.s., Brno	2006-2010	5 303	20580
	Greenification of Management of Petroleum and Chemical Products and Hazardous Waste	Azas Invest, s.r.o., Opava	2006-2010	6 779	29 400
	Gasification of Banja Koviljača and Lešnica	MSA, a.s. Dolní Benešov	2006-2009	3 500	14 700
	Safety Signalling Equipment for Railway Sidings of Vreoca and Obrenovac Thermal Power Plant	AŽD Praha, s.r.o.	2006-2009	4 000	14 700
	Utilisation of Power Plant Fly Ash in Road Construction	SG-Geotechnika, Praha	2007	996	0
	Construction of Heating Systems in Loznice, Banja Koviljača and Special Hospital	EKOL, aspo. s.r.o., Brno	2007-2008	1 950	3 950
Social development	Support for the Institutional Transformation Process and Initiation of Changes in the System of Care for the Mentally Disabled	People In Need	2004-2006	728	12 300
	Support for the Social Integration of Children of Pre-school Age from Disadvantaged Socio-cultural Backgrounds	People In Need	2006-2007	1 840	2 699
	Construction of an Assistance Centre for Victims of Domestic Violence	ADRA, o.s.	2006-2008	3 292	7 308
Environment	Follow-up of Projects of Clean-up of Environmental Hotspots Started by UNEP in Serbia and Montenegro	Dekonta, a.s.	2005-2007	7 465	19 397
	Pollution Prevention and Rehabilitation of the River Kolubara in the City of Valjevo	VHS Brno, a.s.	2006-2008	5 458	19 174
	Technical Assistance: Building of an Effective District Heating System Leading to the Removal of Energy Demanding and Non-ecological Local Heating Boilers in the City of Valjevo	VHS Brno, a.s.	2006-2008	7 077	18 062

	Transfer of Experiences in the Application of Advanced Environmental Technologies for the Use of Renewable Energy Sources and Improvement of Energy Efficiency in the Šumadija Region and Municipality of Kragujevac	Enviros, s.r.o.	2006-2007	1 697	2 947
	Introduction of Integrated Waste Management System in Selected Cities and Villages in Vojvodina Province	Dekonta, a.s.	2006-2008	2 327	8 113
	Building a Raw Water Conduit – Main Water-supply Line to the Reconstructed PEČINA Water Treatment Plant in the Western Part of Serbia, South-east of the Capital Belgrade	VHS Brno, a.s.	2005-2007	1 500	24 140
Small-scale local projects under the Embassy of the Czech Republic					
Czech embassy, Belgrade	Bela Crkva – construction of a children’s playground	Municipality Bela Crkva	2007	234	x
	Kruščica – construction of changing rooms and sanitary facilities at the local stadium	Local Community Kruščica	2007	252	x
	Češko Selo – external renovation and plastering of the Museum of the Czech Minority	Local community Czech village	2007	233	x
	Assistance to the Belgrade technical school	Viša tehnička škola, New Belgrade	2007	280	x
Trilateral projects					
Ministry of Foreign Affairs	Education for children with disabilities within a residential institution with a view to their subsequent integration into society (CIDA)	People In Need	2007	803	x
Total				59 714	x

Transformation cooperation

Project name	Implementing organisation	Drawdown in 2007 (CZK thousands)
Promoting public participation in local decision-making *	Agora Central Europe	739 000
Transformation cooperation with the Balkan Community Initiatives Fund (BCIF) – Phase 3	VIA Foundation	1 844 000
Utilisation of experiences of the South Moravia region in the transformation and capacity-building of public administration in the Šumadija region	South Moravia region	415 000
Total		2 998 000

Government scholarships

Government scholarships	Bachelor’s study	Master’s study	Doctorate study	Total
Number of scholarship beneficiaries	25	8	10	43

Cultural relations

* The project was implemented in Serbia and Bosnia and Herzegovina.

Perhaps the most important of a number of significant cultural events organised in 2007 was “Czech Days” in Belgrade (November) – almost 60 representatives of governmental and non-governmental organisations and businesses took part in this extensive promotional event with an economic, cultural and political dimension. In addition, “Days of Czech Architecture” in Belgrade, staged as part of the “BIG DEAL” exhibition (February), was an event for both the professional and general public, accompanied by a series of lectures by Czech architects and architecture theorists. The ballet company of the National Theatre performed at the “European Cities’ Dance Festival” (April). Other events were organised as part of the traditional cooperation with Czech community clubs, such as “Days of Czech Culture” (November) and a classical music concert organised by the Embassy of the Czech Republic (September).

Kosovo

On the question of Kosovo, the Czech Republic shares the common position of EU countries, as expressed in the conclusions of the European Council. In these conclusions, the Council stated that the negotiating process between Belgrade and Pristina facilitated by the Troika had been exhausted and that the status quo in Kosovo was unsustainable. The Czech Republic holds the opinion that any solution to the status of Kosovo must strengthen regional stability and ensure the protection of the rights of minorities and their cultural and religious heritage. For that reason, along with the EU as a whole, it committed itself to playing a leading role in further efforts to resolve the final status of Kosovo and expressed its readiness to take part in a civilian mission in Kosovo under the European Security and Defence Policy.

Humanitarian aid

Form of aid	Implementing organisation	Period	Volume of aid (CZK thousands)
Mine clearance	HALO Trust	July 2007	1 438 387

SPAIN

(Kingdom of Spain)

Relations between the Czech Republic and Spain have been successfully developing at both bilateral and multilateral levels in the context of European integration and Euro-Atlantic partnership. Since the Czech Republic joined the EU, Czech-Spanish relations have been based more on the EU framework than the bilateral framework, and the overlapping of the bilateral and EU levels had an impact on the overall atmosphere of relations. Cooperation in multilateral forums comprises a significant part of the bilateral agenda. Political dialogue has been developing successfully, particularly at parliamentary level.

Spain is an important trading and investment partner of the Czech Republic; trade exchange has been growing for several years now.

There is also intensive cooperation between Spain and the Czech Republic in the field of culture, as evidenced by the large number of Czech cultural events organised in Spain and vice versa, largely thanks to the Czech Centre in Madrid and the Cervantes Institute in Prague.

Visits by representatives of the Czech Republic:

- 10-12 May 2007 – working visit by Deputy Prime Minister for European Affairs A. Vondra;
- 28-31 May 2007 – working visit by a delegation of the Committee on Science, Education, Culture, Youth and Sport of the Chamber of Deputies of Parliament;
- 17-20 September 2007 – working visit by a delegation of the Committee on Social Policy of the Chamber of Deputies of Parliament;
- 29-30 May 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg to attend the 15th OSCE Ministerial Meeting in Madrid.

Visits by representatives of Spain:

- 21 May 2007 – working lunch between foreign affairs ministers M. Á. Moratinos and K. Schwarzenberg on the sidelines of the 15th meeting of the OSCE Economic and Environmental Forum in Prague;
- 5 June 2007 – reception of a delegation of the Commission on Petitions of the Congress of Deputies of Parliament;
- 9-12 September 2007 – visit by a delegation of the Budget Committee of the Congress of Deputies of Parliament.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	83 557 698	98 019 786	107 414 513	2,4
	year-on-year index	114.0	117.3	109.6	
exports	CZK thousands	47 633 021	57 737 671	62 547 956	2,7
	year-on-year index	125.3	121.2	108.3	
imports	CZK thousands	35 924 677	40 282 115	44 866 637	1,9
	year-on-year index	101.8	112.1	111.4	
balance	CZK thousands	11 708 344	17 455 556	17 681 319	

Source: Czech Statistical Office, March 2008 (foreign trade data)

Spain was the Czech Republic's 14th biggest trading partner in terms of total turnover in 2007. Trade exchange has been constantly increasing, not only as a result of the Czech Republic's accession to the European Union. Recent years have been characterised by faster growth in exports than imports. This trend made it possible to overturn the balance of trade deficit from the 1990s – the Czech Republic has now achieved a balance of trade surplus with Spain for the fourth consecutive year.

The Czech Republic's principal export commodities: automobiles and parts, including accessories, automatic data processing machines and units, television sets, recording, reproduction and telecommunications equipment, motors and parts, air-conditioning equipment.

The Czech Republic's principal import commodities: automobiles and parts, including accessories, fruit and vegetables, pharmaceuticals, air-conditioning equipment, metallurgical products.

Cultural relations

“A Spanish Autumn with Czech Film” was the principal project in 2007. 130 Czech animated films were screened at the “Animadrid” festival of animated film; an exhibition of film puppets by A. Klimt accompanied the event. This collection was then exhibited in film libraries in Valencia and Zaragoza, and in part in Seville. The Czech Republic was represented by seven films at the “100% Europeo” festival in Seville. Special attention was paid to the work of J. Menzel and B. Pojar. H. Třeštíková won the documentary film award. The “MUCES” festival in Segovia featured both internationally successful films and new Czech works. Another success was the exhibition of “Czech Film Posters 1960-1989”. The final event in the project was a screening of films by students of the Film and TV Faculty of the Academy of Performing Arts (FAMU) at the “Madrid Experimental Cinema Week”. In other artistic genres, the “Contemporary Stage” festival in Madrid was opened by a performance by the ensemble Farm in a Cave; the Krepsko theatre group also participated in the festival. A concert by the Janáček Trio was part of a cycle of Czech music organised in cooperation with the Juan March Foundation. The Czech Republic also took part in European “Book Night” event.

Czech language teaching at the University of Granada was expanded in 2007. Since September, Czech has also been taught at the department of translation and interpreting of the Faculty of Arts – previously it was only taught at the Slavonic languages department.

TURKEY

(Republic of Turkey)

Relations between the two countries developed successfully in 2007. The ongoing accession talks between the EU and Turkey further strengthened and deepened cooperation and dialogue in the political and economic fields. Relations were further enhanced by the official visit to the Czech Republic by Prime Minister R. T. Erdoğan in November. The two countries' membership of NATO was a factor in the intensification of military cooperation.

Contacts in the fields of economic cooperation, science and culture also developed successfully.

Turkey is one of the Czech Republic's important trading partners in southeast Europe; there was again a significant year-on-year increase in mutual trade turnover in 2007. Turkey is the Czech Republic's 21st biggest trading partner in terms of total trade turnover. Cooperation in the field of tourism is also significant.

Visits by representatives of the Czech Republic:

- 29 October – 1 November 2007 – visit by a delegation of the Chamber of Deputies of Parliament, led by its vice-president V. Filip.

Visits by representatives of Turkey:

- 23-24 October 2007 – working visit by Deputy Minister of Foreign Affairs for Political and Economic Relations with the EU and European States A. Acet;
- 14-16 November 2007 – official visit by Prime Minister R. T. Erdoğan.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	25 272 023	25 428 583	30 594 473	0.63
	Year-on-year index	103.6	100.6	120.3	
Exports	CZK thousands	12 505 737	12 277 120	14 716 034	0.6
	Year-on-year index	91.0	98.2	119.9	
Imports	CZK thousands	12 766 286	13 151 463	15 878 439	0.67
	Year-on-year index	120	103.0	120.7	
Balance	CZK thousands	- 260 549	-874 343	-1 162 405	

Sources: *Czech Statistical Office, February 2008 (foreign trade data)*

Turkey was one of the Czech Republic's most important trading partners in 2007. It was the Czech Republic's 21st biggest trading partner in terms of total trade turnover. Turkey was the Czech Republic's 19th biggest export market. Since the start of accession talks with the EU on 3 October 2005, this territory has had even greater potential for the Czech Republic and a number of new opportunities for engagement in development programmes have arisen.

Other fields with good prospects were the energy industry, transport infrastructure and the environment.

The Czech Republic's principal export commodities: passenger cars and other passenger vehicles, automatic data processing machines, motor vehicle parts and accessories, telecommunications equipment, audio and video recording and reproduction devices, wool, flat-rolled products, vacuum tubes, X-ray tubes, diodes and transistors, television sets.

The Czech Republic's principal import commodities: passenger cars and other passenger vehicles, clothing and underwear, road motor vehicles, goods motor vehicles, textile clothing items, motor vehicle parts and accessories, household electrical and mechanical devices, television sets.

Cultural relations

Presentations of Czech culture in Turkey included a performance by Czech pianist L. Klánský, a photography exhibition entitled "Czech Press Photo 2006", and an exhibition of paintings by Czech artist T. Patrick (real name A. Smejkalová) at the prestigious Alpman Sanat gallery in Ankara. In education, cooperation between universities in Turkey and the Czech Republic successfully went ahead on the basis of the EU's Erasmus and Socrates student exchange programmes, under which dozens of Turkish students studied at Czech universities.

VATICAN **(Holy See)**

In 2007, the Czech Republic focused on preparing legislation that would finally resolve open questions in the internal relationship between the state and the Roman Catholic Church and thus pave the way for the completion of negotiations on a treaty governing mutual relations between the Czech Republic and the Holy See.

Cultural relations

In June 2007, the Embassy of the Czech Republic to the Holy See organised an exhibition entitled "All the Beauties of the World – Jaroslav Seifert", in a Czech and Italian

version, in the atrium of the Czech Nepomecenum Papal College. At the traditional Christmas exhibition of nativity cribs at the Bramante Hall in Piazza del Popolo in Rome, the exhibit from the Vysočina Museum in Třebíč won the “Best Foreign Nativity Crib” award.

4. The Czech Republic’s relations with Middle East and African countries

ALGERIA

(People’s Democratic Republic of Algeria)

Algeria has for long been the Czech Republic’s most significant and traditional partner in Maghreb. Bilateral relations in 2007 focused mainly on trade and economic and cultural cooperation.

Economic relations

Mutual trade exchange continued to follow the established trends in 2007. After several years of stagnation, there was growth in the imports of Algerian crude oil for Czech refineries, which attained a value of approximately CZK 3,096 million. As a result, with direct exports of goods from the Czech Republic to Algeria amounting to CZK 1,296 million, the Czech Republic returned a balance of trade deficit with Algeria for the first time in several years. It is still the case, however, that approximately two-thirds of Czech goods arrive in Algeria via third countries, mostly EU members, and these transactions are not reflected in the official Czech export statistics.

In 2007, a Czech-Algerian joint venture for the assembly of automobile add-on units was established, but it has yet to commence operations.

The Czech Republic’s principal export commodities: the improving structure of exports can be viewed as a positive phenomenon. Computer technology (26%) became the principal export commodity, ahead of iron for the construction industry (23%). Other significant export items were road construction machinery, aluminium kegs, Škoda

automobiles, various tyres and inner tubes, primarily for lorries, electrical fittings. Parts for aircraft and helicopters are other interesting export commodities.

The Czech Republic's principal import commodities: crude oil for use in the petrochemicals industry. This commodity accounted for 99.7% of the total value of imports to the Czech Republic. Besides crude oil, dates and decorated caps were also imported to the Czech Republic.

Development cooperation

The Czech Republic provided Algeria with two government scholarships for the 2007/2008 academic year. In total, there were three students studying in the Czech Republic at the end of 2007, two on master's courses and one doctorate student.

Cultural relations

The standard of cultural cooperation was high in 2007, largely thanks to events organised by the Embassy of the Czech Republic in Algeria. At the beginning of the year, an exhibition of photographs by J. Vřetečka entitled "Pedestrian in Prague" was held at the National Library in Algiers. The exhibition, which was very well received by the public, was also featured on the TV programme "Bonjour d'Algérie". In May 2007, music group Jablkoň performed with violinist J. Svěcený at the "European Cultural Festival" in Algiers. A concert of spiritual music performed by violinist J. Svěcený and organist J. Uhlíř held in the Notre Dame D'Afrique Cathedral on 25 October 2007 was also very successful. The concert, which showcased the virtuosity of the Czech musicians, drew an audience of almost 400 people. Culture cooperation then culminated with an exhibition of "Czech UNESCO Sites" installed at the Bastion 23 exhibition hall from 26 November to 7 December 2007, which popularised the richness of the Czech Republic's cultural heritage.

BAHRAIN

(Kingdom of Bahrain)

Relations with Bahrain can be rated as stable and friendly, with the trade and economic field forming the core of relations. Bahrain is a member of the Gulf Cooperation Council, which is in talks with the EU on a free trade agreement.

Visits by representatives of the Czech Republic:

- 23-24 April 2007 – visit by Deputy Minister of Foreign Affairs D Gladiš, accompanied by a business delegation.

Visits by representatives of Bahrain:

- 15 October 2007 visit by Minister of Finance H. H. Shaikh Ahmed bin Mohammed bin Hamad bin Abdallah Al Khalifa.

Economic relations

Although the level of Czech trade with Bahrain is, in absolute terms, lower than trade with all other Arab countries, converted to population size it is relatively higher than trade with, say, Algeria or Egypt. Exports again increased slightly in 2007, but imports from Bahrain to the Czech Republic – albeit minimal in terms of total Czech imports – also grew.

The Czech Republic's principal export commodities: The principal commodity is passenger automobiles. Significant contracts for electricity distribution boxes, data processing components, ceramic sanitary fixtures and glass were also executed in 2007.

The Czech Republic's principal import commodities: As in the previous year, in 2007 the principal commodity was aluminium and aluminium alloys; growth in this commodity was the leading factor in the increase in imports from Bahrain to the Czech Republic. Plastic materials for the building industry was another significant commodity.

Bilateral agreements concluded in 2007

- Agreement on the Reciprocal Promotion and Protection of Investments, 15 October 2007.

EGYPT

(Arab Republic of Egypt)

Egypt has traditionally been an important partner of the Czech Republic in the Middle East and North Africa. Relations between the two countries have a long tradition, and the level of political, economic, cultural and educational relations has been rising and intensifying since the visit of Czech prime minister V. Špidla in 2003, which both sides described as a “breakthrough”. That is reflected in both the greater number of visits to Egypt and the Czech Republic respectively and also in the constantly increasing balance of trade. The first-ever visit to the Czech Republic by an Egyptian foreign affairs minister, Minister A. Aboul Gheit was confirmation of the good relations. The culmination of cultural cooperation was the opening of a Czech Egyptology exhibition in Aswan on the occasion of the celebrations marking the 50th anniversary of the founding of the Czech Institute of Egyptology and its work in Egypt.

Visits by representatives of the Czech Republic:

- 12-17 May 2007 – visit to Cairo and Alexandria by Deputy Minister of Foreign Affairs D. Gladiš, accompanied by representatives of 21 Czech firms;
- 25-29 November 2007 – official visit by Minister and Chairman of the Legislative Council C. Svoboda representing the prime minister on the occasion of the inauguration of the exhibition “Saving the Monuments of Nubia – The Czech Participation in the International Campaign to Save the Monuments in Nubia” at the Museum of Nubia in Aswan.

Visits by representatives of Egypt:

- 15-19 May 2007 – visit by a delegation led by Minister of State for Environmental Affairs M. Ghattas;

- 22-24 August 2007 – visit by Minister of Agriculture and Land Reclamation Amin Abaza;
- 10-12 September 2007 – visit by Governor of Alexandria A. Labib, accompanied by a delegation of representatives of the Alexandria Businessmen Association and Chamber of Commerce in Alexandria;
- 4-7 September 2007 – visit by Minister of Tourism Z. Garranah;
- 9-10 October 2007 – visit by Minister of Foreign Affairs Ahmed Aboul Gheit, the first-ever visit to the Czech Republic by a foreign affairs minister of Egypt.

Economic relations

Egypt is one of the Czech Republic's most significant trading partners in the Middle East and North Africa. The increasing share of mutual trade exchange accounted for by Egyptian exports and the ongoing negotiations on joint ventures, mainly comprising transfers of technologies, between firms in the two countries can be regarded as positive phenomena.

In the environmental field, Czech experts started talks with the Egyptian side on the theme of recycling and processing rice straw.

The Czech Republic's principal export commodities: motor vehicles, machinery and plant equipment, iron and steel products, chemical fibres, electrical engineering and electronic products.

The Czech Republic's principal import commodities: the most important commodities in Egyptian exports to the Czech Republic continue to be cotton, cotton underwear, fresh fruit and vegetables.

Development cooperation

The Czech Republic provided Egypt with seven government scholarships for the 2006/2007 academic year. In total, there were twenty students studying in the Czech Republic at the end of 2007, one on a bachelor's courses, four on master's courses and fifteen doctorate students.

Cultural relations

The standard of cooperation in science and culture has traditionally been high. The Embassy of the Czech Republic in Cairo organised a presentation of Czech cinema (*Sekal Has to Die*, *Goblin* and others), artists (J. Votruba, M. Knížák) and Czech music. Egyptian children took part in the “Lidice 2007” international art competition.

In the field of science and research, a very important role is played by the Czech Institute of Egyptology of Charles University, working at the Abusir site since the 1960s and at the El-Hayez oasis since 2003. During the year, the Embassy of the Czech Republic organised several excursions to Abusir and prominent Czech Egyptologists gave lectures for the general public and experts. In November 2007, celebrations marking the 50th anniversary of the founding of the Czech Institute of Egyptology were inaugurated by an exhibition in the Museum of Nubia showing the participation of Czech Egyptologists in the UNESCO rescue operation at Aswan. The exhibition was opened in person by Minister and Chairman of the Legislative Council of the Government C. Svoboda, representing the prime minister.

Short study exchanges between Czech and Egyptian scientists take place on the basis of the Executive Protocol for 2003-2006 between the Academy of Sciences of the Czech Republic and the Egyptian Academy of Scientific Research and Technology.

IRAN

(Islamic Republic of Iran)

Although diplomatic contacts were revived in 2007 thanks to the endeavours of both sides, the standard of diplomatic relations remained relatively low. (In 1999, Iran did not grant its agrément to the Czech ambassador; since then, relations have remained at the CDA level.) The lifting of unofficial trade restrictions imposed by Iraq on imports from the Czech Republic is a significant success in mutual relations.

As regards Iran’s nuclear programme, the Czech Republic adhered to the policy of the EU: it supported the second sanctions resolution (1747/2007) and the transposition of sanctions into the EU regime. The Czech Republic also supports the EU’s two-track approach to Iran, comprising the common position on the question of the nuclear programme whilst retaining the option of conducting dialogue with Iran in areas of common interest.

Visits by representatives of the Czech Republic:

- 19-20 June 2007 – consultations between Deputy Minister of Foreign Affairs of the Czech Republic H. Bambasová and Deputy Minister of Foreign Affairs of Iran S. Jalili;
- 24 September 2007 – bilateral meeting between Minister of Foreign Affairs of the Czech Republic K. Schwarzenberg and Minister of Foreign Affairs of Iran M. Mottaki on the sidelines of the 62nd session of the UN General Assembly.

Visits by representatives of Iran:

- 20-21 February 2007 – consultations at the level of directors general of foreign affairs ministries;
- 16 October 2007 – visit by a delegation of the Committee for Foreign Policy and National Security of the Islamic Consultative Assembly, led by its chairman A. Boroujerdi.

Economic relations

Czech exports to Iran amounted to approx. CZK 715 million in 2007, while Czech imports from Iran were worth approx. CZK 381 million.

In August 2007, Iran abolished its unilateral barriers to direct imports of goods of Czech origin – this move resulted in increased interest among Czech businesses in exporting to Iran. At the end of 2007, the first major contract, worth approx. CZK 1 billion, was signed for the construction of a coking plant in the vicinity of the city of Tabas. Two other contracts of similar value that are likely to be concluded are for a coking plant in Isfahan and for the delivery of L410 aircraft (approx. CZK 1.1 billion in the first phase). The lifting of trade barriers led to an increase in direct trade exchange. Nevertheless, the external economic environment (the sanctions contained in UN Security Council resolutions 1737 and 1747 and other action by European banks to prevent sophisticated banking operations) leads Czech exporters to supply goods to this territory indirectly, via subsidiaries of Iranian importers in the United Arab Emirates, Germany, Italy, etc. The volume of these transactions is approximately double that of direct exports.

The Czech Republic's principal export commodities: machinery and parts, including accessories and spares (approx. 35% of all exports), technical glass and glassware (approx. 30% of all exports), raw materials (mainly for the production of medicines, also for linings of blast furnaces – approx. 10%), and industrial semi-finished products (electrical apparatus, measuring devices, axles, *et al.* – approx. 10%).

The Czech Republic's principal import commodities: dried fruit and nuts (pistachios, raisins, almonds, dates, *et al.* – 58%), raw materials (approx. 15%), carpets and woven yarns (approx. 7%).

Cultural relations

“Czech Days in Iran”, which ran from 17 to 19 October 2007, was intended to help develop relations – the project comprised presentations of leading Czech firms and a concert of Czech classical music. In the end, however, the Iranian side did not grant permission for this event, even though the Iranian foreign affairs ministry had pledged support.

IRAQ

(Republic of Iraq)

The Czech Republic continued to be actively involved in the stabilisation and reconstruction of Iraq. In line with the amended mandate, the 100-strong contingent of the Army of the Czech Republic performed monitoring and mentoring of the Iraqi police and guarded the coalition forces' base at Basrah. Five Czech servicemen served on the NATO training mission (the number was reduced to three in July 2007).

The Czech Republic had two representatives at the EU mission's liaison office in Baghdad and one in Brussels, where they worked as coordinators of the integrated Rule of Law mission EUJUST LEX, whose objective is to support the reform of the Iraqi criminal justice system by training experts in this area (policemen, judges, public prosecutors, prison staff).

The Economic Contact Office of the Commercial Department opened in Basrah in the second half of the year. The Embassy of the Czech Republic now has three offices in Iraq (Baghdad, Erbil, Basrah).

Visits by representatives of the Czech Republic:

- 2-5 February 2007 – working visit to the Kurdish region of Iraq by Deputy Minister of Foreign Affairs D. Gladiš.

Visits by representatives of Iraq:

- 16-18 September 2007 – visit by Minister of Foreign Affairs Hoshyar Zebari;
- 2-5 October 2007 – visit by a delegation of the Council of Representatives, led by its speaker Mahmoud Dawud al-Mashdani;
- 8-12 November 2007 – visit by a delegation of the Council of Representatives, led by its first deputy speaker Khalid Aba Thar Attiya;
- 5-15 December 2007 – working visit by a delegation of the Ministry of Water Resources of the Kurdish Regional Government, led by Minister Tahsin Qadir Ali.

Economic relations

In 2007, the Czech Republic opened a branch of the Commercial Department of the Embassy in Basrah, in addition to the one already in Erbil. As part of a programme to promote economic diplomacy, in 2007 the Embassy of the Czech Republic in Baghdad also implemented two projects entitled “Exploitation of the Economic Benefits Stemming from the Continuing Reconstruction of the Citadel in Erbil” (contribution of CZK 1 million) and “Experts to Iraq – Water Management and Energy” (contribution of CZK 750,000).

There was a pronounced increase in mutual trade exchange. Czech exports attained a record value of USD 77.5 million in 2007.

The Czech Republic’s principal export commodities: components for oil refinery modernisation, water pumps and pipes, motor vehicles, household electrical appliances and fixtures, arms and ammunition, glass, optical instruments.

The Czech Republic’s principal import commodities: not known.

Development and transformation cooperation

The Czech Republic continued to provide Iraq with transformation aid in the form of training projects and was actively involved in safeguarding Iraq’s cultural heritage. The Czech

Republic's prompt response and provision of material assistance and know-how to deal with the cholera epidemic in the northern provinces of Iraq was also significant.

As part of humanitarian aid, a donation of CZK 2.2 million was released from the government's reserve fund for equipment for the Primary Health Care Centre for orphans and children from disadvantaged families in Baghdad. The Czech Republic also contributed a sum of CZK 3 million through the UNHCR towards efforts to deal with the situation of Iraqi refugees in Jordan and Syria.

As part of development cooperation, the Czech Republic again provided Iraq with two university scholarships for the 2007/2008 academic year. In total, there were three students studying in the Czech Republic at the end of 2007, one on a bachelor's course and two on master's courses.

Cultural relations

Despite the enduring bad security situation, the Embassy of the Czech Republic in Baghdad continued to organise successful cultural events. In February 2007, an exhibition of works by artist T. Patrick took place in Erbil, in the Kurdish region of Iraq. The travelling exhibition entitled "Beauties and Mysteries of the Czech Republic" was last displayed in Iraq in February 2007, in Dohuk in the Kurdish region. "Czech Press Photo 2002" was installed in the Kurdish city of Erbil, bringing to an end this travelling exhibition's tour of Iraq. The Czech embassy continued with a series of successful concerts of Czech music: on 5 April 2007 it organised a piano concert of pieces by Czech classical music composers B. Smetana and A. Dvořák. In the second half of June 2007, the Czech embassy then staged a concert to mark Army of the Czech Republic Day. In connection with the celebrations of Czech National Day, on 29 October 2007 the Embassy of the Czech Republic in Baghdad hosted a concert marking 220 years since the premiere of W. A. Mozart's opera Don Giovanni.

ISRAEL

(State of Israel)

Mutual relations between the Czech Republic and Israel have for long been very good and continue to strengthen. The Czech Republic attaches paramount importance to the high standard of relations and regards the continuing development of relations as one of the priorities of its foreign policy in the Middle East. The Czech Republic's approach to the Middle East conflict emphasises objectivity towards both sides. In particular, the Czech Republic supports the peace-building policy of the present Israeli government. The Czech Republic welcomed the resumption of political dialogue with the Palestinian side, which should primarily bring an end to the violence in the area and lead to the establishment of an independent, democratic and viable Palestinian state that will be able to guarantee Israel's security.

The frequency of contacts at all levels also bears witness to the high standard of relations. Israel has traditionally been one of the Czech Republic's most important trading partners in the Middle East, and several significant events in 2007 strengthened these relations.

Visits by representatives of the Czech Republic:

- 21-23 January 2007 – working visit to Israel by Deputy Prime Minister for European Affairs A. Vondra;
- 26 March 2007 – consultations in Israel by First Deputy Minister of Foreign Affairs T. Pojar;
- 22-25 October 2007 – consultations in Israel by Political Director of the Section of Multilateral Security Affairs of the Ministry of Foreign Affairs M. Povejšil;
- (Minister of Foreign Affairs K. Schwarzenberg had been due to visit Israel on 26 and 27 November, but Israeli representatives instead attended the international conference on the Middle East in Annapolis. The minister's visit was therefore confined to the Palestinian Autonomous Territories and the visit to Israel was postponed.)

Economic relations

The dynamism of mutual trade exchange continues to increase: 2007 was a record year for both the volume of Czech exports and total turnover. There is fundamental growth in Czech exports of products with higher value added.

The Czech Republic's principal export commodities: reactors, boilers, mechanical devices and apparatus, motor vehicles, aircraft and parts, audio and video reproduction equipment, optical, photographic and medical apparatus, iron and steel products, glass and glass products, wood fibre, paper, cardboard, paperboard, furniture, bedding, light fixtures.

The Czech Republic's principal import commodities: aircraft and parts, audio and video reproduction devices, pharmaceutical products, optical, photographic and medical apparatus, reactors, boilers, mechanical devices and apparatus, plastics and plastic products, cutlery instruments and products, various chemical products, organic chemical products, vegetable, fruit and nut products, various products of base metals, pearls, precious stones, various food preparations.

Cultural relations

The standard of cooperation in science and culture has traditionally been high. In 2007, the Embassy of the Czech Republic in Tel Aviv organised or played a substantial role in 39 cultural events. 22 of these events were purely cultural; eight promoted educational and scientific contacts; and nine were designed to deepen expatriate contacts.

The events included an exhibition about Czech band Plastic People of the Universe, an exhibition of drawings by Czech children on the theme of the Holocaust, and an exhibition of caricatures by J. Slíva. Films by J. Menzel were screened at the "Haifa International Film Festival". A scientific symposium was held at the university in Tel Aviv to mark the 80th anniversary of T. G. Masaryk's visit to Palestine.

In keeping with tradition, the embassy secured the financial support of the Ministry of Foreign Affairs for the annual meeting of the Beit Terezín Czech community organisation and took part in a meeting of the Society of Jews from Former Czechoslovakia and the Israeli Society of Friends of the Czech Republic, where it arranged the screening film about T. G. Masaryk and a lecture.

KUWAIT

(State of Kuwait)

Relations between the Czech Republic and Kuwait have traditionally been friendly and stable. As with other countries on the Arabian Peninsula, economic cooperation forms the core of mutual relations. Political relations with Kuwait are implemented primarily along the EU line. Kuwait is a member of the Gulf Cooperation Council, which is in talks with the EU on a free trade agreement. Personnel of the Army of the Czech Republic providing logistical services for the Army contingent in Basrah, Iraq, continued to operate in Kuwait in 2007.

Visits by representatives of the Czech Republic:

- 21-22 April 2007 – visit by Deputy Minister of Foreign Affairs D Gladiš.

Economic relations

Relations between Kuwait and the Czech Republic are not constrained by any economic problems or debts. In mutual relations, the Czech Republic follows the same rules as other European Union member states. Kuwait views the Czech Republic as an important partner in the GCC and as a trading partner with good potential for cooperation.

There was again strong growth in Czech exports (14.8%) in 2007, while imports fell from the previous year's level.

The Czech Republic's principal export commodities: machinery and transport equipment (mainly Škoda passenger cars), accessories and spares for such, steel pipes, pumps, metalworking machinery, paper industry products, telecommunications equipment, food industry machinery, glass, cooling equipment, metal and steel products, medical and sanitary fixtures, arms and ammunition, food products.

The Czech Republic's principal import commodities: organic chemicals, polymers of ethylene, telecommunications equipment, iron and steel products, taps, valves and fittings, light fixtures, food products.

Cultural relations

Contacts in education, science and culture take place on the basis of a cultural agreement between the two governments. Several cultural events took place on this basis in 2007: a presentation of the Czech Republic at Kuwait University and an exhibition of paintings by Moravian artists at the gallery of the Kuwait Arts Association. The government of Kuwait provided two scholarships for students of Arabic at Kuwait University for the 2007-2008 academic year. The number of Kuwaitis for whom the Czech Republic has become a favourite tourist and spa destination continued to increase in 2007.

LEBANON

(Republic of Lebanon)

Relations between the Czech Republic and Lebanon have traditionally been friendly and balanced. The Czech Republic supports Lebanon's independence, sovereignty and democratisation process. It was in this spirit that the Czech Republic called for the implementation of the relevant UN Security Council resolutions concerning the de-escalation and stabilisation of the situation in Lebanon and also played an active role in post-conflict reconstruction in Lebanon. The Czech Republic provided a voluntary contribution of USD 50,000 towards the work of the Special Tribunal for Lebanon.

Economic relations

Trade exchange forms the core of Czech-Lebanese economic relations; the Czech Republic has traditionally had a pronounced balance of trade surplus with Lebanon. Incoming tourism from Lebanon, focusing on treatment in Czech spas, also plays a significant role in economic relations.

The Czech Republic's principal export commodities: milk and dairy products, glass and glass products, paper, costume jewellery, iron and steel, non-rail vehicles, machinery and mechanical equipment and parts and components of such.

The Czech Republic's principal import commodities: tobacco, iron and steel products, beverages.

Development cooperation

Following a visit by a delegation of the Lebanese Internal Security Forces in 2006, in September 2007, the Ministry of the Interior of the Czech Republic trained Lebanese policemen in techniques for maintaining law and order during “street riots” and in special techniques against particularly dangerous criminals and perpetrators of organised crime.

As part of development cooperation, the Czech Republic provided Lebanon with two government scholarships for the 2007/2008 academic year. In total, there were nine Lebanese students studying in the Czech Republic at the end of 2007, three on bachelor’s courses and six on master’s courses.

Humanitarian aid

In 2007, the Czech Republic continued its humanitarian post-conflict assistance to Lebanon, specifically a project by non-governmental non-profit organisation People In Need to establish a social centre for elderly and abandoned people displaced from southern Lebanon and a project by Czech NGO Adra to restore access to drinking water in villages south of Tyre. In addition, finances were provided for the completion of the repairs to the library in Haret Hreik and towards demining in the Nahr el Bared camp and the establishment of a regional demining centre. The Czech Republic provided a donation of CZK 3 million in response to the emergency appeal by Prime Minister F. Siniora and the UNRWA for humanitarian aid for people displaced from Palestinian refugee camp Nahr el Bared in consequence of the ongoing military operation against the Fatah al-Islam terrorist group.

Cultural relations

To mark Czech National Day, Czech conductor J. Štván conducted a performance of the Lebanese National Symphony Orchestra. A. Dvořák’s *Slavonic Dances* and *Symphony from the New World* were performed in St. Joseph’s Church on this occasion. An event entitled “Czech Christmas” was organised in cooperation with prestigious Francophone secondary school Collège Notre-Dame de Jamhour.

LIBYA

(Great Socialist People's Libyan Arab Jamahiriya)

Although Libya closed its embassy in the Czech Republic in 2007, the Czech Republic remains interested in developing bilateral economic relations and also in a standard Libyan diplomatic presence in Prague. The issue of the Libyan debt to the Czech Republic remains unresolved.

Visits by representatives of the Czech Republic:

- 26-28 November 2007 – visit by a delegation of the Ministry of Finance led by Deputy Minister T. Zídek.

Economic relations

There was considerable growth in Czech exports (up 57.8%) and reduced imports of oil caused the Czech Republic's balance of trade with Libya to improve. However, there remains untapped potential for increased exports, partly because with Libya, unlike other countries, there has been no exchange of high-level state visits; the complicated local market conditions are another negative factor. The question of Libya's debts to the Czech Republic remains unresolved – if anything, the situation has recently become more complicated.

The Czech Republic's principal export commodities: non-metal mineral products (table glassware, chandeliers), spare parts for a T72 tank repair plant, iron and steel (tubes for oil wells, hollow profiles), clothing products, heavy construction machinery, rubber products (new tyres for lorries), hospital beds, road vehicles (passenger cars), other industrial products and consumer products.

The Czech Republic's principal import commodities: oil, chemicals (imports in 2007 were 70% lower than in 2006).

Cultural relations

As part of the celebrations of Czech National Day, the Embassy of the Czech Republic in Tripoli organised a concert by violinist J. Svěcený.

MOROCCO

(Kingdom of Morocco)

Morocco is an important country in North Africa which has for long sought to profile itself as a stable bridge between Africa, Arabic countries and Europe – hence its will to cooperate actively with the EU, which is its principal partner in many fields. Following the Czech Republic's accession to the European Union, both sides have displayed increased interest in the development of bilateral cooperation; this development continued in 2007, chiefly in the areas of trade, economic and cultural cooperation. Czech participation in a foreign-policy seminar on Visegrad cooperation in November 2007 was another positive step towards enhancing the Czech Republic's image. The celebrations in 2007 marking the tenth anniversary of the establishment of the first Czech Honorary Consulate in Casablanca presented an opportunity to underline the stability, tradition and potential of Czech-Moroccan relations.

Economic relations

Economic relations between the two countries continued to develop successfully during 2007. One important event in this regard was the opening of the first independent Škoda Auto showroom in Casablanca, which was supported by an extensive media campaign.

There was a very large spike in trade exchange in 2007 due to a contract for aircraft refitting that caused Czech exports to increase around fourfold.

The Czech Republic's principal export commodities: computers, apparatus for switching or protecting electrical circuits, passenger motor vehicles, iron and steel, wood, office machines, electrical apparatus, devices and appliances, dairy products (dried milk), paper and paperboard, textile yarns, rubber products (tyres), road vehicles, machinery (primarily for the textile and leatherworking industry), machinery and accessories (ball-bearings, moulds), chemicals.

The Czech Republic's principal import commodities: fruit and vegetables (mainly tomatoes), textile clothing, footwear, leather products, marine fish, relays, clothing products and footwear, transistors, semiconductor parts.

Development cooperation

As part of development cooperation, the Czech Republic provided Morocco with one government scholarship for the 2007/2008 academic year.

Cultural relations

The principal presentation of the Czech Republic in Morocco in 2007 comprised an extensive musical tour of five cities (Rabat, Casablanca, Meknes, Azrou and Laayoune), which the Embassy of the Czech Republic organised in the first half of the year in collaboration with Czech jazz singer J. Koubková and Moroccan traditional musician M. Bekkas. Another event directly prepared by the embassy was the successful exhibition of “The Beauties of Czech Baroque Architecture”, which took place in Casablanca in November 2007.

The Embassy of the Czech Republic in Rabat organised three screenings of Czech films (*Fimfárum*, *The Lady on the Tracks*, *Wild Flowers*) at the ambassador’s residence in 2007; the film screenings were accompanied by a cultural evening for Czech community members and Czech-speaking Moroccans.

The embassy also mediated the establishment of cooperation with the first School of Classical Dance and Ballet in Tangier in 2007. Leading music schools in the Czech Republic were contacted with offers of short-term and long-term jobs for Czech music professors. The Czech Republic thus definitively established itself on the Moroccan cultural scene as a sound partner for cultural cooperation.

PALESTINIAN AUTONOMOUS TERRITORIES

After the year-long freeze in all political contacts with the Palestinian Authority in consequence of the election victory of the extremist Hamas movement, in the first half of 2007 there was a partial relaxation of the international isolation when a national unity government was formed. The violent takeover of Gaza by Hamas in June 2007 brought a fundamental change in the balance of power in the Palestinian Autonomous Territories (PAT). The national unity government was replaced by the semi-technocratic government of Prime Minister S. Fayad, with no Hamas representatives, but despite its formal responsibility

for the entire PAT in reality it only controls the West Bank. The resumption of relations between the international community and the Palestinian pro-reform government culminated in a conference in the American city of Annapolis (27 November 2007), which constituted the start of a new effort to find a peaceful solution to the Israeli-Palestinian conflict. The conference was followed up by a donor conference in Paris (17 December 2007), at which the Czech Republic made a commitment to provide the PAT with an annual sum of USD 1 million in development assistance for the next four years.

Visits by representatives of the Czech Republic:

- 26-27 November 2007 – visit by Minister of Foreign Affairs K. Schwarzenberg.

Economic relations

Part of trade exchange between the Czech Republic and Palestinian Autonomous Territories is reported in the statistics for Czech-Israeli trade relations.

The Czech Republic's principal export commodities: passenger cars and spare parts, electrical appliances, kitchen utensils, dairy products, crystal glass, beer.

Development cooperation

As part of development cooperation, the Czech Republic provided the Palestinian Autonomous Territories with one government scholarship for the 2007/2008 academic year. The Palestinian ministry of education did not present any candidates, however, so the offer remained unused. In total, there were 26 Palestinian students studying in the Czech Republic at the end of 2007, three on bachelor's courses, 21 on master's courses and two doctorate students.

In 2007, the Czech Republic continued to implement a significant industrial development project, whose budget in 2007 was CZK 10.9 million. The total budget of the "Building of Small and Medium-sized Energy Sources and Related Distribution Networks" project for 2006-2010 is CZK 53.9 million.

SAUDI ARABIA

(Kingdom of Saudi Arabia)

Saudi Arabia is an important partner for the Czech Republic in the Middle East. Relations can be described as friendly and problem-free. The Czech Republic's long-term priority is the economic and trade field, which is continually supported by mutual activities on the political level as well.

Economic relations

Saudi Arabia is an important economic and trading partner of the Czech Republic. 2007 brought another increase in trade turnover with Saudi Arabia, with Czech exports to the Kingdom also growing. This increase overturned the slight fall in 2006 and all mutual trade indicators exceeded the figures from 2005, which had been the most successful year to date.

The Czech Republic's principal export commodities: data processing machines and components, passenger automobiles, steel profiles, building machinery, dairy products, igniters, paperboard, compressors, clothing, etc.

The Czech Republic's principal import commodities: polyethylene and acyclic alcohols, followed by non-woven and impregnated textiles, a wide variety of petrochemicals industry products, iron and steel structures, leather, hair cosmetics, etc.

The number of Saudi citizens coming to the Czech Republic for spa treatment, recreation and business is relatively constant and forms a significant part of incoming tourism.

Cultural relations

There are currently several self-funded Saudis studying medical and technical fields at Czech universities. The Saudi authorities confirmed the recognition of diplomas issued by Charles University in Prague, Masaryk University in Brno and the Brno University of Technology.

SYRIA

(Syrian Arab Republic)

The Czech Republic has standard relations with Syria, although the reduced intensity of contacts is a reflection of the overall situation in the Middle East. Nevertheless, a visit by the first deputy minister of foreign affairs revived the mechanism of political consultations with the Syrian side to cover topical questions in mutual relations and the situation in the Middle East.

Visits by representatives of the Czech Republic:

- 26-28 November 2007 – visit by First Deputy Minister of Foreign Affairs T. Pojar.

Economic relations

Syria is a traditional partner of the Czech Republic in the Middle East. Czech exports to Syria are growing constantly, whilst Syrian imports to the Czech Republic are falling. Imports were negligible in 2007, whereas total exports to Syria were worth USD 61.43 million, an 18% increase on the previous year.

Following complicated negotiations, in December 2007, a compromise solution was reached regarding the remainder of Syria's debt to the Czech Republic; the signing of the resultant agreement in May 2008 will bring to an end the long-standing contentious issue of Syria's state debt to the Czech and Slovak sides. Substantial progress was made in talks on a double taxation avoidance treaty (which has already been signed at expert level and approved by both countries' governments) and an agreement on the promotion and reciprocal protection of investments, which are due to be signed in 2008.

The Czech Republic's principal export commodities: spare parts for plant supplied in the past, industrial machinery, textile yarns and fabrics, Škoda automobiles. The biggest contract in 2007 was for the delivery of a petroleum pipeline (170 km) by Czech firm Tesla – the contract was worth EUR 25 million. The predominant commodities are machinery, transport equipment and categories of industrial goods, which have retained a stable position on the Syrian market.

The Czech Republic's principal import commodities: raw materials, cotton, textile products.

Cultural relations

The prize-giving ceremony for the "Lidice 2006" children's international art competition was held in Homs on 18 April 2007.

Czech actress K. Isová personally attended the 15th "Damascus International Film Festival" on 1-10 November 2007 to promote her film *Grandhotel*. K. Isová, accompanied by the ambassador, was received by Minister of Expatriates B. Shaaban. Her visit also comprised a meeting with Czech community members held at the Embassy of the Czech Republic in Damascus.

On 1 December 2007, an exhibition of "Czech UNESCO Sites" was opened in Damascus under the aegis of the Embassy of the Czech Republic. The official inauguration was followed by a concert by Prague-based vocal group Gospel Time, with soloist Z. Stírská.

The travelling exhibition "Czech UNESCO Sites" was installed in Aleppo from 27 to 30 December 2007.

TUNISIA

(Republic of Tunisia)

Bilateral relations between the Czech Republic and Tunisia are standard, problem-free and open. Relations have for some time focused on the development of trade, economic and cultural cooperation. Both sides have declared an interest in intensifying all aspects of relations. The Czech Republic supports Tunisia in its fight against terrorism and illegal migration.

Economic relations

Tunisia is a traditional and reliable partner for the Czech Republic in North Africa. Following the conclusion of an association agreement between Tunisia and the European Union, Czech-Tunisian economic relations have taken on a new dimension, characterised by

the intensification of economic cooperation. Thanks to the favourable economic environment that Tunisia offers, Czech firms are executing the second phase of construction of the Palace of Culture in the centre of Tunis, a presidential project worth EUR 50 million. Tunisia has also become a popular destination for Czech tourists – 153,356 Czech tourists visited the country in 2007.

The Czech Republic's principal export commodities: aircraft and parts, fuel for jet engines, iron and steel for the construction industry, shuttering for the construction industry, steel tubes, radiators, compressors, textile machinery, computers, cables, furniture, plastic products, kraft paper, fabrics and fabric products, grain, tyres, pharmaceutical products, glassware and costume jewellery.

The Czech Republic's principal import commodities: clothing products and accessories, footwear, headwear, leather products, furniture, ignition cabling, friction-type shock absorbers, inductors, transformers, loudspeakers, chemical products, dates, nuts.

Cultural relations

In keeping with tradition, the Czech Republic took part in the “Carthage Music Festival”, where it was represented by the Trio Siraels chamber ensemble, and in the “European Union Film Festival” organised by the Delegation of the European Commission, where *Dark Blue World* was screened to great acclaim.

The Embassy of the Czech Republic in Tunisia also co-organised a successful “Czech Day” in the Hammamet resort together with a Tunisian sponsor. The event featured presentations of Czech glass and porcelain, an exhibition of enamelled pictures and jewellery, a performance by a male voice choir from Prague, and a fashion show.

UNITED ARAB EMIRATES

Relations between the Czech Republic and the United Arab Emirates (UAE) are friendly; above all, relations in the economic field have been developing successfully. The UAE is one of the Czech Republic's most important trading partners – after the USA and China, the UAE is the Czech Republic's biggest export market outside Europe. Whilst mutual contacts in the economic field are numerous and trade between the two countries continues to grow, political contacts currently fall short of the potential on both sides.

Visits by representatives of the Czech Republic:

- 17-19 February 2007 – visit by Minister of Defence V. Parkanová on the occasion of the IDEX 2007 trade fair;
- 24-26 April 2007 – visit by Deputy Minister of Foreign Affairs D Gladiš;
- 11-15 November 2007 – visit by First Deputy Minister of Defence M. Barták on the occasion of the Dubai Air Show 2007.

Economic relations

In terms of trade turnover, the United Arab Emirates is the Czech Republic's biggest trading partner in the Middle East and North Africa region. By year-on-year comparison, the high value of exports again increased, attained a value of USD 542 million in 2007; imports also grew to attain a value of USD 45 million. The Czech Republic continues to have a pronounced balance of trade surplus with the UAE.

More than half of Czech exports are re-exports, as many Czech firms use the UAE as a trading and logistical base for the entire Middle East region, Indian subcontinent and east Africa.

The Czech Republic's principal export commodities: glass products, complex data processing digital systems, consoles and panels for electricity distribution, iron and steel, etc. Škoda passenger automobiles and Tatra lorries are also prominent.

The Czech Republic's principal import commodities: crude aluminium and aluminium alloys. Many tourists from the UAE are regular visitors to Czech spas.

Cultural relations

Cultural contacts between the Czech Republic and United Arab Emirates are developed by the Czech side, which organises numerous exhibitions, concerts and other events featuring Czech artists in the UAE.

In March 2007, posters by A. Mucha and photographs by E. Havlová depicting important Art Nouveau architecture in Prague were installed in the exhibition hall of Zayed University in Abu Dhabi.

In April 2007, an ensemble of twenty young musicians from the Primary Art School in Prague 11 visited the UAE. At concerts in Abu Dhabi, Dubai, Fujairah and Sharjah, the young Czech musicians performed works by eminent Czech and other composers with the Emirates Youth Philharmonic Orchestra founded and managed by R. Kudsi (a Czech musician of Syrian origin based full-time in the UAE, a graduate of the Academy of the Performing Arts in Prague (AMU)).

In the first half of 2007, Czech film *Pupendo* was screened at the 6th “European Art Movies”, a festival of European films in Abu Dhabi and Al Ain.

YEMEN

(Republic of Yemen)

Czech-Yemeni relations have for long been stable and continued to develop in 2007. A visit to Yemen by the Czech prime minister had been planned (but in the end was postponed). A delegation of the Senate Committee on Education, Science, Culture, Human Rights and Petitions visited Yemen. Furthermore, the text of an Agreement on the Promotion and Reciprocal Protection of Investments was finalised at expert level. Yemen is one of the Czech Republic’s eight priority foreign development cooperation countries for 2006-2010.

Visits by representatives of the Czech Republic:

- 16-21 November 2007 – visit by a delegation of the Committee on Education, Science, Culture, Human Rights and Petitions of the Senate of Parliament, led by its chairman K. Barták.

Economic relations

Economic relations with Yemen are developing primarily in the area of the trade in goods, but the relatively low volumes achieved to date mean that the figures vary considerably from year to year. Czech exports to Yemen far exceed imports from Yemen. In 2007, exports amounted to USD 9.2 million and imports USD 0.04 million.

No trade exchange in services and investments has been registered between the two countries to date.

The Czech Republic's principal export commodities: passenger cars, casings and drill pipes, lighting fixtures, compressors and pumps, fittings, electrical and telecommunications equipment, pressurised containers, recording media, industrial equipment, medical furniture, non-military arms, measuring devices.

The Czech Republic's principal import commodities: frozen fish fillets.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Industrial development	Supply and Treatment of Drinking Water in the Socotra Archipelago	ASIO, a.s. Jiřikovice	2005-2007	5 090	12 000
	Innovation and Efficiency Increasing of al-Hiswa Power Plant	ZAT, a.s. Příbram	2006-2010	8 110	49 000
Agriculture	Assistance in the Treatment and Recycling of Waste Water in the Hadibo Hospital	ASIO, a.s. Jiřikovice	2005-2007	7 293	12 500
Total				20 493	73 500

Small-scale local projects under the Embassy of the Czech Republic					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Embassy in Sana'a	Generator for Hadibo General Hospital	ASIO, a.s. Jiřikovice	2007	750	x
	Basic Equipment for Schools in Cheisa Selah and Samha	Embassy of the Czech Republic in Sana'a	2007	245	x
Total				995	x

Trilateral projects					
Sector	Project name/cooperating organisation	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)

Ministry of Foreign Affairs	Improved Food Plant Cultivation and Restoration of Flagship Woodland on Socotra Island-MAB Biosphere Reserve/CIDA Foundation	Mendel University of Agriculture and Forestry in Brno	2007	850	x
Total				850	

Government scholarships			
Study programme	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	1	11	8

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Yemen	20	22 338

Cultural relations

Czech film *Dark Blue World* was screened at the “11th European Film Festival 2007” in Sana’a, Aden and Hodeida, an event organised by the embassies of European countries. Czech cuisine was presented to the public at a gastronomic festival of the Embassy of the Czech Republic in Sana’a, and Yemeni graduates of Czech universities were able to attend a meeting with a delegation of the Committee on Education, Science, Culture, Human Rights and Petitions of the Senate of the Czech Republic.

5. The Czech Republic’s relations with the countries of sub-Saharan Africa

ANGOLA

(Republic of Angola)

Although there were no meetings between top-level representatives of the two countries in 2007, the standard of mutual remains has remained very good. Angola is one of the Czech Republic’s eight priority foreign development cooperation countries for 2006-2010.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Education	Centre for Education in Agriculture in Bié Province	Czech University of Life Sciences in Prague	2006-2008	6 084	16 200

	Increasing the Capacity of Education Infrastructure and Improving the Quality of Pupil and Student Teaching in Bié Province	People In Need	2006-2008	12 740	29 500
Agriculture	Fish & Chicken Programme	Czech University of Life Sciences in Prague	2006-2009	1 821	4 750
	Support for Local Communities in Developing Primary Agriculture	People In Need	2007-2009	2 687	6 163
	Poultry Breeding and Agricultural Product Marketing in Bié Province	People In Need	2007-2010	1 600	15 000
Total				24 932	71 613

Small-scale local projects under the Embassy of the Czech Republic					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Czech embassy in Luanda	Conservation of Biodiversity of Maiombe in Cabinda province (2 nd year)	Czech embassy in Luanda	2007	350	x
	Building a Computer Training Classroom (2 nd year)	Czech embassy in Luanda	2007	300	x
Total				650	x

Government scholarships			
	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	13	9	1

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Angola	23	25 882

BOTSWANA

(Republic of Botswana)

A visit to Botswana by Deputy Minister of Foreign Affairs H. Bambasová in 2007 contributed to the development of mutual relations. Besides opportunities for the further development of relations, particularly in trade, another topic of discussion with Botswana was support for the Czech Republic's candidature for a non-permanent seat on the UN Security Council for 2008-2009. The two countries cooperate successfully in the educational field (there are around twenty self-funded students from Botswana studying at the medical faculty of Charles University) and in healthcare (a group of Czech doctors operates in Botswana).

Visits by representatives of the Czech Republic:

- 29-30 May 2007 – working visit by Deputy Minister of Foreign Affairs H. Bambasová.

BURKINA FASO

The Czech Republic's relations with Burkina Faso centre on development cooperation.

Economic relations

The value of imports to the Czech Republic increased sixfold from 2006 to attain a value of USD 170,000; Czech exports fell to USD 600,000 (half the 2006 level).

The Czech Republic's principal export commodities: water filtering and purifying apparatus, television set antennas, cotton fabrics.

The Czech Republic's principal import commodities: cotton, plants and seeds for use in perfumery and medical purposes.

Development cooperation

At the end of 2007, the second and final part of the Czech Republic's foreign development cooperation project for supplies of drinking water in Toma, one of the regional capitals of Burkina Faso, was completed. The initial phase of the project – finding a sufficiently large water source – took place in 2004 and 2005. Czech development cooperation provided CZK 12.8 million in financing for this part of the project. CZK 5 million was earmarked for the completion of the project in 2007. Additional financing was provided by the Czech implementing organisation, a local water company (approx. CZK 5 million), and the local ministry of agriculture.

CONGO

(Democratic Republic of the Congo)

The promotion of the head of the Czech Embassy in Kinshasa to the rank of ambassador in 2007 was a significant contribution to the further development of relations with the DRC. In addition, the calming of the situation in the DRC following the successful democratic elections and formation of a government and provincial leadership also helped strengthen cooperation between the Czech Republic and the DRK in 2007 and brought numerous economic impulses.

Economic relations

The democratic development in the country and the new DRC government's economic programmes, including a programme for the rapid renewal of the economy, are paving the way for a deepening of economic relations with the Czech Republic. The DRC is currently the Czech Republic's 147th biggest trading partner. The Czech Republic has a balance of trade surplus with the DRC.

The Czech Republic's principal export commodities: clothing, tyres and tyre cord, electronic apparatus, spare parts for power-generating equipment.

The Czech Republic's principal import commodities: wood, cobalt.

Development cooperation and humanitarian aid

Besides individual and one-off events, two other important projects are "Long-distance Adoption" by Caritas Czech Republic, which has so far involved over 200 children from the poorest families living in the Makala district of Kinshasa, and Caritas' participation in the construction of the Collège St. Christiane in Makala.

The Czech Republic is also developing educational cooperation with the DRC. Under the government scholarship programme, there were twelve DRC students studying in the Czech Republic at the end of 2007, seven on bachelor's courses and five on master's courses.

DJIBOUTI

(Republic of Djibouti)

The Czech Republic and Djibouti have for long had friendly relations, but their political and economic dimensions are constrained by geographical factors. Even so, the awareness of the Czech Republic among the population of Djibouti can be rated as fairly good. That is largely thanks to the Honorary Consulate of the Czech Republic.

Economic relations

Economic relations are negligible: Czech exports were worth USD 250,000 (matches), no imports were registered.

Humanitarian aid

In June 2007, the Czech Republic provided Djibouti with CZK 400,000 to deal with the consequences of the serious humanitarian crisis caused by extreme drought.

ETHIOPIA

(Federal Democratic Republic of Ethiopia)

In 2007, the traditionally friendly relations between the Czech Republic and Ethiopia were reinvigorated by a state visit by First Deputy Prime Minister and Minister for Regional Development of the Czech Republic J. Čunek. A double taxation avoidance convention was signed during the visit. Ethiopia's economic significance was underlined by the strong growth in the volume of trade exchange. Ethiopia contributed to the further development of mutual relations by unilaterally facilitating the visa regime for Czech citizens.

Visits by representatives of the Czech Republic:

- 26-27 July 2007 – official state visit by a high-level ministerial delegation led by First Deputy Prime Minister and Minister for Regional Development J. Čunek and composed of Minister of Defence V. Parkanová, Minister of Government D. Stehlíková, Deputy Minister of Foreign Affairs J. Bašta and Deputy Ministry of Industry and Trade M. Tlapa. The delegation was accompanied by a business mission.

Economic relations

The volume of trade exchange grew fourfold in 2007, and Ethiopia continues to be one of the traditional and long-standing markets for Czech goods in sub-Saharan Africa. It is expected that the significance of this developing and economically stable country of 85 million inhabitants as a partner of the Czech Republic in Africa will continue to grow. Ethiopia is currently the Czech Republic's 104th biggest trading partner. The Czech Republic has a balance of trade surplus with Ethiopia.

The Czech Republic's principal export commodities: apparatus, jet engines, cyanides, vats and containers, spare parts for food industry machinery, chandeliers, packaging technology, boilers, textile and leatherworking machinery, iron and steel, motor vehicles.

The Czech Republic's principal import commodities: coffee, pulses, potatoes, jet engines for renovation, skins and hides, cut flowers, bed linen, footwear.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Education	Assistance in Implementation of Modern Teaching Methods in the Ethiopian Education System	People In Need	2003-2007	4 364	23 175
	Expansion of the Secondary School in Awassa and Support for Students/AIDS Orphans	People In Need	2007-2009	880	4 112
Environment	Hydrology Research with the Focus on Drought-Affected Areas	Aquatest, a.s.	2006-2008	2 200	2 200
	Improving Access to Drinking Water in Alaba Special Woreda, Ethiopia	People In Need	2007-2009	162	6 610
Total				7 606	36 097

Small-scale local projects under the Embassy					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Embassy in Addis Ababa	Improvement of the Training and Production Capacity of Workshops	Embassy in Addis Ababa	2007	129	x
Total				129	x

Government scholarships			
Study programme	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	4	7	4

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Ethiopia	15	7 735

Cultural relations

At the European International Film Festival in Addis Ababa, the Czech Republic was represented by *Wild Flowers* and *Some Secrets*. As part of the celebrations marking the 50th anniversary of the signature of the Treaties of Rome, the Embassy of the Czech Republic organised a thematic exhibition entitled “Capital Cities of Europe” in collaboration with the Czech Numismatic Society.

GAMBIA

(Republic of The Gambia)

The Czech Republic does not have many contacts with Gambia. Consequently, Deputy Minister of Foreign Affairs D. Gladiš visited Gambia in 2007 with a view to invigorating relations.

Visits by representatives of the Czech Republic:

- 5-6 June 2007 – working visit by Deputy Minister of Foreign Affairs of the Czech Republic D. Gladiš for political and economic consultations with Deputy Minister of Foreign Affairs of Gambia O. Seca; the Czech deputy minister discussed support for the Czech Republic’s candidature to the UN Security Council and emphasised the Czech Republic’s interest in intensifying mutual economic relations.

Economic relations

Imports were almost non-existent in 2007, as in the previous year. However, Czech exports doubled to attain a value of USD 950,000. Transmission apparatus for radio and television and miscellaneous reception apparatus made up the majority of exports.

GHANA

(Republic of Ghana)

In 2007, economic cooperation again formed the core of the traditionally very good mutual relations with Ghana. A working visit to Prague by the Ghanaian deputy foreign affairs minister in 2007 also brought something of a revival in the enduringly problem-free but less intensive political relations.

Visits by representatives of Ghana:

- March 2007 – working visit by Deputy Minister of Foreign Affairs, Regional Integration and NEPAD Akwasi Osei-Adjei.

Economic relations

In 2007, economic cooperation again formed the core of the traditionally good mutual relations with Ghana. A working visit to Prague by the Ghanaian deputy foreign affairs minister in 2007 also brought something of a revival in the enduringly problem-free but somewhat less intensive political relations. Ghana is currently the Czech Republic's 102nd biggest trading partner. The Czech Republic has a balance of trade surplus with Ghana.

The Czech Republic's principal export commodities: passenger cars, wheeled tractors, small gardening machinery, machinery (including used machinery), steel, tyres, glass, costume jewellery, food products, dried milk, chemicals, dyes, children's nappies, light fixtures, fabrics and clothing, small consumer goods.

The Czech Republic's principal import commodities: tropical fruit and nuts, coffee, cocoa, rubber, wood.

Development cooperation and humanitarian aid

For both the 2006/2007 and 2007/2008 academic years, Ghana made use of the four government scholarships offered. In total, there were thirteen Ghanaian students studying in the Czech Republic at the end of 2007, six on bachelor's courses and seven on master's courses.

In October 2007, the Czech Republic provided humanitarian aid worth CZK 1.5 million to Ghana to alleviate the consequences of floods in northern parts of the country.

GUINEA-BISSAU

(Republic of Guinea-Bissau)

A working visit to Guinea-Bissau by Deputy Minister of Foreign Affairs D. Gladiš at the start of June 2007 was an expression of the Czech Republic's interest in sub-Saharan Africa and also an attempt to intensify mutual relations with Guinea-Bissau. During the visit, the deputy foreign minister discussed support for the Czech Republic's candidature to the UN Security Council with Prime Minister M. N'Dafa Cabi. Prime Minister Cabi expressed interest in the continuation of the Czech Republic's scholarship programme for Guinea-Bissau and in cooperation with the Czech Republic in the provision of training for the security forces in connection with Guinea-Bissau's cooperation with the EU in the field of security system reform.

Visits by representatives of the Czech Republic:

- 3-5 June 2007 – visit by Deputy Minister of Foreign Affairs of the Czech Republic D. Gladiš for political and economic consultations with Prime Minister Martinho N'Dafa Cabi; the Czech deputy minister discussed support for the Czech Republic's candidature to the UN Security Council and Prime Minister Cabi requested development assistance in the educational field, including training for the security forces.

Economic relations

Imports were almost non-existent (the Czech Republic stopped importing the minimal amount of coffee it had imported in 2006). Czech exports fell sharply and amounted to just USD 14,000 (compared to ten times that amount in 2006). Tyres were the only export commodity.

Development cooperation

As a demonstration of the Czech government's long-term focus on educational cooperation, Guinea-Bissau was provided with two university scholarships in 2007.

KENYA

(Republic of Kenya)

Immediately after the outbreak of disturbances in Kenya that followed the presidential elections in December 2007, in the conclusions of the General Affairs and External Relations Council of the European Union the Czech Republic, as an EU member, expressed its concern over the instability and uncertainty in the country and expressed its regret over the losses of life. It condemned the violence and called on political leaders to find a political solution to the crisis.

Visits by representatives of the Czech Republic:

- 4-10 February 2007 – visit to the 24th session of the Governing Council of the UNEP by Deputy Ministers of the Environment K. Bláha and J. Dusík.

Economic relations

Kenya is one of the Czech Republic's important trading partners in sub-Saharan Africa. Kenya is currently the Czech Republic's 120th biggest trading partner. The Czech Republic has a balance of trade surplus with Kenya. Trade turnover is characterised by slight growth.

The Czech Republic's principal export commodities: reactors, electronic apparatus, plastics, glass, parts for aircraft, furniture.

The Czech Republic's principal import commodities: live animals, coffee, tea, textile fibres, fruit, wool.

Development cooperation and humanitarian aid

Another section of the renovated hospital in Itibo was opened in 2007.

Kenya was provided with two government scholarships for the 2007/2008 academic year. In total, there were twelve Kenyan students studying in the Czech Republic at the end of 2007, two on bachelor's courses and ten on master's courses.

Cultural relations

In keeping with the previous years' tradition, the Czech Republic took part in the "European Film Festival" with a screening of *Bored in Brno*.

LIBERIA

(Republic of Liberia)

Relations between the Czech Republic and Liberia are not particularly well-developed at present. The Czech Republic participates in the United Nations' UNMIL mission in Liberia.

Economic relations

The value of imports to the Czech Republic was USD 4 million, half the figure in 2006; crude rubber has traditionally been the leading import commodity. Czech exports doubled to USD 1 million; the principal commodities were motor vehicles and second-hand clothing.

Presence of Czech servicemen/observers

There is a permanent presence of five Czech policemen serving in the United Nations' UNMIL mission in Liberia. The contingent, which rotates once a year, provides training for the local police force.

MALAWI

(Republic of Malawi)

The traditionally friendly relations between the two countries continued to deepen in 2007, and awareness of the Czech Republic in Malawi is increasing. As one of the poorest countries in sub-Saharan Africa, Malawi's primary interest is in donor aid and development cooperation.

Visits by representatives of the Czech Republic:

- 27-28 May 2007 – official talks conducted by Deputy Minister of Foreign Affairs H. Bambasová at the Ministry of Foreign Affairs of Malawi regarding bilateral cooperation and support for candidatures.

Economic relations

Economic relations remained at the previous years' level: Czech exports were worth USD 200,000, imports USD 4.2 million.

The Czech Republic's principal export commodities: parts and accessories for telecommunications apparatus.

The Czech Republic's principal import commodities: tobacco.

Development cooperation

The last official development cooperation between the Czech Republic and Malawi was the "Sue Ryder Nursing and Rehabilitation Field Work" project in 2006.

As part of transformation cooperation, the Czech Republic provided Malawi with one university scholarship for the 2007/2008 academic year.

MALI

(Republic of Mali)

The Czech Republic views Mali as one of its important partners in West Africa. Mali is a traditional trading partner of the Czech Republic in the western part of sub-Saharan Africa; the Czech Republic continues to strive to deepen economic contacts.

Economic relations

Mutual trade can be described as stable, or slightly increasing. The value of Czech exports to Mali in 2007 was USD 21.4 million; imports were worth USD 3.3 million. The figures are almost exactly the same as in 2006. The Czech Republic has traditionally supplied customers in Mali with fabrics (damasks) that are partly made from Mali wool (95 % of the total value of Czech exports). Almost 90 % of Czech imports was accounted for by raw cotton, which is then processed in the Czech Republic.

Development cooperation

In 2007, there was an ongoing trilateral project of the Czech Republic, Luxembourg and Mali focusing on supplies of drinking water in the Barouéli district in Ségou province. The project's goal is to renew drinking water resources, develop new sources of drinking water and provide repairmen with the necessary training and equipment. The implementing organisation is Mali's Regional Directorate for Water Resources and Energy; the executive agency in Luxembourg is Lux-Development; the Czech Republic's participation took place through the Development Centre of the Institute of International Relations. The project will be completed by the end of 2008.

MOZAMBIQUE

(Republic of Mozambique)

A visit by Deputy Minister of Foreign Affairs H. Bambasová, in 2007, helped strengthen the friendly relations between the Czech Republic and Mozambique. Besides talks on support for the Czech Republic's candidature for a non-permanent seat on the UN Security

Council for 2008-2009, the visit paved the way for further developmental and economic cooperation between the two countries. The Czech Republic's interest in cooperation with Mozambique was also confirmed by the opening of an Honorary Consulate in Maputo during the deputy minister's visit.

Visits by representatives of the Czech Republic:

- 31 May – 1 June 2007 – visit by Deputy Minister of Foreign Affairs H. Bambasová.

Humanitarian aid

In spring 2007, the Czech Republic provided Mozambique with CZK 1 million in humanitarian aid for the victims of natural disasters and the explosion of a munitions depot.

NAMIBIA

(Republic of Namibia)

The Czech Republic has for long had excellent relations with Namibia. Czechoslovakia's support for the SWAPO movement in its struggle for liberation and Namibian independence earned the country considerable credit among Namibian representatives. Namibia also appreciates the education given to several dozen Namibian children who still speak Czech today and a number of whom serve in Namibian government offices.

Economic relations

Czech exports were worth USD 600,000; imports amounted to USD 1.6 million. The biggest commodity in trade exchange between the Czech Republic and Namibia is imports of fish products. The quantities of other commodities are negligible.

Development cooperation

Up to the end of 2007, Namibia was one of the biggest beneficiaries of Czech foreign development cooperation in Africa. In October 2007, the project to build a footwear factory in the city of Okahandja was completed (total cost of CZK 24 million), and trial production was launched. Continued aid was given to families affected by HIV/AIDS (People In Need, grant

from the Ministry of Labour and Social Affairs of the Czech Republic) and direct cooperation between the Polytechnic of Namibia and the University of J. E. Purkyně in Ústí nad Labem (Ministry of Education, Youth and Sports of the Czech Republic). One government scholarship for university study was provided to Namibia.

NIGERIA

(Federal Republic of Nigeria)

In sub-Saharan Africa, Nigeria's political and economic potential make it the Czech Republic's most important partner in the Gulf of Guinea region. After the Republic of South Africa, Nigeria is the Czech Republic biggest trading partner in sub-Saharan Africa.

Compared to 2006, when foreign affairs minister C. Svoboda and President V. Klaus visited Nigeria and Nigeria's deputy defence minister visited the Czech Republic, the intensity of political bilateral relations declined slightly in 2007. In June, two traditional Nigerian rulers, the emir of Kano and the king of Ife Ife, visited the Czech Republic. President Klaus held a working lunch in their honour. Following the state visit in December 2006, President V. Klaus again visited Nigeria, this time at the invitation of the prestigious Osigwe Anyiam-Osigwe Foundation. On 29 November 2007, the President gave a lecture on the subject of "Europe as a Strategic Partner in Harnessing African Capital" in Lagos.

Visits by representatives of the Czech Republic:

- 28-30 November 2007 – visit by President V. Klaus, Osigwe conference in Lagos.

Visits by representatives of Nigeria:

- 19-25 June 2007 – visit by the Emir of Kano Alhaji Ado Bayero and Joruba king Okunade Adele Sijuwade Elebuse II of Ile Ife.

Economic relations

In 2007, Nigeria was again the Czech Republic's second most significant trading partner in sub-Saharan Africa. There is still considerable untapped potential for Czech exports, however. Major contracts were signed in June 2007 for supplies and repairs of aircraft and for securing Nigerian airspace and airports. Trade exchange has grown constantly

over the last ten years and the Czech Republic has a pronounced balance of trade surplus with Nigeria.

The Czech Republic's principal export commodities: motor vehicles, razor blades, parts for machinery and apparatus, structures, sheet metal, rods, hats, transformers, transmission apparatus, regulating and controlling instruments.

The Czech Republic's principal import commodities: rubber, cotton, coffee.

Development cooperation

As a part of development cooperation, the Czech Republic provided Nigeria with three university scholarships for the 2007/2008 academic year.

REPUBLIC OF SOUTH AFRICA

In 2007, relations with the Republic of South Africa were further deepened and strengthened; South Africa remained by far the Czech Republic's most important partner in sub-Saharan Africa. Last year, the positive reverberations of the first-ever state visit to the Republic of South Africa by a president of the Czech Republic in December 2006 were still being felt; the visit was also the first state visit to the country by a Central European head of state since the end of the apartheid era. Moreover, there were five important visits in the field of foreign affairs, home affairs, industry and trade, culture, and parliamentary contacts. A visit by the director of the Czech National Gallery contributed to the deepening of cultural relations.

Visits by representatives of the Czech Republic:

- 4-6 June 2007 – working visit by Deputy Minister of Foreign Affairs H. Bambasová;
- 22-26 August 2007 – official visit by a delegation of the Committee on Health and Social Policy of the Senate of Parliament, led by Vice-president of the Senate J. Šneberger.

Visits by representatives of South Africa:

- 12-15 June 2007 – working visit by Deputy Minister of Home Affairs M Gigaba;

- 5-7 September 2007 – official visit by Deputy Minister of Trade and Industry R. Davies.

Economic relations

In 2007, the Republic of South Africa consolidated its position as the Czech Republic's most important trading partner on the entire African continent. There was growth in mutual trade turnover. The Republic of South Africa is currently the Czech Republic's 40th biggest trading partner. The Czech Republic has a balance of trade surplus with the RSA.

The Czech Republic's principal export commodities: automatic data processing machines, parts and spares for motor vehicles, electrical equipment, paper and paperboard and products of such, machinery and plant equipment, finished products.

The Czech Republic's principal import commodities: textile fibres (wool), machinery and equipment, fruit, iron and steel, non-ferrous metals, leather and leather products.

Bilateral agreements concluded in 2007

- Memorandum of Understanding between the Academy of Sciences of the Czech Republic and the National Research Foundation of the Republic of South Africa on Cooperation in the Field of Science and Technology, Prague, 27 April 2007.

Cultural relations

Director of the National Gallery in Prague Professor M. Knížák paid a working visit to the Republic of South Africa from 20 to 25 March 2007. Professor Knížák was the first senior cultural representative of the Czech Republic to visit the country in recent years. During his stay he visited the National Gallery in Cape Town, the Arts Gallery in Pretoria and a number of private galleries and artists' studios in Pretoria, Johannesburg and Cape Town. He was received by Minister of Arts and Culture of the Republic of South Africa P. Jordan.

The main cultural event in 2007 was a tour by the Slovácko ml. dulcimer music ensemble from Mikulčice – eight performances were organised for the musicians in Cape Town and Pretoria. The Czech Republic was represented by the film *Zelary* at the "EU Film Festival". *The Firemen's Ball* was shown at the "Classic Film Festival" of the Goethe Institute in Johannesburg.

In the field of direct educational contacts, there continued to be successful cooperation between the University of South Bohemia and the University of Potchefstroom. The Embassy of the Czech Republic provides candidates seeking to study Czech with contacts to the Slavonic Studies Summer School in Prague and the expatriates' course at Dobruška.

SENEGAL

(Republic of Senegal)

The Czech Republic and Senegal have long-standing friendly relations. Although there were no significant visits at high political level in 2007, both sides have expressed a long-term interest in organising such visits. The Czech Republic welcomes the Senegal's interest in the reopening of the Czech Republic's diplomatic mission in the Republic of Senegal.

Visits by representatives of the Czech Republic:

- May 2007 – visit by Deputy Minister of Foreign Affairs D Gladiš.

Development cooperation

The Czech Republic appreciates Senegal's traditional stabilising role in Africa, its engagement in the international security forces of the African Union and its staunch political will to provide the best possible conditions for the work of the international court in Dakar. From this point of view the Czech Republic also supports the joint actions of the European Union and African Union and the talks on EU member states' technical and financial assistance for the work of the international court.

SEYCHELLES

(Republic of Seychelles)

Bilateral relations with the Seychelles are developing primarily in the fields of culture and tourism. The Seychelles is becoming an increasingly popular destination for Czech tourists. Minister of Foreign Affairs of the Czech Republic K. Schwarzenberg visited the Seychelles in 2007. The result of this visit was a joint declaration of interest in cooperation in

the fields of education and energy. During the talks, Minister Schwarzenberg also reiterated the Czech Republic's interest in concluding an extradition agreement.

Visits by representatives of the Czech Republic:

- 22-23 November 2007 – visit by Minister of Foreign Affairs K. Schwarzenberg.

SUDAN

(Republic of Sudan)

The Czech Republic supported the efforts of the international community to find a peaceful solution to the conflicts in Sudan. The activities of the Honorary Consul of the Czech Republic in Khartoum contribute to the development of Czech-Sudanese relations.

Visits by representatives of Sudan:

- 24 January 2007 – visit by Minister of State for Foreign Affairs A. W. el-Samani for consultations at the Ministry of Foreign Affairs of the Czech Republic.

Economic relations

Imports to the Czech Republic amounted to USD 2.8 million, four times more than in 2006; aluminium was the principal import commodity.

Czech exports were worth USD 10 million (compared to USD 11 million in 2006). The principal export commodities were motor vehicles (40%), transmission shafts, ball-bearings and parts of piston engines.

Cultural relations

The majority of cultural events were organised in cooperation with the Czech-Slovak-Sudanese Friendship Society. Events in 2007 included an exhibition of photographs by F. Stašek dating from the 1920s and “Czech Film Week”.

Cooperation was established in the field of archaeology (the Czech Institute of Egyptology of the Faculty of Philosophy of Charles University and the Sudanese National

Corporation for Antiquities and Museums) and talks were opened on the granting of a concession for excavations in the Merawi locality in northern Sudan.

Humanitarian aid

The Czech Republic provided Sudan with humanitarian aid worth a total of CZK 10.5 million in 2007. CZK 5 million was allocated through the UN World Food Programme as a financial contribution to its operation to provide basic nutrition for the population affected by the internal conflict, most notably in Darfur and other areas of Sudan. In line with the EU common position, another CZK 5 million was provided as the Czech Republic's financial contribution through the European Commission (9th European Development Fund) towards the African Union peacekeeping mission in Darfur (AMIS) as part of the African Peace Facility in response to one of the biggest humanitarian crises in the world. CZK 500,000 was transferred to the Humanitarian Aid Relief Trust (HART).

UGANDA

(Republic of Uganda)

The Czech Republic has traditionally friendly relations with Uganda; bilateral cooperation focuses on development.

Economic relations

Exports and imports both amounted to USD 2.5 million (with imports increasing tenfold from 2006). The Czech Republic's principal export commodities were television set antennas, turboprop motors and generators; coffee was the principal import commodity.

Development cooperation

In development cooperation, the work of the Czech-Ugandan hospital in Buikwe in eastern Uganda continued. Thanks to cooperation with Slovak doctors sent by the University of Trnava, the hospital provides top-quality medical care.

ZAMBIA

(Republic of Zambia)

The traditionally friendly relations between the two countries continued to develop in 2007, and awareness of the Czech Republic as a donor country increased.

Economic relations

The Czech Republic continued to have a balance of trade surplus with Zambia, but the overall absolute volume of trade exchange is very low. The level of trade exchange falls short of both countries' potential. It will therefore be necessary in the coming years to look for opportunities for further deepening and increasing mutual trade. Zambia is currently the Czech Republic's 169th biggest trading partner. The Czech Republic has a balance of trade surplus with Zambia.

The Czech Republic's principal export commodities: telecommunications equipment, accessories for television and radio broadcasting equipment, turboprop engines, metal-cutting machinery, metal products, non-rotating electrical machinery and parts of such, transformers, paper and paperboard, firearms, antisera and other blood fractions, vaccines.

The Czech Republic's principal import commodities: preparations for oral and dental hygiene, hydrographic, oceanographic etc. instruments and apparatus, rangefinders, cut flowers, bulbs of flowering plants, flower buds for bouquets, fresh, dried and otherwise prepared, turboprop engines, automatic data processing machines, fresh stone fruit, fresh and chilled pulses, fresh and chilled vegetables.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Agriculture	Increasing the Production Properties of Livestock in Kaoma District	Czech University of Life Sciences in Prague	2007-2009	3 000	8 500
Total				3 000	8 500

Small-scale local projects under the Embassy of the Czech Republic

Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Czech embassy in Harare	Purchase of a Generator for the Purposes of the Hospital in Livingstone	Livingstone Events Organisation	2007	558	x
	Development of Zambian Museology (museums in Lusaka, Livingstone and Mwandu).	Naprstek Museum	2007	265	x
	Purchase of Textbooks, Teaching Aids and Sports Equipment for St. Charles Academy, Solwezi	Diocese of Solwezi + Caritas Czech Republic	2007	119	x
	Sanitary Articles and Bedding for Hospice JON, Kamwala-Lusaka, Zambia	Hospice JON provided by Catholic Relief Services	2007	80	x
Total				1 022	x

Trilateral projects					
Sector	Project name/cooperating organisation	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Ministry of Foreign Affairs	Work on Promises/CIDA Foundation	ADRA, o.s.	2007	998	x
Total				998	x

Government scholarships			
Study programme	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	9	2	0

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Zambia	11	5 020

Humanitarian aid

Through the Red Cross, the Czech Republic provided Zambia with a one-off humanitarian aid contribution of CZK 1.5 million in April 2007 to deal with the consequences of floods.

Cultural relations

- In cooperation with the National Museum in Livingstone, the Embassy of the Czech Republic in Harare presented catalogues of the best-known Zambian painter S. Kappata to local cultural organisations.

In October 2007, a celebration of Czech National Day was organised in Lusaka and was attended by Czech community members and graduates of Czech universities.

ZIMBABWE

(Republic of Zimbabwe)

In 2007, Zimbabwe was in a profound economic and political crisis that the existing regime blamed mainly on the EU, which again extended its sanctions measures against Zimbabwe. The Czech Republic continues to support the provision of humanitarian aid to the local population and undertakes bilateral activities to maintain the local awareness of the two countries' traditional bilateral contacts.

Economic relations

Czech exports were worth USD 300,000; imports amounted to USD 1.8 million. The principal Czech commodities in Czech exports to Zimbabwe in 2007 were electrical audio signalling apparatus and paper industry products. The predominant import article was fruit.

Cultural relations

In the interests of maintaining the local awareness of the Czech Republic, the Embassy of the Czech Republic in Harare continued to cooperate with leading Zimbabwean cultural institutions, in particular the National Gallery in Harare and its branches, where it presented an exhibition of graphic art by K. Demel (Harare), an exhibition of "Czech Easter" (Mutare), and an exhibition of books by V. Havel in cooperation with the V. Havel Foundation on the occasion of the "Intwasa Arts Festival" (Bulawayo). In cooperation with the National Gallery in Prague, the Embassy of the Czech Republic in Harare contributed to a cross-cutting exhibition of modern Zimbabwean sculpture at the National Gallery in Prague and, for the second consecutive year, cooperated on the opening of an outdoor exhibition of "Sculptures of Zimbabwe" at the Botanical Gardens in Prague.

Through its close cooperation with prominent sculptors, the embassy donated books to the Dominic Benhura Library at Kambarami School in Murehwa and presented donations from Czech donors to the sculptors' community in Tengenenge.

6. The Czech Republic's relations with North and South American countries

ANTIGUA AND BARBUDA

The Czech Republic has diplomatic contacts with Antigua and Barbuda on the basis of non-resident embassies. As there have been no significant visits by top-level representatives to date, relations remain at the level of visits of accredited ambassadors and mutual support within the UN. The Czech Republic and Antigua and Barbuda maintain small-scale but constant trade exchange.

Economic relations

There is practically no demand for Czech goods and services in Antigua and Barbuda. Mutual economic relations develop on an *ad hoc* basis, as repeated exports of the same commodities have not been registered in recent years.

The Czech Republic's principal export commodities: ball-bearings, standard and parabolic antennae and components of such, metal and plastic seals, parts and accessories for machinery and looms, parts and accessories for tractors and passenger cars and lorries, controllers and processors.

- The Czech Republic's principal import commodities: cotton fabrics, glass beads and imitation pearls and precious stones, roasted and ground peanuts, carded and combed acrylic and modacrylic staple fibres, frozen fish fillets, parts and accessories for string instruments, lemons and limes, plant and mineral materials.

Development cooperation

In June 2007, a small development project focusing on education was approved, with the Czech Republic donating computer technology worth USD 20,000 to the "Five Islands Community Computer Access Centre".

ARGENTINA

(Argentine Republic)

In 2007, there was a further deepening of Czech-Argentine bilateral relations, which centre on trade cooperation. Argentina has traditionally been one of the Czech Republic's leading partners in Latin America, partly for its foreign policy significance and regional importance, but also from the point of view of new export opportunities for Czech businesses. The new opportunities are to be found particularly in the energy industry, machine engineering, agricultural technology and biotechnologies, mining and other sectors. At the end of 2007, a Czech Centre was opened in Argentina, which is expected to bring a fundamental intensification of cultural cooperation.

Visits by representatives of the Czech Republic:

- 23-29 September 2007 – official visit by Deputy Minister of Culture F. Mikeš.

Economic relations

The volume of trade exchange grew in 2007. Argentina remains one of the traditional buyers of Czech goods in Latin America, while still possessing further potential as an export market. Argentina is the Czech Republic's 64th biggest trading partner. The Czech Republic has a balance of trade deficit with Argentina.

The Czech Republic's principal export commodities: motors and electric generators, ball-bearings, chemical elements, isotopes and radioactive mixtures, air-conditioning equipment, pneumatic hand tools, bulldozers, levellers and excavators, filament lamps, discharge lamps and arc lamps, sulphonamides, structures and iron and steel parts of such, alkaloids, vegetable salts and esters.

The Czech Republic's principal import commodities: uncarded and uncombed wool, fresh and dried citrus fruits, unprocessed groundnuts, fresh and dried grapes, unwrought aluminium, parts and components for motor vehicles and tractors, carded and combed wool and animal hair, wine from fresh grapes and grape must, fabrics, vegetable waste and residues for animal food, fresh apples, pears and quinces.

Bilateral agreements concluded in 2007

- Programme of Cooperation between the Ministry of Culture of the Czech Republic and the Ministry of Foreign Affairs, International Trade and Worship of the Argentine Republic for the Years 2008-2010, Buenos Aires, 26 September 2007.

Cultural relations

One of the most important cultural events was a further year of the festival “Prague in Buenos Aires – from Franz Kafka to Luis Borges, Two Important Writers, Two Important Cities”, which took place in June. During the festival, which comprised an exhibition of photographs by J. Jindra, screenings of films linked to the life and work of F. Kafka and a series of literary seminars, the director of the Prague-based Franz Kafka Society and the director of the renowned J. L. Borges International Foundation signed an agreement on cooperation between the two organisations. Another significant event was the science and technology seminar “E-Golem” in September 2007, dealing with the application of information technologies in culture and art. The opening of the Czech Republic’s scientific and research station in the Antarctic, which bears the name of J. G. Mendel, was an important event in scientific and technical relations; work also went ahead on the preparation of an Agreement on Mutual Cooperation in Antarctic Research in 2007. The Embassy of the Czech Republic also organised a number of smaller-scale cultural events. Perhaps the most outstanding event was the Christmas concert in December 2007, at which the Argentine audience had their first opportunity to hear J. J. Ryba’s Christmas Mass, sung by the Argentine choir Cantoría Lugano and soloists of Teatro Colón.

BELIZE

The Czech Republic’s relations with Belize are friendly but not intensive. The Czech Republic is requesting legal assistance from Belize in several cases concerning perpetrators of serious economic crimes who are in hiding in Belize. The Czech Republic provides humanitarian aid and development assistance to Belize. At the UN General Assembly in 2007, Deputy Minister of Foreign Affairs of the Czech Republic H. Bambasová held talks with Minister of Foreign Affairs L. Shoman.

Economic relations

Belize continues to be a country that has minimal trade relations with the Czech Republic.

The Czech Republic's principal export commodities: tyres, revolvers and pistols, aluminium structures, motors and parts, compounds, glass, polymers, iron products, motorcycle and bicycle parts, reproduction apparatus, pumps, ammunition, light fixtures, *et al.*

The Czech Republic's principal import commodities: reactors, boilers, agricultural and chemical products, fruit juices, vegetable waxes and bees' wax, clothing, *et al.*

Development cooperation and humanitarian aid

The Czech Republic provided Belize with humanitarian aid worth CZK 500,000 to deal with the destructive consequences of Hurricane Felix. A Czech company, GET s.r.o., is implementing a geological development project in Belize to evaluate deposits of industrial minerals.

BOLIVIA

(Republic of Bolivia)

The Czech Republic and Bolivia share friendly and trouble-free relations, yet from the long-term point of view their intensity falls short of the existing potential. On 2 April 2007, Czech Ambassador V. Zemanová presented her credentials to the Bolivian president E. Morales.

Economic relations

Trade exchange in 2007 registered slight growth from previous years. Bolivia is currently the Czech Republic's 141st biggest trading partner. The Czech Republic has a balance of trade surplus with Bolivia.

The Czech Republic's principal export commodities: motors, tubes, pencils, tiles, glass, knitting machines, lathes, ball-bearings.

The Czech Republic's principal import commodities: tin, nuts, veneers, handicrafts.

Development cooperation

The Czech Republic offered Bolivia four government scholarships for university study for the 2007/2008 academic year. In total, there were 18 Bolivians studying in the Czech Republic at the end of 2007, seven on bachelor's courses, four on master's courses and seven doctorate students.

In March 2007, the Czech Republic provided Bolivia with humanitarian aid worth CZK 2.2 million for dealing with the consequences of the floods that struck an extensive area of Bolivia at the start of the year.

BRAZIL

(Federative Republic of Brazil)

Brazil has for long been one of the Czech Republic's most important partners in Latin America, both in bilateral relations and in multilateral forums, primarily the UN. Mutual relations focus mainly on trade and economic cooperation. Brazil is currently the Czech Republic's biggest trading partner in Latin America in terms of both the volume of Czech exports and total trade exchange. It is a traditional and promising market for Czech businesses. There was significant progress in the European Union's relations with Brazil: in July 2007, during the EU-Brazil summit in Lisbon, a "strategic partnership" between the EU and Brazil was initiated. In May 2007, consultations were held in Prague at the level of the territorial directors general of foreign affairs ministries.

Visits by representatives of the Czech Republic:

- 13-19 May 2007 – visit by First Vice-president of the Senate of Parliament P. Pithart with a delegation of the Senate Committee on National Economy, Agriculture and Transport.

Economic relations

Brazil has for long been the Czech Republic's most important economic partner in Latin America. Brazil is the Czech Republic's biggest trading partner in Latin America: it is a traditional market for the Czech Republic, while still possessing potential for further growth. Both exports and imports have grown dynamically in recent years, with the value of trade

turnover in 2007 being the highest ever achieved. Brazil is the Czech Republic's 41st biggest trading partner. The Czech Republic has a balance of trade deficit with Brazil. There were several presentations of the Czech Republic in Brazilian regions in 2007 (the states of Ceará, Rio Grande do Sul, Rio de Janeiro) and a "Czech National Exhibition" in Rio de Janeiro (15-18 October 2007).

The Czech Republic's principal export commodities: motor vehicle combustion engines, motor vehicle parts, pumps, motor parts, electrical motors, aircraft, transmission shafts, air-conditioning equipment. Seamless steel tubes, pearls and imitation pearls, plastic tubes and rail track are also significant commodities.

The Czech Republic's principal import commodities: meat and meat products, aircraft, unwrought aluminium, fruit juices, unmanufactured tobacco, motor vehicle parts, soya cakes, parts of television sets.

Cultural relations

An exhibition of jewellery by K. Votipka was organised in Brasília and Rio de Janeiro in March in cooperation with the Embassy of the Czech Republic. A mini-festival of Czech films was staged in Brasília in April. The film *Fimfárum II* was presented in Manaus in May and then in the capital in June. The wind quintet of the National Theatre also performed in Brasília. The Brno Chamber Orchestra took part in the international festival of classical music in Recife in August. In October, the museum of the Central Bank in Brasília hosted an exhibition of "Historical Coins 1759-1918". Teachers of Czech continued to work with the Czech community in São Paulo and Porto Alegre in 2007. Cultural contacts take place mainly on a commercial basis at present.

CANADA

Canada is an important transatlantic ally of the Czech Republic. Bilateral relations are very good; 2007, moreover, brought a fundamental breakthrough in the one sensitive area of mutual relations – visa asymmetry. After clearly defining its criteria for visa-free travel in September 2007, the Conservative government of S. Harper then abolished visa requirements for Czech citizens on 31 October 2007. This is indisputably a success of the entire Czech

foreign service, which had conducted intensive negotiations on the abolition of visa requirements, at both bilateral and EU level, since 2004.

On 1 December 2007, an Agreement Concerning the Facilitation of Temporary Work Stays of Youth was signed, enabling study and work stays for citizens of both states who satisfy certain criteria. After years of negotiations, talks on an Agreement on the Promotion and Reciprocal Protection of Investments were completed; the Agreement has already been ratified in the Czech Republic and is awaiting ratification in Canada. The two countries held very close positions on a number of multilateral issues, such as UN reform modalities, the need for cooperation in the provision of transformation assistance to selected countries, etc. Room for very close cooperation is provided by both countries' interest in resolving the crisis in Afghanistan, in connection with the Czech government's decision to send a Czech Provincial Reconstruction Team to Afghanistan.

The Czech Republic also went ahead with its intensive cooperation with individual Canadian provinces. Following presentations of the Czech Republic in Alberta and Manitoba provinces, in 2007 the Czech Republic focused on Nova Scotia, whose capital Halifax hosted an extensive trade and tourism presentation event. In this context the opening of a further Honorary Consulate in Halifax is being considered – it would be the fourth Honorary Consulate of the Czech Republic in Canada. There are also several shared themes in the field of human rights, even in Canada itself. The Czech Republic supports the idea to set up a human rights museum in Winnipeg, the capital of Manitoba. The Czech Republic is convinced that the period of the fight for human rights in the communist regimes of Central and Eastern Europe should have an important place in the museum, not merely commemorating the past but also referring to the current situation in the world. Under the initiative of the Embassy of the Czech Republic in Ottawa, a project to erect a monument to victims of communism in the capital Ottawa is now being intensively discussed.

On 7-9 October 2007, Governor General of Canada M. Jean visited the Czech Republic in a private capacity to attend the “Forum 2000” conference. Although this was a private visit, a very interesting and wide-ranging programme was drawn up with the Canadian side, including a meeting with President V. Klaus. Three parliamentary delegations visited Canada during 2007, including the Committee on Foreign Affairs of the Chamber of Deputies. Visits by the Czech prime minister to Canada and subsequently by the Canadian

governor general to the Czech Republic will be a substantial contribution to the stepping up of bilateral relations.

Visits by representatives of the Czech Republic:

- 26-31 March 2007 – visit by a delegation of the Committee on National Economy, Agriculture and Transport of the Senate of Parliament, led by Vice-president of the Senate J. Šneberger;
- 27 May – 1 June 2007 – visit by a delegation of the Committee on Foreign Affairs of the Chamber of Deputies of Parliament, led by its chairman J. Hamáček;
- 23-25 September 2007 – visit by a delegation of the Standing Senate Commission on Expatriates, led by its chairman J. Zoser.

Visits by representatives of Canada:

- 7-9 October 10 – private visit by Governor General of Canada M. Jean.

Economic relations

A large part of Czech exports to Canada is effected via transnational companies, investments by Canadian firms in the Czech Republic and Czech holdings in Canada.

The structure of trade exchange between the Czech Republic and Canada has been changing for the better in recent years, with an increase in items with a higher degree of processing.

The Czech Republic's principal export commodities: rail track, flat-rolled products of silicon electrical steel, parts of rotating electrical machinery, railway carriage gearing, automatic washing machines, fittings, vacuum pumps, beer, machine tools.

The Czech Republic's principal import commodities: medicaments in packings for retail sale, mobile telephones, radio-telegraphy and radio-telephony apparatus, parts and components of aircraft or helicopters, animal food, optical measuring apparatus and instruments, sports equipment, food products.

Cultural relations

In 2007, Czech culture was presented mainly through art (exhibition of graphic artist A. Born in Ottawa in September 2007; an exhibition entitled “V. Havel in the Metamorphoses of Europe”, and an exhibition of works by architect B. Šípek in October 2007); cinema (Czech films screened at several commercial and non-commercial film festivals); and music (tour by the Boni Pueri children’s choir). The Czech Republic was represented by an extensive exposition at “Folkorama”, Canada’s biggest folk arts festival, in Winnipeg.

The Czech Republic continued to develop its cooperation with Czech community members in Canada. Czech community clubs’ projects were supported with funding of CZK 875,000; CZK 230,000 was contributed towards repairs of historical buildings. Four members of the Czech community attended the language course for expatriates at Dobruška. Minister of Foreign Affairs of the Czech Republic K. Schwarzenberg conferred the *Gratias Agit* award on conductor of the Toronto Philharmonic Orchestra K. Stratton and diplomat P. Bakewell.

CHILE

(Republic of Chile)

The standard of relations between the Czech Republic and Chile is currently very good. They are based on dynamically growing trade exchange and also on relatively intensive political cooperation, expressed in the high frequency of mutual visits. Chile ranks among the countries of Latin America with the fastest-growing and most stable economy. It offers a number of trade and investment opportunities for Czech businesses (mainly in the mining and energy industries). Chile has signed an Association Agreement with the European Union, effective since 2003. This means that upon the Czech Republic’s accession to the EU its partnership with Chile gained a new dimension that goes substantially beyond the bilateral framework.

Visits by representatives of the Czech Republic:

- 21-24 January 2007 – working visit by a delegation led by former minister of education, youth and sports P. Matějů, which made its first stop in Chile before

travelling on to the Antarctic to officially inaugurate the permanent Czech Antarctic station.

Visits by representatives of the Czech Republic:

- 28-29 March 2007 – working visit by a delegation of deputies of the Chamber of Deputies, led by the chairman of the Finance Committee and former president of the National Congress P. Lorenzini.

Economic relations

Trade turnover in 2007 exceeded the level attained in 2006. Although mutual trade is displaying growth, it falls short of both countries' potential. Chile is currently the Czech Republic's 66th biggest trading partner. The Czech Republic has a balance of trade deficit with Chile.

The Czech Republic's principal export commodities: office machinery, medical furniture, paper toilet articles, passenger motor vehicles, pneumatic tyres, matches other than pyrotechnical articles, illuminated signs.

The Czech Republic's principal import commodities: ferrous alloys, wine, fresh fruit, dried fruit, pulp, dried grapes.

Development cooperation

A development project to assist with the rehabilitation of the natural environment of Torres del Paine national park, which was damaged by a fire started unintentionally by a Czech citizen, was in its second phase in 2007. The reforestation project, which uses original Czech technologies and is scheduled to run until 2010, has a total value of CZK 19 million.

The Czech Republic provided Chile with one government scholarship for the 2007/2008 academic year. In total, there were five Chileans studying in the Czech Republic at the end of 2007, one on a bachelor's course, three on master's courses and one doctorate student.

Cultural relations

In keeping with tradition, the Czech Republic took part in the “Festival of European Cinema” in Santiago de Chile and other major cities, jointly organised by EU member states. The city of Puerto Natales in the south of Chile hosted an exhibition of photographs entitled “Pilgrimage Sites in the Czech Republic” and a performance by folklore ensemble Vsacan. The biggest event presenting the Czech Republic in Chile in 2007 was “Czech Days” (October 2007), which was organised with a financial contribution from the Ministry of Foreign Affairs of the Czech Republic and featured presentations of Czech firms and Czech culture and gastronomy. The Czech Republic was presented as a developed European country, a sound partner for cooperation and an attractive tourist destination. The presentation generated an outstanding level of interest among the Chilean public.

COLOMBIA

(Republic of Colombia)

Colombia is an important trading and political partner of the Czech Republic in Latin America. Trade and political relations between the Czech Republic and Colombia developed very intensively during 2007. The texts of three ministerial-level agreements were agreed in 2007: the Agreement on the Promotion and Reciprocal Protection of Investments, the Agreement on Cooperation in the Field of the Environment and the Agreement on Cooperation in Energy and Mining are expected to be signed in 2008.

Visits by representatives of the Czech Republic:

- 29 November – 2 December 2007 – visit by Deputy Minister of Foreign Affairs H. Bambasová.

Economic relations

Trade relations between the Czech Republic and Colombia continued to develop during 2007. Colombia is currently the Czech Republic’s 85th biggest trading partner. The Czech Republic has a balance of trade deficit with Colombia.

The Czech Republic’s principal export commodities: passenger cars and lorries, dried whey, electronics, cosmetics, construction machinery, plastic tubes, non-electrical machinery

and motors, textile and leatherworking machinery, industrial machinery, piston engines, toys and sports equipments, firearms and ammunition, medicaments, tractors and tractor parts, glass, paper, ball-bearings, iron and steel tubes, tools, imitation pearls, chemicals, pumps, pharmaceuticals, medical chairs, transmission shafts, gears, *et al.*

The Czech Republic's principal import commodities: fruits and nuts, coffee and coffee substitutes, raw materials of vegetable origin, confectionaries, live or dead fresh fish, plastic products, lighting fixtures, fats, paper, fruit juices, *et al.*

Development cooperation

Proposals were drawn up for two development projects at the end of 2007: a project entitled "Establishment of a Vascular and Cardiovascular Care Centre at the Central Military Hospital in Bogotá" and a project called "Secondment of Technical Assistance of Czech Experts in the Field of Energy for State Firm IPSE".

The Czech Republic provided Colombia with six scholarships for the 2007/2008 academic year. There were 23 Colombians studying in the Czech Republic at the end of 2007, six on bachelor's courses, five on master's courses and twelve doctorate students.

Cultural relations

The Embassy of the Czech Republic in Bogotá organised the following cultural events: "Czech Film Week" at the National University, a guitar concert by P. Vít, lectures on the Czech Republic, exhibitions entitled "The Beauty of Folk Costumes in My Country" and "Franz Kafka" and an exhibition of photographs by J. Kratochvíl. *Fimfárum II* was screened at the "Eurocine" festival of European film.

COSTA RICA

(Republic of Costa Rica)

Costa Rica is one of the Czech Republic's important partners in Latin America, particularly in the economic and trade field. Political relations have for long been harmonious and are based on shared values – the defence of democracy and human rights and the development of free trade, taking into account social cohesion. Cooperation between the two

countries in multilateral forums is therefore successful. Cooperation in the environmental field also developed successfully in 2007.

Economic relations

Costa Rica continued to be an economically stable country and a reliable place for investment in 2007. Costa Rica is the Czech Republic's 74th biggest trading partner. The Czech Republic has a balance of trade deficit with Costa Rica.

The Czech Republic's principal export commodities: artificial gut, plastic tubes, razorblades, paper, cardboard and paperboard, iron and steel hot-formed profiles, *et al.*

The Czech Republic's principal import commodities: Intel computer components, bananas and pineapples.

Development cooperation

An environmental project concerning the prediction of natural risks was implemented in Costa Rica, Nicaragua and Salvador in 2007. The value of the project in Costa Rica in 2007 was approx. CZK 1.4 million; the project's total budget for the years 2007-2009 in all three countries is CZK 17.2 million.

The Czech Republic provided Costa Rica with three government scholarships for the 2007/2008 academic year. In total, there were ten Costa Ricans studying in the Czech Republic at the end of 2007, four on bachelor's courses and six on master's courses.

Cultural relations

The Children's Museum put on an exhibition of photographs by the wives and mothers of Cuban political prisoners called "Our Problem" – the exhibition was prepared by the People In Need NGO. The duo of M. Hromek and K. Doležalová participated in "Credomatic", the Costa Rican festival of classical music. An exhibition of posters was installed in the Calderón Guardia Museum. The Costa Rican mixed choir Café Coral performed in the Czech Republic.

CUBA

(Republic of Cuba)

The level of Czech-Cuban contacts is currently low. The Czech Republic has traditionally called for Cuba to embark on the process of transformation into a pluralist society with an open market economy. Particular attention is paid to human rights violations. The Czech Republic expresses its position both in international forums and in bilateral talks. In March 2007, a group of ten Cuban refugees from the Guantánamo base came to the Czech Republic. In October 2007, the Cuban authorities arrested and deported a Czech citizen. The Ministry of Foreign Affairs of the Czech Republic summoned the Cuban chargé d'affaires in Prague for an explanation of the actions of the Cuban authorities and at the same time to protest that the Czech citizen was prevented from contacting the embassy. The economic field remains at the core of bilateral relations.

Economic relations

Trade exchange between the Czech Republic and Cuba declined in 2007 compared to the previous year. Cuba is the Czech Republic's 99th biggest trading partner. The Czech Republic has a balance of trade surplus with Cuba.

The Czech Republic's principal export commodities: machinery and transport equipment, industrial consumer goods, food products, metal products.

The Czech Republic's principal import commodities: cigars and tobacco products, rum, grape must, fruit and fruit juices.

Transformation cooperation

The Ministry of Foreign Affairs supported certain projects focusing on democratisation and the protection of human rights in Cuba.

Cultural relations

Cuba makes cultural relations conditional on politics, which limits the opportunities for presenting Czech culture. The Embassy of the Czech Republic in Havana publishes an information bulletin in Spanish.

DOMINICA

(Commonwealth of Dominica)

The Czech Republic has diplomatic contacts with the Commonwealth of Dominica on the basis of non-resident embassies. As there have been no significant visits by top-level representatives to date, relations remain at the level of visits of accredited ambassadors and mutual support within the UN.

Economic relations

The level of trade exchange between the Czech Republic and Dominica is low.

The Czech Republic's principal export commodities: frames of tractors, passenger cars and special-purpose motor vehicles, standard and parabolic antennae and parts of such, automatic data processing machines.

The Czech Republic's principal import commodities: plastic products, plastic articles for the conveyance and packing of goods, cotton fabrics of various colours, plain weave, switches, medical and pharmaceutical products made of vulcanised rubber not hard rubber, T-shirts, women's and girls' clothing made from synthetic and artificial fibres.

Humanitarian aid

In October 2007, the Czech Republic provided with Dominica with the equivalent of CZK 500,000 in financial humanitarian aid to deal with the consequences of Hurricane Dean.

DOMINICAN REPUBLIC

Bilateral relations between the Czech Republic and Dominican Republic have a long tradition. Relations are based on the principle of mutually beneficial cooperation, especially in multilateral forums. Contacts have been increasing in recent years: the Dominican Republic opened a resident Consulate General in Prague, and Santo Domingo was visited by Minister of Foreign Affairs C. Svoboda with a business mission (2005), which was the highest-level official visit in mutual relations to date. The Honorary Consulate of the Czech Republic in Santo Domingo does commendable work.

Visits by representatives of the Czech Republic:

- 18-20 April 2007 – visit by Deputy Minister of Foreign Affairs H. Bambasová on the occasion of the summit of foreign affairs ministers between the RIO Group and the European Union in Santo Domingo.

Economic relations

The Dominican Republic is the Czech Republic's 103rd biggest trading partner in terms of Czech exports and 95th in terms of imports. The Czech Republic has a balance of trade surplus with the Dominican Republic.

The Czech Republic's principal export commodities: passenger vehicles, piston engines and spare parts for passenger vehicles, tractors and lorries, wood products, turboprop engines up to 1.1 kW, salts, hydroxides, circular looms, pencils, *et al.*

The Czech Republic's principal import commodities: products from plastics and similar materials, medical, surgical, dental and veterinarian apparatus, self-adhesive products, switches, cigars, plastic bags and sacks, toilet articles for hygienic and hospital purposes, rum, access cards and tags, parts of electrical signalling apparatus.

Development cooperation

The Dominican Republic is a country of the Caribbean region, which will probably be the focus of Czech development cooperation in the field of mineral raw materials exploration and research. Another project is being prepared in the field of forestation. The Czech government provided the Dominican Republic with one university scholarship for the 2007/2008 academic year.

ECUADOR

(Republic of Ecuador)

Relations between the Czech Republic and Ecuador continued to develop successfully during 2007. Relations take place in cooperation with the “Ecuadorian-Czech Chamber of Commerce” established in 2006 and two Honorary Consulates in Guayaquil and Quito. The emphasis is placed mainly on trade and economic cooperation.

Visits by representatives of the Czech Republic:

- 3-4 December 2007 – visit by Deputy Minister of Foreign Affairs H. Bambasová in connection with the upcoming opening of the Honorary Consulate of the Czech Republic.

Economic relations

The total trade turnover between the two countries attained a value of USD 40.3 million in 2007. Ecuador is the Czech Republic’s 97th biggest trading partner in terms of Czech exports and 71st in terms of imports. The Czech Republic has a balance of trade deficit with Ecuador.

The Czech Republic’s principal export commodities: passenger cars, glassware, vehicle spare parts, textile and leatherworking machinery, chemical fertilisers, plastic tubes, automatic data processing machines, arms and ammunition, lighting fixtures, tools, rubber products, metal products, paper, medicaments, pumps, ball-bearings, fabrics, office machinery, machinery and plant equipment parts, *et al.*

The Czech Republic’s principal import commodities: fruits and nuts, medicaments, raw materials of vegetable origin, fish, canned shellfish, preserved crustaceans, confectionaries, starches and glues, preserved fruit, coffee and coffee substitutes, soap, pumps, fresh vegetables, wood, textile products, sanitary fixtures, hand tools, *et al.*

Development cooperation

In 2007, work commenced in Ecuador on an approved development cooperation worth CZK 3.7 million and entitled “Reducing Vulnerability and Maintaining Urban Infrastructure in the Unfavourable Geological Conditions of the City of Loja in Southern Ecuador”. At the end of 2007, a proposal was drawn up for the provision of CZK 400,000 of the Ministry of Foreign Affairs of the Czech Republic towards a project for a geological study concerning landslide prevention on the Lago Agrio – Quito road.

EL SALVADOR

(Republic of El Salvador)

El Salvador continued to be a reliable partner of the Czech Republic in Latin America in 2007. El Salvador is seeking to deepen political and economic cooperation with the Czech Republic and the EU.

Visits by representatives of El Salvador:

- 4-8 November 2007 – working visit by Vice President A. V. de Escobar.

Economic relations

El Salvador is the Czech Republic’s 72nd biggest trading partner and 84th biggest in terms of imports to the Czech Republic. The Czech Republic had a balance of trade surplus with El Salvador.

The Czech Republic’s principal import commodities: condensers, polymers, steel products, coffee.

The Czech Republic’s principal export commodities: steel products, rubber and plastics processing machinery, tantalum, bottling machinery, mechanical apparatus, machine tools, products for the conveyance and packing of goods, firearms and pistols, matches, *et al.*

Cultural relations

An exhibition of posters by A. Mucha took place in the Museum of Art in San Salvador in September.

Development cooperation

Since 2003, a development project entitled “Geological Study of Natural Hazards in Southeast El Salvador” has been implemented in El Salvador. The project comes under the authority of the Ministry of the Environment of the Czech Republic and the Czech Geological Survey. The total budget of the first phase of the project, which is intended to draw up a comprehensive study focusing on the prediction of geological risks, was CZK 9 million. The project was successfully completed in 2006, but in 2007 the Czech government approved a continuation of the project (also in Nicaragua and Costa Rica) for a further three years, with a total budget of CZK 17.2 million.

GUYANA

(Cooperative Republic of Guyana)

The Czech Republic and Guyana share friendly relations that are a continuation of cooperation from the period of the Czechoslovak Republic, when a number of Guyanese experts, doctors and even some present-day ministers studied in Czechoslovakia. In Guyana today, there is growing interest in stepping up cooperation with the Czech Republic in aviation, the military, culture and education, as well as in the traditional trade and economic cooperation. The newly opened Honorary Consulate of the Czech Republic in the Guyanese capital Georgetown should help develop cooperation in these fields.

Economic relations

The Czech Republic's principal export commodities: structures, plates and rods for iron structures, machinery for the treatment of materials by a change of temperature, non-electric water heaters, iron rods and bars, non-alloy forged, hot-drawn and hot-drawn steel, angles, shapes, iron profiles, vulcanised rubber strips, handsaws and jigsaws (including slitting, slotting or toothless blades), knives, cutting blades for machinery, mechanical apparatus.

The Czech Republic's principal import commodities: bananas, ethyl alcohol of less than 80%, spirits, liqueurs, parts of typewriters, computers and other automatic data processing machines, parts of television and radio transmission and reception apparatus, *et al.*

Development cooperation

In 2007, a Czech development project entitled "Extraction and Processing of Industrial Minerals in Jamaica and in Selected CARICOM States" was extended to Guyana. Under the project, deposits of kaolin, construction industry raw materials and glass industry sands will be explored. The project should be followed up by deliveries of Czech processing equipment for the said minerals and the industry based on them.

HAITI

(Republic of Haiti)

The Czech Republic only established diplomatic contacts with Haiti in 2006. In the context of its membership of the EU, the Czech Republic is striving to step up economic and development cooperation and humanitarian aid to the poorest country in the western hemisphere. Honorary Consulate of the Czech Republic was opened in the capital Port-au-Prince in 2007.

Economic relations

Czech exports to Haiti continued to grow in 2007.

The Czech Republic's principal export commodities: turbo-prop engines up to 1.1 kW, road rollers and road building machinery, aircraft propellers and rotors, brooms and brushes, tractor parts and spares, passenger cars and lorries, antennae, tyres, optics, ball-bearings and spark plugs, unbleached sack kraft paper, arms.

The Czech Republic's principal import commodities: microsets, fresh, frozen, dried and other peel of citrus fruits and melons, T-shirts, fresh and dried plants and parts of plants for use in perfumery and pharmacy.

Humanitarian aid

Czech non-governmental humanitarian aid has been provided in Haiti since 2005 by the charity Caritas Czech Republic as part of the "Long-range Adoption" project. In 2007, it was joined by another project entitled "Donate a Roof".

JAMAICA

Bilateral relations between the Czech Republic and Jamaica have a relatively long-standing tradition and are based on the principle of friendship and cooperation. This is reflected primarily in cooperation in the form of mutual support for candidatures in international organisations. The number of Czech tourists visiting Jamaica has also grown in recent years. Jamaica has for long been the biggest beneficiary of the Czech Republic's development cooperation in Latin America and the Caribbean.

Economic relations

Jamaica is the Czech Republic's 181st biggest trading partner in terms of Czech exports and 139th in terms of imports. Jamaica has a slight balance of trade surplus with the Czech Republic.

The Czech Republic's principal export commodities: parts and spares for tractors and passenger cars and lorries, mirrors, unbleached paper and cardboard, textiles, telephones, porcelain, glass.

The Czech Republic's principal import commodities: rum and other spirits obtained by distilling fermented sugar cane products, liqueurs, fruits and nuts, dried and ground capsicum pepper, coffee not decaffeinated, glues, plastics.

Development cooperation

A Czech development project entitled "Extraction and Processing of Industrial Minerals in Jamaica and in selected CARICOM States" has been running successfully since 2006. It follows up a similar project from previous years, under which new limestone deposits were explored and environmental remediation solutions were proposed.

In addition, a deposit of high-quality aggregates for gravel for road construction and repair was found on the island. The work of the Czech experts is highly appreciated and should result in supplies of processing machinery and equipment from the Czech Republic.

MEXICO

(United Mexican States)

The standard of bilateral relations between Mexico and the Czech Republic has traditionally been excellent ever since diplomatic relations were established in 1922. In 2007, the two countries staged official events to commemorate the 85th anniversary of the establishment of diplomatic relations. Mexico is one of the Czech Republic's most significant political and trading partners in Latin America. Cooperation has traditionally been intensive in the field of culture and in recent years in education too; cooperation in energy and environmental protection is developing. In 2007, the Czech Republic sought to strengthen its position in Mexico in the economic, tourism and cultural fields. Mexico has signed an Economic Partnership, Political Coordination and Cooperation Agreement with the European Union. This means that upon the Czech Republic's accession to the EU its partnership with Mexico gained a new dimension that goes substantially beyond the bilateral framework.

Visits by representatives of the Czech Republic:

- 9-13 June 2007 – visit by Deputy Minister of Foreign Affairs D Gladiš as part of the "Czech Days in Mexico" trade promotion project;

- 7-15 October 2007 – working visit by a delegation of the Committee on Economic Affairs of the Chamber of Deputies of Parliament, led by its chairman O. Vojříř.

Economic relations

Mexico is a traditional trading partner of the Czech Republic in Latin America. The mutual trade balance is constantly growing. The strengthening of trade cooperation should be assisted by the Agreement between the Ministry of Industry and Trade of the Czech Republic and the Ministry of Economy of the United Mexican States on the Establishment of a High-level Working Group for the Strengthening of Bilateral Economic Cooperation, signed in 2006. Mexico is the Czech Republic's 45th biggest trading partner. Both exports and imports have increased and the Czech Republic has a slight balance of trade deficit with Mexico.

The Czech Republic's principal export commodities: reactors, boilers, mechanical apparatus and tools, audio, video and TV electrical recording devices, motor vehicles, tractors, bicycles and other vehicles, glass and glass products, organic chemical products.

The Czech Republic's principal import commodities: audio, video and TV electrical recording devices, reactors, boilers, mechanical apparatus and tools, optical, photographic, cinematographic and medical apparatus, motor vehicles, tractors, bicycles and other vehicles, rubber, resin, juices, plant extracts.

Cultural relations

Numerous cultural activities were conducted in Mexico in 2007. As in previous years, many Czech musicians performed at major cultural festivals (J. Svěcený, M. Svoboda, M. Gera, Mr. and Mrs. Tichota). The "Czech Art Workshop" was staged in Tijuana (following on from the previous two runs in Mexico City and Oaxaca in 2006). The workshop was accompanied by performances of Czech puppet theatre. "Czech Days in Mexico" was a major trade and culture promotional project (Czech design, fashion, glass art, costume jewellery, cuisine, etc.) that made an impact on the cultural awareness of the Mexican public. The participation of Miss World 2007 T. Kuchařová helped significantly enhance the Czech Republic's presence in the media. The project's principal idea was to present the modern Czech Republic as a country of interest for tourism, culture and history as well as a trading partner. The project was extremely well received in the country. Another positive

development in 2007 was that the Czech community in Mexico assumed responsibility for the broader cultural presentation of the Czech Republic. Czech cinema also found a wide audience in 2007 as part of both bilateral projects and multicultural, European events.

NICARAGUA

(Republic of Nicaragua)

Nicaragua has traditionally been one of the Czech Republic's more significant partners in Central America, but the level of mutual contacts has fallen in recent years. The Czech Republic has retained an intensive interest in development cooperation and in the Moravian Church in Nicaragua, however.

Economic relations

In 2007, Nicaragua was the Czech Republic's 166th biggest market for Czech exports and the 151st biggest importer to the Czech Republic. The Czech Republic has a balance of trade deficit with Nicaragua.

The Czech Republic's principal export commodities: boilers, reactors, roadrollers, titan and titan components, components for piston engines, revolvers, pistols and firearms, stationery, plastic tubes, hoses and accessories, parts of transmission and reception apparatus, pumps, leatherworking machinery.

The Czech Republic's principal import commodities: ethyl alcohol, spirits, cigars and cigarettes, groundnuts, coffee, knitted and crocheted products, oleaginous seeds and fruits, spices, twine netting, fishing nets, ceramic statuettes and other ornaments.

Development cooperation

At the end of June 2007, the Czech Geological Survey started work on a new development cooperation project entitled "Geological Risks Prevention" on the basis of a new three-year project for 2007-2009. The project comes under the authority of the Ministry of the Environment of the Czech Republic. The Czech Geological Survey team spent two months working in the vicinity of the city of Boaco.

The Czech Republic provided the Moravian Church in Nicaragua with a financial donation of CZK 100,000 to build a monument to Jan Hus and to repair the J. A. Comenius high school. The local Moravian Church first honoured the monument to the burning of Jan Hus with a holiday and a night-time procession through the streets of the city; several thousand inhabitants of the city took part in the procession.

The superintendent of the Moravian Church in Nicaragua C. Antonio visited the Czech Republic in September. She was a guest of the Evangelical Church of Czech Brethren, which presented the superintendent with a financial donation to repair churches damaged by a hurricane.

PANAMA

(Republic of Panama)

The standard of Czech-Panamanian relations has traditionally been good. Cooperation developed especially positively in the trade and economic field, with Czech exports attaining a twenty-year high.

Visits by representatives of the Czech Republic:

- 4-6 December 2007 – visit by Deputy Minister of Foreign Affairs H. Bambasová.

Bilateral agreements concluded in 2007

- Protocol on inter-ministerial consultations between the two countries' foreign affairs ministries, Panama City, 5 December 2007.

Economic relations

For the first time since 1993, the Czech Republic had a balance of trade surplus with Panama in 2007. Panama was the Czech Republic's 73rd biggest trading partner in terms of Czech exports and 76th in terms of imports. The Czech Republic had a balance of trade surplus with Panama.

The Czech Republic's principal export commodities: ceramics, artificial gut, porcelain and glass, plastic tubes, razorblades, paper, bedding, light fixtures, cardboard and paperboard, iron and steel hot-formed profiles, *et al.*

The Czech Republic's principal import commodities: fresh or dried bananas, including plantains, watermelons, fresh or dried pineapples, melons, transmission apparatus incorporating reception apparatus, containers, *et al.*

Development cooperation

The Czech Republic provided Panama with two government scholarships for the 2007/2008 academic year.

Cultural relations

An exhibition of posters by Alfons Mucha took place in Panama City in July.

PERU

(Republic of Peru)

Bilateral relations between the Czech Republic and Peru stand on a friendly, problem-free footing, with the emphasis on expanding cooperation in the economic and trade field. Peru is one of South America's most attractive tourist destinations for Czech visitors.

Visits by representatives of Peru:

- 4-6 December 2007 – official visit by Minister of Foreign Affairs J. A. Garcia Belaunde.

Economic relations

In 2007, trade exchange between the Czech Republic and Peru increased from the previous year's level. Peru is the Czech Republic's 95th biggest trading partner. The Czech Republic has a balance of trade deficit with Peru.

The Czech Republic's principal export commodities: motors and motor parts, chemicals and pharmaceuticals, hoses, tubes, loudspeakers, knitting machines, ball-bearings, wires, matches, glass, toys.

The Czech Republic's principal import commodities: coffee, zinc, tin, fish products, nuts, cotton yarns, wool, textiles, fruit, natural colouring matter.

Bilateral agreements concluded in 2007

- Agreement on Cooperation between the Institute of Parasitology of the Academy of Sciences of the Czech Republic and the Veterinary and Zootechnical Faculty of Cayetano Heredia University, 12 November 2007;
- Memorandum of Understanding on Cooperation in Tourism between the Ministry for Regional Development of the Czech Republic and the Ministry of Foreign Trade and Tourism of the Republic of Peru, Prague, 5 December 2007;
- Memorandum of Understanding between the Ministry of Defence of the Czech Republic and the Ministry of Defence of the Republic of Peru on Mutual Cooperation, Prague, 5 December 2007;
- Agreement between the Government of the Czech Republic and the Government of the Republic of Peru on Economic and Industrial Cooperation, Prague, 6 December 2007.

Development cooperation

Projects worth a total of CZK 9 million were implemented in Peru in 2007. The following projects were involved: "Sustainable Use of Natural Resources in the Amazonian Region" in the agriculture sector, with a drawdown of CZK 3 million; and environmental projects entitled "Development of the Use and Protection of Underground Waters, in Particular Thermal and Mineral Waters", with a drawdown of CZK 3.9 million, and "Survey of Geomorphological and Hydrogeological Conditions in the Puirake River Basin and Mitigation of Environmental Factors Restricting the Development of the Region", with a drawdown of CZK 2.1 million. The combined budgets of these projects for the 2006-2010 period amount to CZK 29 million.

Every year, the Czech Republic offers Peru government scholarships for study at Czech universities. Seven scholarships were offered to Peruvian students for the 2007/2008 academic year. In total, there were 31 Peruvians studying in the Czech Republic at the end of 2007, twelve on bachelor's courses, thirteen on master's courses and six doctorate students.

In 2007, the Ministry of Foreign Affairs of the Czech Republic provided Peru with humanitarian aid worth CZK 5 million to deal with the consequences of an earthquake that struck the southern part of the Peruvian coast on 15 August 2007.

Cultural relations

2007 marked the 85th anniversary of the establishment of diplomatic relations between the then Czechoslovakia and Peru. A number of events were organised to commemorate this anniversary: an exhibition of documents from the archives of the two countries' foreign affairs ministries; an exhibition entitled "Czech Steps on the Banks of the Amazon"; and a concert of Czech classical music performed by musicians from the National Conservatory of Peru. In October 2007, daily newspaper El Comercio published a special supplement on the Czech Republic. In May 2007, the J. Smec Black Light Theatre gave a performance of "The Best of Black Light Theatre" in Lima; the Brno Chamber Soloists performed in Lima in September 2007. Czech cinema was presented during the annual "Festival of European Film".

URUGUAY

(Eastern Republic of Uruguay)

Czech-Uruguayan relations have for long been good, with the principal focus on economic and trade cooperation. The fact that Uruguay is the seat of Mercosur/Mercosul has great significance for the development of mutual relations. As an economy measure, in July 2007 the Ministry of Foreign Affairs of the Czech Republic decided to close the Embassy of the Czech Republic in Montevideo with effect from 30 June 2008. Subsequently, the Embassy of the Czech Republic in Buenos Aires (Argentina) will serve as the diplomatic representation to the Eastern Republic of Uruguay.

Economic relations

In 2007, trade exchange between the Czech Republic and Uruguay fell from the previous year's level. Uruguay is the Czech Republic's 105th biggest trading partner. The Czech Republic has a balance of trade deficit with Uruguay.

The Czech Republic's principal export commodities: ticket-issuing machines, antibiotics, leather products, suitcases, briefcases, satchels, ball-bearings, natural alkaloids, accessories for boilers, welding and soldering articles, household glass, parts of data processing machines, grinding wheels.

The Czech Republic's principal import commodities: carded and combed wool, uncarded and uncombed wool, beef and mutton, guts, tanned hides, citrus fruits, fresh fruit, honey.

Development cooperation

One government scholarship was offered to Uruguay for postgraduate study in the 2007/2008 academic year but was not used.

Cultural relations

Guitarist R. Balcar performed a concert of Czech songs in March. In June, on the occasion of the 65th anniversary of the annihilation of Lidice, commemorative ceremonies were held at memorials to the Lidice tragedy in Montevideo and Canelones. In July, the Embassy of the Czech Republic in Montevideo organised a concert of Czech music in Canelones. An exhibition of drawings by F. Kupka took place in Punta del Este in December.

USA

(United States of America)

Relations between the Czech Republic and USA are excellent. Czech-US relations have the quality of a strong alliance founded on shared values and the transatlantic link, as well as on the close relations between the USA and the EU. The two countries' policies on the

fight against terrorism and support for democracy and human rights share many common elements.

The main themes in Czech-US relations in 2007 were the debate on the stationing of the European component of US missile defence in the Czech Republic and negotiations on the inclusion of the Czech Republic in the Visa Waiver Programme.

Missile defence was also one of the main themes of the working visit to Washington D.C. by Minister of Foreign Affairs K. Schwarzenberg in April and President G. W. Bush's talks with key state officials during his June visit to Prague.

In the multilateral format, an important ministerial meeting of the North Atlantic Council and NATO-Russia Council was held in Oslo at the end of April 2007. This meeting was preceded by expert-level meetings in both formats, which confirmed the Alliance consensus on the fundamental principles of the position on missile defence. In spring 2007, there was also a series of hearings on missile defence in the US Congress and the process of approving the defence budget, which includes financing for this project, was commenced.

In autumn, there were a number of visits by US congressmen, who explained Congress's position on the extension of MD to the territory of Europe, expressed both the main political parties' clear support for this project and clarified certain questions related to financing. The Congress delegations met with President V. Klaus, Prime Minister M. Topolánek, Minister of Foreign Affairs K. Schwarzenberg, Minister of Defence V. Parkanová, and other senior representatives.

Considerable progress was made on the visa asymmetry issue. New EU member states that are not part of the US Visa Waiver Programme continued to negotiate with their American partners in the format of the "Coalition for Visa Equality"; bilateral negotiations also took place at the end of the year.

As the Czech Republic took a number of steps towards meeting the conditions for inclusion in the Visa Waiver Programme at the end of the year, it is fair to say that the Czech Republic made significant progress towards its goal in 2007. This goal is the attainment of visa symmetry, which in practice means visa-free travel to the United States for Czech citizens.

Visits by representatives of the Czech Republic:

- 26-28 February 2007 – visit to Washington D.C. by the chairmen of the foreign affairs and European affairs committees of the Chamber of Deputies, O. Liška and J. Hamáček, whose consultations focused primarily on the issue of the Czech Republic's participation in the European component of missile defence. They were received by, among others, Chairman of the House of Representatives Committee on Foreign Affairs T. Lantos, the senior representative of the Republicans in the Senate Committee on Foreign Relations R. Lugar, Senator J. Sessions and Representative A. Hastings;
- 4-10 March 2007 – working visit to the USA by President V. Klaus, who visited Texas, Louisiana and Alabama, culminating in a meeting with Vice President R. Cheney;
- 19-21 April 2007 – first working visit to the USA by K. Schwarzenberg in his capacity as Minister of Foreign Affairs of the Czech Republic. In Washington he met with Secretary of State C. Rice, Homeland Security Secretary M. Chertoff, Commerce Secretary C. Gutierrez, Assistant to the President for National Security Affairs S. Hadley, Senator B. Nelson and Congressmen Mario and Lincoln Diaz-Balarto;
- 9-11 May 2007 – visit by Deputy Prime Minister and Minister of the Environment M. Bursík, who attended the 15th session of the UN Commission on Sustainable Development in New York;
- 12-15 June 2007 – visit to Washington by Senator M. Mejstřík representing the Czech Republic at the unveiling ceremony of the new Victims of Communism Memorial, at which the principal address was given by President G. W. Bush;
- 23-28 September 2007 – visit by President V. Klaus, beginning in New York, where he took part in the Climate Change Conference and discussions in the UN General Assembly;
- 22-24 September 2007 – Minister of Foreign Affairs K. Schwarzenberg attended a session of the UN General Assembly in New York;
- 18-22 September 2007 – visit to Lincoln, the capital of Nebraska, and to Chicago (Illinois) by a delegation of the Senate of the Czech Republic, led by Senator J. Zoser;

- 5-8 November 2007 – visit to Washington D.C. by Chairman of the Czech Social Democratic Party (ČSSD) J. Paroubek and Chairman of the ČSSD Parliamentary Group M. Hašek at the invitation of the Missile Defence Agency. J. Paroubek met with a number of representatives of the executive, Congress and academic community primarily to discuss missile defence;
- 14-16 November 2007 – visit to Washington D.C. by Deputy Prime Minister A. Vondra to hold meetings concerning the Czech Republic’s presidency of the Council of the EU, visa asymmetry and missile defence.

Visits by representatives of the USA:

- 4-5 June 2007 – working visit by President G. W. Bush. At an international conference on “Democracy and Security: Core Values and Sound Policies” in the Czernin Palace, President Bush delivered an address on the spread of democracy and liberty and ending tyranny. The core of President Bush’s visit were working meetings with President V. Klaus and Prime Minister M. Topolánek. Not only were topical issues in mutual relations (missile defence, visa regime) discussed during these meetings: the meetings were also a fundamental confirmation of the friendly and allied relations between the Czech Republic and the USA;
- August, September, October, November, December 2007 – numerous US Congress delegations visited Prague to discuss missile defence and other questions (delegations led by T. Franks, 27-29 August; E. Tauscher, 13-15 September; A. Sires, brothers Lincoln and Mario Diaz-Balart and J. Inhof, 2 December);
- 23-24 October 2007 – visit by Secretary Defence R. Gates, who was received by top-level state officials.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	96850519	98237860	99968456	2.1
	year-on-year index	103.7	101.4	101.8	
exports	CZK thousands	48860950	49365349	47733078	1.9
	year-on-year index	125.4	101.0	96.7	

imports	CZK thousands	47989569	48872511	52235378	2.2
	year-on-year index	88.1	101.8	106.9	
balance	CZK thousands	871381	492838	-4502300	

Source: Czech Statistical Office, March 2008 (foreign trade data)

Trade between the Czech Republic and the USA has increased by a factor of almost twenty since 1989, and in 2007 turnover reached a new maximum of almost USD 5 billion. In recent years, the USA has dropped out of the group of the Czech Republic's ten most significant trading partners; the USA occupied 14th place in 2007. The trend of the United States' declining importance in the Czech Republic's foreign trade is continuing, as Czech trade relations within the EU grow in significance. One positive trend, however, is that products with higher value added are accounting for more of Czech exports.

The Czech Republic's principal export commodities: computer technology, electronics, combustion engine parts, aviation technology, optical apparatus, aircraft and other transport equipment, medical apparatus.

The Czech Republic's principal import commodities: office machinery and computer technology, civil aircraft and parts, machinery and plant equipment, electrical machinery, medical apparatus, medicaments and pharmaceuticals, telecommunications equipment, transport equipment.

Cultural relations

In January 2007, the Embassy of the Czech Republic in Washington D.C. presented a project of the Jewish Museum in Prague entitled "Neighbours Who Disappeared", which portrays the fates of Jewish inhabitants during the Second World War as seen through the eyes of present-day students of Czech schools.

Another significant event was the American premiere of an exhibition entitled "It Is Our Problem Too", in February, featuring photographs taken by the wives of Cuban political prisoners. The inauguration of the exhibition, which was prepared by People In Need together with the Centre for a Free Cuba, was attended by former president of the Czech Republic V. Havel and Cuban exiles.

For several weeks, Czech music was showcased at the Kennedy Centre, the most prestigious cultural venue in the USA. At the start of April, internationally renowned Czech conductor J. Bělohlávek conducted the American National Symphony Orchestra here in three exceptional concerts of works by A. Dvořák, B. Smetana, L. Janáček and W. A. Mozart; subsequently, the Washington National Opera performed L. Janáček's *Her Step-daughter – Jenůfa*, again conducted by J. Bělohlávek.

“Open House Day” at the embassies of EU countries was an event that received wide media coverage and was unexpectedly popular – the Embassy of the Czech Republic was visited by around 1,000 people in the space of a few hours. Visitors were able to see an exhibition about the history of the Czech Republic, photographs of the liberation of Plzeň by American troops and a film by J. Boudník *Sugar Cubes and Chocolate*. They could also talk to embassy staff and representatives of CzechTourism and the Czech Centre in New York and sample Czech beer and cakes.

In June, Minister of Foreign Affairs K. Schwarzenberg conferred the *Gratias Agit 2007* awards for promoting the Czech Republic around the world. The US laureates were philanthropist C. Merrill, director M. Forman, advocate of human rights and assistance to refugees I. Kirkland (in memoriam) and the Texas Czech Heritage and Cultural Centre in La Grange.

At the end of September, the unveiling ceremony for an experimental sculpture by D. Černý was held in Charlotte (North Carolina), attended by Minister K. Schwarzenberg. The work is the biggest Czech sculpture ever installed in the USA: the head/fountain weighs around 13 tonnes.

Two significant cultural/economic events prepared by the Embassy of the Czech Republic in Washington D.C. enriched the traditionally full autumn programme – a fashion show of the first “Czech” boutique in Washington D.C. and a exhibition of traditional Czech glass Christmas ornaments, which were also available for purchase.

For the first time, there was a strong Czech presence at “Art Basel Miami Beach 07”, the biggest visual arts fair. Prague galleries (Hunt Kastner, Czech Photography Centre) and American galleries that present several Czech artists took part in the trade fair, or its “satellite fairs”.

VENEZUELA

(Bolivarian Republic of Venezuela)

Bilateral relations between the Czech Republic and Venezuela have a long-standing tradition and are stable. They are centred on trade and economic relations. The Czech Republic has for long had a balance of trade surplus with Venezuela. As an EU member state, the Czech Republic contributes significantly to joint political, economic and cultural cooperation with Venezuela.

Economic relations

Venezuela continued to be one of the Czech Republic's important trading partners in Latin America in 2007. Re-elected president H. Chávez has gone ahead with his policy of increasing expenditure on state investments. Some government contracts can pave the way for the further development of bilateral trade and economic relations, especially Czech exports. Venezuela is the Czech Republic's 101st biggest trading partner. The Czech Republic has a balance of trade surplus with Venezuela.

The Czech Republic's principal export commodities: motor vehicles, tractors, bicycles and other vehicles, turboprop engines, horizontal lathes, tamping machines, roadrollers, milling cutters, ball-bearings, tools, knitting machines, plastics and plastic products, artificial gut, electrical audio and video recording apparatus, parabolic antennae, transformers, switchboards, cables, optical instruments, microscopes, surveying instruments, drinking glasses and lead crystal glassware, toys, games and sports equipment, lighting fixtures, coated paper and paperboard in rolls, cigarette paper, stone, plaster, cement, asbestos and mica products, cement flagstones, aircraft propellers and rotors, tobacco refuse, ceramic kitchenware and tableware.

The Czech Republic's principal import commodities: non-alloyed aluminium, homogenised reconstituted tobacco, fresh and dried bananas and plantains, lemons and limes, non-glass spectacle lenses, stone products, mineral mixtures for insulation, propellers, rotors, rum and other spirits, turboprop engines up to 1,100 kW, automatic data processing units, radiators for motor vehicles.

Development cooperation

The Czech government provided Venezuela with two university scholarships for the 2007/2008 academic year. In total, there were seven Venezuelans studying in the Czech Republic at the end of 2007, three on bachelor's courses and four on master's courses.

Cultural relations

There were several significant presentations of Czech culture in Venezuela in 2007. Singer M. Kožená was guest of honour at a music festival at the Central University of Venezuela – her performance of works by Czech and other composers was an outstanding success. Several performances by the Jiří Srnec Black Light Theatre were also very well received. Another success was the performance by Prague choir Schola Benedicta at the “Atempo” festival. Screenings of Czech films – Werich's *Fimfárum* at “Francophonie Days” and *The Farm Keeper* at the “Euroscopio” festival of EU cinema – were met with great interest. The Venezuelan-Czech Association plays an important cultural role. The Czech community association's Jatelinka dance group staged several folklore performances.

7. The Czech Republic's relations with Asian and Pacific countries

AFGHANISTAN

(Islamic Republic of Afghanistan)

The Czech Republic's concern is for the stability and development of Afghanistan. The Czech Republic is actively involved in Afghanistan both at bilateral level and also as part of the international community. Afghanistan is a major beneficiary of Czech development cooperation and a considerable number of personnel of the Army of the Czech Republic operate there as part of the international forces.

The Army of the Czech Republic operated in Afghanistan as part of the ISAF (International Security Assistance Force) in two locations: in Faizabad (Badakhsan province) in northeast Afghanistan and at Kabul International Airport (KAIA).

From 12 December 2006 to 31 March 2007, the Czech Republic was the lead nation for air traffic control at KAIA. On 1 April 2007, a Czech field hospital began to operate at KAIA as part of the ISAF. In an effort to consolidate the Czech Republic's work in Afghanistan to date and to increase the overall opportunities for engagement in the reconstruction of the country, a decision was taken to build up a Czech Provincial Reconstruction Team (PRT) in Logar province, starting in the year 2008.

The Embassy of the Czech Republic in Kabul opened in April 2007.

Visits by representatives of the Czech Republic:

- 1 April 2007 – working visit by Prime Minister M. Topolánek (inauguration of the Czech field hospital at Kabul International Airport);
- 15-16 April 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg and Minister of Defence V. Parkanová.

Visits by representatives of Afghanistan:

- 29 April – 5 May 2007 – private visit by Minister of Commerce A. Aarsal.

Economic relations

Economic contacts have a long-standing tradition. Increased interest among Afghan officials and private entities in recent years has strengthened the positive trend in trade exchange. However, the enduring instability in Afghanistan is currently limiting the efforts of Czech businesses to renew their trade and economic presence in the country. The enormous increase in Czech exports in December 2007 was the result of a donation of twelve helicopters to the Afghan National Army.

The Czech Republic's principal export commodities: aircraft, spacecraft and parts and components of such, motor vehicles, tractors, bicycles and other vehicles, audio and video recording and reproduction apparatus, firearms, ammunition, furniture, iron products.

The Czech Republic's principal import commodities: nuts, dried fruits, audio reproduction apparatus, clothing, carpets.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Transport	Study for "Construction of a New Railway Line from the Iranian Border to Kabul"	SUDOP Praha a.s.	2006-2009	3 387	9 200
	Study for "Development of Public Transport in Kabul"	IKP	2006-2008	4 449	7 900
Education	Renewal and Support of Baghlan Agriculture High School in North Afghanistan	People In Need	2006-2007	11 390	13 500
Environment	Development Assistance for Afghanistan in Restoration of Geological Institutions with Special Attention to Exploitation of Raw Materials	Get, s.r.o.	2005-2007	2 870	9 804
Total				22 096	40 404

Government scholarships			
	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	3	3	0

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Afghanistan	6	22 096

Humanitarian aid

On 29 January 2007, the Minister of Foreign Affairs of the Czech Republic approved the provision of humanitarian aid worth CZK 4.2 million to Afghanistan. This sum was provided as a financial contribution through the Embassy of the Czech Republic in Kabul for the implementation of humanitarian aid projects for the local population (known as Quick Impact Projects) in cooperation with the contingent of the Army of the Czech Republic in the parts of Afghanistan it operates in. The approved finances contributed to the implementation of specific small-scale projects for which the Afghan side does not have enough resources (e.g. completion of small power plants by installing turbines and generators, securing sources of drinking water, assistance in building schools). Local human resources were involved in the projects to the greatest possible extent.

On 27 June 2007, the provision of further humanitarian aid worth CZK 4.2 million to Afghanistan was approved. This sum was used as a financial contribution to the HALO Trust for a mine clearance project.

On 23 July 2007, the foreign affairs minister approved the provision of more humanitarian aid worth CZK 637,660, which was contributed towards a project by non-governmental non-profit organisation Berkat entitled “Healthy Eyes for Afghanistan”.

On 10 October 2007, the minister approved the provision of humanitarian aid worth CZK 1.2 million to Afghanistan as a financial contribution of the Embassy of the Czech Republic in Kabul towards humanitarian aid projects for the local population (Quick Impact Projects) in cooperation with the contingent of the Army of the Czech Republic in the parts of Afghanistan it operates in.

AUSTRALIA

(Commonwealth of Australia)

Australia is an important political, economic and cultural partner for the Czech Republic in the Asian-Pacific region. Mutual relations remained very good in 2007. In July 2007, Australia simplified travel to the country for Czech citizens; following the introduction of an electronic visa award system in 2006, fees for the submission of electronic applications were waived for short-term tourist and business visas as of 1 July 2007.

Economic relations

The standard of trade and economic relations with Australia is good, and trade exchange has been growing very dynamically in recent years. Trade exchange grew by 37% in 2007, largely thanks to Czech exports, which were up 59%. Czech exports far outweigh imports.

The Czech Republic’s principal export commodities: machine engineering products, electrical engineering products, motor vehicles, toys, wood, paper, plastic products, glass products.

The Czech Republic’s principal import commodities: wool, pharmaceuticals, electronic components, aluminium oxide, and beverages, mainly wine.

Cultural relations

There are currently an estimated 27,000 Czech expatriates living in Australia. A Czech or Czech and Slovak club exists in each Australian state and territory. The Embassy of the Czech Republic in Canberra and the General Consulate in Sydney helped organise cultural events, exhibitions, concerts by Czech musicians and trade seminars. On 28 October 2007, the Czech president presented the Medal of Merit to M. Kantor, the Honorary Consul General of the Czech Republic in Melbourne, on the occasion of the Czech National Day.

BANGLADESH

(People's Republic of Bangladesh)

Political, economic and cultural relations between the Czech Republic and Bangladesh are currently at a very low level. The reason for the low intensity of relations is the long-term instability of the political, security and economic situation in the country.

Development cooperation

At the end of 2007, there was one Bangladeshi studying on a master's course in the Czech Republic. Government scholarships are not directly offered to Bangladesh – the scholarship was awarded through UNESCO.

Humanitarian aid

In 2007, financial humanitarian aid of CZK 1.5 million was provided to Bangladesh. This sum was used as a financial contribution to the International Federation of the Red Cross and Red Crescent (IFRC) to assist in dealing with the consequences of Cyclone Sidr.

BHUTAN

(Kingdom of Bhutan)

Relations with Bhutan are considerably limited, mainly because of Bhutan's traditionally isolationist policy. The Czech Republic has for long sought to establish diplomatic relations with Bhutan.

Visits by representatives of the Czech Republic:

- 8-10 March 2007 – working visit by Deputy Minister of Foreign Affairs H. Bambasová.

Development cooperation

In 2007, the Embassy of the Czech Republic in Delhi implemented a small-scale local project in the field of social development in Bhutan, entitled “Voices” and worth CZK 500,000.

BRUNEI

(Sultanate of Brunei)

Mutual relations are problem-free but not particularly intensive.

Visits by representatives of the Czech Republic:

- 20-22 March 2007 – working visit by Deputy Minister of Foreign Affairs for Current Political Issues J. Bašta.

CAMBODIA

(Kingdom of Cambodia)

Bilateral relations with Cambodia are developing gradually. A new impulse for the development of Czech-Cambodian relations was the accession to the throne of King Norodom Sihamoni, who studied in Prague, in 2004. Relations are developing mainly in the field of humanitarian aid and development cooperation, in culture and in tourism.

Visits by representatives of the Czech Republic:

- 30 September – 10 October 2007 – working visit by Deputy Minister of Finance E. Janota.

Economic relations

Cambodia ranks among the “least developed nations” of the world and, accordingly, the volume of trade exchange between the Czech Republic and Cambodia is very low. Cambodia was the Czech Republic’s 115th biggest trading partner in terms of mutual trade, 90th in terms of Czech imports and 177th in terms of Czech exports.

In the legislative field, the final negotiations on an agreement on the restructuring and repayment of Cambodia’s debt to the Czech Republic went ahead and talks on an Agreement on the Promotion and Reciprocal Protection of Investments were completed.

The Czech Republic’s principal export commodities: antennae, bicycle tyres, washing machines, ironing machinery.

The Czech Republic’s principal import commodities: textile products, footwear, bicycles.

Development cooperation

An environmental project entitled “Expansion of Infrastructure for Sustainable Development of Tourism to the Cultural Monuments at Angkor”, worth CZK 1.5 million, was implemented in 2007. The project’s total budget for the years 2006-2007 was CZK 2.9 million.

In 2007, the Embassy of the Czech Republic in Bangkok implemented a small-scale local project in the field of education entitled “Construction of the Primary School of King Sihamoni in Wat Kirisraasong Vilage”, worth CZK 1 million.

In total, there were four Cambodians studying in the Czech Republic at the end of 2007, two on bachelor’s courses and two on master’s courses. Two scholarships were allocated to Cambodia for the 2007/2008 academic year.

Cultural relations

In April, Czech football club Amfora visited Cambodia, where it played a match against a team of former Cambodian Olympic representatives. The visit took place on the basis of a personal invitation by King Norodom Sihamoni following his visit to the Czech

Republic in autumn 2006. As part of the subsequent cultural presentation for representatives of government, former students in Czechoslovakia and other guests, an exhibition of photographs documenting the history of Czech-Cambodian relations and the visit to the Czech Republic by the King of Cambodia was staged in the Chaktomuk Theatre in Phnom Penh.

The Czech film *Divided We Fall* was screened during the “EU Film Festival” in Phnom Penh.

CHINA

(People’s Republic of China)

Relations between the Czech Republic and China are free from major problems and are developing in the context of the possibilities and limitations that result from the differences in political systems and the significant difference in the size and international weight of the two countries. The Czech Republic’s position in these relations is strengthened by its membership of the EU, and in some areas its decisions are guided by the Union’s common positions. For example, during 2007 the Czech Republic was involved in formulating the text of the Joint Statement from the EU-China summit in Peking, in defining a mandate for the European Commission’s negotiations with China on a future Partnership and Cooperation Agreement, and in formulating the EU’s position on various aspects of relations with China (human rights dialogue, the question of Tibet). Within the framework of the EU’s common position, the Czech Republic was mainly involved in interaction with China in multilateral forums in the UN system, in the context of EU-ASEAN+3 talks, on the occasion of the annual ASEAN summit in Singapore, and in the Asia-Europe Meeting (ASEM). Economic cooperation remains at the core of current Czech-Chinese bilateral contacts. However, in spite of considerable activity at the political level the balance of trade deficit with China continued to worsen markedly, partly due to bureaucratic obstacles and specific technical aspects of the territory. The key bilateral high-level visits of previous years were followed in 2007 by further important exchanges of both ministerial delegations and delegations of cities or regions and provinces.

Visits by representatives of the Czech Republic:

- 14-20 January 2007 – visit by P. Štefka, Chief of General Staff of the Army of the Czech Republic;
- 4-10 March 2007 – visit by Governor of the Karlovy Vary Region J. Pavel;
- 16-27 April 2007 – visit to Beijing and Shanghai by a delegation of regional governors of the Czech Republic, led by Governor of the Central Bohemia Region P. Bendl;
- 8-12 May 2007 – visit by Minister of Agriculture P. Gandalovič;
- 13-19 May 2007 – visit by Governor of the Zlín Region L. Lukáš;
- 21-27 May 2007 – visit by the Commander of the Joint Forces of the Army of the Czech Republic Major General J. Sedlák;
- 24-29 May 2007 – visit by Minister of Industry and Trade M. Říman;
- 6-9 June 2007 – working visit by Deputy Minister of Industry and Trade L. Vaněk;
- 18-24 June 2007 – visit by Vice-president of the Senate of Parliament J. Liška and a delegation of the Senate Committee on National Economy, Agriculture and Transport;
- 18-20 July 2007 – working visit by First Deputy Minister of Foreign Affairs T. Pojar;
- 17-23 September 2007 – visit by parliamentary deputy and Chamber of the Czech Social Democratic Party (ČSSD) J. Paroubek;
- 23-30 September 2007 – visit by Member of the European Parliament O. Vlasák and Deputy Minister of Finance J. Volf;
- 19-25 October 2007 – visit by Deputy Minister of Culture F. Mikeš.
- 21-30 October 2007 – visit by a delegation of the Committee on Education, Science, Culture, Human Rights and Petitions of the Senate of Parliament, led by its chairman K. Barták;
- 15-19 November 2007 – visit by parliamentary deputy O. Plašil.

Visits by representatives of China:

- 12-15 May 2007 – visit by Vice Chairman of the National Development and Reform Commission Zhu Zhixin;

- 15-22 May 2007 – visit by Vice Minister for Science and Technology Wu Zhongze;
- 3-6 June 2007 – visit by Vice Chairman of the Chinese People’s Political Consultative Conference Li Guixian;
- 16-19 June 2007 – visit by Vice Chairman of the Committee on Chinese Nationals Abroad of the Chinese National Congress Lu Ruihua;
- 4-7 August 2007 – visit by Vice Minister of the Taiwan Affairs Office of the State Council Zheng Lizhong.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	101 256 923	137 168 483	198 696 915	4.1
	year-on-year index	102.6	135.5	144.9	
exports	CZK thousands	7 154 440	8 991 734	13 988 190	0.6
	year-on-year index	102.4	125.7	155.6	
imports	CZK thousands	94 102 484	128 176 748	184 708 725	7.8
	year-on-year index	102.6	136.2	144.1	
balance	CZK thousands	-86 948 044	-119 185 014	-170 720 535	

Sources: Czech Statistical Office, March 2008 (foreign trade data)

China is the Czech Republic’s 7th most important trading partner. In foreign trade with China, exports from the Czech Republic achieved a faster rate of growth than imports to the Czech Republic in 2007. Exports grew by a remarkable 55.6% to CZK 13.988 billion; imports attained a value of CZK 184.709 billion (up 44.1%). Despite this positive trend, the Czech Republic’s balance of trade deficit with China grew sharply by 43.2% to reach CZK 170.721 billion (faster growth than in 2006). Czech businesses continue to be interested in information about the Chinese market and, increasingly, in the investment environment in China. Several Czech firms have achieved success in China – Škoda Auto (manufacture of Škoda Octavia model under licence in Shanghai), TOS Varnsdorf, TEDOM, Vítkovice Steel, LINET and a number of others.

The Czech Republic’s principal export commodities: parts for office machinery and automatic data processing machines, metalworking machinery, transmission shafts and cranks, bearing housings, couplings, textile and leatherworking machinery, electrical apparatus, circuits and resistors, passenger cars and spare parts, glass, heating and cooling apparatus, internal combustion piston engines.

The Czech Republic's principal import commodities: automatic data processing machines and components, telecommunications equipment, accessories for audio and video recording and reproduction apparatus, peripherals, musical instruments, monitors and projectors, television sets, prams, toys and sports equipment, office machinery, electrical machinery and apparatus, footwear.

Mutual trade and economic relations are developing dynamically. A whole series of visits at the central, ministerial and regional levels were paid to China in 2007 in relation to trade and economic cooperation. The 7th session of the Mixed Economic Committee was held in Prague at the end of August. The principal theme was the investment activities of Czech and Chinese firms in the two countries, an area that has become more significant in recent years – the greatest investment successes of Czech firms in China include the launch of a Home Credit project by the PPF Group, investments in real estate in Beijing by ECM Group and the successful working the TOS Kunming machine engineering joint venture. On the Chinese side, the biggest investment project is that being undertaken by the firm of Changhong in the manufacture of television sets in Nymburk; other investors of note are Shanghai Maling (meat processing) and CITIC Marmes (bicycle assembly).

Cultural relations

A project entitled “Czech Republic – the Crossroad of Europe”, unprecedented in its scope and thematic breadth in Czech-Chinese contacts, took place in November 2007. The project was part of a year-long cycle of promotional activities in support of Czech economic and trade cooperation with China and was combined with a further project entitled “Media Presentation of the Czech Republic in China”. This presentation of Czech culture, art, film, design (exhibition of modern design), fashion (fashion show of H. Fejková, presentation of costume jewellery made by Jablonex), illustrations of children's books, modern glass and other artefacts and creations by Czech artists was a very successful complement to the promotion of Czech business brands and tourism services represented in Beijing by the CzechTourism agency. The main event of the season for classical music lovers in Shanghai was two concerts performed by the Czech Philharmonic Orchestra in November 2007. In October, “Czech Film Week” took place in Beijing and the Jintai Art Museum staged an exhibition of cartoons by V. Jiránek.

Hong Kong

The Czech Republic develops its relations with Hong Kong, as a Special Administrative Region of the People's Republic of China, with the emphasis on the expansion of trade and economic cooperation and the development of cultural and academic contacts.

Visits by representatives of the Czech Republic:

- 22-24 March 2007 – working visit by Deputy Minister of Foreign Affairs J. Bašta;
- 26-28 April 2007 – working visit by Deputy Minister of Transport I. Vykydal;
- 28-30 October 2007 – working visit by a delegation of the Committee on Education, Science, Culture, Human Rights and Petitions of the Senate of Parliament, led by its chairman K. Barták.

Economic relations

Hong Kong is one of the few Asian economies with which the Czech Republic has had a balance of trade surplus for several years (since 1999). The vast majority of imported and exported goods comprise re-exports intended for southern regions of the People's Republic of China or from southern China to the Czech Republic. Correspondence negotiations on a double taxation avoidance agreement went ahead in 2007.

The Czech Republic's principal export commodities: glass components, electronic components, electrical machinery and apparatus, industrial machinery and components, video games.

The Czech Republic's principal import commodities: electronics, computer peripherals, textiles, footwear, integrated circuits, toys, unrecorded electronic media, other consumer goods.

Cultural relations

Director J. Švankmajer's film *Lunacy* was screened in the "Master Class" section of the 31st annual "Hong Kong International Film Festival" in April. B. Sláma's film *Wild Bees* was screened in cinemas and lecture halls of Hong Kong universities during the 14th "EU Film Festival" in October and November. In November, a delegation of the National Gallery

in Prague, led by its managing director M. Knížák, visited Hong Kong to meet with senior representatives of Hong Kong's leading cultural institutions (Hong Kong Museum of Art, Leisure and Cultural Services Department) on opportunities for cooperation in exchanges of exhibitions or the lending of exhibits from collections. In December, the Boni Pueri boy's choir performed Christmas concerts in Hong Kong, featuring carols and traditional Christmas songs of European countries, European classical music and Czech folk songs.

Taiwan

In accordance with the "One China" policy, the Czech Republic has diplomatic relations with the People's Republic of China; in respect of Taiwan, the Czech Republic's activities take place entirely on the non-governmental level in the fields of economy and trade, culture, science, education, and tourism. The Czech Republic is represented here by an Economic and Cultural Office in Taipei.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	19 846 381	26 835 323	26 664 154	0.6
	year-on-year index	110.3	135.2	99.4	
exports	CZK thousands	1 227 541	1 261 588	1 490 302	0.1
	year-on-year index	127.8	102.8	118.1	
imports	CZK thousands	18 618 840	25 573 735	25 173 852	1.1
	year-on-year index	109.3	137.4	98.4	
balance	CZK thousands	-17 391 299	-24 312 147	-23 683 550	

Sources: 1) Czech Statistical Office, February 2008 (foreign trade data)

The nature of trade relations with Taiwan in 2007 was no exception to the long-term trend: the Czech Republic's balance of trade deficit increased by 12%. The influx of Taiwanese investments into the Czech Republic continued, and construction of the second computer manufacturing plant commenced at the end of the year.

It was announced in March 2007 that the Czech Republic and Taiwan had reached agreement on the mutual recognition of ecological labelling and on assistance from the Taiwanese side to the Czech authorities in the processing of documents necessary for the issuance of eco-labelling to manufacturers. The agreement, signed at the end of 2006, also

empowers Taiwan to judge applications for eco-labelling submitted by Taiwanese firms wanting to export goods or services to the Czech Republic. In October 2007, an agreement on the exchange of air traffic rights was signed between the civil aviation authorities in the Czech Republic and Taiwan; the agreement should enable the opening of direct China Airlines flights between Prague and Taipei.

The Czech Republic's principal export commodities: machinery and transport equipment, market products. Imports were also dominated by machinery and transport equipment, and also industrial consumer goods.

Cultural relations

From November 2007 to the start of 2008, Czech culture was successfully presented in Taiwan at an "Exhibition of Traditional Czech Puppets", in cooperation between the Ministry of Culture of the Czech Republic and the Council of Cultural Affairs of Taiwan.

EAST TIMOR

(Democratic Republic of Timor-Leste)

Mutual relations are good but not very intensive.

Visits by representatives of the Czech Republic:

18-21 May 2007 – working visit by Deputy Minister of Foreign Affairs for Current Political Issues J. Bašta.

INDIA

(Republic of India)

Mutual relations derive from the tradition of the long-standing and problem-free friendship between the two nations, whose development in the modern age has been driven by personalities such as D. Nehru, I. Gandhi, V. Havel, *et al.* Czech-Indian relations display a rising tendency and a high level of mutual contacts, with particularly numerous visits from the

Czech Republic. In 2007, in celebration of the 60th anniversary of the establishment of diplomatic contacts, there were working visits by Minister of Foreign Affairs K. Schwarzenberg and President of the Senate of Parliament P. Sobotka. These visits substantially enhanced the dynamism of mutual relations and paved the way for their further development, especially in the trade and economic field.

In 2007, preparatory negotiations went ahead regarding a treaty on social security, an agreement on the promotion and reciprocal protection of investments, an agreement on cooperation in the defence industry and a programme of cooperation in the fields of education, science and culture. In addition, cooperation between diplomatic academies was initiated at the end of 2007.

Visits by representatives of the Czech Republic:

- 11-15 March 2007 – working visit by Deputy Minister of Foreign Affairs H. Bambasová;
- 18-21 November 2007 – official visit by Minister of Foreign Affairs K. Schwarzenberg;
- 2-6 December 2007 – working visit by President of the Senate of Parliament P. Sobotka.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
turnover	CZK thousands	12 058 595	14 987 187	19 384 811	1.0
	year-on-year index	123.2	124.2	129.3	
exports	CZK thousands	6 286 305	8 982 571	11 195 756	1.0
	year-on-year index	122.4	142.8	124.6	
imports	CZK thousands	5 772 290	6 004 616	8 189 055	1.0
	year-on-year index	124.0	104.0	136.3	
balance	CZK thousands	514 015	2 977 955	3 006 701	1.0

Source: Czech Statistical Office, March 2008

The core of mutual relations lies in the dynamically developing trade and economic cooperation. In 2007, India was the Czech Republic's 29th biggest trading partner in terms of

trade turnover. Mutual trade came very close to breaking through the symbolic USD 1 billion boundary; the Czech Republic has had a balance of trade surplus with India for several years. However, Indian imports to the Czech Republic grew unexpectedly fast in 2007 (up 36.3%). Much of that increase can be ascribed to imports of seamless steel tubes, which accounted for 12.99% of total imports from India, a substantial jump from previous years. Further partnerships between Indian and Czech enterprises were established in 2007.

The Czech Republic's principal export commodities: bodies and other parts for passenger cars, motors and gearboxes for passenger cars, lorries, textile machinery, machine tools, heterocyclic compounds, electric motors and generators.

The Czech Republic's principal import commodities: seamless steel tubes, rolled profiles, electric motor parts, transformers, medicaments, cotton yarns and T-shirts, footwear, unrecorded media for audio recording, electric cables.

Development cooperation

The Czech Republic provided India with one government scholarship for the 2007/2008 academic year. In total, there were eight Indian students studying in the Czech Republic at the end of 2007, two on bachelor's courses, two on master's courses and four doctorate students.

Cultural relations

An exhibition of "Czech Art Nouveau" was installed in the Tarini boutique in January 2007. The juxtaposition of the range of Indian textiles and works of art in the shop and the exhibits manifested the idea of Mucha's endeavour for harmonious synthesis of art for everyday life.

Czech film *Autumn Spring* was screened at the "Little Europe" film festival organised by the Slavonic Studies Department of the University of Delhi. The Czech Republic was represented by *Three Nuts for Cinderella* at the "International Children's Film Festival" in Calcutta. The film *Hanele* was part of the "12th European Union Film Festival" that ran from April to May 2007 in Delhi, Pune, Calicut and Calcutta. In November 2007, a "Retrospective of Films by K. Kachyňa" was presented at the "International Forum of New Cinema" of the Calcutta Film Festival. Eight films were screened (*Death of a Fly, Meeting in July, The Little*

Mermaid, The King of the Sumava, The Cow, Funny Old Man, Jumping the Puddles Again, Hanele).

An exhibition of “Contemporary Czech Theatre Architecture” took place as part of the “European Cultural Weeks” festival. A wide variety of cultural events was staged in November and December 2007, chiefly in Delhi.

Artworks by 22 Indian children were honoured in the “Lidice 2007” children’s art competition. 26 young Czech artists received medals in the Shankar International Children’s Competition.

INDONESIA

(Republic of Indonesia)

Relations between the Czech Republic and Indonesia are very good and have for long been problem-free. The tradition of economic cooperation forms the core of bilateral relations. Suitable conditions for the successful development of cooperation in the field of defence have also been put in place. The relatively high frequency of bilateral visits is testimony to the intensity of mutual relations. The Czech Republic is also actively engaged in humanitarian and development cooperation in Indonesia.

Visits by representatives of the Czech Republic:

- 21-26 May 2007 – working visit by Deputy Minister of Foreign Affairs for Current Political Issues J. Bašta;
- 11-14 November 2007 – working visit by Minister of Industry and Trade M. Říman.

Visits by representatives of Indonesia:

- 24 September 2007 – working visit by Deputy Minister of Foreign Affairs E. Hariyadi;

- 4-7 November 2007 – working visit by a delegation of Commission I (for foreign relations, defence, communication and information) of the House of Representatives, led by its chairman T. Sambuaga.

Economic relations

Czech trade with Indonesia has a very long-standing tradition and has been developing successfully in recent years. Minister of Industry and Trade M. Říman paid a working visit to Indonesia in November 2007. On 12 November 2007, Minister Říman and Minister of Foreign Affairs of the Republic of Indonesia H. Wirayuda signed an Agreement between the Government of the Czech Republic and the Government of the Republic of Indonesia on Economic Cooperation. This agreement gives mutual economic cooperation a modern legal framework.

The Czech Republic's principal export commodities: nitrogen compounds, telecommunications equipment, boilers, taps, valves and fittings for pipes, textile and leatherworking machinery and parts of such, pumps, compressors.

The Czech Republic's principal import commodities: natural rubber, automatic data processing machines, telecommunications equipment, audio and video recording and reproduction equipment, footwear.

Bilateral agreements concluded in 2007

- Agreement between the Government of the Czech Republic and the Government of the Republic of Indonesia on Economic Cooperation, Jakarta, 12 November 2007.

Development cooperation

Four projects worth a total of CZK 6.8 million were implemented in Indonesia in 2007. These were an agricultural project entitled “Building of a Consultancy and Advice Centre for Agricultural and Environmental Engineering at UNITA University in Tarutung” worth CZK 1.2 million, and three transport projects: “Traffic in Yogyakarta: Preparation of a Comprehensive Study of the Transport Situation and Improvement of Traffic in the Yogyakarta Region” worth CZK 2 million; “Preparation of a Study for the Widening of the Runway at Adisucipto Airport in Yogyakarta” worth CZK 3 million; and “Strategic

Feasibility Study for the Development of Air Traffic in Java with the Emphasis on Yogyakarta Province” worth CZK 600,000. The total budget for these projects for the years 2005-2008 is CZK 18 million.

There were four Indonesians studying master’s courses in the Czech Republic at the end of 2007. Two scholarships were allocated to Indonesia for the 2007/2008 academic year. Under a Memorandum of Understanding between the Czech Technical University in Prague and the Institute of Technology Bandung, there were six Czech students studying in Bandung and two Indonesian students studying in Prague in 2007.

Cultural relations

An exhibition of works by Czech artist O. Pětivoká took place in the Indonesian capital Jakarta and the Javanese cultural centre in Yogyakarta in November.

JAPAN

Japan is one of the Czech Republic’s most important partners in Asia, in both the economic and the political fields. Owing to the popularity of Czech culture in Japan and in traditional forms of Japanese art in the Czech Republic, strong cultural ties have traditionally played an important role in mutual relations. Bilateral efforts to develop cooperation in the fields of science, technology, and research and development are being stepped up. The influx of Japanese investments in the Czech Republic continued in 2007.

Visits by representatives of the Czech Republic:

- 13-16 February 2007 – official visit by President V. Klaus;
- 10-19 March 2007 – working visit by a delegation of the Committee on Regional Development, Public Administration and the Environment of the Senate of Parliament;
- 22-24 April 2007 – working visit by Deputy Minister of Transport I. Vykydal;

- 21-25 May 2007 – working visit by Deputy Minister of Education, Youth and Sports P. Komárek.

		2005	2006	2007	share of 2007 aggregate indicators (%)
Turnover	CZK thousands	66 055 831	72 411 627	85 903 740	1.7
	year-on-year index	101.6	109.6	118.6	
Exports	CZK thousands	7 876 820	9 201 000	10 137 000	0.4
	year-on-year index	136.0	116.8	110.2	
Imports	CZK thousands	58 179 012	63 744 000	77 090 000	3.2
	year-on-year index	105.9	108.6	120.9	
Balance	CZK thousands	-50 302 192	-54 543 000	-66 954 000	

Visits by representatives of Japan:

- 19-20 August 2007 – working visit by a delegation of the Committee on Audit and Oversight of Administration of the House of Representatives;
- 22-23 August 2007 – working visit by a delegation of the Budget Committee of the House of Representatives.
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Economic relations

Japan is currently one of the Czech Republic's most important economic partners. Bilateral economic relations are apparently better than ever before in the post-war period. The influx of Japanese investments in the Czech Republic continued in 2007, although the pace of investment has slowed (eight projects were announced). The cumulative value of investments is approx. CZK 60 billion, creating jobs for around 43,000 people in the Czech Republic. Japan thus retained its position among the biggest investors in the Czech Republic; in terms of the number of projects it is in third place behind Germany and the USA, in terms of the value of investments it comes second after Germany, and in terms of planned job creation it is third after Germany and the USA.

The Czech Republic ended 2007 with a balance of trade deficit of CZK 67 billion, an increase of 24% over the previous year.

The Czech Republic's principal export commodities: industrial machinery and plant equipment, road vehicles, power-generating machinery and equipment.

The Czech Republic's principal import commodities: telecommunication and audio recording and reproduction equipment, electrical apparatus, devices and appliances, road vehicles.

Cultural relations

The standard of the presentation of Czech culture in Japan has traditionally been high and has enjoyed substantial public interest. Above all, Czech classical music is very popular in Japan. Two particularly significant events were a performance by the State Opera Prague in October 2007 and a concert tour by the Czech Philharmonic Orchestra in November. The Czech Centre operating at the Embassy of the Czech Republic in Tokyo plays a key role in promoting Czech culture. In its first year of existence, it organised over 40 cultural events, comprising exhibitions, presentations, workshops, lectures, film screenings, concerts, a cultural exchange salon and a Czech-Japanese film festival

There was an exchange of four university students on two-year scholarships between the Czech Republic and Japan. Five Japanese scholarship beneficiaries attended the Slavonic Studies Summer School. Further scholarships were awarded to Czech students, mainly in technical fields and Japanese studies.

KAZAKHSTAN

(Republic of Kazakhstan)

Czech-Kazakh relations centred on cooperation in the economic and trade area in 2007. The undertaken exchanges of visits brought something of a revival in bilateral political relations. The problem of Kazakhstan's debt to the Czech Republic remains unresolved. In October 2007, the Embassy of the Czech Republic moved from Almaty to the capital city Astana. A branch of the embassy was established in Almaty.

Visits by representatives of the Czech Republic:

- 25-28 March 2007 – visit by a delegation of the Committee on Defence of the Chamber of Deputies of Parliament;
- 7-11 May 2007 – working visit by Deputy Minister of Foreign Affairs J. Bašta.

Visits by representatives of Kazakhstan:

- 5-7 April 2007 – working visit of a delegation of the Committee on International Affairs, Defence and Security of the Majilis, led by its chairman S. Abdrakhmanov.

Economic relations

Kazakhstan is the Czech Republic's most important trading partner in Central Asia; bilateral relations centre on the economic dimension. The volume of trade exchange has grown successfully in the last five years. Czech businesses are interested in Kazakh infrastructure modernisation projects, supplies of technologies for new manufacturing capacities and the construction of new facilities.

The Czech Republic's principal export commodities: machinery and transport equipment, assembly components for Škoda passenger cars, pharmaceuticals, high voltage distribution apparatus, pulp and paper products, aluminium and aluminium products, pumps, fibreboard.

The Czech Republic's principal import commodities: mineral fuels, phosphorous and selenium, unprocessed cotton, liquefied propane and butane, ferrous alloys, tobacco.

Development cooperation

An environmental project entitled "Biodiversity Conservation in Southern Altay in the Context of Recent Environmental Transformations and Socio-economic Development" was implemented in Kazakhstan in 2007. The project's total budget for the years 2005-2007 was CZK 9.7 million; drawdown in 2007 was CZK 3 million.

In total, there were twelve Kazakhs studying in the Czech Republic at the end of 2007, six on bachelor's courses, five on master's courses and one doctorate student. Four scholarships were allocated to Kazakhstan for the 2007/2008 academic year.

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

There was an intensification of mutual relations in 2007, most notably in the fields of education, culture and interpersonal exchanges; the economic dimension of relations between the two countries also registered increased intensity. In view of the developments in the question of the denuclearisation of the Korean peninsula, cooperation in the political field remained at the same level as in previous years.

Economic relations

Economic relations with the DPRK centre on mutual trade. The Czech Republic has for long had a balance of trade deficit with the DPRK. Whilst imports from the DPRK grew by 30 % year-on-year, the 338% drop in exports showed that the sharp increase in exports in 2006 was a one-off result, and not a trend.

The Czech Republic's principal export commodities: machinery and plant equipment, electrical apparatus, devices and appliances.

The Czech Republic's principal import commodities: plastic products, electrical apparatus, devices and appliances, clothing products and accessories.

Development cooperation

In total, there were 27 students from the DPRK studying in the Czech Republic at the end of 2007, fourteen on bachelor's courses and thirteen on master's courses. Five scholarships were allocated to the DPRK for the 2007/2008 academic year.

Humanitarian aid

On 28 August 2007, the Minister of Foreign Affairs of the Czech Republic approved the provision of humanitarian aid worth CZK 500,000 million to the People's Democratic Republic of Korea. This aid was provided through the International Federation of the Red Cross and Red Crescent (IFRC) for medicines for the population affected by floods.

Cultural relations

A travelling exhibition of UNESCO sites in the Czech Republic, held from August to October in Pyongyang, Nampho and Wonsan, met with success.

REPUBLIC OF KOREA

The Republic of Korea is one of the Czech Republic's most important partners in East Asia. 2007 brought the further development of mutual relations in the fields of education, culture, scientific and technical cooperation and tourism; direct contacts were established between cities in the two countries. The economic field remains the core of cooperation. The start of construction work on a Hyundai automobile factory in North Moravia was an impulse for the further development of economic relations.

Visits by representatives of the Czech Republic:

- 18-20 April 2007 – working visit by Deputy Minister of the Interior and Informatics L. Ptáčková-Melicharová.

Visits by representatives of the Republic of Korea:

- 26 April 2007 – Head of the Presidential Advisory Commission on Policy Planning Kim Byong-joon attended the ground-breaking ceremony marking the start of the construction of the Hyundai factory and was received by Prime Minister M. Topolánek;
- 27 November 2007 – working visit by Deputy Minister of Foreign Affairs Shim Yoon-Joe;
- 14-16 May 2007 – working visit by a delegation of the National Defence Committee of the National Assembly, led by its chairman Hye-young Won;
- 28 June 2007 – Minister of Government Administration and Home Affairs Park Myung-jae was received by Deputy Minister of the Interior and Informatics L. Ptáčková-Melicharová.

Economic relations

		2005	2006	2007	share of 2007 aggregate indicators (%)
turnover	CZK thousands	16 285 210	18 917 712	25 944 962	0.5
	year-on-year index	102.4	116.1	137.1	
exports	CZK thousands	2 316 791	2 734 254	4 595 173	0.2
	year-on-year index	158.34	118.0	168.0	
imports	CZK thousands	13 968 419	16 183 458	21 349 789	0.9
	year-on-year index	96.8	115.85	131.9	
balance	CZK thousands	-11 651 628	-13 449 204	-16 754 615	

Source: Czech Statistical Office, March 2008

The position held by the Republic of Korea in the Czech Republic's investment and trade cooperation with East Asian countries was consolidated further in 2007. In terms of total trade turnover, the Republic of Korea is currently the Czech Republic's 24th biggest trading partner, its highest ranking in the last ten years.

Although the Czech Republic's balance of trade deficit with the Republic of Korea continued to grow, 2007 was exceptionally successful compared to previous years. Czech exports increased by 68% from the level in 2006. Imports grew at a slower pace, by 32%.

The Czech Republic's principal export commodities: heavy machine engineering products, electrical engineering components, spare parts for transport equipment. Surprisingly, toys were the second largest export commodity in terms of volume.

The Czech Republic's principal import commodities: advanced consumer electronics and parts of such, passenger cars and spare parts of such.

Bilateral agreements concluded in 2007

- Agreement on Social Security between the Czech Republic and the Republic of Korea, Prague, 14 December 2007.

Development cooperation

In total, there were two students from the Republic of Korea studying on master's courses in the Czech Republic at the end of 2007. One scholarship were allocated to the Republic of Korea for the 2007/2008 academic year.

Cultural relations

Intensive cultural relations exist between the two countries. In 2007, Kühn's Children's Choir, the Bambini di Praga choir, the Talich Quartet, P. Šporel and the State Opera Prague performed in the Republic of Korea. The popularity of original Czech musicals was confirmed by the successful staging of a Korean version of J. Ledecký's *Hamlet* in Seoul. The music group Gipsy.cz was given an excellent reception at a festival of world music in Ulsan. Exchanges of films play an indispensable role in cultural cooperation – in 2007 there was a festival of films by director J. Menzel in Seoul.

The Institute of Czech and Slovak Studies at the Hankuk University of Foreign Studies and the Institute of the Far East of the Philosophy and Arts Faculty of Charles University also contribute to cultural exchange. There are around 120 students studying Czech as their major subject in the Republic of Korea.

KYRGYZSTAN

(Kyrgyz Republic)

Mutual relations are free from any unresolved problems. The trade and economic field forms the basis of mutual cooperation. The Kyrgyz side is seeking to revitalise bilateral relations. On 1 November 2007, a ceremony was held to mark the opening of the Honorary Consulate of the Kyrgyz Republic in the Czech Republic.

Visits by representatives of the Czech Republic:

- 28-30 March 2007 – visit by a delegation of the Committee on Defence of the Chamber of Deputies of Parliament;
- 14-18 December 2007 – visit to Kyrgyzstan by members of the parliamentary Permanent Delegation to the Parliamentary Assembly of the OSCE.

Visits by representatives of Kyrgyzstan:

- 1 November 2007 – visit by Deputy Minister of Foreign Affairs E. Ibraimov.

Development cooperation

In 2007, an environmental project entitled “Risk Analysis and Mitigation of the Consequences of the Floods Caused by Breaks of Moraine Dams” was implemented in Kyrgyzstan. CZK 2.7 million was spent on the project in 2007. The project’s total budget for the years 2007-2009 is CZK 13.2 million.

In total, there were nine students from Kyrgyzstan studying in the Czech Republic at the end of 2007, three on bachelor’s courses, three on master’s courses and three doctorate students. Two scholarships were allocated to Kyrgyzstan for the 2007/2008 academic year.

MALAYSIA

Relations between the Czech Republic and Malaysia are very good and continued to develop successfully at both bilateral and multilateral levels in 2007. Malaysia is an important partner for the Czech Republic in Southeast Asia. Relations between the two countries are enhanced by the efforts to deepen relations between the European Union and the Association of South East Asian Nations (ASEAN). There is substantial potential for trade and economic cooperation.

Visits by representatives of the Czech Republic:

- 20-22 March 2007 – working visit by Deputy Minister of Industry and Trade M. Tlapa;
- 2-8 December 2007 – working visit by V. Pícek, Chief of General Staff of the Army of the Czech Republic.

Visits by representatives of Malaysia:

- 21-22 January 2007 – visit by Secretary-General of the Ministry of Foreign Affairs Rastam Mohamed Isa;
- 18-20 May 2007 – working visit by Minister of Health Chua Soi Lek;

- 13-18 June 2007 – working visit by Minister of Human Resources Fong Chan Onn;
- 18-20 September 2007 – working visit by Minister of Foreign Affairs Syed Hamid Albar;
- 21-23 October 2007 – working visit by Minister of Plantation Industries and Commodities P. Chin Fah Kui.

Economic relations

		2005	2006	2007	Share of 2007 aggregate indicators (%)
Turnover	CZK thousands	12 792 160	16 086 188	18 773 989	0,4
	year-on-year index	80.6	125.8	116.7	
Exports	CZK thousands	1 389 111	1 280 250	1 288 728	0,05
	year-on-year index	130.4	92.2	100.7	
Imports	CZK thousands	11 403 050	14 805 937	17 485 262	0,7
	year-on-year index	77.0	129.8	118.1	
Balance		- 10 013 940	- 13 525 689	- 16 196 536	

Source: Czech Statistical Office, March 2008

There was a further increase in the Czech Republic's balance of trade deficit, caused mainly by imports of parts and components for computer assembly and manufacture in the Czech Republic. In terms of the Czech Republic's overall foreign trade, trade with Malaysia ranked in 30th place in terms of turnover, 22nd in imports and 61st in exports.

The Czech Republic's principal export commodities: paper, paperboard and products of such, chemicals and plastic products, telecommunications and audio recording and reproduction apparatus, electrical apparatus and devices, furniture, dried milk.

The Czech Republic's principal import commodities: electrical and electronic apparatus and devices (processors and controllers), office machines and automatic data processing machines (in particular memory units), telecommunications equipment, crude rubber.

Humanitarian aid

On 25 April 2007, the Minister of Foreign Affairs approved the provision of financial humanitarian aid of CZK 400,000 to Burmese refugees in Malaysia. This aid was donated through the non-governmental organisation MERCY Malaysia for the provision of healthcare.

Cultural relations

The Embassy of the Czech Republic in Kuala Lumpur organised two photography exhibitions in 2007: one featuring works by M. Cajs in February and a selection of photographs of Prague by J. Všecká in November. Author E. Kriesová took part in the “International Literary Festival” in Kuala Lumpur in March. A charity concert by the Prague Sinfonia Orchestra, conducted by C. Benda, took place in Kuala Lumpur in September. *Kolya* by director J. Svěrák was screened on the occasion of the celebrations of the 26th anniversary of the founding of the National Film Development Corporation Malaysia. The Czech Republic also took part in the traditional “EU Film Festival” in Malaysia, where *Dark Blue World* was screened. Czech music was represented in Malaysia by drummer P. Fajt, who performed at international jazz festivals on Penang island and in Kuala Lumpur in December.

Successful bilateral cooperation in education went ahead. For the second year, Malaysian students were sent to medical faculties in Prague, Hradec Králové and Olomouc. There are currently more than 150 Malaysians studying in the Czech Republic. The Czech Republic also took part in the “European Higher Education Fair” in Malaysia, where it was represented by Charles University, Mendel University in Brno and the National Agency for European Educational Programmes of the Ministry of Education, Youth and Sports.

MALDIVES

(Republic of Maldives)

Official political, economic and cultural relations between the Czech Republic and the Maldives are currently at a very low level. In November 2007, Minister of Foreign Affairs K. Schwarzenberg paid a short working visit to the Maldives.

Visits by representatives of the Czech Republic:

- 22 November 2007 – working visit by Minister of Foreign Affairs K. Schwarzenberg.

Development cooperation

At the end of 2007, there was one student from the Maldives studying on a master’s course in the Czech Republic. Government scholarships were no longer offered to the Maldives for the 2007/2008 academic year.

MONGOLIA

The standard of relations between the Czech Republic and Mongolia has traditionally been very good. The Czech Republic regards Mongolia as an important partner and appreciates its successes in the transformation of society after 1990. The Czech Republic's interest in Mongolia is confirmed by the fact that in September 2007 an extra diplomat was added to the Economic and Commercial Office of the Embassy of the Czech Republic in Ulaanbaatar. Mongolia is one of the Czech Republic's eight foreign development cooperation priority countries. The Czech Republic is one of the biggest foreign investors in Mongolia.

Visits by representatives of the Czech Republic:

- 19-22 November 2007 – visit by a delegation of the Committee on Defence of the Chamber of Deputies of Parliament, led by its chairman J. Vidím.

Visits by representatives of Mongolia:

- 12-16 September 2007 – visit by a delegation of the State Great Hural, led by its chairman D. Lundeejantsan;
- 9 October 2007 – working visit by Deputy Minister of Foreign Affairs Ts. Tsolmon.

Economic relations

The standard of relations between the Czech Republic and Mongolia has traditionally been very good and problem-free. The level of trade turnover is low, however. The sound treaties that exist between the two countries have laid the foundations for the further development of mutual economic relations. There are opportunities for Czech firms in exploration for new water sources and in supplying pumps and water purification apparatus.

Resolution of the Czech Republic Government No. 664 of 1 June 2005 approved the “Programme of Development Cooperation between the Czech Republic and Mongolia for the Years 2006 to 2010”. Sixteen development projects worth over CZK 277 million in total are currently being implemented in Mongolia. The projects target priority areas (water management, the environment, processing industry, agriculture, energy, the social sphere).

The Czech Republic's principal export commodities: food products, transport equipment, building materials and building industry products.

The Czech Republic's principal import commodities: textile products and hides.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Industrial development	Establishment of a Technology Park for Tuition in Rotating Machinery at the National University of Mongolia – Phase II	ZAT, a.s. Příbram	2006-2010	2 500	15 000
	Meat and Hides Processing Plant	AlphaCon, s.r.o. Prague	2006-2010	4 000	27 440
	Modernisation of Technical Equipment and Human Resources Development at Ulaanbaatar Hospital	Hospimed, s.r.o. Prague	2006-2010	4 927	27 440
	Waste Water Treatment Plant at the Leatherworking Plant in Darchan	Eurosound, s.r.o. Prague	2006-2010	5 100	27 440
	Delivery of Water Supply Units for Areas with Insufficient Drinking Water	GEOtest, a.s. Brno	2006-2010	3 970	27 440
	Modernisation of Drives and Controls of Block of Power Station No. 4 in Ulaanbaatar	ZAT, a.s. Příbram	2003-2010	6 000	64 000
	Renovation of the Production Equipment of a Small Leatherworking Plant	AlphaCon, s.r.o. Prague	2007-2010	2 300	12 500
Social development	Preparation and Launch of a Social Work Study Programme, Ulaanbaatar	Caritas Czech Republic	2006-2010	2 650	12 100
Agriculture	Support for the Production of Eggs and Poultry Meat at Bochog Poultry Farm	AlphaCon, s.r.o. Prague	2006-2009	4 100	9 980
	Renewal of Crop Production in Semi-arid Areas of North Gobi	Mendel University of Agriculture and Forestry in Brno	2006-2009	2 500	6 200
	Improvement of Crop Production in Dornogobi Province	ADRA	2007-2009	1 300	12 000
	Livestock Tagging in the Central Region	Czech University of Life Sciences in Prague	2007-2009	1 000	9 700
Environment	Ensuring of Drinking Water Sources and Supply for Newly Inhabited Districts of Ulaanbaatar	Vodní zdroje, a.s.	2006-2008	7 424	24 290
	Drinking Water Supply of Erdenet City and Its Surroundings	Geomin	2006-2008	3 500	12 799
	Assessment of Environmental Risks of Mercury Pollution during the Exploitation of Gold Deposits in the Selenge River Basin	Geomin	2006-2008	3 000	9 821
	Renewal and Securing of Water Sources in Semi-desert Areas in Sukhbaatar Province	Geomin	2007-2009	2 030	13 030
Total				56 301	311 180

Small-scale local projects under the Embassy of the Czech Republic					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Embassy in Ulaanbaatar	Modernisation of the Children's Centre for the Education of Abandoned Children	Children's Centre for the Education of Abandoned Children, Bayanzurkh District	2007	350	x
	Increasing the Number of Jobs for Disabled People – Budget Increase	“TUMUR” Foundation for support for people in wheelchairs in Mongolia	2007	340	x
	Assistance in the Modernisation of the Hospital in Rinchinlumbe	Hospital in Rinchinlumbe, Chubsugul Region	2007	310	x
Total				1 000	x

Government scholarships			
	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	18	11	5

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Mongolia	34	57 301

Cultural relations

In April and December 2007, medals and diplomas were presented to Mongolian children that were honoured in the 34th and 35th “Lidce 2006” and “Lidice 2007” international children's art competitions.

MYANMAR/BURMA

(Union of Myanmar)

Political and economic relations between the Czech Republic and Myanmar/Burma are in a phase of stagnation and were confined in 2007 to the maintenance of a basic level of contacts. The question of human rights in Myanmar/Burma is one of the priorities of the Czech Republic's foreign policy. The Czech Republic provides humanitarian aid, mainly to refugees from Myanmar/Burma, and provides substantial financial support for Czech transformation cooperation projects.

Development cooperation

In total, there were two students from Myanmar/Burma studying on master's courses in the Czech Republic at the end of 2007.

Humanitarian aid

On 25 April 2007, the Minister of Foreign Affairs approved the provision of financial humanitarian aid worth CZK 400,000 to Burmese refugees in Malaysia. This aid was donated through the non-governmental organisation MERCY Malaysia for the provision of healthcare for Burmese refugees.

On 8 October 2007, the Minister of Foreign Affairs approved the provision of financial humanitarian aid worth CZK 2 million to Burmese victims of the repressions and their families. Of that sum, CZK 1 million was implemented through the Thailand Burma Border Consortium and CZK 1 million through British organisation Humanitarian Aid Relief Trust (HART).

The Ministry of Foreign Affairs provided a further CZK 300,000 through the Office of the UN High Commissioner for Refugees and the TBBC consortium.

Transformation cooperation

In 2007, the Ministry of Foreign Affairs provided Myanmar/Burma with almost CZK 3.6 million as part of transformation cooperation. Approximately CZK 2.9 million was provided through the humanitarian organisation People In Need for direct support to the Burmese democratic movement. The projects comprised seminars on transformation, support for the Democratic Voice of Burma radio and television station and independent Burmese journalists and dissidents, direct support for the families of political prisoners, financial assistance to Burmese education experts, internships for young Burmese activists and events to raise awareness of the Burmese question. A further CZK 700,000 was provided towards projects of the Myanmar Moving Image Centre implemented by the Film and Television Faculty of the Academy of Performing Arts in Prague (FAMU).

Cultural relations

In keeping with tradition, a Documentary Film Seminar took place in Rangoon in July with the participation of professors from FAMU. This time, the seminar focused on the fundamental and technical elements of documentary film making, and twenty selected students made several documentaries on art and culture in present-day Myanmar, under the supervision of the Czech professors.

NEPAL

Political, economic and cultural relations between the Czech Republic and Nepal are currently at a very low level. The reason for the low intensity of relations is the long-term instability of the political, security and economic situation in the country.

Development cooperation

In total, there were two Nepalese students studying in the Czech Republic at the end of 2007, one on a bachelor's course and one on a master's course.

Humanitarian aid

In 2007, financial humanitarian aid worth CZK 2 million was provided to Nepal. This sum was provided as a financial contribution to the Nepal Red Cross Society for assistance to the population affected by floods.

NEW ZEALAND

The standard of mutual relations in 2007 was good. The two countries hold identical or close positions on key international questions, most notably on multilateral cooperation and cooperation in the fight against terrorism. The Czech Republic made full use of the quota offered in the context of the bilateral agreement on working holidays.

- Economic relations

The standard of trade and economic relations with New Zealand is good; trade exchange is experiencing dramatic growth. Trade exchange grew by 44 % in 2007, largely

thanks to Czech exports, which were up 72 %. Czech exports far outweigh imports. An Agreement on the Avoidance of Double Taxation was signed in 2007.

The Czech Republic's principal export commodities: electrical engineering products, toys, motor vehicles, machine engineering products, paper, glass products.

The Czech Republic's principal import commodities: wool, machine engineering products, electrical engineering products, meat, vegetables, fruit, beverages, fish.

Bilateral agreements concluded in 2007

- Treaty on Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income, Prague, 26 October 2007.

Cultural relations

Cultural, educational and scientific cooperation between the two countries is intensifying. There is a growing number of Czech students working in New Zealand as a result of the non-problematic implementation of an Agreement on a Working Holiday Scheme. The latest estimates put the number of Czech expatriates living in New Zealand at around one thousand.

PAKISTAN

(Islamic Republic of Pakistan)

Bilateral relations between the Czech Republic and Pakistan have recently displayed a positive trend and are developing successfully. Relations further intensified in 2007, and their growing dynamism culminated in a visit by a Czech delegation led by Prime Minister M. Topolánek in May 2007. During the visit, talks went ahead concerning the signing of a double taxation avoidance agreement, an agreement on the promotion and reciprocal protection of investments and a programme of cooperation between culture ministries. In addition, mutual cooperation between academies of sciences, chambers of commerce, diplomatic academies and health ministries was agreed in the form of a Memorandum of Understanding.

Preparations began in 2007 for the opening of Honorary Consulates of the Czech Republic in Lahore and Karachi.

Visits by representatives of the Czech Republic:

- 8-10 May 2007 – official visit by Prime Minister M. Topolánek.

Visits by representatives of Pakistan:

- 30 October 2007 – working visit by Assistant Secretary for Europe A. Zeb.

Economic relations

The rising trend in mutual economic relations and the overall revival of bilateral relations that began at the start of the new millennium continued in 2007. The Pakistani market has substantial and as yet relatively untapped potential for Czech exporters. In 2007, mutual trade exchange grew to USD 132 million from USD 72 million in 2006, which represents an increase of 83%.

The Czech Republic's principal export commodities: textile machinery, machine tools, machine engineering products, power-generating equipment, costume jewellery and glass products, paper, chemicals, pharmaceuticals.

The Czech Republic's principal import commodities: leather products, textiles, clothing, sports equipment.

Development cooperation

One trilateral project entitled "Waste Management in Bagh City" was implemented in Pakistan in 2007. The project was implemented in cooperation with the European Commission; the Czech Republic's contribution was CZK 2 million.

In 2007, the Embassy of the Czech Republic in Islamabad implemented a small-scale local project in the field of social development, entitled "Provision of a Simplified Building for the Local Administration of Bagh City" and worth CZK 530,000.

At the end of 2007, there was one student from Pakistan studying on a master's course in the Czech Republic. No government scholarships were offered to Pakistan for the 2007/2008 academic year.

Cultural relations

Several dozen Kashmiri children from the Bagh city area, where the Czech Republic is well-known because of the work of the People In Need organisation, entered drawings in the "Lidice 2007" international children's art competition. The jury awarded honorary diplomas to two children from this part of Kashmir.

In 2007, the Embassy of the Czech Republic in Islamabad organised the screening of Czech film *Dark Blue World* as part of a non-profit festival of European film

In November 2007, two Czech ensembles – the band Čankišou and the Krepisko theatre company – took part in the "World Performing Arts Festival" held every year in Lahore.

THE PHILIPPINES

(Republic of the Philippines)

The successful development of Czech-Philippine relations continued in 2007. The Czech Republic launched another development project in the Philippines; in Prague there were regular inter-ministerial consultations at the level of deputy foreign affairs ministers. Two significant historical ties also help to strengthen mutual relations. The Holy Infant Jesus of Prague has been revered in the Philippines since the 16th century; and the best friend of Philippine national hero J. Rizal was a citizen of Litoměřice F. Blumentritt. In this context, a visit to Litoměřice by a delegation of the Order of Knights of J. Rizal was a significant contribution to the development of Czech-Philippine relations.

Visits by representatives of the Philippines:

- 30 March 2007 – working visit by Deputy Minister of Foreign Affairs E. Basilio.

Economic relations

Czech exports to the Philippines have grown constantly over the last five years, whereas imports of goods from the Philippines have been falling. Even so, the Czech Republic has a balance of trade deficit with the Philippines. Exports from the Philippines continue to centre on cheap electronic components and memory units. This is the result of foreign investors in the Czech Republic who responded to investment incentives by transferring their production capacities to the Czech Republic to make use of a double comparative advantage – cheap components from the Philippines and relatively cheap Czech labour for the manufacture of finished electronic products.

The Czech Republic's principal export commodities: integrated electronic circuits and other components, electric condensers, plastic products, water turbines, waterwheels, regulators.

The Czech Republic's principal import commodities: automatic data processing machines, electronic components, optical fibres, cables, lenses, prisms, rubber, textile products.

Development cooperation

Two projects worth a total of CZK 8.1 million were implemented in the Philippines in 2007. These were an industrial development project entitled "Assistance in Measures Ensuring Drinking Water Supply for Manila" worth CZK 6.3 million and "Improvement of Waste Management in Naga City" in the environmental sector worth CZK 1.8 million. The total budget for these projects for the years 2006-2010 is CZK 48 million.

In total, there were four students from the Philippines studying in the Czech Republic at the end of 2007, three on bachelor's courses and one on a master's course. Two scholarships were allocated to the Philippines for the 2007/2008 academic year.

Cultural relations

In March, the Embassy of the Czech Republic in the Philippines donated a consecrated replica of the Holy Infant Jesus of Prague to Cardinal Archbishop of Manila G. Rosales. In October, the first branch of the Order of the Knights of J. Rizal in the territory of the Czech Republic was founded in Litoměřice.

SINGAPORE

(Republic of Singapore)

Relations between the Czech Republic and Singapore are problem-free and have been developing successfully in various areas. Relations centre on the economic and trade field, which is a natural consequence of the fact that Singapore is the commercial and financial centre of Southeast Asia. The development of mutual relations was also positively influenced by the holding of the annual EU-ASEAN summit, which Singapore hosted in November 2007. The Czech Republic played a significant role in the successful course of the summit through its embassy and its role as the local presidency of the EU.

Visits by representatives of the Czech Republic:

- 21-22 November 2007 – Minister of Foreign Affairs K. Schwarzenberg attended the EU-ASEAN Summit.

Economic relations

Singapore has consistently been on of the Czech Republic's most significant trading partners in Southeast Asia and is potentially an important investor in the Czech Republic. Mutual trade turnover achieved a value of CZK 12.3 billion in 2007, a significant increase over 2006 when turnover was CZK 7.3 billion. The Czech Republic continues to have a balance of trade deficit with Singapore, which amounted to CZK 5.4 billion in 2007.

The Czech Republic's principal export commodities: electrical apparatus, devices and appliances, electronic parts.

The Czech Republic's principal import commodities: data processing machines and peripheries, integrated circuits and other electronic parts, crude rubber and resin, telecommunications equipment.

Cultural relations

In May, the Czech Republic participated in the 17th "EU Film Festival" in Singapore. Czech organist P. Kohout performed a concert in Singapore in November.

SRI LANKA

(Democratic Socialist Republic of Sri Lanka)

Political, economic and cultural relations between the Czech Republic and Sri Lanka have stagnated in recent years but remain standard. The two countries cooperate in the field of defence. Czech non-governmental humanitarian organisations are active on the island.

Visits by representatives of Sri Lanka:

- 11-13 November 2007 – working visit by Secretary of Foreign Affairs P. Kohona.

Development cooperation

In 2007, an environmental project entitled “Pollution of Inland Waters in Sri Lanka” was implemented. CZK 1.2 million was spent on the project in 2007. The project’s total budget for the years 2007-2009 is CZK 7.8 million.

Humanitarian aid

On 11 June 2007, the Minister of Foreign Affairs approved the provision of financial humanitarian aid worth CZK 3 million to Sri Lanka. This sum was donated through the NGO Caritas Czech Republic towards a humanitarian aid project.

On 25 September 2007, the provision of further humanitarian aid worth CZK 2.2 million was approved. This sum was donated through the NGO People In Need towards a humanitarian aid project.

THAILAND

(Kingdom of Thailand)

Relations between the Czech Republic and Thailand are traditional and problem-free and centre on cooperation in the trade and economic field. Thailand is a popular destination for Czech tourists, whose numbers increase every year. In 2007, bilateral relations were negatively influenced by the restriction on official contacts between the EU and EU member

states with Thailand following the military coup in September 2006. An Honorary Consulate of the Czech Republic was opened on the island of Phuket in April 2007.

Economic relations

Thailand has consistently been one of the Czech Republic's most important trading partners in Southeast Asia. Thailand was the Czech Republic's 31st biggest trading partner in terms of mutual trade, 23rd in terms of Czech imports and 53rd in terms of Czech exports.

The following economic agreements are operative between the Czech Republic and Thailand: Agreement for the Promotion and Reciprocal Protection of Investments (4 May 1995), and Treaty for the Avoidance of Double Taxation (14 August 1995). Talks on a new Agreement on Economic Cooperation have been completed (signing expected in 2008) and the Agreement for the Promotion and Reciprocal Protection of Investments is being renegotiated.

The Czech Republic's principal export commodities: dried milk, fuel pumps, arms and ammunition, turbo generators, artificial casings, steam turbines.

The Czech Republic's principal import commodities: automated data processing machines, electronic parts of audio and video technology, optical fibres, printed circuits, crude rubber, tyres, copper tubes.

Development cooperation

In total, there were seven Thai students studying in the Czech Republic at the end of 2007, one on a bachelor's course and six on master's courses. Two scholarships were allocated to Thailand for the 2007/2008 academic year.

Cultural relations

Cultural relations were relatively intensive in 2007. The following cultural events were staged as part "Czech Republic Days", a series of trade and economic, cultural and social presentations organised by the Embassy of the Czech Republic in Bangkok: an exhibition of collages by J. Chmelář, an exhibition of artistic photographs of Prague by P. Žůrek, an exhibition of paintings by Thai artist Boonkas Saekow entitled "My First Impressions of the Czech Republic", and "Czech Gastronomy Days", accompanied by musical performances by

the Prague Funfair Band. Another successful cultural event was a concert of Czech classical chamber music performed by the Czech-Thai Trio Nuevo. Director J. Menzel personally attended the “EU Film Festival” in Bangkok as guest of honour; his film *I Served the King of England* was screened at the festival. His Oscar-winning film *Closely Observed Trains* was also screened during his visit to Bangkok, followed by a discussion with the director. A numerous delegation of Czech sportsmen and women took part in the summer “2007 Summer World University Games” in Thailand. Czech books were dedicated to the European Union library at the University of Chiang Mai on the occasion of the 80th birthday of the King of Thailand Bhumibol Adulyadej.

UZBEKISTAN

(Republic of Uzbekistan)

Czech-Uzbek relations centred on cooperation in the trade and economic field, which is increasing in scale. Czech-Uzbek relations continued to be influenced by the European Union’s continuing sanctions adopted in response to the suppression of the uprising in Andijan in May 2005. In the second half of 2007, the Czech Republic held the local presidency of the EU in Uzbekistan.

Visits by representatives of the Czech Republic:

- 3-6 May 2007 – working visit by Deputy Minister of Foreign Affairs J. Bašta.

Economic relations

Uzbekistan is the Czech Republic’s second most important trading partner in Central Asia. Overall, it is the Czech Republic’s 80th most important foreign trade partner in terms of foreign trade turnover. Mutual trade exchange grew by 51% from 2006 to 2007.

The Czech Republic’s principal export commodities: rubber products, machinery and plant equipment, medicaments and pharmaceuticals, cleansing and polishing preparations, telecommunications equipment, audio recording and reproduction apparatus.

The Czech Republic’s principal import commodities: cotton textile fibres and yarns, clothing products and accessories, products of non-ferrous and precious metals.

Development cooperation

In 2007, an agricultural project entitled “Improvement of the Quality of Drinking Water and Irrigation Water in the Aral Sea Area Using Czech-made Sorbent Apparatus” was implemented in Uzbekistan. CZK 3.5 million was spent on the project in 2007. The project’s total budget for the years 2004-2007 was CZK 12 million.

In total, there were twenty students from Uzbekistan studying on government scholarships in the Czech Republic at the end of 2007, ten on bachelor’s courses, six on master’s courses and four doctorate students. However, there are several hundred Uzbek students studying in the Czech Republic.

VIETNAM

(Socialist Republic of Vietnam)

Vietnam has consistently been a traditional partner for the Czech Republic in Southeast Asia. Economic and trade cooperation has for long formed the core of relations. Vietnam is also one of the Czech Republic’s eight foreign development cooperation priority countries. The numerous Vietnamese community in the Czech Republic and Vietnamese graduates of Czech universities also contribute to the development of mutual relations. Relations between the two countries developed successfully at bilateral and multilateral level in 2007. The culmination of relations was a visit to the Czech Republic by Prime Minister Nguyen Tan Dung in September 2007. Several agreements were signed during the visit: an Agreement between the Government of the Czech Republic and the Government of the Socialist Republic of Vietnam on the Transfer of Citizens and bilateral agreements worth a total of USD 3.5 billion.

Visits by representatives of the Czech Republic:

- 1-5 April 2007 – visit by a delegation of the Committee on the Budget of the Chamber of Deputies of Parliament, led by Vice-president of the Chamber of Deputies V. Filip;
- 11-14 April 2007 – working visit by Deputy Minister of the Environment J. Dusík;
- 14-16 November 2007 – working visit by Minister of Industry and Trade M. Říman.

Visits by representatives of Vietnam:

- 31 January – 5 February 2007 – working visit by a delegation of the Committee on Science, Technology and Environment of the National Assembly, led by member of the Politburo of the Central Committee of the Communist Party Ho Duc Viet;
- 16 March 2007 – working visit by Deputy Minister of Foreign Affairs Le Cong Phung;
- 16 July 2007 – working visit by Minister of Labour, War Invalids and Social Affairs Nguyen Thi Kim Ngan;
- 12-13 September 2007 – official visit by Prime Minister Nguyen Tan Dung.

Economic relations

Vietnam is one of the Czech Republic's traditional trade and economic partners in Southeast Asia. There was a significant increase in the volume of Czech exports to Vietnam in 2007.

However, the level of trade turnover, and Czech exports in particular, falls short of the potential of traditional economic relations, even though Czech exports have recently begun to increase. It is fair to expect that trade turnover will continue to grow and the Czech balance of trade deficit will shrink in the coming years in consequence of the negotiations conducted by Czech firms during the visit of the Vietnamese prime minister in 2007 (projects in the fields of energy, building materials manufacture and the food industry).

The Czech Republic's principal export commodities: machine engineering products, aviation technology, textile machinery and parts of such, glass products, cosmetics, dairy products, beer, malt, medicaments and pharmaceuticals, chemicals and plastics, various industrial products (measuring and controlling apparatus, lighting fixtures, clothing accessories, sports equipment).

The Czech Republic's principal import commodities: footwear, fish products, food industry products, metal products, coffee, tea, crude rubber, textiles and clothing, furniture and craft products, tropical fruit.

Bilateral agreements concluded in 2007

- Memorandum of Understanding on Cooperation in the Field of Environmental Protection between the Ministry of Environment of the Czech Republic and the Ministry of Natural Resources and Environment of the Socialist Republic of Vietnam, Hanoi, 12 April 2007;
- Agreement between the Government of the Czech Republic and the Government of the Socialist Republic of Vietnam on the Readmission of Citizens of Both States, Prague, 12 September 2007;
- Protocol between the Government of the Czech Republic and the Government of the Socialist Republic of Vietnam Implementing of the Agreement between the Government of the Czech Republic and the Government of the Socialist Republic of Vietnam on the Readmission of Citizens of Both States, Prague, 12 September 2007.

Development cooperation

Bilateral projects					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Industrial development	Building of an Orthopaedic and Rehabilitation Centre for Disabled Youth in Bae Thai Province	Motol University Hospital, Prague	1996-2007	1 000	46 000
	Reconstruction and Modernisation of the Technical Equipment of Haiphong Hospital	Hospimed, s.r.o. Prague	2006-2010	4 985	27 440
	Assimilation of the Raw Material Base for Industrial Use in the Glass Industry	GET,a.s., Prague	2006-2010	5 000	27 440
	Building of a Centre for Higher Vocational Education and For Raising Professional Qualifications	Technical University of Liberec	2006-2010	4 661	24 500
	Development of Small Hydroelectric Plants for Rural Areas in the Form of Supplies of Technology	Strojírny Brno, a.s.	2006-2010	1 464	24 500
	Technical and Methodological Assistance in the Establishment of a Faculty of Technical, Environmental and Agricultural Food Production Engineering	Czech University of Life Sciences in Prague	2006-2010	2 900	9 800
Social development	Social Integration of Risk Groups of the Population – Thua Hue Region	Mgr. Jiří Kocourek	2006-2009	2 702	13 500
Agriculture	Revitalisation of Deforested Areas with Local Species as a Rural Development Tool in the Central Highlands of Vietnam	Mendel University of Agriculture and Forestry in Brno	2006-2007	2 300	6 224

	Sustainable Development in the Community of Phong My	Czech University of Life Sciences in Prague	2006-2009	3 300	8 040
	Renewal and Sustainable Development of Forest in the Community of Phong My	Mott MacDonald	2007-2009	3 376	7 990
Environment	Identifying and Prospecting of Potable Water Resources in Selected Areas of Nghe An Province	Gekon,s.r.o.	2005-2007	3 262	9 934
	Rehabilitation of Thua Thien Hue Province Affected by AO/Dioxin Contamination	DEKONTA,a.s.	2006-2008	6 959	23 632
	Regional Waste Management Concepts in Central Vietnam	ETC Consulting Group,s.r.o.	2006-2008	2 721	6 289
Total				44 630	235 289

Small-scale local projects under the Embassy of the Czech Republic					
Sector	Project name	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Embassy in Hanoi	Purchase of Dentists' Chairs and Related Instruments for the Viet-Czech Friendship Hospital in Haiphong	Viet Tiep Haiphong Hospital	2007	1 019	x
Total				1 019	x

Trilateral projects					
Sector	Project name/cooperating organisation	Implementing organisation	Implementation period	Drawdown in 2007 (CZK thousands)	Total project budget (CZK thousands)
Ministry of Foreign Affairs	Capacity Building for Environmental Risk Awareness CAPERA/CIDA Foundation	Development World Wide, o.s.	2007	1 017	x
Total				1 017	x

Government scholarships			
	Bachelor's study	Master's study	Doctorate study
Number of scholarship beneficiaries	12	6	9

	Government scholarships	Total expenditure on development projects in 2007 (CZK thousands)
TOTAL Vietnam	27	46 666

Cultural relations

- Czech culture is presented in Vietnam mainly through events organised by the Embassy of the Czech Republic in Hanoi. The most significant events in 2007 included "Czech Cuisine Week", concerts by F. Slovacek accompanied by singer L.

Machálková, and an exhibition of “Czech Art Nouveau”. During “Europe Days”, the Czech Republic also took part in the “Children’s Film Festival” in Hanoi in May.

PACIFIC STATES

KIRIBATI

(Republic of Kiribati)

On 27 June 2007, the Ambassador of the Czech Republic in Malaysia and the State Secretary of the Ministry of Foreign Affairs of the Republic of Kiribati signed a communiqué on the establishment of diplomatic relations between the two countries.

NAURU

(Republic of Nauru)

The Czech Republic established diplomatic contacts with the Republic of Nauru on 19 February 2007. Relations are developed through the Embassy of the Czech Republic in the Philippines. The first Czech ambassador presented his credentials in November 2007.

Development cooperation

In 2007, the Embassy of the Czech Republic in Manila implemented a small-scale local project in the field of social development in Nauru, entitled “Water for Nauru” and with a value of CZK 500,000.

PALAU

(Republic of Palau)

Development cooperation

In 2007, the Embassy of the Czech Republic in Manila implemented a small-scale local project in the field of healthcare in Palau, entitled “Sending of a Czech Dentist” and with a value of CZK 500,000.

PAPUA NEW GUINEA

Development cooperation

In 2007, the Embassy of the Czech Republic in Jakarta implemented a small-scale local project in the educational field in Papua New Guinea, entitled “Schola Ludus: a New Chance for Children from the Papua New Guinea Village of Nagada”. The value of the project was CZK 700,000.

SOLOMON ISLANDS

Humanitarian aid

On 24 April 2007, the Minister of Foreign Affairs approved the provision of financial humanitarian aid worth CZK 400,000 to the Solomon Islands. This sum was transferred to the Embassy of the Czech Republic in Canberra, which mediated the implementation of this humanitarian aid to the population affected by an earthquake and tsunami via the government of the Solomon Islands.

TONGA

(Kingdom of Tonga)

On 19 September 2007, the ambassador of the Czech Republic in Australia and the minister of foreign affairs of the Kingdom of Tonga signed a two-page communiqué in the capital Nuku’alofa, establishing diplomatic relations between the two countries as of that date. On the occasion of the establishment of diplomatic relations, the Czech Republic unilaterally included Tonga on the list of countries whose citizens are awarded entry visas after arriving at the airport.

III. THE ECONOMIC DIMENSION OF THE CZECH REPUBLIC'S FOREIGN POLICY

1. Economic diplomacy and export promotion activities of the Ministry of Foreign Affairs

The promotion of exports, investment and tourism is one of the priorities of the Government of the Czech Republic.

In view of increasing globalisation and the high degree of openness of the Czech economy, the Government is of the opinion that the country's prosperity is dependent on its ability to promote its economic interests internationally.

Economic diplomacy has a key role to play in this process. Economic diplomacy is a set of measures intended to promote government policy in the field of manufacturing, the movement and exchange of goods, services, labour, incoming and outgoing investments, and to create a positive image of the country throughout the world. Economic diplomacy plays an important role in the process of formulating, promoting and protecting the interests of the Czech Republic in EU bodies.

In order for economic diplomacy to be genuinely effective, it should have a clear vision and direction. It should be organised in a way which is in line with its objectives, provided with sufficient human and financial resources, understood as an active component of the state's foreign and economic policy, executed in partnership with the private sector and based on the actual level of demand from Czech companies for its services.

Czech economic diplomacy possesses a number of these attributes. Its vision is contained in *Export Strategy of the Czech Republic for 2006-2010*, which aims to further the interests of the country internationally through trade and investment. The *Concept for a Unified Presentation of the Czech Republic* sets forth the objectives which can be achieved through a unified presentation of the Czech Republic abroad and through the shaping of its positive image as a modern, developed democratic country, a reliable partner in trade relations and a suitable location for profitable investment.

Czech economic diplomacy is able to make use of the network of embassies with trade and economic sections, as well as the international network of state agencies. At central level,

it is supported by specialised departments, particularly at the Ministry of Foreign Affairs, Ministry of Industry and Trade and Ministry for Regional Development, which *regard the promotion of economic interests at an international level as one of their priorities.*

At the Ministry of Foreign Affairs, too, there is considerable potential for the further stepping up of activities which support and develop economic diplomacy. The promotion of economic interests internationally has become an integral component of state foreign policy. The Ministry of Foreign Affairs as a whole must, therefore, play a leading and indispensable role in implementing these measures.

It is also true, however, that in the process of conducting economic diplomacy the degree of co-ordination between the parties involved may not always reach the required level, which is subsequently reflected in their cooperation. There may be unnecessary duplication of activities or “departmentalism”, reducing the performance of the system and the effectiveness of resources provided from public sources. There is room for improvement in the creation of an international image which has unified form and content. The competence of the individual agencies may not always be sufficiently comprehensible, either for foreign partners or for professional circles in the Czech Republic. The Czech Republic has not always been represented abroad by sufficiently expert representatives.

Institutional organisation

The *Ministry of Foreign Affairs* and *Ministry of Industry and Trade* play an indispensable role in conducting economic diplomacy. Their work is defined in Act No. 2/1969 Coll., as amended, which is referred to as the Competences Act.

The *Ministry of Foreign Affairs* is the central body of state administration for foreign policy. It formulates the foreign policy concept and co-ordinates external economic relations.

The *Ministry of Industry and Trade* is the central body of state administration for trade policy, foreign economic policy, foreign trade and export support.

The Ministry of Foreign Affairs and the Ministry of Industry and Trade are the main protagonists in promoting trade and economic interests and cooperate within the framework of the operative agreements:

- Agreement on Cooperation between the Ministry of Foreign Affairs and the Ministry of Industry and Trade in matters connected with the implementation of foreign trade policy, foreign trade and export support in the work of the foreign service of the Czech Republic, signed at ministerial level in 1998 and amended in 2000;
- Agreement between the Ministry of Foreign Affairs and the Ministry of Industry and Trade on the coordination of the activities of subordinate organisations which are part-funded from the state budget and whose work concerns foreign economic activities, signed at ministerial level in 1999.

Cooperation between the Ministry of Foreign Affairs and the Ministry of Industry and Trade is coordinated by *Permanent Working Groups*, which meet at the deputy minister level of both Ministries.

The manner in which economic sections report to both the Ministry of Foreign Affairs and the Ministry of Industry and Trade is regulated by Act No. 2/1969 Coll. and by the above mentioned related agreements between the Ministers of both Ministries. An amendment to the Competences Act would be required to alter the current arrangement.

The *Ministry for Regional Development* also participates in the development of effective economic diplomacy. This Ministry is responsible for tourism and, within the framework of the EU, oversees the interests of local government bodies. Tourism accounts for more than three percent of GDP and generates foreign exchange revenues exceeding CZK 100 billion per annum. This Ministry also plays a very important role in implementing the EU's regional and structural policy, referred to as economic and social cohesion policy.

The *Ministry of Agriculture* is the central body of state administration for agriculture and conducts marketing activities to promote Czech agricultural products.

The *Ministry of the Environment* monitors the environmental impact of economic processes. It promotes Czech know-how and technologies abroad through foreign development cooperation programmes, chiefly in less developed countries. Amongst its other services, the Ministry maintains the Database of Czech Environmental Technologies and Services (www.env.cz/Envibase).

In general terms, there is an international element in the work of every central body of state administration to a greater or lesser degree. Consequently, every such body is either a co-architect or user of economic diplomacy. An example of this is the *Ministry of Culture*, which promotes the Czech Republic abroad both itself and through cultural institutes.

In total, there are 102 economic diplomats in economic sections at the 82 embassies of the Czech Republic in foreign countries.

The Ministry of Foreign Affairs is responsible for embassies. Economic sections form an integral part of these embassies and their staff are subordinate to embassy heads. Expert management of economic sections falls within the competence of the Ministry of Industry and Trade.

The Ministry of Foreign Affairs currently uses the services of 138 Honorary Consuls. This number will be gradually increased by a further 24. During 2008, the Ministry will hold a meeting in Prague of Honorary Consuls of the Czech Republic. One of the challenges to be emphasised at this meeting is the need for Honorary Consuls to be more involved in promoting the commercial and economic interests of the Czech Republic. The importance of furthering Czech economic and commercial interests is stressed when new Honorary Consuls are appointed and they will be asked to play a greater role in organising events to support exports and promote the Czech Republic.

Organisations which are part-funded from the state budget (“part-funded organisations”) also play a key role in conducting economic diplomacy, not only through their offices abroad, but also through the diverse range of services they provide in the Czech Republic itself.

CzechTrade, a part-funded organisation under the Ministry of Industry and Trade, is the government agency which supports trade. It has 33 offices in foreign countries.

CzechInvest, also a part-funded organisation under the Ministry of Industry and Trade, is the government agency which supports enterprise and investment. It has nine offices in foreign countries.

Czech Centres is a part-funded organisation under the Ministry of Foreign Affairs with 23 offices abroad. Its mission is to develop dialogue with the public in foreign countries

in the fields of culture, education, trade and tourism and to help shape the Czech Republic's image as a modern and dynamic country.

The CzechTourism agency is responsible for supporting the development of tourism, where the majority of total revenues come from foreign tourism. This organisation is part-funded from the state budget under the Ministry of Regional Development and is represented by 28 offices abroad. Part of its work is carried out by foreign private entities.

CzechTourism promotes the Czech Republic as a tourist destination, coordinates the state promotion of tourism with activities carried out by private-sector companies and develops the medium-term and current strategy for marketing tourism products on both domestic and foreign markets. The joint-stock companies Czech Export Bank (ČEB) and Export Guarantee and Insurance Company (EGAP) operate in the field of financing and insuring state-supported exports.

Management system

The Ministry of Foreign Affairs and Ministry of Industry and Trade regard improved cooperation between the offices they manage as a key precondition for the development of effective economic diplomacy.

Both ministers agree that, within their separate spheres of authority, the two ministries have common objectives in the promotion of economic activities and management of economic sections. In order to achieve these objectives, they have to improve their cooperation.

There is also agreement that the support of trade and economic activities is a task not only for economic sections, but one which further staff also should be involved in, including embassy heads. The position of embassy heads is in fact vital and their role in promoting the objectives of economic diplomacy indispensable. This fact should be taken into consideration during their preparation for posting to a particular territory.

New system of management of state services abroad

The management system for state services abroad in the field of support for exports, investment and trade policy will be further developed and simplified in order to improve the

coordination and management of all organisational units abroad. Thanks to the use of the *Balanced ScoreCard (BSC)* method, this project enables managerial control, planning, reporting and evaluation of activities. It is implemented by the Ministry of Industry and Trade and the Ministry of Foreign Affairs in cooperation with Czech Centres and the CzechTrade and CzechInvest agencies. Experiences to date with the BSC method as a management system for state services abroad have been positive, and in the next phase the system will be enhanced and simplified.

This system is currently in use at 52 embassies. The Ministers of Foreign Affairs and Industry and Trade have decided to extend it to all embassies and independent economic sections during 2008.

The system respects the principles of a *unified foreign network, the indispensable role of embassy heads in promoting economic interests in foreign countries and the expert management of economic sections* by the Ministry of Industry and Trade. At the same time, further steps will be taken to make economic diplomacy more effective.

The Ministry of Industry and Trade has drawn up a project to merge the services of CzechTrade and CzechInvest abroad. This will deepen the coordination of services provided by both agencies, lead to cost savings and more effective marketing and promotional events. At the same time, it will preserve the continuity of these agencies' activities and the network of contacts that has already been built up.

In response to an initiative from business representatives and with a view to creating a unified range of services for the international network, a project team (comprising, amongst others, representatives of the Ministry of Foreign Affairs, Ministry of Industry and Trade, Czech Chamber of Commerce and Confederation of Industry) is making preparations for economic sections to provide individual services to companies. The main task of this system is to define the services of economic sections in countries where CzechTrade does not have an office and there is demand among Czech companies for state services to support exports.

Strategic management of the Ministry of Foreign Affairs

The project entitled "*Ministry of Foreign Affairs Strategic Management System*" establishes economic and public diplomacy as one of the six fundamental strategic priorities (areas) of the Ministry of Foreign Affairs, and therefore also of Czech foreign policy as a

whole. Designed to make the Ministry of Foreign Affairs management system more effective, the project is based on the *Management by Objectives* (MBO) methodology. Economic and public diplomacy is defined as a strategic priority (area) with specific objectives, which are as follows:

- creating opportunities for Czech companies to enter and succeed on international markets and for further influxes of investments to the Czech Republic;
- creating and implementing a systematic and effective public diplomacy strategy;
- developing a system to coordinate action between state bodies involved in economic and public diplomacy;
- promoting the economic interests of the Czech Republic in EU structures and its external economic relations;
- optimising and modernising activities shaping the positive image of the Czech Republic abroad;
- ensuring the adequate provision of public information (*Public Affairs*).

These and other objectives of the Ministry of Foreign Affairs will be elaborated into individual tasks, measures and performance indicators. Pilot operation will be launched at selected embassies during 2008. Economic and public diplomacy projects will be coordinated with the system for managing state services in the field of trade policy and export support and investments.

A further strategic priority of the Ministry of Foreign Affairs in line with its new strategic management system is the improvement of human resources policy. Here, the plan is to improve Ministry employees' qualifications and expertise and create a functional system for their regular evaluation.

Export support – export strategy

The individual state programmes for the support of exports are summarised in *Export Strategy of the Czech Republic for 2006-2010*, which was drawn up by the Ministry of Industry and Trade and adopted by the government.

In contrast to all previous documents of a similar type, the Export Strategy is based on twelve *specific projects and is coordinated by the Ministry of Industry and Trade using a “management system”*. These projects include:

- trade facilitation (liberal trade policy);
- presence on key markets (optimal utilisation of capacity);
- building the Czech Republic brand (as a credible economic partner);
- effective assistance for exporters (effective state services);
- increasing exports of services;
- increasing direct investments and acquisitions abroad;
- developing export alliances (connecting companies for success abroad);
- new system of state export services (coordination and management of organisational units of the state);
- customer centre for exports (entry gateway for exporters and investors);
- export network (information for businesses on events in individual territories);
- broadening the financing of Czech exports;
- export training.

All the above-mentioned projects are intended to create suitable conditions for export and investments; to strengthen the international standing of Czech companies; to offer a wider range of trade and investment opportunities abroad; and to improve services. Teams drawn from both the public and private sectors are working on these projects.

The progress achieved on individual project objectives is regularly checked and assessed. In the context of activities on *acquiring new markets* and presenting the Czech Republic as a suitable trading partner, financial support was given to *economic, trade and cultural presentation activities*, which were conducted by embassies abroad in cooperation with the Ministry of Foreign Affairs, the Ministry of Industry and Trade and the appropriate part-funded organisations.

Asia was the main target, where a total of 24 projects were carried out (in China, India, Vietnam, Japan, etc.). The countries of the former Soviet Union were another preferential region, with nine projects. The Ministry of Foreign Affairs is planning to conduct similar projects again in 2008.

State services for exporters and investors

Special emphasis is placed on the quality and effectiveness of state services for businesses. These are not merely limited to the export of goods. Services, investment, and liberal trade policy (which focuses on trade facilitation and the removal of barriers to foreign markets) are also actively supported.

The objective is to provide *professional services of high quality* which are available to the widest possible range of organisations and which meet the expectations placed on state services in a market economy.

Services are divided into several types (training, advice, information, assistance and presentation services, as well as export financing, and insurance). The Ministry of Industry and Trade offers these services to businesses comprehensively through a uniform offer of services (referred to as “Export in a Nutshell”). The objective is to create a single, easily accessible and user-friendly information system for exporters and investors, and to improve the provision of services to exporters through a single interface and standard that is available throughout the world.

This offer of services is available in both printed and electronic forms from the Ministry of Industry and Trade, Ministry of Foreign Affairs, Ministry of Agriculture and Ministry of the Environment. The Ministry of Industry and Trade has also created an entry gateway to state services called *Export Hotline*, which exporters and investors can contact with their requests and questions. These enquiries are then handled by the appropriate department.

Information support for exporters and investors is provided by the *BusinessInfo.cz* and *Export.cz* portals. A joint project team (comprising members from the Ministry of Industry and Trade and Ministry of Foreign Affairs, as well as from other ministries, agencies and the business community) is improving the export opportunities information system so that this information is presented to businesses in a uniform and easily searchable manner and the undesirable duplication of data, which previously existed in the system, is eliminated.

Export opportunities are collated at economic sections and CzechTrade offices abroad and sent to the CzechTrade headquarters for processing in the system according to the needs

of Czech companies. The *Shared Information Area (SINPRO)* makes available all “corporate agenda” information shared by all contributors, increasing the probability of success on foreign markets.

The state export-support institutions and agencies base their service provision on principles of high quality, confidentiality, promptness, up-to-date information, equal treatment and feedback. Under no circumstances may employees participate in specific business relationships. The *feedback* system makes it possible to determine companies’ satisfaction with the way in which state services are provided, and subsequently to adapt those services to the needs of the private sector.

It is in the interests of state institutions to make the services they provide more accessible to businesses in the various regions of the Czech Republic. With this in mind, CzechTrade and the Czech Chamber of Commerce set up a joint project for the development of *thirteen regional export points* in the regions. Employees of these export points offer the export-promotion services of CzechTrade, the Czech Export Bank and the Export Guarantee and Insurance Company. As part of its export-support work, the Ministry of Foreign Affairs has concluded cooperation agreements with the Defence Industry Association of the Czech Republic, the Czech Chamber of Commerce and the Confederation of Industry.

With a view to further improving the unified offer of services available from the foreign economic network, a project team comprising representatives from the Ministry of Foreign Affairs, Ministry of Industry and Trade, the Czech Chamber of Commerce and the Confederation of Industry is preparing the introduction of services which can be provided by economic sections to individual companies, with the option of certain services carrying a fee as is customary in other countries. This system will ensure that the services of economic sections are more precisely defined in countries where CzechTrade does not have an office, but where there is nonetheless genuine demand from Czech companies for state services in support of exports and investments.

Economic diplomacy will also have to become more responsive to the needs of the Czech economy, such as to the lack of labour on the Czech labour market. In this respect, the Government approved the “Green Card” project in October 2007, which was developed by the Ministry of Industry and Trade in cooperation with the Ministry of the Interior, Ministry of Labour and Social Affairs, Ministry of Foreign Affairs, Ministry of Agriculture and

Ministry of Education, Youth and Sports. This project is designed to simplify and accelerate the process of employing foreigners from countries outside the European Economic Area and Switzerland. Assistance from embassies will play a key role, particularly in promotion of the project and administration of applications.

Human resources development

It is not possible to conduct economic diplomacy effectively without educated, capable, independent and active state representatives. These attributes will be the key criteria for selecting *economic diplomats for work abroad*.

The *Export Academy* is responsible for developing the commercial, economic and managerial skills of diplomats and heads of CzechTrade offices abroad. Its educational programmes are prepared and implemented by the Ministry of Industry and Trade in cooperation with the Ministry of Foreign Affairs and the University of Economics, Prague; it is operated by CzechTrade. Graduation from the Export Academy is mandatory for anyone applying to work in an economic section or CzechTrade office abroad. Complementary, as well as self-contained, educational programmes are also provided by the *Ministry of Foreign Affairs Diplomatic Academy*. It is the intention of senior management at the Ministry of Foreign Affairs that employees at all levels will improve their economic expertise.

Due to the limited resources available from the state budget, economic diplomats and the staff of agency offices abroad must primarily work *in countries where there are opportunities for Czech companies to trade and do business*. Last year, the Ministry of Foreign Affairs and Ministry of Industry and Trade took several steps which led to *a strengthening of economic diplomacy in countries with major export potential (increasing staff numbers at economic sections in China, Vietnam, India, Mongolia and Japan)*. This was achieved using the existing number of economic diplomats by reducing staff in Hungary, Poland, Belgium, United Kingdom and Cyprus.

Regarding the effective use of capacity, it is also necessary to take into account the wider *context of optimisation and rationalisation of agencies in individual countries*. In other words, it is necessary to ask whether, when a foreign city has an embassy with an economic section, it also requires CzechTrade and CzechInvest offices, and possibly also a Czech Centre and CzechTourism office.

The state's foreign representation is undergoing progressive optimisation. For example, from autumn 2007 the Czech House in Brussels has not only hosted diplomats from the Permanent Representation of the Czech Republic to the EU who are preparing for the Czech Republic's presidency of the Council of the European Union, but also the majority of the representatives of the Czech regions, the embassy in Belgium, the CzechTrade, CzechInvest and CzechTourism agencies, CEBRE, a Czech Centre and offices of companies (Czech Airlines, Czech Rail and the CEZ Group). At the same time, the services of CzechTrade and CzechInvest are being merged.

The development of competent and effective sections – for economic cooperation and foreign cooperation – is confirmation of the declared role of the Ministry of Foreign Affairs intensifying its economic diplomacy and promotion of the Czech Republic.

Co-operation with the business community – Czech Council for Trade and Investment

Effective economic diplomacy must reflect the needs of the business community. Business must play a greater role in the debate on fundamental questions of economic diplomacy and must be invited to enter into dialogue with the public sector.

With this in mind, and following agreement with the Minister of Foreign Affairs, the Minister of Industry and Trade decided to establish a permanent advisory and coordinating body - *The Czech Council for Trade and Investment* (hereinafter “Council”).

The Council brings together private sector representatives and representatives from the Ministry of Industry and Trade and the Ministry of Foreign Affairs, as well as from other state administration bodies and their subordinate institutions. The Council will be active chiefly in the following areas:

- coordinating the separate components of Czech foreign policy
- adapting state services to the needs of Czech companies, including their involvement in preparing positions for negotiations in Brussels
- creating suitable conditions for the effective promotion of Czech economic interests abroad
- use of the unified brand of the Czech Republic for its international promotion through trade and investment.

The Council will be authorised to make proposals and recommendations which the Ministry of Foreign Affairs and Ministry of Industry and Trade will use to improve the quality of state services. It will also cooperate with the appropriate committees of both chambers of the Czech parliament, the Office of the President of the Republic and the Office of the Government.

Unified presentation of the Czech Republic internationally – building a positive image of the Czech Republic abroad

All ministries adhere to the *Concept for a Unified Presentation of the Czech Republic* in order to improve their presentation of the country. Its main aim is to promote the Czech Republic as a modern, developed country with a unique culture and identity, founded on expertise and innovation, and a reliable partner in the global community. This unified presentation creates the ideal environment for conducting economic diplomacy. The coordinator of the unified presentation abroad is the Ministry of Foreign Affairs.

It should be mentioned that there is considerable room for improving the coordination of presentation activities abroad by CzechTrade, CzechInvest, Czech Centres and CzechTourism.

The Ministry of Foreign Affairs coordinates the joint planning of important presentation events through the *Commission for the Presentation of the Czech Republic*, whose meetings are attended not only by all the involved ministries, but also by CzechTrade, CzechInvest, Czech Centres and CzechTourism, and by representatives of the Office of the President of the Republic, the Chamber of Deputies and the Association of Regions. The Commission also ensures that the tasks set forth in government resolution No. 74 of 19 January 2005 are carried out. All the short-term tasks have been completed. The medium-term tasks will be discussed at forthcoming meetings of the Commission.

Another important body which coordinates the presentation of the Czech Republic abroad is the *Inter-ministerial Coordinating Commission for Tourism*, which is the Ministry for Regional Development's supreme advisory body on tourism. All ministries whose work involves tourism are represented in this Commission at deputy minister level (amongst others,

these include the Ministry of Foreign Affairs, Ministry of Industry and Trade and Ministry of Agriculture).

As the above-mentioned *Czech Council for Trade and Investment* is also prepared to present the Czech Republic abroad, it is possible to state that the state administration has a sufficient number of bodies concerned with the current situation and with the coordination and planning of activities in this area.

The Commission for the Presentation of the Czech Republic should coordinate the work of representatives of the founders and management of Czech Centres, CzechTrade, CzechTourism and CzechInvest when plans for their representation activities abroad are being drawn up.

An internet portal run by the Ministry of Foreign Affairs, www.czech.cz, has become an important communication tool for the unified presentation of the Czech Republic, both domestically and abroad, since it was established in June 2006 under the aforementioned government resolution No. 74 of 2005. This portal was awarded a Bronze Medal on the basis of votes in the 2006 Crystal Magnifying Glass Czech Internet Prize, in the State Administration Website category. The website is divided into five thematic sections and presented in five language versions – Czech, English, French, German and Spanish. The content is currently being translated into Russian.

One segment of state export-support policy and presentation abroad concerns the Czech Republic's participation in *international trade fairs and exhibitions* with financial support for Czech exhibitors. This new concept, which is being developed by the Ministry of Industry and Trade, emphasises support for participation in territories where Czech companies find it difficult to make an impact without assistance. Additionally, the preparation process is being simplified in terms of its administration and organisation, and the effectiveness and quality of presentations is being improved, partly through feedback on the impact of participation.

A new element in the concept of the Czech Republic's presentation at international trade fairs and exhibitions is the introduction of financial assistance for domestic trade fairs. This is mainly intended for SMEs and emerging exporters. There will be much closer cooperation between the Ministry of Industry and Trade and the Czech private sector. In particular, sectoral federations and associations, the Confederation of Industry and the Czech

Chamber of Commerce will be provided with a decisive vote in the selection of trade fair events and the form of participation. Economic section staff will be more actively involved in presentations at trade fairs, as will the Czech Centres and the international offices of CzechTrade, CzechInvest and CzechTourism.

Besides the essential cooperation between all the bodies which are involved in promoting the Czech Republic domestically and abroad during the concept development and planning stages, it is also necessary to devote special attention to the uniform implementation of these plans and activities abroad.

2. The Czech Republic's Economic Development in 2007

The year 2007 confirmed the stable long-term development of the Czech economy; the growth in gross domestic product (GDP) was similar as in 2006, but the increase in gross national income (GNI) was much more pronounced.

The favourable development helped strengthen the Czech Republic's international economic position and stabilise certain imbalances in the national economy. As well as work productivity, employment also increased, more so even than in 2006 (with approximately 95,000 people finding work).

The external balance improved – the financial account surplus covered the deficit on the balance of payments current account, which also decreased relative to nominal GDP. The public budgets deficit relative to GDP at current prices fell.

Another significant change was the good results attained in the non-financial sector (where growth was driven by the processing industry, commerce and finance). The principal factors strengthening the demand side were household consumption and gross capital formation. The rate of capital expenditure financing from domestic resources increased.

The real increase in gross domestic product in 2007 was 6.6%¹. Expenditures of health insurance companies were a major growth stimulus, especially in the fourth quarter of 2007, driving up GDP by approximately half a percentage point. According to the statistics, the key factor was the public's increased demand for health services before the introduction of regulatory fees in 2008.

¹ Data from March 2008

In 2007, the Czech economy attained the level of approximately 74% of the Eurozone's economic output. The Czech Republic is closing the gap at increasing speed – in 2009 the ratio should be 79%. If we take into account the economic output of all 27 countries of the European Union, the Czech economy attained a level of 82% in terms of purchasing power parity. The Czech Republic thus has the third strongest economy of the new member states, after Slovenia and Cyprus.

However, price growth accelerated after many years of stability. The rate of inflation, expressed as the year-on-year average CPI, was 2.8%. At year end (i.e. in December 2007 compared to 2006), the year-on-year rate of inflation was the highest since 1998: 5.4%. Price growth in agricultural produce was very strong. At 19%, it was the highest since the formation of the independent Czech Republic.

The development of inflation at the end of 2007 and the expected price growth in 2008 make it a reasonable assumption that there will be increased pressure on wage growth, particularly in the production segment. Salaries and pay grew by 9.0% in 2007. The average gross monthly wage was approximately CZK 21,700.

The rate of registered unemployment (according to the new methodology applied since 2004) fell from 8.1% in 2006 to 6.6% in 2007. This trend is positive from the point of view of the lower expenditure on unemployment, but the Czech Republic is encountering a new phenomenon on the labour market that is jeopardising its positive development: the market is limited by a shortage of skilled labour. The number of vacancies grew in consequence of the structural imbalance between employers' requirements and the supply of labour, which was partially alleviated by increased numbers of foreign workers. Real average wage growth of 4.3% was aligned with the 4.5% improvement in work productivity.

Foreign trade also drove economic growth, even though exports were impeded by the strengthening Czech currency. The koruna strengthened considerably against the two main currencies: by 11.3% against the US dollar and 2.1% against the euro.

Even so, foreign trade ended the year with a record surplus and achieved the best results in the history of the independent Czech Republic. The surplus in trade in goods was almost double the figure in 2006. The per capita value of exports rose to approximately CZK 240,000 in 2007 from almost CZK 41,000 in 1993.

The total value of exports was CZK 2,467 billion, up 15.5% from the previous year. Imports recorded year-on-year growth of 13.5% to reach CZK 2,389 billion. The balance of trade in goods ended the year with a CZK 87 billion surplus. Exports' coverage of imports was 103.6%, compared to 101.6% in 2006. In territorial terms, the balance of trade surplus improved with EU countries (up CZK 69 billion), but the deficit with non-EU27 states grew by CZK 22 billion.

In the commodity composition of foreign trade exports, there was growth in machinery and transport equipment (from 53.2% to 54.1%) at the expense of industrial consumer goods, semi-finished products and materials, and chemicals.

The major factors influencing the good results in foreign trade in 2007 included the continuing growth in industrial output, direct foreign investments in the processing industry, favourable development in exchange rates, and the economic growth and resultant demand in EU countries.

The Czech Republic's biggest market for exports is Germany, which accounts for 30.8% of Czech exports. It is followed by Slovakia (8.8%), Poland (6.0%), France (5.4%), Italy (4.9%) and Austria (4.6%).

In import terms, Germany retained its traditional position as the Czech Republic's biggest partner (with 28.1%), followed by China (7.8%) and Poland (5.8%).

The Czech Republic's most pronounced balance of trade surpluses were with Germany (CZK 92.3 billion) and Slovakia (CZK 90.3 billion); the largest deficits were with China (CZK -171.4 billion) and Japan (CZK -67.5 billion).

The strongest commodity in Czech foreign trade (SITC) is machinery and transport equipment. This category accounts for 54.1% of total exports; the index compared to 2006 was 117.4. In imports, machinery and transport had a share of 43%, with an index of 117.9. The second strongest category was market products classified by type of material. The exports index was 113.5; the imports index 116.7. This category represented 20.4% of total exports and 20.9% of total imports.

The third biggest export item is various industrial products (10.6%); in imports chemicals are in third place, with 10.4%.

In exports, none of the SITC commodity categories registered a decline; the biggest fall in imports came in the animal and vegetable fats and oils category (index of 88.1).

2007 also brought pronounced growth in the index of the real effective koruna exchange rate (defined by the GDP deflator), which was 2.7% up; the increase in the 4th quarter of 2007 alone was 5.5%. The price competitiveness of the Czech economy thus decreased.

IV. HUMAN RIGHTS IN THE CZECH REPUBLIC'S FOREIGN POLICY

European Union

In its activities within the European Union, the Czech Republic focuses on making its policy of promoting human rights and democracy throughout the world more effective. The objective is to increase the strength, cohesion and clarity of steps taken by the EU in this area and to ensure better use of existing mechanisms and tools. The Czech Republic draws on its own experiences with the process of social transformation and non-violent resistance to violations of human rights during the period of its previous regime. The Czech Republic can now also make use of the expertise in transformation cooperation which it provides to other countries.

Thematically, the Czech Republic monitors the situation of civil society and human rights defenders, both in its own transformation policy and in the EU. The Czech Republic also concentrates on strengthening the partnership between EU institutions and non-governmental organisations and on improving the effectiveness and coordination of the financial instruments used to support human rights and democracy.

COHOM – Council of the European Union Working Party on Human Rights

In 2007, the Czech Republic contributed actively to the formulation of the EU's human rights policy in the Council of the European Union Working Party on Human Rights (COHOM). COHOM prepares EU positions for sessions of the UN Human Rights Council and the 3rd Committee of the UN General Assembly, human rights dialogue with Iran and China, consultations on human rights with Russia and the EU Annual Report on Human Rights. It ensures implementation of EU guidelines against torture and the death penalty, and on children in armed conflicts, human rights defenders, and human rights dialogue. COHOM continued to make human rights a part of an ever-widening range of EU policies (a process referred to as “mainstreaming”). Human rights dialogue was initiated with the Africa Union and with Central Asian states. The Council of Ministers approved new guidelines on the rights of children which, in the initial phase, will focus on the issue of violence against children.

EU Agency for Fundamental Rights

The EU Agency for Fundamental Rights was founded on 1 March 2007 by a resolution of the Council of the European Union as the successor to the European Monitoring Centre on Racism and Xenophobia. The Agency's principal task is to provide assistance and expertise to institutions and other bodies of the EU, as well as to member states, regarding implementation of EU law. The Agency is therefore a consultative body first and foremost and does not have a mandate to investigate individual complaints or any regulatory or decision-making powers. The organisational structure of the Agency comprises a Director, a Management Board, an Executive Board and a Scientific Committee. In addition to this, the Agency uses a network of national liaison officers. The Agency works with civil society through a "platform for fundamental rights", which is a network of collaborating organisations and institutions from the non-governmental sector, such as non-governmental organisations, churches or academic bodies.

In 2007, the Agency issued a Report on Racism and Xenophobia in the Member States of the EU for 2006. *Inter alia*, the Report describes the situation of members of ethnic minorities in the Czech Republic (primarily Roma communities) in relation to education, employment, housing, racist violence and crime.

United Nations

Human Rights Council

In June 2007, the Czech Republic's one-year term of office as a member of the Human Rights Council (HRC) ended, as did its vice presidency of the East European regional group. During this period, it also chaired the working group reviewing special procedures mandates (i.e. special correspondents, independent experts and HRC working groups which either investigate the human rights situation in a particular country or a specific thematic area of human rights globally). The Czech Republic considers these special procedures to be of significant benefit to the international protection of human rights and is striving to preserve the basic structure of this system and improving its effectiveness, making the workings of individual procedures more transparent and improving cooperation by the states concerned.

In June 2007, the HRC concluded the debate on its organisational structure and consensually adopted a resolution on the type of mechanisms which will be used to promote observance of human rights in individual countries.

One of the most important mechanisms is the universal periodical review, under which the HRC will discuss compliance with international human rights commitments with each of the UN member states once every four years. This review will take the form of an interactive dialogue based on a report submitted by the state under assessment, as well as on information provided by non-governmental organisation. The process should result in an assessment of the country in question and in recommendations, if required, which would then be approved at a regular plenary session of the HRC. As one of the first members of the HRC, the Czech Republic will be one of the first countries to undergo this review, which is to be conducted in 2008.

After difficult negotiations, the system of special procedures was successfully preserved. However, the adoption of the compromise solution was made conditional on the discontinuance of the special procedures mandates for Belarus and Cuba. The Czech Republic expressed its concern over this step, which could be perceived as an expression of the international community's indifference to the human rights abuses occurring in these countries.

In 2007, three regular sessions of the HRC were held (each time with the participation of the Czech Republic, which since June has taken part only as an observer, without voting rights, following the expiry of its mandate). The fourth session most notably approved the EU resolution on religious intolerance and on the human rights situation in Darfur. The fifth meeting in June was almost exclusively devoted to approving organisational rules for its own activities, but there was also continued debate on the human rights situation in the Palestinian Autonomous Territories and Darfur. The sixth session in September was suspended and subsequently continued in December. It heard a number of special procedure reports, supported the mandate of a special correspondent for the human rights situation in Sudan and voted to approve a further EU resolution on religious intolerance.

- In October, the EU called for a special session to be convened on the human rights situation in Myanmar/Burma in response to the mass demonstrations and their violent suppression by the government. The HRC consensually condemned the suppression of peaceful demonstrations and the violence, killing, arbitrary detention and enforced disappearances connected with this suppression. The HRC called for the government

to respect human rights and fundamental freedoms and to punish those guilty of violating them.

62nd session of the 3rd Committee of the UN General Assembly – human rights questions

One of the most important items on the agenda of the 3rd Committee of the UN General Assembly was a resolution calling for a worldwide abolition of the death penalty. It calls on that do impose the death penalty at least to declare a moratorium on further executions. This is a long-term initiative of the EU, which has managed to gain support from a number of other countries. It was the first time ever that a draft resolution was submitted jointly by states from all the UN regional groups. This fact played a key role in its adoption. The Czech Republic was one of the countries for vote for its approval after a number of proposed amendments, which would have weakened it, were rejected.

The European Union submitted to the 3rd Committee draft resolutions on the following questions – the rights of the child (together with Latin American states; the resolution establishes a mandate for a special representative of the Secretary General of the UN for violence against children), religious intolerance, the human rights situation in the DPRK and the human rights situation in Myanmar/Burma. The EU actively supported a US draft resolution on the human rights situation in Belarus and a draft resolution from Canada on the human rights situation in Iran. All the resolutions submitted by the EU were approved, despite considerable efforts by the states concerned that they should be rejected.

Treaty-related activities

Convention on the Rights of Persons with Disabilities and its Optional Protocol

(adopted by the General Assembly of the UN on 13 December 2006 and signed by the Czech Republic on 30 March 2007)

This Convention deals with all aspects of the human rights guaranteed by international human rights conventions, seeking to ensure that they are implemented in the specific living conditions of persons with disabilities. The Convention's purpose is to increase the attention paid by governments to disabled persons in order to enable them to play a fuller role in the life of society and to remove the barriers they encounter when realising their human rights. The Optional Protocol regulates both the possibility of submitting communications from or on

behalf of individuals and the procedure for investigating grave or systematic violations of a state's commitments as stemming from the Convention.

Optional Protocol to the International Covenant on Economic, Social and Cultural Rights

In June 2006, a working group which, since 2004, had assessed the possibilities of elaborating an Optional Protocol governing the submission of communications regarding violations of economic, social and cultural rights, was instructed by the UN Human Rights Council to start negotiations on the draft of such protocol. The chairwoman of the working group drew up a draft of the Optional Protocol, which was discussed for the first time in July 2007.

3rd Periodic Report on Implementation of the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment

In 2006, the Committee against Torture requested further additional information concerning implementation of the Convention and, in March 2007, the Government approved materials informing them of developments in the issues under scrutiny. The Committee's attention focused on the adoption of an anti-discrimination act, investigation of racist violence, the establishment of an independent body to investigate complaints regarding offences by police officers, the amounts levied on prisoners to cover expenses connected with their imprisonment, and the investigation of complaints concerning excessive use of force by the security forces during demonstrations against the IMF/World Bank meeting in Prague in 2000.

6th and 7th Periodic Reports on Implementation of the Convention on the Elimination of All Forms of Racial Discrimination

In March 2007, at its meeting in New York, the Committee on the Elimination of All Forms of Racial Discrimination held talks with the delegation from the Czech Republic concerning the report submitted in 2006. Answers given by the Czech Republic to related preliminary questions were also discussed, as well as documents provided by non-governmental organisations. The Committee's concluding recommendations gave a summary assessment of the extent to which the Czech Republic had upheld the rights contained in the Convention. This conclusion lists positive aspects, as well as problems giving rise to concern. Regarding the latter, there is a list of recommendations intended to improve the way that the

rights governed by the Convention are upheld. These recommendations mainly relate to the following issues:

- the non-existence of a comprehensive legislative framework for protection against discrimination;
- the conduct of the police towards minorities;
- the issue of sterilisation;
- the employment of Roma citizens in public administration and institutions;
- racial discrimination concerning the right to accommodation and protection for vulnerable persons, including the protection of Roma citizens from eviction;
- the situation of Roma citizens in relation to education;
- the low number of complaints from victims of racial discrimination.

2nd Periodic Report on Implementation of the International Covenant on Civil and Political Rights

In July 2007, at its meeting in Geneva, the Human Rights Committee held talks with the delegation from the Czech Republic concerning the report submitted in 2006. Answers given by the Czech Republic to related preliminary questions were also discussed, as well as documents provided by non-governmental organisations. The Committee's concluding recommendations gave a summary assessment of the extent to which the Czech Republic had upheld the rights contained in the Covenant. This conclusion lists positive aspects, as well as problems giving rise to concern. Regarding the latter, there is a list of recommendations intended to improve the way that the rights governed by the Covenant are upheld. These recommendations mainly relate to the following issues:

- the conduct of the police, primarily towards Roma citizens and other vulnerable groups, particularly concerning arrest and detention;
- the non-existence of an independent body authorised to receive and verify all complaints concerning the use of excessive force by the police and further abuses of their authority;
- the sterilisation of Roma women and others;
- the low degree of representation of women in political life;
- the continuing use of cage beds;
- the non-existence of a comprehensive legislative framework for protection against discrimination;

- discrimination against Roma in access to housing and other areas;
- the disproportionately high number of Roma children placed in social care institutions;
- the inadequate evaluation of the special educational needs of Roma with regard to their cultural identity in school syllabuses,
- discrimination against foreign nationals living in the Czech Republic and problems related to their integration into Czech society.

2nd Periodical Report on Implementation of the International Covenant on Economic, Social and Cultural Rights

The Government approved the report in May 2007 and decided to submit it to the Committee on Economic, Social and Cultural Rights. Discussion of the report is expected in 2009.

Community of Democracies

After a gap of two years, the 4th Ministerial Conference of the Community of Democracies took place during 14-17 November 2007 in Bamako, Mali. This is an informal group whose purpose is to work together towards strengthening democracy throughout the world. The theme of the conference was democracy and development. The course and conclusions of the Conference revealed a lack of political will to take more decisive steps towards its established objectives. The host country refused entry visas to representatives of *The Taiwan Foundation for Democracy*, to which the Czech Republic objected. Portugal has assumed the presidency of the Community of Democracies for the next two years. Poland was chosen as the location of its permanent secretariat.

V. THE CZECH REPUBLIC'S FOREIGN CULTURAL AND INFORMATION POLICY

1. Presentation of the Czech Republic and its culture abroad

The Ministry of Foreign Affairs of the Czech Republic carries out its presentation activities in line with the Concept for a Unified Presentation of the Czech Republic. At the same time, it continues to implement government resolution No. 74/2005 regarding a unified presentation. In 2007, it continued to introduce the new visual style of the Czech Republic's marketing presentation, which is intended for use on printed promotional materials, small items, exhibition and trade fair stands, presentations via electronic media, etc. There was cooperation with the other ministries and part-funded organisations in order to limit any duplication in the work. The Ministry also took active steps towards introducing a mandatory graphic form of the state emblems. This forms the basis of preparations to launch a unified visual style for the executive of state administration. The objective is to coordinate appropriately the effective development of a good image for the Czech Republic abroad and to modify the way that state administration operates so that this presentation of the state effective in the long term. Regular coordination meetings on presentation, cultural and publication activities have been held with other ministries and part-funded organisations. In 2007, a survey was carried out on the public perception of the Czech Republic's marketing logo. Based on the results, work commenced on the regular updating of the logo, and where appropriate its modification.

Effective internet communication is an important presentational tool with a widening reach in the development of a positive image of the Czech Republic abroad. Since 2006, the Czech Republic's visual marketing style has been used on the official website *www.czech.cz*, operated by the Ministry of Foreign Affairs. This comprehensive news portal provides a range of information about the Czech Republic, from a general presentation to daily news and detailed information on different areas. It contains over 1,600 standard pages in six language versions launched over time (Czech, English, German, Spanish, French and Russian). French and Spanish joined the existing Czech, English and German versions in 2007, with work continuing on a version in Russian which is planned for launch in 2008. Visitor numbers exceeded 2,500,000 in 2007.

Czech culture forms an important part of this presentation in a broader sense. It can acquaint people not only with the Czech cultural heritage, but also with present-day values and the way of life in this country. Alongside political and economic activities, culture is an important tool for realising Czech national interests abroad, as well as for developing contacts internationally. Embassies, Consulates General, Permanent Missions and Czech Centres present Czech culture abroad in all its diversity through hundreds of cultural activities. This work takes local characteristics into account and is conducted in a way that ensures positive feedback for the further development of Czech culture and its culture industry, tourism, the economy, investments, science and research and the support of Czech studies around the world.

An important part of this work is the preparation, distribution and presentation of exhibitions on interesting topics from the Czech past and present. In association with the Czech Centres, an organisation part-funded from the state budget, the Ministry of Foreign Affairs offered its embassies more than fifty thematically diverse exhibitions in 2007. In order to minimise costs and ensure the most effective distribution, exhibitions and Power Point presentations on DVD or extranet were added the traditional 3-D exhibitions that travelled between the various embassies. These additional materials can be printed out or otherwise modified by the receiving embassy in line with the local conditions ((including leaflets, display stands and suitable audio recordings).

One of the interesting events with a broad cultural impact in 2007 was the continuation of a long-term travelling cultural project based on the educational ideas of J. A. Comenius, PAMPAEDIA. This was carried out in cooperation with the Ministry of Foreign Affairs and included the organisation of an interactive exhibition in Florence called “Orbis pictus, or the Gate to the World of Creative Human Imagination”.

The screening of Czech documentaries, feature films and animation is another popular presentational tool abroad. A collection of Czech cinematic works was distributed to embassies, while at the same time the Ministry continued its close cooperation with the National Film Archive. This enabled more than one hundred screenings of Czech films of different genres at various film festivals throughout the world, in locations ranging from third world countries to developed industrial states. Numerous embassies also organised regular film evenings for expatriates and foreign partners.

The “Czech Literature in Foreign Languages” project was launched in 2007. This project promotes Czech literature and raises awareness of it abroad. It takes the form of permanent exhibitions where visitors can borrow books from an illustrative cross-section of Czech literary works translated into foreign languages. Books are made available to the general public through cultural institutes (Czech Centres, Alliance Française, British Council, Goethe-Institut, Instituto Cervantes, etc.), local libraries, schools, universities and book fairs. The presentation of books to individual organisations is generally combined with activities of a broader informational or presentational nature, or in some cases with a series of literary discussions at seminars about the Czech Republic. This constitutes far-reaching promotion of Czech literature, supplementing and developing existing distribution channels for Czech authors in the original language (this is, however, restricted only to Czech-speaking persons and organisations, i.e. expatriates and university departments for Czech studies abroad).

In addition to the presentation of the Czech Republic through exhibitions, internet, films and literature, there were dozens of performances by Czech performers organised by the Ministry of Foreign Affairs in 2007 as part of cultural, economic and presentational activities. These performances were generally organised within the framework of broader representative activities intended to draw attention to the qualities of the Czech Republic. International sports events involving Czech sportspeople have been and still are suitable opportunities for presentation. In 2007, for example, preparations were made for the presentation of the Czech Republic at the embassies in the People’s Republic of China during the Summer Olympic Games in Beijing and in Canada during the Ice Hockey World Championship to be held in Ottawa and other Canadian cities. For the approaching Ice Hockey World Championship, preparations have been commenced in association with the Czech Ice Hockey Association for an exhibition commemorating the 100th anniversary of the International Ice Hockey Federation, of which the Czech Republic is a founding member.

In 2007, collaboration continued within the framework of the Central European Cultural Platform (V4+2, or “the six”). Its most important project was a joint exhibition in the Berardo Museum in Lisbon entitled “Eccentric Paths. Young Artists from Central Europe” during Portugal’s presidency of the Council of the European Union. The Czech Republic was represented by J. Nepraš and D. Pitín under the direction of the Vice-rector of the Academy of Fine Arts in Prague, J. Ševčík. Despite some minor shortcomings, the Central European Cultural Platform demonstrated its ability to stage prestigious and professional events and to

present work at the highest level, both in terms of artistic value and organisational capability. This exhibition will also be presented in the other countries of “the six” and possibly also outside this region.

Within the context of multicultural events in 2007, the Ministry took part in organising “European Film Days”, the EU film festival; in preparing and organising the traditional “Lidice International Children’s Art Competition and Exhibition” and “Francophonie Days in the Czech Republic”. On the occasion of the reception at the Ministry of Foreign Affairs to celebrate International Francophonie Day, the results of the now well-established French language competition for students of secondary schools where French is taught were announced and prizes awarded.

Support continued in 2007 for the teaching of Czech language at foreign universities and colleges within the framework of the second year of the five-year programme to promote Czech cultural heritage abroad under government resolution No. 1622/2005.

In 2007, a cultural agreement was signed between the Czech Republic and Romania, and an agreement between the Czech Republic and Austria was initialled.

Last year, the Ministry of Foreign Affairs provided representative offices with a broad range of printed materials for use in presenting the Czech Republic abroad. These were not only information brochures, but also books on the subject of the Czech Republic, its institutions, economy, tourism, science, research, education, traditions and products. Some of these materials, which were produced either by the Ministry or in association with it, are copyrighted to the Ministry and transferred to embassies in electronic form as well. This system enables embassies subordinated to the Ministry either to print out entire documents on site, thus reducing costs, or to use only sections, including image content, in local media and periodicals.

The main objective of the Ministry’s presentation activities in 2007 was to ensure that all the materials produced for embassies or the Ministry itself (printed publications, electronic information, exhibitions or promotional items) were suitably informative and presented the Czech Republic as a modern, democratic country with a rich culture and interesting history a unique identity and human resources, founded on expertise and innovation, and as a reliable partner in business relations, a suitable location for profitable investment and a respected member of international organisations. Work took place on new exhibitions, presentational

materials, publications and other activities in readiness for 2008. Both conceptual and practical steps were taken to prepare suitable presentational and cultural activities during the Czech Republic's presidency of the Council of the European Union.

2. Media and information

The overall media image of the Czech Republic in foreign media during 2007 can be described as balanced over the long term, with a predominance of positive mentions. The Czech Republic received most attention in printed media and news agencies, and less in radio and television broadcasting.

Foreign media mainly responded to the following topics or events: the location of an American missile defence site in the Czech Republic, the Czech Republic's accession to the Schengen area, the forming of the government coalition, the opinions of the President V. Klaus on the future of the European Union and the Czech Republic's attitude to the Treaty establishing a Constitution for Europe. From the world of sport, the successes of Czech footballers received special attention. The Czech Republic is frequently mentioned in cultural programmes and is viewed as an interesting cultural and historical destination with much to offer tourists, particularly the capital city Prague, Czech spa towns and other attractive locations.

Business news reporting portrays the Czech Republic as a country with a buoyant economy, a reliable trading partner and a suitable place for foreign investment.

Czech embassies have also played an important role in shaping the positive media image of the Czech Republic abroad through actively organising presentations, cultural events and primarily through providing information to foreign media, which has a positive influence on the perception of our country.

In keeping with tradition, the Czech Republic received the greatest media interest in the European region, and especially in its nearest neighbours. The key topics in this region were the construction of an American radar site, the visit to Prague by US President G. W. Bush, parliamentary elections and the Czech Republic's accession to the Schengen area. On balance, the news on these topics was of a regular and primarily informative nature. The economic successes of the Czech Republic were perceived positively and the business

environment was rated as very favourable. Membership of the EU was one of the important sources of information about the Czech Republic. European media reported the Czech positions in all the important EU negotiations, for example, on the Constitutional Treaty and the positions of the Czech government and President V. Klaus. High-level visits – both bilateral and in the context of the EU – were entire journalistic chapters in themselves, as were cultural events staged or co-organised by Czech embassies and “light-reading” information about popular Czech sportspeople.

The publicity in individual countries generally reflects the Czech Republic’s political, economic and cultural significance for the country in question. In Austria, reporting on the Czech Republic can be described as standard reporting on a neighbouring country, above-average in intensity and essentially objective; nevertheless, in a number of cases the reporting is still tinged by stereotypical Austrian perceptions of the Czech Republic. There has been an increase, however, in the proportion of news about the Czech Republic’s economic successes and the importance of mutual trade for Austria. As in previous years, media attention was dominated by the issue of the Temelín nuclear power station. Other topics referred to significantly were the missile defence site in the Czech Republic and the Schengen enlargement.

Neighbouring Slovakia informs about the Czech Republic on a regular and topical basis, primarily in news programmes. In addition to standard news coverage of political, economic, cultural and sporting events in the Czech Republic, commentaries on “Czech themes” appear several times a week in the daily press. Awareness about events in the Czech Republic has for long been sufficient in Slovakia, thanks to the accessibility of Czech media in the country. Consequently, Slovak media coverage is more diverse and is not confined to basic news and explanations of contexts.

In Germany, there was unprecedented interest in the Czech Republic’s internal affairs and foreign-policy positions in terms of the frequency and breadth of coverage in 2007. The Czech Republic is perceived as an established EU country which is becoming increasingly important for Germany. The main subjects of media attention were the formation of the current government coalition, the growth of the Czech economy, the missile defence site in the Czech Republic and the enlargement of the Schengen area.

For another neighbour, Poland, the key issue about the Czech Republic was definitely the debate over construction of the missile defence site. True to tradition, considerable space was given to reports on culture (the great popularity of Czech films), sport and tourist information.

Media coverage of the Czech Republic in the Russian Federation is a chapter on its own: the Russian media are very interested in the Czech Republic thanks to the successful development of mutual relations. Compared to 2006, the media coverage was somewhat greater, particularly in the political field with regard to the potential location of the missile defence site in the Czech Republic. Attention was also given to the Czech Republic's membership of the EU and its accession to the Schengen area. As is customary, great attention was devoted to Czech sport and in particular to the fact that the Russian Federation played host to a number of Czech sportspeople and coaches. Other significant topics included the issue of Russian war graves in the Czech Republic, tourist information and other points of interest.

The American continent is a further separate chapter, where in previous years the Czech Republic's media image had differed from country to country and region to region.

The Czech Republic enjoyed considerable media attention in the United States of America. The majority of the reporting centred on plans to locate a missile defence site in the Czech Republic: throughout the course of the year, the media provided an increasing amount of information on events surrounding this issue in the Czech Republic itself.

The US media also focused on the question of visa asymmetry and new developments in this matter. It also reported on negotiations between Czech and American representatives and on current affairs in politics, culture and the economic field in the Czech Republic, particularly the formation of the government and the activities of the Czech Republic in the EU.

Canadian media report on the Czech Republic only very sporadically and mainly in connection with major foreign events. In 2007, the attention of the Canadian media focused mainly on the construction of a missile defence site in the Czech Republic and the ending of visa restrictions between the two countries. The enduring positive areas in Canada's media perception of the Czech Republic include culture (classical music, film festivals and exhibitions), sport (ice hockey is a constant theme) and tourism.

In the countries of Central and South America, the local media maintained their customary focus on domestic and Latin American issues. Reports on the Czech Republic were mostly of an informative nature or taken from the international news agencies, as no South American country has a correspondent permanently stationed in the Czech Republic. The Czech Republic is seen in these countries as a developed member state of the EU with a well-established level of democracy, economic development and culture, and with internationally renowned sportspeople. It is also seen as a highly attractive tourist destination.

In the Middle East, the Czech Republic received most coverage in Egypt, Lebanon, and Kuwait. The media in the Middle East view the Czech Republic as a country with a growing and prospering economy and a very interesting tourist destination; Czech spas and rehabilitation and recreation centres enjoy substantial popularity. The Czech Republic was mentioned mainly in connection with the construction of a missile defence site on its territory. In culture, the 650th anniversary of Charles Bridge received attention.

Media coverage of the Czech Republic in Asia is not very frequent. This is primarily due to the Czech Republic's position outside the spectrum of this region's main media interests. Attention was mainly given to events on the Asian continent. Most of the reports are taken from international news agencies. Despite this, the Czech Republic is perceived as a country with a buoyant economy and rich culture. One of the common topics that received attention was the construction of a missile defence site in the Czech Republic.

As in previous years, the Czech Republic was again not at the centre of media attention in sub-Saharan Africa in 2007. Information mainly centred on foreign development aid. One of the items picked up by the South African press was the case of the fugitive billionaire, R. Krejčíř. The vast majority of articles which mention the Czech Republic concern sport. The Czech Republic's accession to the Schengen area and the construction of a missile defence site were the exceptions to this.

3. Internet presentation of the Ministry of Foreign Affairs of the Czech Republic

The Ministry of Foreign Affairs of the Czech Republic administers an extensive information system composed of the principal presentation of the Ministry itself and 113 other presentations by Czech diplomatic missions, 86 of which are presentations of embassies,

19 presentations of Czech Consulates General and eight presentations of Czech permanent missions, representations and delegations to international organisations.

Besides “Ministry News”, which receives on average 4,100 “hits” a day, the other most visited chapters in the Czech version of the Ministry’s central website (www.mzv.cz) are those containing travel-related information: “States of the World”, “Travelling Abroad” and “Diplomatic Missions”, which received respectively 1140, 800 and 660 hits per day. The most popular sections in the English version were “News” and the list of “Czech Missions Abroad”, which received respectively 680 and 940 hits per day.

The addresses of the websites of Czech embassies are written in a uniform format: *www.mzv.cz/city name in English*. Besides the Czech language version, the content is presented in English or French and in the national language of the host state. Web presentations of embassies used 23 different language versions in 2007. In the Czech language versions, the most popular chapters were those containing economic and trade information, and chapters on visas and consular services. In the foreign language versions, chapters on consular services were by far the most visited, followed by chapters on economic and trade information and on current policy reports and positions.

In February 2007, the Ministry started to prepare a website on the missile defence site at Brdy in order to give the Czech general public a source of information providing an overall view of events and developments concerning the potential missile defence radar site in the Czech Republic. The presentation was launched at the address www.radarbrdy.cz with daily editorial updates of articles from the media, as well as other text and pictorial content. In October 2007, the entire presentation, including the domain name and content administration, was transferred to the Office of the Government, under whose authority the media campaign for the entire project had been previously placed.

During 2007, a website with an electronic version of the magazine *Welcome to the Heart of Europe* became part of the Czech Republic’s internet presentation abroad. This magazine is published in six language versions by the publisher Theo, in cooperation with the Ministry of Foreign Affairs, and serves to promote the Czech Republic internationally. At the initiative of the Ministry, previous issues from as far back as 2003 were made available in 2007 in *pdf* format on the website www.theo.cz. Embassies and other interested parties have thus gained access to printed issues of the magazine that were no longer available. Given the

long-term value of these monothematic publications, archive issues of *Welcome to the Heart of Europe* can now be printed and used for current presentational topics.

The Ministry of Foreign Affairs continues to operate the official website on the Czech Republic, *www.czech.cz*, which uses the country's official visual marketing style. This comprehensive news portal provides a range of information about the Czech Republic, from a general presentation to daily news reporting, as well as detailed information on economics, business, science, cultural heritage, current cultural events, tourism and sport, and even study opportunities. It contains over 1,600 standard pages in six language versions launched over time (Czech, English, German, Spanish, French and Russian). French and Spanish joined the existing Czech, English and German versions in 2007, with work continuing on a Russian version planned for launch in 2008. Visitor numbers exceeded 2,500,000 in 2007.

In 2007, information about the Czech cultural presentation abroad continued to be successfully disseminated through the internet magazine *České listy*, which is available on the above-mentioned website (in its Czech version), where reports on the cultural activities of our embassies are published.

4. Czech Radio international broadcasting

In 2007, Czech Radio ČRo7 – Radio Prague continued to implement the agreement on Czech Radio international broadcasting concluded between the Ministry of Foreign Affairs and Czech Radio. Broadcasts were in six languages - English, German, French, Spanish, Russian and Czech.

News reporting on Radio Prague has progressively diversified over recent years with new programming, the inclusion of programmes dealing with art and changes to the main regular sections. In 2007, the Russian and Spanish sections launched the programme "*Co je v Česku jiné?*" ("*What is different in the Czech Republic*"). The radio play "*Pryč*" ("*Out*") by M. Bambušek, about the post-War displacement of Sudeten Germans, was recorded and broadcast at the end of the year for the Czech and German versions. The play, which Radio Prague sees as a genuine contribution to the discussion on Czech-German relations, aroused enormous interest among listeners. Also recorded was K. Čapek's "*Apocrypha*" in Spanish.

International projects worth mentioning include Radio Prague's participation in the following co-productions: Insight Central Europe (a magazine on Central and Eastern Europe in English, produced by ORF), Network Europe (a European magazine in English produced by DW) and Treffpunkt Europa (a European magazine in German produced by DW). In addition, representatives of Radio Prague took part in coordinating preparations for the European Radio Project.

The internet version of Radio Prague is not just a tool or mirror of its airwaves programming: in recent years it has taken on an increasingly complementary role. Its major projects in 2007 included thematic web presentations on Albrecht of Wallenstein and the radio play "Pryč", as well as various competitions for listeners. The internet section of Radio Prague administers the websites: www.radio.cz (Radio Prague), www.krajane.net (website for Czech expatriates), www.romove.cz (website about the Czech Roma minority), www.incentraleurope.radio.cz (on the Insight Central Europe project) and www.networkeurope.org (on the Network Europe project). The numbers of visitors to all these websites rose significantly during last year.

An important technological innovation that is supporting and, in some cases, replacing internet broadcasting *online* is *podcasting*. Radio Prague first offered this form of digital storage and subsequent playback for its programmes in MP3 format as early as in 2006. In 2007, interest in this service rose sharply and by the end of the year the number of programmes delivered in this way exceeded 200,000 per month.

Another form of broadcasting is *rebroadcasting*: sharing programming from Radio Prague with a partner radio station abroad. For some stations, Radio Prague programmes are only modified, whereas for others completely new ones are developed to order. Radio Prague broadcasting is used by twenty stations in Spain and Latin America and five stations in Eastern Europe. Radio Unistar Minsk was added to this list in 2007.

Another part of international broadcasting is the production of programmes for expatriate radio stations. In 2007, Radio Prague worked with fourteen such stations in Eastern Europe, Australia and North America. The Zhitomirsky Region Radio Corporation in Ukraine joined the existing list of such stations in 2007, offering broadcasting in Czech to the Czech community in this region once a month. These productions of the Czech section are growing in number, with a total of 365 hours of programming created in 2007. Additionally, Radio

Prague assists expatriate radio stations at the both the methodological and material levels, mainly with supplies of Czech music CDs, recorded material and items of equipment.

Part of broadcasting in Czech is also devoted to expatriates, as well as the internet site for expatriates *www.krajane.net*. Interest in both these forms of communication is increasing, and a circle of several expatriate collaborators who regularly send in their own contributions has already emerged. This collaboration is also supported by the personal contacts which the staff of Radio Prague have developed with expatriates during their travels abroad. In 2007, Radio Prague was a media partner of the Expatriate Folklore Festival in Prague, a conference on J. Palach in Switzerland, and certain other projects.

The main promotional event was the Radio Prague Big Listeners' Competition, which focused on Czech film in 2007. The prize for the winner, a student of Czech studies in Belgrade, was a week in the Czech Republic. Presentations to enhance Radio Prague's profile were held at the Cervantes Institute and the Russian Centre for Science and Culture in Prague. It is also particularly worth mentioning the main media partnerships that were forged, including Xth European Congress of Psychology in Prague, the Festival of French Film and the Czech-French Chamber of Commerce. Active communication with listeners through special programmes, the sending of programme leaflets, small promotional items, etc. can also be regarded as promotion of Radio Prague.

In 2007, listeners sent over 20,000 letters to Radio Prague, which is a similar number to the previous year.

5. Czech Centres

Czech Centres is an organisation part-funded by the Ministry of Foreign Affairs of the Czech Republic. Its mission is to develop the good name and positive image of the Czech Republic abroad, to promote the Czech Republic's interests actively and, to this end, to use the tools of public diplomacy in line with the state's foreign policy priorities. Under the statute approved in 2004, Czech Centres' principal task is to present the Czech Republic abroad in the areas of culture, trade and tourism. In 2007, Czech Centres (CCs) abroad organised 2,500 events, either independently or in cooperation with Czech and foreign partners, showcasing the Czech Republic as a country with creative potential and a rich cultural tradition. Events at CCs abroad received more than 1.25 million visitors. Foreign

media also responded to the activities of CCs abroad, covering them in 5,500 newspaper, radio and television reports.

There were 23 CCs operating abroad in 19 countries in 2007. Besides Europe, CCs are also found in the USA and Japan; preparations are underway to open one in Argentina. Czech Centres staged exhibitions, concerts, film screenings, authors' readings, lectures, etc. CCs thus took part in the cultural life of the receiving country, both in joint activities with local institutions and cultural forums and with independent projects and programmes.

In 2007, Czech Centres prepared presentational events under several main themes, mostly inspired by anniversaries of events in Czech political, social or cultural history. One of the most important themes of last year, the 30th anniversary of the establishment of Charter 77, was represented in the events schedule of almost all CCs abroad. A photographic exhibition was created about Charter 77 signatories in association with the agency Choice Images and this was presented at most CCs. In cooperation with embassies, conferences were held in a number of locations on coming to terms with the totalitarian past. Leading dissidents, political scientists and politicians participated in these events. Another interesting event was a commemoration of the 90th anniversary of the Battle of Zborov.

A major theme in last year's programme was the presentation of Czech architecture, past and present. Czech Centres supported the exhibition "Czech Architectural Cubism", which was created by the Fragner Gallery. The exhibition "Šumná a bezbranná" ("Pretty and Defenceless") by architect D. Vávra and film director R. Lipus brought an alternative view of architecture, and travelled to Budapest, Vienna and Stockholm with great success. In addition to architecture, projects in Vienna, Warsaw and Buchares promoting Czech design were also very successful. Prestigious galleries in New York displayed more than one hundred articles of Czech design.

In London, artistic glass design by students of UMPRUM, presented in cooperation with Květná Glassworks and the Studio of Olgoj Chorchoj, met with acclaim..

The main project of the Czech Centre in Madrid was a series of screenings of Czech films; "Spanish Autumn with Czech Film" became a representative event for Czech film in Spain. An event featuring screenings of almost all M. Forman's films took place in Vienna.

Czech Centres played an important role in the international promotion of “Prague Quadrennial 07” and continued their successfully initiated cooperation with Czech theatres. Leading Czech theatre and puppet groups travelled abroad with the assistance of Czech Centres.

In the Czech Centre in Dresden, there was the first collective exhibition of all fifteen current laureates of the Jindřich Chalupecký Award. In Italy, the Rome CC, together with other significant partners, took part in the “International Biennale of Fine Arts” in the Pavilion of the Czech Republic and Slovakia at the Giardini di Biennale centre in Venice. In Tokyo, there was the world première of J. Švankmajer’s illustrations for the book *Alice In Wonderland*.

The Cheltenham Jazz Festival gave British audiences the chance to hear the largest number of Czech contemporary jazz musicians to date. The Czech Centres in Brussels, Paris, Budapest and Sweden were amongst those which presented jazz during the third year of jazz evenings at cultural institutes abroad.

Literature has been a very difficult branch of culture to present abroad. Czech Centres, however, managed to find ways to present Czech literature even outside of the framework of prestigious book festivals. All countries greeted the exhibition of the comic entitled *Alois Nebel* with exceptional interest. The exhibition was produced in cooperation with the publisher Labyrint and accompanied by music and readings by the author. The innovative “Café.cz” series, developed by the CC in The Hague, offered a new look at Czech literature. In Munich, an exhibition was staged documenting the life and work of P. Ginz, a boy whose life and talent were cut short by the Nazis. In April 2007, the Czech Centre in Prague invited visitors on further literary journeys. During “Literature Night” at unusual locations in Prague, more than 4,500 visitors were able to learn about the literature of countries in which CCs operate.

The Prague Czech Centre has become a central link between the Czech Republic and CCs abroad. Besides staging successful projects and offering its premises for events organised by foreign partners and cultural institutes, a number of original, interesting events were developed here and later used by CCs abroad. Last year, the Prague CC put on several different exhibitions. One of them was “Africa through the Eyes of Czech Photographers”, which was organised in cooperation with the Ministry of Foreign Affairs of the Czech

Republic as part of the “Africa Days” project. Cycles of regular meetings have become very popular, such as “Já jsem lev salonu” (“I Am a Lion of the Drawing Room”) and “Versus Architect”. A further project, “Women in Diplomacy”, presented interesting countries through the eyes of women who had worked in senior positions at embassies abroad.

Czech Centres was also active in the fields of education and science. Over the year, they organised over 150 discussion meetings, lectures and seminars, targeted mainly at the younger generation of CC visitors. CCs abroad provided information about studying in the Czech Republic, assisted foreign students of Czech studies and operated libraries of Czech literature in a number of locations. In addition to these activities, CCs also continued organising Czech language courses, which were attended by 1120 students in 2007. The Moscow CC offered its course students the option of taking an accredited Czech language examination in cooperation with the Institute for Language and Preparatory Studies at Charles University.

The *www.czechcentres.cz* portal served to present Czech Centres, acquainting the general public with the mission of CCs abroad, their activities, the services they provide and their current programmes. The quarterly magazine *czEcho*, produced by the Czech Centres press department, proved to be an important means of communication making it possible to promote the highlights of individual CCs’ programmes abroad.

Integral to the work of CCs abroad was support for external economic relations, and in particular Czech exports, through cooperation with part-funded organisations of the Ministry of Industry and Trade (CzechTrade, CzechInvest), chambers of commerce and professional federations and associations. Czech Centres operated the *www.export.cz* information server, which publishes territorial summaries, as well as information about current conditions for doing business, and demand and supply enquiries from Czech and foreign firms for both goods and services. In 2007, the portal was updated and its graphics modified in order to serve manufacturers and exporters better and to provide specific details about the services provided by individual centres abroad. CCs offered interested parties from the Czech Republic assistance in staging company presentations abroad. During the course of 2007, there was a total of 545 such events, 286 of which were in the Czech House in Moscow, which is also part of the CCs network abroad. The Czech House plays an exceptional role in supporting Czech businesses on the Russian market, providing them with complete services in the Russian Federation, including an information service through the website

www.ceskydum.ru and the Businesscentre office. More than one hundred accredited Czech companies operated out of the Czech House in Moscow during 2007.

- Tourism-related activities were conducted abroad mainly in cooperation with CzechTourism. Cooperation with regional authorities to provide a comprehensive presentation of the regions continued successfully, both at CCs abroad and tourism trade fairs.

In 2007, Czech Centres paid greater attention to preparing new projects to be implemented with support from the European Commission and on the increasingly important role played in European cultural policy by EUNIC, the partnership of European National Institutes for Culture, of which Czech Centres is a member.

Another top priority of the Czech Centres' programme in 2007 was also involvement in preparing events which will be part of the cultural presentation abroad during the period of the Czech Republic's presidency of the Council of the European Union in the first half of 2009.

VI. CZECH EXPATRIATES

There are currently almost two million people abroad who claim Czech origins. Many of them are already several generations down from original émigrés and so do not speak Czech, but they retain an awareness of their link with the Czech nation. They nurture their forebears' culture and promote it in the countries that have become their new homes. Others were driven out of their homeland by the turbulent political events of the mid-20th century and later years. The Ministry of Foreign Affairs of the Czech Republic appreciates all Czech expatriates' positive ties to their original home and strives to conduct meaningful and constructive dialogue with any interested Czech communities abroad.

In expatriate matters, the Ministry cooperates with other state administration authorities that are involved in the diverse range of issues concerning Czech expatriates, e.g. with the Standing Senate Commission on Expatriates of the Parliament of the Czech Republic and the expatriates subcommittee of the Committee on Foreign Affairs of the Chamber of Deputies of the Parliament of the Czech Republic. Cooperation with civic associations in the Czech Republic whose work deals with foreign countries plays an important role, and the daily broadcasting by Radio Prague (the international broadcasting service of Czech Radio) is another indispensable aspect of this activity.

2007 was the second year of the practical implementation of the "Support Programme for Czech Cultural Heritage Abroad for 2006-2010" (Czech government resolution No. 1622 of 14 December 2005), in which the Czech government undertook to provide more than CZK 50 million per annum, and over a five-year period (2006-2010) a sum exceeding CZK 287 million, for all kinds of support for expatriate communities and Czech language and literature teaching.

As in previous years, there was greatest interest in and positive feedback from the implementation of the set of expatriate Czech language teaching support programmes – an intensive four-week Czech language course for expatriates at Dobruška with 58 participants from 29 countries, one-term study placements and the sending of Czech teachers to expatriate communities. A new addition was a course in Czech language teaching methodology, which, over a two-week period in September 2007, trained twenty local expatriate teachers from eighteen countries in the latest teaching methods and gave them impulses for new ways to

teach Czech in their territory. The cost of providing these courses and study placements totalled approximately CZK 4 million.

The one-term study courses for expatriates at Charles University in Prague and Masaryk University in Brno continued in 2007. One-term scholarships were awarded to 29 university students from Argentina, Bosnia and Herzegovina, Bulgaria, Georgia, Croatia, Germany, Russia, Sweden and Ukraine to study selected subjects, centring on Czech language, literature, history and culture. Here, too, there has been no fall in demand. After finishing the courses and returning home from the Czech Republic, the participants use their up-to-date knowledge to raise awareness about the country of their parents and grandparents.

Twelve Czech teachers were sent to expatriate communities at a cost of almost CZK 14 million. In the 2006/2007 academic year, they worked in nine countries (two in Argentina, one of whom works for part of the year in Paraguay, two in Brazil, one in Germany in the Lusatian Serbia region, two in Croatia, one in Russia, one in Ukraine, and three in Romania, two of whom travel to teach courses for the expatriate community in Serbia). Versatility is an important requirement for the work of these teachers and one of the criteria in their selection. Their work is not confined solely to class-work, but also comprises broader educational and organisational assistance – our pedagogues take part in preparing and presenting ethno-cultural and promotional expatriate projects (e.g. folklore performances, musical and theatrical performances, work with children's groups, taking part in building libraries and collecting documents about Czech community life, helping the local Czech expatriate press, etc.).

The programme includes support for the work of Czech language and literature “lectorates” abroad, which is handled by the Ministry of Education, Youth and Sports. These lectorates are not exclusively designed for expatriates – they are open to anyone interested in Czech studies regardless of nationality or origin. In 2007, more than CZK 13.5 million was spent on maintaining 45 lectorates in 24 countries, five of which were outside Europe (China, Egypt, India, Israel and Mongolia). European lectorates covered practically all of Europe (from Belgium and Bulgaria to Serbia and the UK).

One important part of the department's regular work is the administration of financial support to the specific projects of two large groups of non-governmental non-profit organisations – the first group comprises foreign organisations with a link to the Czech

Republic (expatriate clubs, societies of friends of the Czech Republic, associations of graduates from Czech universities and schools, and associations of Czech scholars); the second group consists of Czech civic associations cooperating with foreign countries. Financial support to organisations abroad takes the form of money donations; financial support to Czech entities is provided in the form of subsidies.

In 2007, 170 expatriate clubs and societies of friends from 45 countries around the world (ranging alphabetically from Argentina to Venezuela) applied for support from the Ministry of Foreign Affairs – CZK 10,368,000 was earmarked for these applicants' projects. Contributions towards Czech expatriate magazines published on either a national or regional basis, information bulletins and other club publications, contributions for independently run Czech language lessons in associations, collecting archive materials, building club libraries, ethno-cultural presentations during traditional festivals, exhibitions, dance and music performances, discussion meetings for expatriate children, etc. accounted for a considerable portion of this support.

Implemented projects which deserve a mention include traditional ethno-cultural events (Harvest Festival, St. Nicholas' Day, St. Wenceslas Celebrations), e.g. popularising work by the J. A. Comenius Cultural Centre in Argentina (exhibition "Women in Czech Painting", seminars on Comenius, promotion of 20th century Czech music) and the C/S Symposium Foundation in the Netherlands with its symposium on "Changes in the Czech Language in an Era of Globalisation". The Comenius Club in Nebraska celebrated one hundred years of Czech language tuition.

Besides the aforementioned money donations to club projects, expatriate communities – especially for the needs of expatriate schools, interest groups and courses – were provided with course books, teaching aids and other in-kind donations through Czech embassies and consulates. Nor should "intangible" forms of cooperation be overlooked: some Czech embassies maintain local Czech libraries or video libraries, enable regular meetings of Czech expatriates, help teach Czech, etc. Expatriates are of course invited to cultural and social occasions, just as diplomats participate at key events in expatriate communities.

An important demonstration of the long-term interest in Czech expatriates abroad is the Czech Republic's financial aid earmarked for repairs of schools and cultural facilities of Czech communities, which has been provided since 1996. A number of clubs own or have

long-term leases on buildings used for educational or cultural purposes by Czech expatriates; most of them were built at the beginning of the last century. Clubs often do not have enough funds for maintenance, and the buildings fall into disrepair. In 2007, initial contributions for repairs to buildings were made to an expatriate club in Australia (a money donation for renovation of electrical wiring in the Czechoslovak Country Club in Kemps Creek), as well as for minor repairs in Argentina, Bosnia and Herzegovina, Canada, Romania, Russia, Serbia, Ukraine and the USA. Long-term repair projects in Croatia continued; and a long-term project for repairs to buildings in Romania, which became a member of the EU and will receive finance from Union funds, ended with a transition year. A new element in this area was the establishment of a fund for urgent emergency repairs (containing money earmarked for repairs which was not used), which serves as immediate aid in crisis situations where a small sum for minor repairs could avert the threat of major renovation later. In 2007, CZK 800,000 was used for emergency repairs in Croatia, Paraguay, Romania, Ukraine and the USA, which included repairing sewerage systems in Hercegovac, Croatia, and mending the storm-damaged part of the roof of the Association of Czech Heritage in Louisiana in the United States. on the total amount earmarked for repairs and maintenance was CZK 10 million, which was used in full.

Almost CZK 5 million was released from the Ministry budget for projects by non-governmental, non-profit organisations based in the Czech Republic which cooperate with entities abroad in the field of culture or education.

At the end of 2006, after seven years of the existence of *České listy* (“Czech Newspaper”), a monthly magazine that acts as a bridge between Czech communities around the world, the form of collaboration with the publisher was changed. From January 2007, the magazine was no longer issued as a monthly in printed form (some articles tended to become out-of-date by the time they reached the recipients), but became available online at www.czech.cz/ceskelisty (including an electronic archive of back issues). Also from January 2007, the popular four-page *Expatriate Panorama* section became part of the Czech language version of a printed bimonthly called *Welcome to the Heart of Europe*. However, in response to requests indicating readers’ enduring interest in the paper form of *České listy*, a *2007 Yearbook* was published in December containing the most interesting articles and information from throughout the year.

Expatriates interested in settling permanently in the Czech Republic have the possibility to do so under government resolution No. 72/1996, on the principles of the Czech government's policy in relation to the resettlement of foreigners with proven Czech origin (expatriates), by demonstrating Czech origin and "reasons worthy of consideration" under the operative act on the residence of foreigners in the Czech Republic. Scrutinising documentary evidence of applicants' Czech origins is also part of the Ministry of Foreign Affairs' competence. If approval is granted, the Ministry issues a "Certificate of Belonging to a Czech Expatriate Community", which is then attached to the foreign Czech's application for permanent residence. 349 applications were received in 2007, and 336 were accepted. Most of the applicants were from Ukraine, Russia, Romania and Moldova.

One of the standing key tasks of the Ministry of Foreign Affairs is to keep records of Czech expatriate clubs, societies of friends of the Czech Republic and similar organisations of various kinds abroad. The assembled information can be found in the form of a clearly laid out four-part directory on the Ministry's website at www.mzv.cz/kultura. The information is updated every month. The directory offers a wide range of contacts: addresses of expatriate clubs and similar associations in more than 80 different countries; addresses of Czech expatriate press; addresses of Czech citizens' associations cooperating with foreign countries; and addresses of institutions teaching Czech studies. The www.krajane.net internet portal, a source of information for Czech expatriates and a discussion forum open to all, has been in operation for two years. The portal is administered by Czech Radio (Radio Prague – Czech Radio 7).

Every year since 1997, the Ministry of Foreign Affairs has awarded its ministerial honour, the *Gratias Agit* Award, as an expression of gratitude to those individuals and associations who promote the Czech Republic abroad. The award is presented annually by the Minister of Foreign Affairs of the Czech Republic at a ceremony at Czernin Palace. In 2007, the *Gratias Agit* Award was conferred on sixteen individuals and two organisations.

VII. THE INTERNATIONAL LAW, COMMUNITY LAW AND CONSULAR DIMENSIONS OF THE CZECH REPUBLIC'S FOREIGN POLICY

1. The international law dimension of the Czech Republic's foreign policy

In line with its powers, the Ministry of Foreign Affairs monitors the Czech Republic's compliance with its commitments under international law, as well as the evolution of international law, and makes every effort to contribute to the development of its standards in the globalising world, taking into account all its problems and challenges.

In 2007, the Czech Republic again strengthened its participation in the system of international anti-terrorism treaties. On 7 July 2007, the International Convention on the Suppression of Acts of Nuclear Terrorism of 13 July 2005 became universally operative, and hence also for the Czech Republic. This occurred after the twenty-second state of the international community became a party to the Convention. On 27 November 2007, the Czech Republic signed the Protocol amending the European Convention on the Suppression of Terrorism of 15 May 2003, with the reservation of ratification. By signing the Protocol, the Czech Republic acknowledged the valuable amendments to the European Convention contained in the Protocol, such as additions to the list of offences which cannot be considered "political offences" for the purposes of extradition and mutual legal assistance; the widening of the clause which expressly excludes the obligation to extradite persons to another state should such extradition be in contradiction of the relevant commitments for the protection of fundamental human rights; and the option whereby states which are not members of the Council of Europe may also accede to the European Convention as amended by the Protocol. At the same time, however, upon signing the Protocol the Czech Republic made a declaration expressing doubt as to whether the Protocol's provisions on "depoliticisation" of terrorist offences meet the standard achieved in this field in international anti-terrorism treaties concluded in recent years at a universal level.

In 2007, the Czech Republic continued the process of clarifying its relation to the Rome Statute of the International Criminal Court, which it signed in 13 April 1999 and which entered into force on 1 July 2002. By the end of 2007, 105 states were party to it. The International Criminal Court (hereinafter "ICC") is currently dealing with cases from four

African states: Uganda, the Democratic Republic of the Congo, Sudan and the Central African Republic. The Court's role is to prosecute individuals who commit the most serious crimes under international law, i.e. war crimes, crimes against humanity, genocide and, in future, crimes of aggression, only when the relevant states themselves cannot, or are unwilling, to prosecute them. In autumn 2007, the Minister of Foreign Affairs and the Minister of Justice submitted a proposal to the government for ratification of the Rome Statute.

The Ministry of Foreign Affairs took an active part in an information campaign concerning the work of the ICC. For this purpose, it organised a seminar on the subject of the International Criminal Court in the Chamber of Deputies on 4 October 2007 in cooperation with other partners. The seminar was attended by President of the ICC P. Kirsch and by a number of other guests from abroad. A collection of the seminar's proceedings was issued, with its main contributions provided in both Czech and English.

On 26-30 November 2007, a Czech government delegation took part in the 30th Conference of the International Committee of the Red Cross and Red Crescent in Geneva, which was attended by delegates from 192 states across the globe, 186 national Red Cross and Red Crescent societies, the International Committee of the Red Cross, the International Federation of the Red Cross and Red Crescent Societies, and many observers. The Conference's main objective was to seek solutions to the greatest threats of the present day in terms of their humanitarian impact (natural disasters, migration and disease). The Czech delegation presented its four pledges for the 2008-2011 period at the conference. These corresponded to the conference agenda, covering humanitarian law and aid and comprised the following:

1. Supporting and developing the role of the Czech Red Cross as an organisation to assist the public authorities in the field of humanitarian work and in promoting/disseminating fundamental humanitarian principles and international humanitarian law.
2. Strengthening national mechanisms for implementing commitments under international humanitarian law, including institutionalising the national commission for international humanitarian law implementation.

3. Endeavouring to ensure that the Czech Republic becomes a state party to treaties in the fields of international humanitarian law and international human rights law (for example, the Convention for the Protection of All Persons from Enforced Disappearance).
4. Strengthening the spread of knowledge of international humanitarian law among the general public, in particular among young people and appropriate professional circles.

In 2007, negotiations also took place on international treaties concerning the establishment of a radar site of the US missile defence system in the Czech Republic. Five rounds of talks were held on the text of the “main agreement” on establishment of this radar site. A second agreement should regulate the status of US armed forces located in the Czech Republic, as well as further related issues. This contract supplements the Agreement Between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces (“NATO SOFA”), which is already operative for the Czech Republic. The third agreement relating to establishment of the US radar site in the Czech Republic is a “framework agreement”, which should serve as the legal basis for the involvement of Czech companies in the construction of the missile defence system and for related industrial cooperation.

During 2007, the ratification process was commenced for the Optional Protocol to the Convention on the Safety of United Nations and Associated Personnel. Upon signing the Optional Protocol, the Czech Republic joined the group of states striving to enhance the safety of UN and associated personnel during international operations of a political or humanitarian nature or in the context of development assistance.

During a session of the UN Committee on the Peaceful Uses of Outer Space (COPUOS), it was confirmed that Professor V. Kopal will be Chairman of the COPUOS Legal Subcommittee for the 2008-2010 term. This is confirmation of the Czech Republic’s significance in the field of international space law and its interpretation in the UN.

The issue of Antarctica’s legal regime is also part of the international law dimension of Czech foreign policy. In this context, the Ministry of Foreign Affairs took part in the ceremonial opening of the Johann Gregor Mendel Czech Antarctic Station on James Ross Island in the Antarctic. During construction of the station, it became clear that the Czech Republic would have to negotiate bilateral international treaties with Argentina and Chile to facilitate the technical operation and supplying of this station. Negotiations on these two

bilateral treaties continued through diplomatic channels in 2007. The Czech Republic's fundamental research work in Antarctica (i.e. the operation of the research station and the sending of research teams), combined with the scientific and research work done by Czech academic institutions, should enable the country to become a consultative party to the *Antarctic Treaty*, i.e. a fully fledged co-architect of Antarctica's legal regime.

2007 also marked the beginning of a new five-year term of office for members of the International Law Commission (hereinafter "ILC"). The ILC was established by the General Assembly of the UN in 1947 and is composed of 34 experts elected in their capacity as individuals. Its task is to support the progressive development and codification of international law. At its 59th session, the ILC discussed six of its existing topics (reservations to treaties, shared natural resources, expulsion of aliens, effects of armed conflicts on treaties, the responsibility of international organisations and the obligation to extradite or prosecute) and added two new ones to its agenda (protection of persons in the event of disasters and immunity of state officials from foreign criminal jurisdiction). The Czech Republic made a statement on the results of the Commission as part of its contribution to the Sixth (Legal) Committee of the General Assembly of the UN in autumn 2007.

In 2007, individual ministries went ahead with the negotiation of further international treaties within their respective areas of competence. This ongoing process is testimony to the development and strengthening of cooperation with other states in a diverse range of areas. The question of succession to treaties concluded during the existence of Czechoslovakia (1918-1992) was negotiated with the few remaining states. Succession negotiations with Bosnia and Herzegovina were completed in 2007, while talks continued with Iraq and Afghanistan.

Under Article 307 of the Treaty establishing the European Community, the Czech Republic is obliged to bring all its international law commitments into line with EC/EU law. In June 2005, the Ministry of Foreign Affairs therefore started the process of renegotiating the Czech Republic's agreements on the promotion and reciprocal protection of investments with non-EU countries. By 1 January 2008, approximately thirty investment agreements still required renegotiation. In 2007, amendments to investment agreements were discussed at expert level and prepared for signing with Pakistan, Turkey, United Arab Emirates, Moldova, Romania, Bosnia and Herzegovina and Kazakhstan. In 2007, the Czech Republic completed expert talks on bilateral double taxation avoidance treaties with Armenia and Turkmenistan.

Such treaties with Bosnia and Herzegovina, Jordan and Tajikistan entered into force. Customs-related cooperation agreements also entered into force in 2007, with Belarus and Uzbekistan, and agreements were signed with Iraq and Albania on the settlement of debts. Negotiations are ongoing with a number of states on economic cooperation agreements to replace trade treaties that had to be terminated due to the exclusive competence of the EC in the realm of trade policy. In 2007, agreements with Slovakia and the USA entered into force and agreements were signed with the Republic of South Africa, Indonesia, Peru and Argentina.

In the field of police cooperation, a treaty with Poland on cooperation in the fight against crime in border regions entered into force and an arrangement was concluded with Austria on the establishment of a joint centre, Mikulov-Drasenhofen. A readmission agreement and related protocol were signed with the Socialist Republic of Vietnam. An agreement between the Czech Republic and Canada facilitating temporary work stays for young people entered into force. The Treaty on the Loan of Prison Staff to the International Tribunal for the Former Yugoslavia entered into force between the Czech Republic and the UN.

In the field of social security, a treaty with the Former Yugoslav Republic of Macedonia (FYROM) entered into force. Treaties on social security were signed with the USA and the Republic of Korea. In the field of culture, a cultural agreement with Hungary entered into force and regular programmes of cultural cooperation were negotiated (for example, with the Russian Federation, Slovenia and Argentina). A protocol was signed amending the treaty on legal assistance with Ukraine.

A number of multilateral treaties also entered into force for the Czech Republic in 2007, for example the International Convention against Doping in Sport. The President of the Czech Republic ratified the Agreement between the EU, the EC and Switzerland on Switzerland's association with the implementation, application and development of the Schengen *acquis* and the International Labour Organisation Convention No. 138 on the minimum age for admission to employment of 1963. The Czech Republic also acceded to the Convention on the European Forestry Institute in 2007.

2. Community law dimension of the Czech Republic's foreign policy

Upon the Czech Republic's accession to the EU, a new dimension, Community law, became part of the Czech legal order. In relation to national law, Community law includes both acts that the Czech Republic is obliged to transpose into Czech law by means of legally binding provisions, and directly applicable norms that can impose rights and obligations directly on natural and legal persons.

The Ministry of Foreign Affairs does its utmost to contribute to the effective and swift transposition and subsequent application of Community law so that Czech law is fully aligned with the *acquis communautaire*.

However, as a fully-fledged member of the EU, the Czech Republic is not merely a passive recipient of the aforementioned Community regulations – it is also their co-architect. In this regard, the Czech Republic was actively involved at all levels in the relevant working groups of EU bodies that prepare and approve draft legislation.

Another fundamental element of Community law is the extensive case-law of the European Court of Justice concerning the supervision of compliance with and interpretation of Community regulations. In actions before the European Court of Justice, the Czech Republic's interests are represented by the Ministry of Foreign Affairs, specifically by the government agent incorporated in the structure of the Ministry.

Within the Ministry, the Community Law Department monitors and analyses the development of the EC/EU law and draws up opinions on matters of Community law for the purposes of the Czech Republic's foreign policy. Its work in 2007 included assessment of the compliance with Community law of draft national legislation and negotiated international treaties coming under the responsibility of the Ministry and interpretation of the relevant provisions of Community law. In 2007, the majority of the expert opinions drawn up regarding interpretation of Community legislation concerned the EU's external relations, Common Foreign and Security Policy, the internal market (in particular the free movement of persons, goods and capital), the Common Agricultural Policy, protection of intellectual property, transport policy, and environmental protection.

The Community Law Department also took part in the expert legal review and national debate concerning the Treaty of Lisbon amending the Treaty on European Union and

the Treaty establishing the European Community, which amends the primary legislation of the European Union. The Treaty of Lisbon was ceremonially signed in Lisbon on 13 December 2007 and must be subsequently ratified by all of the 27 EU member states. If all ratifications are completed during 2008, the Treaty of Lisbon will enter into force on 1 January 2009.

The Ministry of Foreign Affairs (Community Law Department) is responsible for the Government Guidelines for the Negotiation of International Treaties in the Context of the European Union and Their Internal Scrutiny Procedure, approved by the Czech government on 19 November 2005 as an annex to resolution No. 1469 (hereinafter the “Guidelines”). These Guidelines set out a binding procedure to be followed by the Czech government and central authorities when conducting negotiations and internal scrutiny procedure of international treaties concluded within the EU framework. They reflect the processes specific to negotiations taking place within the EU, primarily in the phase of negotiating treaty texts (in the EU Council’s system of working bodies, the core of the work takes place at working group level). The Guidelines lay down in detail the cooperation methods and the rights and obligations of all institutions affected by the treaty in question. The Guidelines pay particular attention to cooperation between central authorities and the President of the Republic and both houses of parliament, starting with the phase of negotiating the treaty text. In view of the need to update the original Guidelines, in 2007 the Department drafted new Guidelines that will replace the original Guidelines. The draft contains new provisions that respond in particular to the need to regulate the procedure to be followed when conducting negotiations and internal scrutiny procedure of international treaties concluded under Articles 24 and 38 of the Treaty on European Union (treaties concluded by the EU). These treaties will be discussed internally in the same way as international treaties falling within the exclusive competence of the Czech Republic. The draft guidelines also refer to a database of EU international treaties that will be established within the ISAP (Information System for Approximation of Law) electronic database.

In connection with conclusion and discussion of international treaties within the EU, the Department is also responsible for overseeing “legal linguistic” review of the official Czech texts of such treaties. The Department itself carries out legal linguistic review of passages whose content falls within the competence of the Ministry of Foreign Affairs; for the remaining sections of treaties, it requests cooperation from the relevant departments of other

ministries under whose competence the text falls. The Department then consolidates the sent comments and ensures their punctual delivery to the legal linguistic experts of the Council of the EU's Legal Service.

In 2007, the Department used this procedure to conduct legal linguistic reviews of three extensive treaty documents: the Agreement on stabilisation and association between the European Community and its member states as the first party, and Montenegro as the second; an Agreement of the same type concluded between the European Community and its member states as the first party, and the Republic of Serbia as the second; and, last but not least, legal linguistic review of the Treaty of Lisbon.

3. Consular dimension of the Czech Republic's foreign policy

In 2007, the Czech consular service continued to contribute, in line with its competences, to the fulfilment of the tasks and goals of the Czech Republic's foreign policy. Within the Ministry of Foreign Affairs, consular affairs are handled by the Consular Department, which formulates the concept of the Czech Republic's consular service and ensures its implementation; in doing so, the Consular Department cooperates with the relevant sections of the Ministry and other state administration bodies. The consular sections of Czech embassies abroad play an indispensable role in the consular service. In 2007, the Consular Department paid particular attention to consular tasks related to:

- the successful completion of Schengen evaluations and the Czech Republic's full involvement in Schengen cooperation with regard to the granting of short-term visas;
- the fight against illegal migration, abuse of residence permits, issues related to the provision of asylum and the formulation of the overall concept of international consular cooperation within the framework of a common European policy;
- sound execution of standing tasks of the consular service, such as the provision of consular protection to Czech citizens who get into difficulties abroad, including the provision of consular protection to EU citizens.

One of the principal tasks the Czech Republic's consular service focused on in 2007 was the successful implementation of the results of Schengen evaluations, i.e. the assessment

process that the Czech Republic had to undergo before taking on the Category 2 Schengen *acquis*.

These efforts culminated on 21 December 2007, when the Czech Republic became a full member of the Schengen area. Schengen cooperation entails a broad agenda including police cooperation, protection of external borders, visa issues and the protection of personal data; of these, the visa agenda falls within the competence of the Ministry of Foreign Affairs. All Czech embassies implemented the measures necessary to meet requirements arising from relevant binding norms and other legislation. It was an extremely challenging operation, in terms of both cost and organisation (technical equipment, alterations to buildings, staffing). Thorough preparation ensured that no major problems have been registered since the Czech Republic's integration into the Schengen system.

One remaining task at present is to increase staff numbers in certain embassies' visa sections (Russian Federation, Ukraine, Vietnam and Egypt). This issue should be resolved during the first half of 2008.

In connection with these tasks, the Consular Department participated in the work of European Council working groups. The Consular Department is in charge of the Czech Republic's participation in the Consular Affairs Working Party (COCON), which mainly deals with consular protection and assistance provided to EU citizens, and in the Visa Working Party (VISA), where questions related to application of the Common Consular Instructions for Diplomatic Missions and Consular Posts are discussed. As part of the process of ending non-reciprocal visa arrangements with states that have not abolished their visa requirements for some member states, considerable successes were achieved in the implementation of Council Regulation No. 539/2001. Of the three states (Australia, Canada and the USA) with non-reciprocal visa arrangements with the Czech Republic and Czech citizens therefore needed visas for travel to these countries, the situation with Canada was fully resolved through the abolition of visa requirements for Czech citizens on 1 November 2007. Significant improvements in the situation with Australia and in particular with the USA constituted progress towards the ultimate goal, namely achieving the same travel conditions for Czech citizens as are enjoyed by citizens of the original EU member states. The Czech Republic continues to place great emphasis on promoting reciprocity in the EU's visa policy, with a view to ending this adverse state of affairs for all member states.

One of the priorities of the consular service in 2007 was tackling questions of migration, in both its legal and illegal forms. The Consular Department was actively involved in the preparation and opening of an Analysis Centre for the Protection of State Borders and Migration, and in its subsequent activities. The Ministry of Foreign Affairs regards this Centre as a vital organisational measure for improving inter-ministerial cooperation on migration and visa abuse. Local consular cooperation to harmonise procedures between EU and Schengen states has also become an important tool in the fight against illegal migration in the given region.

In line with Council Regulation (EC) No. 2252/2004 of 13 December 2004, on standards for security features and biometrics in passports and travel documents issued by the member states, and in line with Act No. 136/2006 Coll., amending certain acts in the field of travel documents, the Consular Department issues diplomatic and service passports with the first biometric element – a biometric facial image. Preparations got underway for the introduction of a second biometric element – fingerprints – in travel documents.

The inclusion of biometrics in passports is the first step towards the use of biometric data. EU bodies are currently discussing the introduction of biometrics in visas within the framework of the Visa Information System (VIS) and further uses of biometrics for the identification of visa holders.

The Consular Department continued to be actively involved in a pilot project entitled “Active Selection of Skilled Foreign Workers”, which entered its fifth and final year on 1 July 2007. It has been taking place in Kazakhstan, Croatia, Belarus, Moldova, Canada, Serbia, Montenegro, Ukraine, Bosnia and Herzegovina, Macedonia and the Russian Federation. From 1 July 2007, the project was extended to include India. Bulgaria was removed from the list of target states due to its accession to the EU on 1 January 2007. The project is coordinated by the Ministry of Labour and Social Affairs of the Czech Republic, which implements it in collaboration with the Ministry of Foreign Affairs and Ministry of the Interior.

The indispensable role of Czech honorary consulates in the consular service of the Czech Republic is also worth mentioning. In 2007, there were 150 Honorary Consulates of the Czech Republic operating in countries all over the world, eleven of which were Honorary Consulates General.

The Czech consular service is directly involved in the protection of the interests and rights of individuals in difficult situations far from home. One integral part of this is the handling of routine consular tasks by the consular sections of Czech embassies abroad. Alongside this routine work, the provision of care for Czech citizens who find themselves in crisis situations, frequently with their life or health in danger, and are dependent on the assistance of consular staff, is a task of the utmost importance. For this reason, the consular service is rightly referred to as the “shop window” of the Czech foreign service.

VIII. THE CZECH FOREIGN SERVICE

1. Staffing

In 2007, as in previous years, staff at Czech embassies abroad were rotated according to the *Rotation Plan*. In total, 237 staff were assigned to embassies, 219 of them for long-term postings and eighteen short-term (up to one year).

- Under inter-ministerial agreements between the Ministry of Foreign Affairs, the Ministry of Industry and Trade, the Ministry of Defence and the Ministry of the Interior, the necessary number of staff of trade and economic sections, Czech defence attachés and interior ministry liaison officers were assigned to Czech embassies. Measures were launched in 2007 to ensure that staffing requirements will be met for the Czech Republic's presidency of the Council of the EU.

National Contact Point

Throughout the year 2007, the Personnel Department, the *National Contact Point (NCP)*, informed Czech citizens about recruitment competitions for posts in EU institutions and other international governmental organisations on the websites www.mzv.cz/nkm and www.mzv.cz/kariera. Members of the database administered by the NCP and designed for candidates for work in these institutions and organisations were also kept informed of vacancies. The NCP continued to select and nominate election observers for the Organisation for Security and Cooperation in Europe (OSCE) and the European Union (EU). The NCP was also involved in staffing the Czech Republic's participation in EU civilian crisis missions.

Specific work and results in respect of the principal international governmental organisations

European union

The NCP provided an information service to candidates for collective recruitment competitions for the posts of assistant, administrator, head of department and director.

- In total, hundreds of Czech citizens have been recruited by European Union bodies to date. The number of Czech employees at the largest employer – the European

Commission – exceeded 410, and more than 60 Czech citizens work at the General Secretariat of the Council. Additionally, 25 national experts are currently working at EU institutions on a short-term basis; when their assignment ends, they should transfer their experience to the Czech state administration.

In 2007, the NCP had greater involvement in selecting and sending Czech citizens on EU civilian missions. Candidates for these EU missions could benefit from a new article on the website www.mzv.cz/kariera entitled “International Governmental Organisation Civilian Missions”, with the emphasis on EU missions.

In cooperation with the Ministry of Foreign Affairs human rights and transformation policy department, the NCP sent EU election observers: overall, 15 long-term and 20 short-term election observers were sent. Six Czechs were sent on EU election observer training courses and 25 new observers received training through the Ministry.

UN

- In respect of the UN, the NCP’s chief task in 2007 was informing about vacancies. It also took part in recruiting staff to the UN Development Programme (UNDP), UN Population Fund (UNFPA), World Food Programme (WFP) and UN Children’s Fund (UNICEF).

OSCE

Throughout the year, the National Contact Point organised nominations and was in charge of the internal Ministry procedure for approval of the extension of the participation of Czech citizens in OSCE field missions in the Balkans and the Caucasus. The number of Czech participants in OSCE missions was relatively constant in 2007, ranging from eleven to fourteen. Until October 2007, Czech citizens occupied positions as head of the OSCE mission in Albania and, to the end of that year, as head of a local branch of the OSCE mission in Croatia.

- The NCP continued to send observers on OSCE election missions in 2007. In total, the NCP sent 45 short-term OSCE election observers and one long-term observer to the countries of the former Soviet Union and the Balkans.

Miscellaneous

Progress was made in increasing the number of Czech citizens at the NATO International Staff, although the current situation still remains unsatisfactory. The number of applications for placements at NATO rose from nine to 28 in 2007. For the first time, Czech applicants (five in total) were short-listed. The NCP also took part in the sending of a civilian expert to KFOR Kosovo.

At the end of 2007, the NCP was put in charge of organising recruitment competitions for the head and members of the civilian part of the Provincial Reconstruction Team (PRT) in Logar, Afghanistan.

In autumn 2007, the NCP arranged the sending of short-term Council of Europe election observers to local government elections in Kosovo.

2. Diplomatic Academy

On 1 January 2007, the Diplomatic Academy (DA) became a separate department of the Ministry of Foreign Affairs. The purpose of this transformation is to help stabilise and further professionalise the Czech diplomatic service, whilst following up the DA's work in previous years as part of the Institute of International Relations. The DA will now be responsible for the language tuition of Ministry employees in addition to the professional training of Czech diplomats. An Academic Council of the DA was established, with members appointed by the Minister of Foreign Affairs from the Czech and international academic community. Training at the DA continues to be provided in modules at basic, advanced and individual levels. The Academy takes part in international exchange of information on diplomatic training, and, *inter alia*, took part in the organisation of the 4th module of the 8th year of the European Diplomatic Programme and organised the 7th year of the international European Studies Summer School for foreign diplomats and Czech state administration staff at Horažďovice. Special attention was devoted to the organisation of courses, seminars, study placements and language tuition for diplomats prior to the Czech Republic's presidency of the Council of the EU.

Basic training modules

In addition to special projects, the DA ran six training modules in 2007:

- I. basic diplomatic training (DA1)
- II. advanced diplomatic training (DA2)
- III. individual course for junior diplomats (DA IN)
- IV. computer training
- V. language tuition
- VI. training in EU affairs and prior to the Czech Republic's presidency of the Council of the EU

I. Basic diplomatic training (DA1)

Eleven students graduated from the Diplomatic Academy on 31 August 2007. At the beginning of September 2007, thirteen new students, selected in a two-round selection process, started the one-year basic diplomatic training. During the intensive six-month theoretical part of the course, students attended lectures and seminars to broaden their knowledge of international relations, diplomacy, security policy and economic relations, and practical courses to assimilate communication, negotiation and psychological skills and abilities. DA1 students took part in a special course in crisis situations (organised in cooperation with the Czech army and the Military Academy in Vyškov), went on excursions to Vienna and Brussels and assisted at important international events. This theoretical part of the course is due to end on 29 February 2008.

II. Advanced diplomatic training (DA2)

- 2007 was the ninth year of DA2. Its programme was revised to meet the current requirements of senior diplomats. Sixteen Ministry diplomatic staff started the DA2 module in 2007. The students attended courses on management and negotiation skills and a public diplomacy course, as well as taking part in debates on current EU issues, the priorities of Czech foreign policy, energy security, cultural diplomacy, human rights and development cooperation. Seventeen students completed advanced diplomatic training by presenting their own work and their own lectures.

246 diplomatic staff have successfully completed DA2 since its launch in 1999.

III. Individual course for junior diplomats (DA IN)

The DA continued its training for junior diplomats with the fifth year of the DA IN module, which became genuinely individual training in 2007. The Academy broadened the range of courses on offer and created an individual DA IN study plan for each candidate based on their education and experience. Students complete DA IN with a public presentation of expert work. In 2007, 57 new candidates applied for places on DA IN and 35 junior diplomats completed the course. 133 diplomats have successfully completed individual diplomatic training since its commencement in 2003.

IV. Computer training

In 2007, 796 Ministry staff received training on a standard range of courses – MS Word, MS Excel, MS Power Point, the Windows environment, Internet, Lotus Notes and Filing Service. Diplomats on the DA1, DA2 and DA IN programmes also completed computer literacy tests and any other required training. In cooperation with the Czech Republic's Permanent Representation in Brussels, the DA organised a two-day computer course for Permanent Representation staff in Brussels.

V. Language tuition

Since 2007, the DA has been fully in charge of language tuition for Ministry staff. In total, 304 Ministry employees passed standardised language exams in English, French, German, Russian and Spanish at MFA grades 1 – 4 (A1/2, B1/2, C1/2 grades under the Common European Framework of Reference for Languages), with a further nineteen passing exams in other languages (e.g. Japanese, Portuguese, Italian, Arabic, Croatian and Swahili).

Intensive three-day French courses were held in August and November 2007, attended by 45 staff with a knowledge of French at B1/B2 level. Individual language courses were provided for 25 management employees and intensive courses abroad for 3 management employees.

VI. Training in EU affairs and prior to the Czech Republic's presidency of the Council of the EU

In 2007, the DA took part in the 8th year of the European Diplomatic Programme. This year's principal theme was "Population Flows, Development and Security in Africa: challenges for and responses by the EU".

On 20-24 August 2008, the DA held the 7th year of the European Studies Summer School, which took place in its traditional venue at Horažďovice. Its central theme "Europe – The Next Steps – Prospects for 2009" and the subsequent lectures and discussions, held in English, provided up-to-date information on preparations for the presidency for 42 Czech state administration staff (Ministry of Defence, Ministry of Transport, Ministry of Regional Development, Ministry of Labour and Social Affairs, Ministry of Finance, Senate of Parliament, Czech Agriculture and Food Inspection Authority, Office for the Protection of Competition), Ministry of Foreign Affairs diplomats and 12 of their counterparts from Bulgaria, Croatia, Lithuania, Mexico, Moldova, Nicaragua, Peru, Romania and Russia.

This intensive training for diplomats prior to the Czech Republic's presidency of the Council of the EU during the first half of 2009 mainly focused on the acquisition and assimilation of negotiation and communication skills, leading working groups, knowledge of the practical and procedural aspects of negotiating within EU structures, decision-making processes, relations between EU institutions and coordination at the national level. In total, 103 diplomats received training during 2007 in the form of specialised courses, seminars and structural traineeships in institutions abroad. Language courses were also an integral part the of training for Ministry of Foreign Affairs staff prior to the Czech presidency.

3. The Ministry of Foreign Affairs' budget and operations

On 13 December 2006, the Chamber of Deputies of Parliament of the Czech Republic passed Act No. 622/2006 Coll., on the Czech Republic's state budget for 2007. Under this Act, the main indicators of budget heading 306 – Ministry of Foreign Affairs for 2007 were set as follows:

Total incomes	CZK 60,000,000
Total expenditure	CZK 4,824,623,000

The Ministry of Foreign Affairs implements the tasks and objectives of foreign policy in accordance with the Competences Act. In 2007, the Ministry focused mainly on tasks connected with the Czech Republic's membership of the European Union; tasks connected

with the Czech Republic's membership of international institutions; preparations for accession to the Schengen area; preparations for the Czech Republic's presidency of the Council of the European Union; support for economic diplomacy; and implementation of ongoing measures to increase security at embassies, with the emphasis on the protection of persons and property.

The expenditure side of the Ministry of Foreign Affairs budget heading was influenced by the following activities in 2007:

- preparations for the Czech Republic's presidency of the Council of the EU in 2009;
- performance of foreign service tasks and implementation of the Czech Republic's foreign policy concepts;
- the increased cooperation with international organisations, including the honouring of financial commitments in respect of these organisations;
- supporting and implementing economic diplomacy projects;
- modernisation of the visa process in line with EU requirements (in connection with the Schengen Agreement); gradual introduction of biometric elements in travel documents;
- the provision of a reliable consular and visa service;
- ensuring the security of embassies and personnel abroad and protecting the Ministry's classified information in accordance with Act No. 412/2005 Coll., on Protection of Confidential Information and on Security Eligibility, as amended and supplemented by Act Nos. 119/2007 Coll., 177/2007 Coll. and 296/2007 Coll.;
- improving the operational security and reliability of the Ministry information system and its certification for the handling of classified information;
- the provision of humanitarian aid to foreign countries;
- the implementation of foreign development cooperation and transformation cooperation projects;
- the implementation of projects to involve Czech citizens in civilian missions run by the EU and other international governmental organisations.

One of the specific aspects of the expenditure side of the Ministry's budget heading is the high proportion of expenditure in foreign currency, so the final drawdown as expressed in

Czech koruna was highly dependent on developments in the Czech koruna exchange rate with the principal foreign currencies.

Incomes of organisational components of the state and organisations part-funded from the state budget

The state budget for 2007 set a total figure of CZK 60,000,000 for income under the Ministry of Foreign Affairs heading. Total incomes amounted to CZK 804,422,000, i.e. 1,340.70 % of the stipulated amount, of which capital incomes were CZK 230,649,280 and non-tax incomes CZK 159,773,000. Income from property lettings totalled CZK 16,434,000. The figure for total incomes includes a transfer of CZK 114,000,000 from the Ministry of Foreign Affairs reserve fund to finance asset replacement programmes and CZK 300,000,000 for non-investment expenditure. Incomes not including transfers from the reserve fund amounted to CZK 390,422,000.

- Other incomes are practically random and were chiefly formed from incomes from tax refunds and reimbursements for the previous budget year, other non-tax incomes, interest revenues and uncollected security deposits levied under special visa rules (CZK 11,778,000). Transfers from organisations part-funded from the state budget also comprised part of the incomes under the Ministry heading. Diplomatic Service incomes from sales of property, land and movable assets totalled CZK 30,880,000 in 2007.

Besides budgeted incomes, in 2007 the Ministry paid CZK 709,455,050.32 into the state budget in the form of administrative fees charged by the consular sections of embassies.

Non-investment expenditure

The total volume of state budget current expenditure under the Ministry of Foreign Affairs heading in 2007 was CZK 6,068,780,730. This expenditure consisted of purchases of services (expenditure of CZK 1,054,153,650 on rent for buildings and housing for staff abroad, expenditure associated with top-level visits and other expenditure); purchases of material (expenditure of CZK 201,870,310 on replacing petty tangible assets and purchasing ordinary equipment for embassies and headquarters); purchase of water, fuel and energy (CZK 115,590,000); wages and remunerations for Ministry staff (CZK 638,391,240); expenditure on reimbursements (reimbursements for increased living costs for staff assigned

abroad pursuant to Government Directive No. 62/1994 Coll., school fees abroad for children of staff on assignment – worth CZK 1,324,078,030); other purchases (expenditure on locally recruited staff at embassies, repairs and maintenance of own or leased real estate, travel expenses *et al.*, worth a total of CZK 597,034,370); and other non-investment expenditure (includes transfers to international organisations and contributions to organisations part-funded out of the state budget, amounting to CZK 1,492,116,120).

Non-investment expenditure in 2007 was comparable with the previous year. Expenditure on energy abroad increased slightly due to the global increase in prices for oil and other fuels.

The strong CZK exchange rate, particularly against the USD and EUR, had a positive influence on the drawdown of finances in the budget heading in 2007, as a major portion of expenditure in this heading is paid in these currencies. All expenditure over and above the framework of the Ministry budget was covered by a transfer from the Ministry reserve fund.

Expenditure on financing asset replacement programmes

Overview of drawdown of finances for the Ministry of Foreign Affairs' asset replacement programmes in 2007:

CZK thousands (not including transfers to the reserve fund)

	2006 actual	2007 approved budget	2007 adjusted budget	2007 actual	%
Total expenditure	1,016,906.80	1,016,000	1,167,080	928,616	79.56
Expenditure on programme 106 010	0	0	210,000	0	0
Expenditure on programme 206 010	947,095.36	823,074	764,154	758,358	99.25
Expenditure on programme 306 020	69,811.44	192,926	192,926	170,258	88.25

- Expenditure in 2007 was chiefly channelled into Ministry of Foreign Affairs construction and investment projects (for example, renovation of the Czech National Building in New York, renovation of the residence in Nairobi, renovation of the

residence in Moscow, renovation of hotel rooms and remediation of the courtyards at the Czech House in Moscow, alterations to the building in Rytířská Street) and into information and communication technologies.

Subordinate organisations

In 2007, there were four organisations part-funded from the state budget and one public research institute within the framework of the Ministry of Foreign Affairs. These organisations received investment and non-investment contributions from the Ministry of Foreign Affairs for their work. In 2007, the Ministry provided these organisations with a contribution of CZK 184,125,000 for operations and a contribution of CZK 123,500,000 in the form of a system investment subsidy.

Czech Centres

- This organisation is in charge of the work of Czech Centres abroad, which concentrate on promoting the Czech Republic and developing cultural and trade contacts. The contribution towards the operations of Czech Centres in 2007 was CZK 95,108,000.

Office of the Commissioner General for EXPO 2005

- No contribution to the Office of the Commissioner General for EXPO 2005 was budgeted in 2007 due to the scaling down of this organisation's operation.

Diplomatic Service

- The work of Diplomatic Service was broadened in scope by a contract concluded under Art. 269 of Act No. 513/1991 Coll., Commercial Code. The organisation's statute and founding deed of the organisation were revised in connection with this change in scope. Diplomatic Service received a contribution of CZK 40,000,000 for operations and an investment subsidy for asset renovation of CZK 28,000,000 in 2007. Other expenditure for its work was covered by income from lettings of state property to foreign embassies within the territory of the Czech Republic.

Štiřín Castle

- Štiřín Castle provides conference, congress and hospitality services for both the Ministry of Foreign Affairs and other central authorities. It also provides commercial accommodation, restaurant and conference services.

Štiřín Castle received a contribution of CZK 8,242,000 for operations and CZK 95,500,000 as an investment subsidy.

Institute of International Relations, public research institute

In 2007, the Institute of International Relations, which specialises in research in this field, was allocated CZK 35,689,000 for operations and activities, of which CZK 14,274,000 was for research and development. During the course of the year, the Institute received special-purpose funding in connection with ongoing developmental cooperation projects abroad of CZK 9,305,000 and research and development funding of CZK 734,000. At year end, unused finances of CZK 1,815,000 were returned to the Ministry's income account.

Research and development support

- Of the sum of CZK 6,779,000 of special-purpose Ministry of Foreign Affairs finances for research and development, CZK 5,895,000 was earmarked as non-investment subsidies for private-sector companies, CZK 150,000 as consultancy and legal fees, and CZK 734,000 as special-purpose funding for research and development at the Institute of International Relations. In 2007, a sum of CZK 3,087,000 was drawn down as special-purpose research and development funding. Institutional funds of CZK 14,274,000 were earmarked for research and development. These funds were drawn down in full by the Institute of International Relations. There was no investment expenditure on research and development in 2007.

Humanitarian aid expenditure

In 2007, a total of CZK 70,000,000 was earmarked in the state budget for the Czech Republic's provision of humanitarian aid abroad. Through the Ministry of Foreign Affairs, the Czech government provided humanitarian aid worth a total of CZK 82,404,000 during the

year to 33 countries in Europe, Asia, Africa and Latin America. A sum of CZK 7,295,000 was provided as aid towards resolving the crisis in Kosovo.

In its provision of humanitarian aid, the Czech Republic complies with the principles for *Good Humanitarian Donorship* which were agreed in Stockholm in 2003. The Czech Republic officially adopted these principles in 2006, thus making it one of the advanced providers of humanitarian aid on both the EU and global scale.

Expenditure on transformation cooperation

In line with government resolution No. 686 of 7 June 2006, finances totalling CZK 40,000,000 were earmarked for transformation cooperation in the state budget for 2007. Of that amount, CZK 41,148,000 was used to finance 41 projects in 2007 (either conducted by the Ministry as independent activities or run by Czech non-governmental organisations). Finances over and above the framework set in the budget for 2007 were drawn from the Ministry of Foreign Affairs reserve fund.

In 2007, the Czech Republic provided transformation aid to the following countries: Belarus, Bosnia and Herzegovina, Cuba, Georgia, Iraq, Moldova, Myanmar/Burma, Serbia and Ukraine.

Implementation of the Programme for Post-Conflict Reconstruction and Renewal of the Republic of Iraq continued throughout 2007 (on the basis of government resolution No. 468 of 12 May 2003). A sum of CZK 3,523,098 was drawn down in 2007 for 30 projects under this programme. This was used to complete contracted projects which could not be completed in 2006 for security reasons.

Expenditure on foreign development aid and cooperation

In 2007, the Ministry of Foreign Affairs had a sum of CZK 64,795,000 available for foreign development cooperation (hereinafter “FDC”). Of that amount, CZK 48,569,000 was drawn down.

The Czech Republic’s overriding objective in FDC is, in line with the efforts of the international community, to contribute to the eradication of poverty; to assist economic and industrial development; to assist the development and consolidation of democracy, human

rights and the introduction of legal principles; and to ensure sustainable development with regard to the environment.

Non-investment transfers abroad

In the case of the Ministry of Foreign Affairs' budget heading, non-investment transfers abroad consist mainly of payments to international organisations of which the Czech Republic is a member and money donations to Czech expatriate clubs abroad. During the course of 2007, a sum of CZK 1,178,487,000 was released into the Ministry budget, of which CZK 100,000,000 was transferred back to the Treasury Administration under government resolution No. 290 of 28 March 2007 to cover certain unsecured expenditure in the state budget for 2007. In total, a sum of CZK 1,043,062,000 was drawn down.

Non-investment subsidies to non-profit and similar organisations

In 2007, the Ministry of Foreign Affairs allocated non-investment subsidies totalling CZK 153,964,000 to non-governmental and similar organisations, state funds, higher education facilities and natural persons/non-entrepreneurs. In line with the operative government regulations and resolutions, CZK 168,947,000 was drawn down in 2007. The excess was covered from the Ministry of Foreign Affairs reserve fund.

Non-investment subsidies to business entities

In 2007, the Ministry of Foreign Affairs allocated non-investment subsidies totalling CZK 6,779,000 to business entities. Due to budgetary measures adopted during 2007, this sum was reduced to CZK 5,895,000. The actual drawdown of subsidies for business entities in 2007 was CZK 2,337,000.

Funding for the involvement of Czech citizens in civilian missions run by the EU and other international governmental organisations

In 2007, a sum of CZK 80,000,000 was earmarked in the Treasury Administration budget heading for the involvement of Czech citizens in civilian missions run by the EU and other international governmental organisations. Funding for civilian and observer missions is governed by government resolution No. 1544 of 30 November 2005, on the basis of which a binding indicator of Funding for the Involvement of Citizens of the Czech Republic in EU Civilian Missions was established in the Ministry of Foreign Affairs budget heading. CZK

8,000,000 was released into the Ministry of Foreign Affairs budget, of which CZK 4,967,000 was drawn down, i.e. 62.09 % of the released amount. The remaining CZK 3,033,000 was not drawn down due to the cancellation of planned observer missions.

Expenditure connected with the Czech Republic's presidency of the Council of the European Union

A sum of CZK 95,330,000 was released from the Treasury Administration, item "Expenditure connected with the Czech Republic's presidency of the Council of the European Union" was released into the Ministry of Foreign Affairs budget under government resolution No. 27 of 3 January 2007, government resolution No. 341 of 11 April 2007 and government resolution No. 819 of 18 July 2007. CZK 84,106,000 (i.e. 89.79 %) was actually used for preparations for the presidency, while the remaining CZK 8,712,000 was transferred to the reserve fund.

Expenditure on top-level state visits

- A total of CZK 98,000,000 was earmarked in the Treasury Administration for expenditure on top-level state visits in 2007. Over the year, the Ministry of Foreign Affairs requested the release of all these funds into its budget. As of 31 December 2007, a total of CZK 63,221,000 had been drawn down. The financing of top-level state visits is governed by government resolution No. 506 of 22 May 2000, on the coordination of the foreign visits of members of the government and on financing top-level visits. The remaining amount of CZK 34,779,000 was transferred to the Ministry's reserve fund.

International broadcasts by Czech Radio

Funds of CZK 68,000,000 were drawn down to finance international broadcasting by Czech Radio.

Expenditure on security features and biometrics in passports and travel documents

In 2007, CZK 134,000,000 was earmarked in the Ministry of Foreign Affairs heading for security features and biometrics in passports and travel documents, in line with government resolution No. 740 of 15 June 2005. Due to a change to the structure of costs and their use, approved by government resolution No. 1318 of 21 November 2007, CZK 85,766,000 was drawn down, including means transferred to the Ministry's reserve fund.

Final evaluation of the execution of the Ministry of Foreign Affairs' budget

Developments in the drawdown of expenditure in the year 2007 corresponded to the specific features and requirements of the work of the Ministry of Foreign Affairs, in line with the tasks and objectives that make up the Czech Republic's foreign policy.

APPENDICES

Overview of the Czech Republic's diplomatic relations

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
Afghanistan	1937	1993	Islamabad	Prague
Albania	1927	1993	Tirana	Prague
Algeria	1962	1993	Algiers	Prague
Andorra	no diplomatic relations	1996	Madrid	Vienna
Angola	1975	1993	Luanda	Berlin
Antigua and Barbuda	no diplomatic relations	1997	Caracas	London
Argentina	1924	1993	Buenos Aires (HC Presidencia Roque Sáenz Peña, HC Mendoza)	Prague
Armenia	1992	1993	Tbilisi	Vienna
Australia	1972	1993	Canberra (CG Sydney, HCG Melbourne, HC Perth, HC Adelaide)	Warsaw (HC Prague)
Austria	1920	1993	Vienna (HC Graz, HC Innsbruck, HC Salzburg, HC Klagenfurt, HC Linz)	Prague
Azerbaijan	1992	1993	Tbilisi	Prague
Bahamas	no diplomatic relations	2005	Havana	not designated
Bahrain	1990	1993	Riyadh	Berlin
Bangladesh	1972	1993	Delhi (HC Dacca)	Berlin
Barbados	1977	1996	Caracas	London
Belarus	1992	1993	Minsk	Prague

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
Belgium	1919	1993	Brussels (HC Antwerp, HC Liège)	Prague
Belize	no diplomatic relations	1996	San José (HC Orange Walk Town)	not designated (HC Prague)
Benin	1962	1993	Abuja	Berlin (HC Prague)
Bolivia	1935	1993	Lima (HC La Paz)	Vienna
Bosnia and Herzegovina	1992	1993	Sarajevo	Prague
Botswana	1968	1997	Pretoria	London
Brazil	1918	1993	Brasilia (CG São Paulo, HC Manaus, HC Joinville, HC Recife)	Prague
Brunei	1992	1995	Jakarta	not designated
Bulgaria	1920	1993	Sofia (HC Varna)	Prague
Burkina Faso	1968	1993	Accra	Vienna
Burundi	1963	1993	Nairobi	Berlin
Cambodia	1956	1993	Bangkok	Warsaw
Cameroon	1990	1993	Abuja (HC Douala)	Moscow
Canada	1942	1993	Ottawa (CG Montreal, CG Toronto, HC Calgary, HC Vancouver, HC Winnipeg)	Prague
Cape Verde	1975	1993	Accra (HC Praia)	Berlin
Central African Republic	1970	under negotiation	Kinshasa	Paris
Chad	1967	1994	Abuja	Moscow
Chile	1924	1993	Santiago	Prague
China	1930		Beijing	Prague

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
(PRC)	1949	1993	(CG Hong Kong, CG Shanghai)	
Colombia	1934	1993	Bogotá (HC Barranquilla, HC Cartagena de Indias)	Vienna
Comoros	1977	1995	Nairobi	Moroni
Costa Rica	1935	1993	San José	Prague
Croatia	1992	1993	Zagreb	Prague
Cuba	1920	1993	Havana	Prague
Cyprus	1960	1993	Nicosia (HC Limassol)	Prague
Democratic Republic of the Congo	1960	1993	Kinshasa	Prague
Denmark	1920	1993	Copenhagen (HC Aarhus)	Prague
Djibouti	1977	1997	Addis Ababa (HC Djibouti)	not designated
Dominica	no diplomatic relations	1996	Caracas	not designated
Dominican Republic	1942	1993	Caracas (HC Santo Domingo)	Brussels (CG Prague)
East Timor		2002	Jakarta	not designated
Ecuador	1935	1993	Bogotá (HC Guayaquil)	Warsaw
Egypt	1922	1993	Cairo (HC Alexandra)	Prague
Equatorial Guinea	1970	1993	Abuja	Berlin
Eritrea		1993	Addis Ababa	Berlin
Estonia	1922	1993	Tallinn (HC Tallinn)	Prague
Ethiopia	1944	1993	Addis Ababa	Berlin
Fiji	1970	1996	Canberra	not designated
Finland	1921	1993	Helsinki (HC Oulu, HC Tampere)	Prague
France	1918	1993	Paris	Prague

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
			(HC Lille, HC Lyon, HC Nancy, HC Nantes)	
Gabon	1976	1993	Abuja	Libreville
Gambia	1972	1993	Accra (HC Banjul)	Brussels
Georgia	1992	1993	Tbilisi	Prague
Germany	1920 GDR 1949 FRG 1973	1993	Berlin (CG Bonn, CG Dresden, CG Munich, HC Dortmund, HC Frankfurt am Main, HC Hamburg, HC Nuremberg, HC Rostock, HC Stuttgart)	Prague
Ghana	1959	1993	Accra	Prague
Greece	1920	1993	Athens (HC Heraklion, HC Piraeus, HC Rhodes, HC Thessaloniki)	Prague
Grenada	1979	1993	Caracas	not designated
Guatemala	1927	1993	Mexico (HC Guatemala City)	Vienna (HC Prague)
Guinea	1959	1993	Accra (HC Conakry)	Berlin
Guinea Bissau	1973	1993	Accra	Brussels
Guyana	1976	1993	Caracas	London
Haiti	1943	2005	Caracas	not designated
Honduras	1930	1993	San José (HCG Tegucigalpa)	Berlin
Hungary	1922	1993	Budapest	Prague
Iceland	1946	1993	Oslo	Vienna

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic	
India			(HC Reykjavik)	(HCG Prague)	
	1947	1993	Delhi (CG Mumbai)	Prague	
	Indonesia	1955	1993	Jakarta (HC Bali, HC Makassar, HC Surabaya)	Prague
	Iraq	1933	1993	Baghdad	Prague
	Ireland	1947	1993	Dublin	Prague
	Israel	1948	1993	Tel Aviv (HCG Tel Aviv, HC Eilat, HC Haifa, HC Jerusalem)	Prague
Italy					
Ivory Coast	1984	1993	Accra	Berlin	
Jamaica	1975	1993	Caracas	Berlin (HC Prague)	
Japan	1920	1993	Tokyo (HC Kobe)	Prague	
Jordan	1964	1993	Amman	Vienna	
Kazakhstan	1992	1993	Almaty	Prague	
Kenya	1964	1993	Nairobi	The Hague	
Kuwait	1963	1993	Kuwait City	Prague	
Kyrgyzstan	1992	1993	Almaty (HC Bishkek)	Vienna	
					Laos
Latvia	1922	1993	Riga	Prague	
Lebanon	1946	1993	Beirut	Prague	
Lesotho	1982	1993	Pretoria	Rome	

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
Liberia	1972	1993	Accra (HC Monrovia)	not designated
Libya	1960	1993	Tripoli	Prague
Lithuania	1922	1993	Vilnius	Prague
Luxembourg	1922	1993	Luxembourg (HC Luxembourg)	Prague
Macedonia (FYROM)		1994	Skopje	Vienna
Madagascar	1976	1993	Addis Ababa	Moscow
Malawi	1991	1993	Harare	Berlin
Malaysia	1971	1993	Kuala Lumpur (HC Johor Bahru)	Prague
Maldives	1975	1993	Delhi	not designated
Mali	1960	1993	Algiers (HC Bamako)	Berlin
Malta	1968	1993	Rome (HC Naxxar)	Valletta (HC Prague)
Mauritania	1965	1993	Rabat	Moscow
Mauritius	1976	1993	Pretoria (HC Port Louis)	Berlin (HC Prague)
Mexico	1922	1993	Mexico City (HC Guadalajara, HC Monterrey, HC Tijuana)	Prague
Micronesia	no diplomatic relations	2004	Manila	not designated
Moldova	1992	1993	Chisinau	Budapest
Mongolia	1950	1993	Ulaanbaatar	Prague
Montenegro		2006	Belgrade	not designated
Morocco	1959	1993	Rabat (HC Casablanca, HC Fes)	Prague
Mozambique	1975	1993	Harare	Berlin
Myanmar (Burma)	1955	1993	Bangkok	Berlin
Namibia	1990	1993	Pretoria	Moscow
Nauru	no diplomatic relations	2007	Manila	not designated
			Delhi	

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
Nepal	1959	1993	(HC Kathmandu)	Berlin (HC Prague)
Netherlands	1919	1993	The Hague (HCG Amsterdam)	Prague
New Zealand	1958	1993	Canberra (HC Auckland)	Berlin (HC Prague)
Nicaragua	1930	1993	San José (HC Managua)	Berlin (HC Prague)
Niger	1975	1995	Accra (HC Niamey)	Bonn
Nigeria	1961	1993	Abuja	Warsaw
DPRK	1948	1993	Pyongyang	Prague
Norway	1921	1993	Oslo (HC Bergen, HC Trondheim)	Prague
Oman	1990	1993	Riyadh	Vienna
Pakistan	1950	1993	Islamabad	Prague
Palau		2003	Manila	not designated
Palestinian Autonomous Territories	1983	1993	Ramallah (liaison office to the Palestinian Autonomous Territories)	Prague
Panama	1929	1993	San José (HC Panama)	Berlin (HC Prague)
Papua New Guinea	no diplomatic relations	1995	Jakarta (HC Port Moresby)	not designated
Paraguay	1936	1993	Buenos Aires (HC Asunción)	Vienna (HC Prague)
Peru	1922	1993	Lima	Prague
Philippines	1973	1993	Manila (HC Davao)	Prague
Poland	1919	1993	Warsaw (CG Katowice, HC Szczecin, HC Poznań)	Prague
Portugal	1920	1993	Lisbon (HC Porto, HC Funchal)	Prague

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
Qatar	1990	1993	Kuwait	Budapest
Republic of Congo	1964	1993	Kinshasa	Berlin
Romania	1919	1993	Bucharest	Prague
Russia	1934 (USSR)	1993	Moscow (HC Yekaterinburg, HC St. Petersburg, HC Khanty-Mansiysk, HC Nizhniy Novgorod)	Prague
Rwanda	1965	1998	Nairobi	Berlin
Salvador	1930	1994	San José (HC San Salvador)	Berlin
Samoa	no diplomatic relations	1995	Canberra	not designated
San Marino	1991	1993	Vatican	San Marino
Saudi Arabia	no diplomatic relations	1995	Riyadh (HC Jeddah)	Prague
Senegal	1967	1993	Rabat	Berlin
Serbia		2003	Belgrade	Prague
Seychelles	1976	1993	Nairobi (HC Victoria)	Victoria (HC Prague)
Sierra Leone	1963	1993	Accra	Moscow
Singapore	1973	1993	Singapore	Singapore (HC Prague)
Slovakia		1993	Bratislava	Prague
Slovenia	1992	1993	Ljubljana	Prague
Solomon Islands	no diplomatic relations	1996	Canberra	Brussels
Somalia	1960	2002	Nairobi	Moscow
South Africa	1991	1993	Pretoria (CG Cape Town)	Prague
South Korea	1990	1993	Seoul	Prague
Sovereign Order of the Knights of Malta	1939	1993	Vatican	Prague
Spain	1919	1993	Madrid (HC Barcelona,	Prague

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
			HC Benidorm, HC Oviedo, HC Tenerife)	
Sri Lanka	1957	1993	Delhi (HC Colombo)	Vienna (HC Prague)
Sudan	1956	1993	Cairo (HC Khartoum)	Vienna
Suriname	1976	1993	Caracas	not designated
St. Kitts and Nevis	no diplomatic relations	1993	Caracas	not designated
St. Lucia	no diplomatic relations	1996	Caracas	not designated
Sao Tomé and Príncipe	1975	1993	Luanda	not designated
St. Vincent and the Grenadines	no diplomatic relations	1995	Caracas	not designated
Swaziland	1991	1993	Pretoria	Brussels
Sweden	1920	1993	Stockholm (HC Göteborg, HC Malmö)	Prague
Switzerland	1919	1993	Berne (HC Basel, HC Zürich, HC Locarno)	Prague
Syria	1946	1993	Damascus (HC Aleppo)	Prague
Tajikistan	1992	1993	Tashkent	Vienna (HC Prague)
Tanzania	1961	1993	Nairobi	Berlin
Thailand	1974	1993	Bangkok	Prague
Togo	1960	1993	Accra (HC Lomé)	Paris
Trinidad and Tobago	1979	1997	Caracas (HC Port of Spain)	not designated
Tunisia	1959	1993	Tunis	Prague
Turkey	1924	1993	Ankara (CG Istanbul, HC Antalya, HC Izmir)	Prague
Turkmenistan	1992	1993	Moscow	Vienna

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
Tuvalu	no diplomatic relations	2005	Kuala Lumpur	not designated
Uganda	1962	1993	Nairobi	Moscow
Ukraine	1922	1993	Kiev (CG Lvov)	Prague
Uruguay	1921	1993	Montevideo (HC Punta del Este)	Prague
United Arab Emirates	1988	1993	Abu Dhabi	Vienna
United Kingdom	1918	1993	London (HCG Edinburgh, HC Cardiff)	Prague
USA	1919	1993	Washington D.C. (CG Chicago, CG Los Angeles, CG New York, HCG Atlanta, HCG Fort Lauderdale, HCG Houston, HCG Philadelphia, HCG San Francisco, HC Anchorage, HC Boston, HC Buffalo, HC Kansas City, HC Minneapolis, HC New Orleans, HC Portland, HC San Juan)	Prague
Uzbekistan	1992	1993	Tashkent	Vienna
Vanuatu	no diplomatic relations	2002	Canberra	not designated
Vatican	1920	1993	Vatican	Prague
Venezuela	1929	1993	Caracas (HC Maracaibo)	Prague
Vietnam	1950	1993	Hanoi (HC Ho Chi Min City, HC Haiphong)	Prague
Yemen	YAR 1956			

Country	Diplomatic relations established with the former Czechoslovakia	Diplomatic relations established with the Czech Republic	Seat of the competent mission of the Czech Republic	Seat of the competent mission of the given state for the Czech Republic
	PDRY 1968	1993	Sanaa	Prague
Zambia	1965	1993	Harare	Berlin
Zimbabwe	1981	1993	Harare	Vienna

NB:

- 1) State as at 31 December 2006.
- 2) The table does not give information about periods during which diplomatic relations were suspended.
- 3) The missions listed are the highest-ranking resident missions. Consulate Generals (CG), consulates headed by an honorary consular officer (HC), and Consulate Generals headed by an honorary officer (HCG) are given in brackets.
- 4) The data on diplomatic relations correspond to the current state of research.
- 5) The table does not show the differences between the establishment of diplomatic relations at envoy and ambassador level.

Heads of Missions of the Czech Republic as at 31 December 2006

1. Missions headed by ambassadors and chargés d'affaires

Country	head of mission	date on which agrément granted	date on which credentials presented
Abu Dhabi United Arab Emirates	JERÁBKOVÁ Věra ambassador	30. 8. 2005	10. 4. 2006
Abuja Federal Republic of Nigeria <i>Competence:</i> Nigeria Benin Chad Cameroon Equatorial Guinea Gabon	FROLA Milan acting head		
Accra Republic of Ghana <i>Competence:</i> Ghana Togo Sierra Leone Liberia Ivory Coast Niger Burkina Faso Gambia Guinea Guinea-Bissau Cape Verde	KŘENEK Miroslav ambassador	27. 9. 2005 17. 8. 2007 12. 5. 2006 19.11.2007 29.11.2007 1. 6. 2006 27. 6. 2006 28. 4. 2006 28. 9. 2007	29. 3. 2006 7. 12. 2006 11. 12. 2006 (copy of cred.) 14. 3. 2007
Addis Ababa Federal Democratic Republic of Ethiopia <i>Competence:</i> Ethiopia Djibouti Madagascar Commission of the African Union UN Economic Commission for Africa	DOBIÁŠ Zdeněk ambassador	29. 8. 2005 24. 2. 2006 12. 4. 2007	19. 12. 2005 15. 5. 2006 8. 5. 2006 14. 4. 2006
Algiers People's Democratic Republic of Algeria <i>Competence:</i> Algeria	ŠARAPATKA Milan ambassador	24. 12. 2005	14. 2. 2006

Country	head of mission	date on which agrément granted	date on which credentials presented
Mali		16. 5. 2006	29. 6. 2007
Astana Republic of Kazakhstan <i>Competence:</i> Kazakhstan Kyrgyzstan	DANEŠOVÁ Světoslava acting head		
Amman Hashemite Kingdom of Jordan	HOLOUBKOVÁ Ivana ambassador		
Ankara Republic of Turkey	FILIPI Eva ambassador	20. 8. 2004	13. 12. 2005
Athens Hellenic Republic	MOTTLOVÁ Hana ambassador	5. 7. 2006	4. 10. 2006
Baghdad Republic of Iraq	VOZNICA Petr ambassador	16. 8. 2005	26. 9. 2005
Bangkok Kingdom of Thailand <i>Competence:</i> Thailand Cambodia Laos Myanmar	HOTĚK Ivan ambassador	6. 9. 2006 23. 1. 2007 21. 11. 2006 29. 6. 2007	26. 8. 2007 19. 4. 2007 31. 1. 2007
Beijing People's Republic of China	GREPL Vítězslav ambassador	4. 6. 2004	24. 9. 2004
Beirut Republic of Lebanon	ČÍZEK Jan ambassador	27. 7. 2006	1. 9. 2006
Belgrade Republic of Serbia <i>Competence:</i> Serbia Macedonia Montenegro	JESTŘÁB Ivan ambassador	12. 7. 2004 27. 8. 2004 19. 2. 2007	13. 10. 2004 26. 11. 2004 8. 6. 2007
Berlin Federal Republic of Germany	JINDRÁK Rudolf ambassador	13. 10. 2006	11. 12. 2006
Bern Swiss Confederation	KREUTER Josef ambassador	12. 9. 2002	25. 10. 2002
Bogotá Republic of Colombia <i>Competence:</i> Colombia Ecuador	KREJČÍ Zdeněk ambassador	25. 9. 2006 10.10.2007	31. 1. 2007 27. 3. 2007
Brasília Federative Republic Of Brazil	HUBINGER Václav ambassador	14. 2. 2003	21. 7. 2003
Bratislava Slovak Republic	GALUŠKA Vladimír ambassador	16. 8. 2004	4. 10. 2004
Brussels Kingdom of Belgium	MÜLLER Vladimír ambassador	4. 5. 2006	10. 10. 2006
Brussels Permanent	KOHOUT Jan		19. 5. 2004

Country	head of mission	date on which agrément granted	date on which credentials presented
Representation to the EU European Union	ambassador		
Brussels Permanent Delegation to NATO	FŮLE Štefan ambassador		11. 7. 2005
Bucharest Romania	DOKLÁDAL Petr ambassador	9. 8. 2006	10. 10. 2006
Budapest Republic of Hungary	PLÍŠEK Jaromír ambassador	27. 7. 2006	5. 10. 2006
Buenos Aires Argentine Republic <i>Competence:</i> Argentina Paraguay	ZAJAC Štěpán ambassador	10. 9. 2007 1. 10. 2007	
Cairo Arab Republic of Egypt <i>Competence:</i> Egypt Sudan	STAŠEK Miroslav ambassador	21. 9. 2006 15. 11. 2006	4. 12. 2006 31. 7. 2007
Canberra Commonwealth of Australia <i>Competence:</i> Australia New Zealand Fiji Samoa Solomon Islands Vanuatu	PAŽOUREK Karel ambassador	1. 4. 2004 19. 7. 2004 25. 8. 2004 28. 7. 2004 3. 6. 2004	26. 8. 2004 21. 9. 2004 15. 6. 2005 1. 11. 2005
Caracas Bolivarian Republic of Venezuela <i>Competence:</i> Venezuela Dominican Republic Grenada Barbados Guyana Jamaica Trinidad and Tobago Suriname Antigua and Barbuda Dominica St. Lucia St. Kitts and Nevis St. Vincent and the Grenadines Haiti	JIRÁNEK Jiří ambassador	7. 10 2004 17. 5. 2005 21. 3. 2006 30. 5. 2005 6. 5. 2005 22. 11. 2005 23. 5. 2005 16. 3. 2005 4. 4. 2005 26. 5. 2006 13. 6. 2007 30. 3. 2006 5. 12. 2006 25. 7. 2006	16. 3. 2005 7. 6. 2005 31. 5. 2007 28. 2. 2006 9. 11. 2005 20. 1. 2006 18. 11. 2005 14. 10. 2005 25. 9. 2006 25. 10. 2006 27. 7. 2007

Country	head of mission	date on which agrément granted	date on which credentials presented
Chisinau Republic of Moldova	KYPR Petr ambassador	28. 2. 2006	14. 7. 2006
Copenhagen Kingdom of Denmark	JANČÁREK Ivan ambassador	24. 8. 2004	25. 10. 2005
Damascus Syrian Arab Republic	ULIČNÝ Tomáš ambassador	3. 9. 2006	2. 11. 2006
Delhi Republic of India <i>Competence:</i> India Bangladesh Sri Lanka Nepal Maledives	KMONÍČEK Hynek ambassador	1. 5. 2006 11. 7. 2006 5. 7. 2006 4. 6. 2006 31. 5. 2006	13. 11. 2006 15. 2. 2007 8. 1. 2007
Dublin Ireland	HAVLAS Josef ambassador	11. 9. 2003	2. 10. 2003
Geneva Permanent Mission Office of the UN and other international organisations based in Geneva	HUSÁK Tomáš ambassador		24. 2. 2006
The Hague Kingdom of the Netherlands	MAREŠ Petr ambassador	7. 7. 2006	25. 10. 2006
Hanoi Socialist Republic of Vietnam	ŽDÁREK Ivo ambassador	15. 6. 2004	11. 8. 2004
Harare Republic of Zimbabwe <i>Competence:</i> Zimbabwe Malawi Mozambique Zambia	JÍLEK Václav ambassador	25. 7. 2006 31. 1. 2007 23. 11. 2006 27. 9. 2006	5. 10. 2006 5. 4. 2007 2. 3. 2007
Havana Republic of Cuba Commonwealth of The Bahamas	KORSELT Vít chargé d'affaires ambassador extraordinary and plenipotentiary	27. 11. 2006	
Helsinki Republic of Finland	KOTZY Vladimír ambassador	17. 2. 2006	18. 5. 2006
Islamabad Islamic Republic of Pakistan <i>Competence:</i> Pakistan Afghanistan	LANGER Alexandr ambassador	28. 4. 2003 4. 7. 2003	2. 12. 2003 9. 3. 2004
Jakarta Republic of Indonesia <i>Competence:</i> Indonesia Brunei	ŘEZÁČ Pavel ambassador	18. 10. 2006 17. 4. 2007	30. 1. 2007

Country	head of mission	date on which agrément granted	date on which credentials presented
Papua New Guinea East Timor		1. 3. 2007	
Kiev Ukraine	BAŠTA Jaroslav ambassador	8. 6. 2007	10. 12. 2007
Kinshasa Democratic Republic of the Congo <i>Competence:</i> Dem. Rep. of the Congo Republic of the Congo Central African Republic	FILIPENSKÝ Jan ambassador	23. 11. 2007	
Kuala Lumpur Malaysia <i>Competence:</i> Malaysia Tuvalu	HUŇÁTOVÁ Dana ambassador	7. 6. 2004 13. 10. 2006	30. 9. 2004
Kuwait State of Kuwait <i>Competence:</i> Kuwait Qatar	BLAŽEK Antonín ambassador	6. 11. 2004 24. 11. 2004	21. 2. 2005 8. 2. 2006
Lima Republic of Peru <i>Competence:</i> Peru Bolivia	ZEMANOVÁ Věra ambassador	17. 3. 2006 18. 5. 2006	1. 6. 2006 2. 4. 2007
Lisbon Portuguese Republic	ŠKERŤÍK Ladislav ambassador	6. 9. 2004	5. 11. 2004
Ljubljana Republic of Slovenia	HLAVSOVÁ Ivana ambassador	18. 8. 2005	8. 9. 2005
London United Kingdom of Great Britain and Northern Ireland	WINKLER Jan ambassador	10. 8. 2005	21. 10. 2005
Luanda Republic of Angola <i>Competence:</i> Angola São Tomé and Príncipe	VÁLKY Vladimír chargé d'affaires	22. 11. 2006	14. 11. 2007
Luxembourg Grand Duchy of Luxembourg	LUKEŠOVÁ Kateřina ambassador	3. 11. 2006	14. 12. 2006
Madrid Kingdom of Spain <i>Competence:</i> Spain Andorra	KOŠATKA Martin ambassador	3. 6. 2004 23. 6. 2004	20. 12. 2004 17. 3. 2005 President of France

Country	head of mission	date on which agrément granted	date on which credentials presented
UNWTO			5. 5. 2005 Bishop of Urgell 3. 4. 2006 credentials presented to Secretary-General
Manila Republic of the Philippines <i>Competence:</i> The Philippines Palau Micronesia Nauru	LUDVA Jaroslav ambassador	24. 8. 2005 20. 4. 2006	17. 10. 2005 17. 9. 2006 19. 11. 2007
Mexico United Mexican States <i>Competence:</i> Mexico Guatemala	MIKYSKA Petr acting head		
Minsk Republic of Belarus	RUML Vladimír chargé d'affaires		
Montevideo Eastern Republic of Uruguay	STIEGLER Petr ambassador	21. 3. 2006	11. 10. 2006
Moscow Russian Federation <i>Competence:</i> Russia Turkmenistan	KOSTELKA Miroslav ambassador	6. 9. 2005 4. 11. 2005	3. 2. 2006 19. 4. 2006
Nairobi Republic of Kenya <i>Competence:</i> Kenya Burundi Comorros Rwanda Seychelles Tanzania Uganda Eritrea UNEP UNCHS	DROZDEK František acting head		
New York Permanent Mission United Nations	PALOŮŠ Martin ambassador		11. 9. 2006

Country	head of mission	date on which agrément granted	date on which credentials presented
Nicosia Republic of Cyprus	BONDY Jan ambassador	21. 12. 2006	18. 5. 2007
Oslo Kingdom of Norway <i>Competence:</i> Norway Iceland	NOVÝ Luboš ambassador	27. 4. 2007 15. 5. 2007	23. 8. 2007
Ottawa Canada	VOŠALÍK Pavel ambassador	3. 3. 2004	2. 9. 2004
Paris French Republic	FISCHER Pavel ambassador	30. 4. 2003	4. 11. 2003
Paris Permanent Mission to the OECD Organisation for Economic Cooperation and Development	DYBA Karel ambassador		10. 10. 2007
Paris Permanent Mission to UNESCO United Nations Educational, Scientific and Cultural Organisation	JANYŠKA Petr Permanent Representative of the Czech Republic		21. 9. 2006
Pretoria Republic of South Africa <i>Competence:</i> Republic of South Africa Botswana Namibia Mauritius Lesotho Swaziland	POHL Martin ambassador	28. 8. 2007 30. 11. 2007 13. 12. 2007	4. 10. 2007
Pyongyang Democratic People's Republic of Korea	TOMČO Martin ambassador	23. 3. 2006	29. 6. 2006
Rabat Kingdom of Morocco <i>Competence:</i> Morocco Mauretania Senegal	URBANOVÁ Eleonora ambassador	25. 4. 2003 14. 6. 2004 7. 11. 2006	16. 7. 2003 20 1. 2005 cred. not presented
Riga Republic of Latvia	PŠTROSS Tomáš ambassador	30. 8. 2007	27. 11. 2007
Riyadh Kingdom of Saudi Arabia <i>Competence:</i> Saudi Arabia Bahrain Oman	JUNEK Jindřich ambassador	9. 5. 2006	25 6. 2006

Country	head of mission	date on which agrément granted	date on which credentials presented
Rome Republic of Italy <i>Competence:</i> Italy Malta	ZAVÁZAL Vladimír ambassador	29. 8. 2006 4. 10. 2006	15. 12. 2006 21. 12. 2006
Sanaa Republic of Yemen	ŽILKA Václav acting head		
Santiago de Chile Republic of Chile	HRUZ Eudevít acting head		
San José Republic of Costa Rica <i>Competence:</i> Costa Rica Honduras Nicaragua Panama Salvador Belize	JAKOBEC Milan ambassador	3. 12. 2004 16. 2. 2005 26. 1. 2005 7. 3. 2005 11. 4. 2005 14. 1. 2005	17. 5. 2005 5. 7. 2005 14. 10. 2005 16. 2. 2006 27. 4. 2006 25. 7. 2005
Sarajevo Bosnia and Herzegovina	KUDĚLA Jiří ambassador	18. 8. 2005	12. 9. 2005
Seoul Republic of Korea	SMETÁNKA Tomáš ambassador	22. 6. 2004	1. 9. 2004
Singapore Republic of Singapore	ZAHRADNÍČEK Luděk chargé d'affaires		
Skopje FYROM	MLEZIVA Václav acting head		
Sofia Republic of Bulgaria	KLEPETKO Martin ambassador	18. 7. 2006	3. 11. 2006
Stockholm Kingdom of Sweden	KÁRA Jan ambassador	11. 9. 2007	28. 11. 2007
Strasbourg Permanent Mission Council of Europe	ŠTĚPOVÁ Vlasta ambassador		
Tallinn Republic of Estonia	LEXA Miloš ambassador	23. 4. 2004	30.9.2004
Tashkent Republic of Uzbekistan <i>Competence:</i> Uzbekistan Tajikistan	FOJTÍK Aleš ambassador	3. 3. 2004 15. 3. 2004	13. 4. 2004 26. 7. 2004
Tbilisi Georgia <i>Competence:</i> Georgia Armenia Azerbaijan	VRABEC Jozef ambassador	4. 3. 2004 12. 4. 2004 26. 4. 2004	30. 9. 2004 2. 12. 2004 4. 10. 2004

Country	head of mission	date on which agrément granted	date on which credentials presented
Tehran Islamic Republic of Iran	KOUŘIL Jan acting head		
Tel Aviv State of Israel	ŽANTOVSKÝ Michael ambassador	10. 11. 2003	9. 2. 2004
Tirana Republic of Albania	FIALKOVÁ Markéta ambassador	30. 8. 2007	12. 10. 2007
Tokyo Japan	NOVOTNÝ Jaromír ambassador	28. 3. 2006	25. 7. 2006
Tripoli Great Socialist People's Libyan Arab Jamahiriya	ŠTRAUCH Dušan ambassador	31. 10. 2005	25. 12. 2005
Tunis Republic of Tunisia	PŘÍVRATSKÝ Jaromír ambassador	13. 10. 2003	20. 5. 2004
Ulaanbaatar Mongolia	NEKVASIL Jiří ambassador	13. 2. 2004	7. 6. 2004
Vatican Holy See <i>Competence:</i> Holy See Sovereign Order of the Knights of Malta San Marino	JAJTNER Pavel ambassador	12. 2. 2003 17. 3. 2003 3. 4. 2003	28. 4. 2003 30. 9. 2004 30. 9. 2003
Vienna Republic of Austria	KOUKAL Jan ambassador	26. 9. 2006	28. 11. 2006
Vienna Permanent Mission Office of the UN, OSCE and other international organisations based in Vienna	POČUCH Ivan ambassador		
Vilnius Republic of Lithuania	BUCHTA Alois ambassador	8. 8. 2005	26. 9. 2005
Warsaw Republic of Poland	KOPECKÝ Bedřich ambassador	3. 6. 2002	10. 7. 2002
Washington D.C. United States of America	KOLÁŘ Petr ambassador	20. 9. 2005	2. 12. 2005
Zagreb Republic of Croatia	KŮHNL Karel ambassador	23. 7. 2007	16. 10. 2007

2. Consulates General

country	head of Consulate General
Bonn Federal Republic of Germany competence: federal states of North Rhine-Westphalia, Saar, Rhineland-Palatinate, Hesse	HLOBIL Josef consul general
Donetsk Ukraine competence: provinces of Donetsk, Luhansk, Kharkiv, Dnipetrovsk, Zaporizhia, Chernihiv, Autonomous Republic of Crimea	MURGAŠ Antonín consul general
Dresden Federal Republic of Germany competence: federal states of Saxony, Saxony-Anhalt, Thuringia	PODIVÍNSKÝ Tomáš consul general
Hong Kong People's Republic of China competence: Special Administrative Regions Hong Kong and Macau	HYKL Rudolf consul general
Chicago United States of America competence: states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin	SKOLIL Marek consul general
Istanbul Republic of Turkey competence: provinces of Istanbul, Ardahan, Artvin, Balıkesir, Bartın, Bayburt, Bilecik, Bolu, Bursa, Canakkale, Corum, Edirne, Erzurum, Giresun, Gümüşhane, Kars, Kastamonu, Kırklareli, Kocaeli, Ordu, Rize, Samsun, Sakarya, Sinop, Tekirdağ, Trabzon, Zonguldak	ŠTĚPÁNEK František consul general
Yekaterinburg Russian Federation competence: republics of Altay, Buryatia, Sakha (Yakutia, Tuva, Khakassia; territories of Altai, Khabarovsk, Kamchatka, Krasnodar, Primorsky, Zabaykalsky; provinces of Amur, Irkutsk, Kemerovo, Kurgan, Magadan, Novosibirsk, Omsk, Sakhalin, Sverdlovsk, Tomsk, Tyumen, Chelyabinsk, Jewish Autonomous; autonomous districts of Khanty-Mansi, Chukotska, Yamalo-Nenets	CHARANZA Karel consul general
Cape Town Republic of South Africa competence: Western Cape, Eastern Cape, Northern Cape, Free State	PERNICKÝ Tomáš consul general
Katowice Republic of Poland competence: provinces of Opole, Silesia, Lesser Poland, Świętokrzyskie, Subcarpathia, Lubusz, Lower Silesia, West Pomerania	MAZÁNEK Bohumil consul general
Los Angeles United States of America	KUMERMANN Daniel consul general

competence: states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming	
Lviv Ukraine competence: provinces of Volyn, Rivne, Chernivtsi, Lviv, Zakarpathia, Ivano-Frankivsk, Ternopil	HRADIL Ladislav consul general
Milan Republic of Italy competence: regions of Piedmont, Liguria, Lombardy, Aosta Valley, Tuscany, Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Trentino-Alto Adige; Republic of San Marino	BERAN Karel consul general
Munich Federal Republic of Germany competence: federal states of Bavaria, Baden-Württemberg	BORŮVKA Karel consul general
Montreal Canada competence: provinces of British Columbia, Nova Scotia, New Brunswick, Prince Edward Island, Quebec	JAREŠOVÁ Viera consul general
Mumbai Republic of India competence: union states of Andhra Pradesh, Goa, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu; union territories of Dadra, Nagal Haveli, Daman and Diu, Pondicherry, Lakshadweep	DRDÁKOVÁ Eva consul general
New York United States of America competence: states of Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont	KAISEROVÁ Halka consul general
St. Petersburg Russian Federation competence: St. Petersburg; provinces of Arkhangelsk, Leningrad, Murmansk, Novgorod, Pskov, Vologda; Republic of Karelia, Republic of Komi, Nenets Autonomous District	BARTOŠ Lubor consul general
São Paulo Federative Republic of Brazil competence: states of São Paulo, Paraná, Santa Catarina, Rio Grande do Sul, Mato Grosso do Sul, Rio de Janeiro, Minas Gerais, Espírito Santo	KÁZECKÝ Stanislav consul general

country	head of consulate general
Sydney Commonwealth of Australia competence: Commonwealth of Australia (bar Australian Capital Territory, Victoria and Tasmania); New Zealand, Cook Islands, Fiji, Kiribati, Marshall Islands, Federation of Micronesia, Nauru, Independent State of Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu	KOLÁŘ Vít consul general
Shanghai People's Republic of China competence: provinces of Jiangsu, Zhejiang, Anhui and city of Shanghai	HUPCEJ Milan consul general
Toronto Canada competence: part of the province of Ontario, provinces of Manitoba and Saskatchewan	KRPAČ Richard consul general

3. Other types of mission

mission	head of mission
<i>liaison office</i> <i>Ramallah</i>	ŽIGOVÁ Eliška head of liaison office
liaison office Pristina	LUKAŠTÍK Vladimír head of liaison office
Czech Economic and Cultural Office (CECO) Taipei	DOLEČEK Jaroslav head of CECO

4. Consular Offices of the Czech Republic in 2007

Seat of Consular Office	Term of office of Consular Office
Barcelona	1. 7 – 31. 8. 2007
Marseille	25. 6. – 31. 8. 2007
Split	15. 6. – 15. 9. 2007
Rijeka	15. 6. - 15. 9. 2007
Burgas	1. 7. – 7. 9. 2007
Podgorica	15. 6. – 15. 9. 2007

5. Branches of Embassies of the Czech Republic

country	type of branch	seat of branch
Iraq	Liaison Office of the Commercial Department of the Embassy of the Czech Republic	Erbíl
	Liaison Office of the Commercial Department of the Embassy of the Czech Republic	Basra
Kazakhstan	Branch Office of the Embassy of the Czech Republic	Almaty
Greece	Office of the Embassy of the Czech Republic – Thessaloniki Branch (Czech-Hellenic Board)	Thessaloniki