Banks back the proton prize

Financially stretched PTC cancer treatment facility has been given a second chance

Adéla Čabanová

Prague’s private proton beam radiotherapy clinic, which sprang to international attention during the 2014 Ashya King case, has taken a big step towards financial stability. Five days after agreeing a standard contract with health insurer Všeobecná zdravotní pojišťovna (VZP), the Proton Centre (PTC) succeeded in striking a new agreement with creditor Immorent, an Erste financial group member. Immorent provided loan finance for constructing the clinic’s CZK 3.5bn building.

Three-year-old PTC specialises in proton particle therapy. The pioneering treatment is far costlier than conventional radiotherapy but it can deposit radiation doses aimed at diseased tissue over a far narrower range. British toddler King was successfully treated at PTC after his parents, denied proton therapy by the UK National Health Service, removed him from hospital and went abroad in search of the treatment, sparking an international manhunt.

Immorent and PTC have agreed long-term leasing and a debt maturity extension. “We perceive the agreement as a positive development as it takes into account the existing and expected numbers of patients treated at the facility and helps to financially stabilise both PTC and its operator,” said Kristýna Dolínek Havligerová, a spokesperson for Erste subsidiary Česká spořitelna, speaking on behalf of Immorent.

The negotiations with Immorent may have been assisted by the concluded VZP contract. It included a deal to terminate legal proceedings the two parties were pursuing against each other. “That provides the bank with another important instrument of security,” Taťounová told E15.

The problem of securing returns on investments sunk into PTC has long plagued the clinic and its creditors. “We searched long and hard for a viable solution to the situation,” added Dolínek Havligerová.

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Nothing now lies in the way of the vision which sees the Czech Republic becoming the centre of traditional Chinese medicine for Central and Eastern Europe. The Czech Medical Chamber [ČLK] may be rather upset at the prospect, but it has failed with a whole litany of complaints over how Chinese practitioners are not subject to standard conditions and have no ČLK membership, screened qualifications or Czech language exam passes to their name.

Traditional Chinese medicine doctors are, for instance, thus clear to continue to practice at University Hospital Hradec Králové. “The ČLK chamber has unfortunately, in vain, exhausted all available legal means to bring this matter in line with the legal code,” ČLK’s legal office head Jan Mach wrote in the chamber’s internal magazine. Objections were raised with regional government officials, the regional governor, police, state prosecutors and the health ministry.

A project that runs a traditional Chinese medicine outpatients department, and a planned clinic, stem from a cooperation between the university hospital, the health ministry and private conglomerate CEFC China. Specialists in acupuncture, herbal medicine and other Chinese methods – promoted as informed by modern medicine but built on 2,500 years of Chinese medical practice – work in Hradec Králové on the basis of “temporary” exemptions, usually only given to foreign specialists on short visits to the country. “The doctors at the Hradec Králové hospital are practising according to health ministry permits which can be issued for a period of one year,” stated health minister Svatopluk Veneček (Social Democrat). It is said that the Chinese practitioners are subject to the specialist oversight of Czech colleagues.

The path to a further expansion of traditional Chinese medicine in Czech hospitals is clear. Seven Chinese doctors are to work at the new clinic being created at University Hospital Hradec Králové with a financial injection of EUR 10m from CEFC China.

The UK court has refused the appeal against extradition to the Czech Republic made by businessman František Savov. He stands accused of tax evasion and the legalisation of the proceeds of crime.

A Westminster court initially ruled for extradition a year ago, but Savov – who controls the Mladá fronta publishing house which, until earlier this year, included this publication among its titles – took up his right to appeal to a higher court.

Police are pursuing Savov as part of the “Octavian” case in which 11 people are accused of eliciting gains made from the illegitimate overpayment of VAT amounting to CZK 770m.
Minimum wage positions staked out

Jana Havlígerová

A minimum wage rise from the current monthly CZK 9,900 to CZK 11,000 has been proposed by labour minister Michaela Marksová, with the backing of prime minister and fellow Social Democrat Bohuslav Sobotka. But the proposal, made at a tripartite meeting of the government, trade unions and employers' representatives, was not to the other parties' liking (see Opinion, page 6).

The unions pushed for CZK 500 more and the employers, while content to see an increase, were not minded to go any higher than CZK 10,600. The employers' view was supported by finance minister Andrej Babiš (ANO), the billionaire owner, of course, of a business empire. The final decision will rest with the cabinet. Since its members are far from singing from the same hymn sheet, getting there could well prove a bumpy ride.

Marksová is standing firmly behind her recommendation, reasoning that a country like the Czech Republic must not be at the “EU’s tail end” when it comes to the minimum wage. The PM, meanwhile, asserts that it must pay to work. On the other hand, the employers insist that they must keep costs under control. Hiking wages could make some industries uncompetitive, they say. “Regularly increasing the minimum wage creates pressure to increase pay in general,” said Vladimír Dlouhý, chairman of the Czech Chamber of Commerce.

The government’s goal, spelled out in its program, is to lift the minimum wage to a level equal to 40 percent of the country’s average salary.

A juridical challenge called Brexit

Under the Article 50 process, Brexit is likely to have two distinct parts to it. The first part is the process of extricating the UK from its status as a member state of the EU, which also has potentially significant implications for the remaining 27 member states as well as the EU institutions. The second part is how those exit discussions “take account of” the framework for the UK’s future relationship with the EU. It is that secondary part of the Brexit process that presents the main challenges for UK lawyers and their clients.

The main challenge is that a large body of EU law will – post-Brexit – no longer apply in the three legal jurisdictions of the UK (England & Wales, Scotland and Northern Ireland).

The process we are likely to see in addressing this challenge can perhaps best be viewed as equivalent to the process for the accession of new EU member states, which a number of CEE countries have relatively recent experience with. The UK must decide what new national laws and new international agreements will be needed to fill the created legal vacuum. A key issue here will be how big that vacuum is and what alternative laws are best suited to fill it.

If the UK wishes to maintain full access to the EU single market, it will need to accept that it cannot modify certain national laws, at least not in substantive terms. The closest analogies are to the bilateral (e.g. Swiss) or multilateral (e.g. European Economic Area – EEA) arrangements.

The UK will also have to separately negotiate new trading deals with the 53 markets with which the EU has standing Free Trade Agreements.

With a strong presence across the EU and globally, CMS is very well placed to help clients navigate their way through these challenging times. We have already seen a range of new work arising from Brexit – from companies seeking advice on long-term contracts, the terms of which may straddle Brexit, to companies looking to relocate from the UK to elsewhere in Europe.

In any case, we would not expect to see a change from the use of English law as a governing law for cross-border international contracts – it was used as a basis for international contracting well before the EU came into being and there is continued use of it internationally well beyond the scope of the EU. Our expectation is that any new UK trading relationship with the EU is likely to take significantly more than two years to arrange and complete.

The Author is Managing Partner of the Prague office of global law firm CMS Cameron McKenna

Medieval throwbacks used in castle keep restoration

A tour with commentary was organised by the National Heritage Institute to provide an up close view of the restoration of the medieval “Jakobinka” keep, part of Rožmberk nad Vltavou castle, located on a promontory by the river Vltava in South Bohemia. Restoration work began in earnest last October using medieval techniques: the timber scaffolding was hand-made from trees felled nearby. Apprentice carpenters from as far afield as France took part in the project under the EU’s Erasmus program.

It must pay to work. One argument used in support of a higher minimum wage is that it would reduce the number of people who find it more rewarding to stay on welfare rather than get a job.
Carun aspires to global ‘hempire’

Hemp pharma firm brings its expansion overseas to the US

INVESTMENT
David Vagaday

Panama City Beach on the Gulf of Mexico, Florida, New York and Dallas, Texas. All three locations feature prominently in Czech company Carun Pharmacy’s expansion plan. First up should be the Floridian city. “It is where we are opening our first hemp pharmacy in the United States, a country to which we have been exporting our products. If the outlet proves itself, we will want during the remainder of this year to pursue the opening of further stores, for example in New York and Dallas. We are also aiming for China,” Jiří Stabla, Carun’s CEO told E15.cz.

Like in other cases, the Panama City Beach pharmacy will function as a franchise. Located in a large shopping centre, it will be managed by construction entrepreneur of Czech origin Patrik Bortl. The outlet shouldn’t suffer any shortage of potential customers. Its window display, dominated by a logo with the familiar leaves of the hemp plant, is guaranteed to draw attention. “To have hemp leaves painted on your storefront is rather unusual in America. They attract attention elsewhere in the world, and it will certainly be the case there,” said Stabla.

An American News Channel 7 TV report told how people were taking selfie pictures posed in front of the store and were inquiring what the outlet was all about. “They are curious and so we simply tell them the facts,” Bortl recounted in the report. The key point is that Carun’s manufactured creams and oils are produced from a technical hemp plant in which the principal psychoactive tetrahydrocannabinol (THC) constituent, or “ cannabinoid”, of cannabis is suppressed, making sales entirely legal. It is from other types of cannabis sativa plant that the so-called “soft drugs” marijuana and hashish are made.

Stabla said the pharmacy would have been in operation already were it not for importation red tape. “For hemp there are stricter regulations, meaning more paperwork. The opening should occur in August,” he added. The operation in Florida is to comprise of the shop and a large storage unit. The construction and equipment costs, which will be paid by the franchisee, are in the range of tens of thousands of dollars.

Carun Pharmacy produces its hemp cosmetics and foodstuffs in the Czech Republic. Its Czech network extends to 14 outlets. The expansion abroad began last year. One outlet is found in London, while there are seven in Poland. Apart from the US, the firm is also opening up in Slovakia and it has plans to achieve a retail operation in Germany. Carun’s business plan envisages additional work to strengthen the brand on markets where it already has a presence.

Legal high for the boardroom. In 2014, prior to its move abroad, Carun Pharmacy, managed revenues of more than CZK 9m and a net profit of CZK 3.7m. The firm’s owners said that last year’s revenues amounted to tens of millions of crowns

Banks back the proton prize

Continued from page 1

The Prague 8 facility’s management has never publicly admitted to having any weighty difficulties, but its 2014 financial statement outlined a rather strained situation. It stated the company’s further long-term existence required marked increases in business activity and revenue. The centre finished fiscal year 2014 with a CZK 525m loss. As early as 2013, Immorent was speaking of “significant uncertainty” in relation to PTC’s ability to secure sufficient revenue to honour leasing obligations.

Until the clinic and VZP struck their agreement, the two parties were arguing over a deal to enter into a future contract, signed in 2006 by Antonín Pečenka. Pečenka is facing trial accused of an abuse of power by signing the agreement while acting as the insurer’s appointed receiver. The deal promised that PTC would receive a billion crowns annually from VZP for 15 years. The 2014 financial statement lists yearly revenues of a mere CZK 160m. However, the number of patients estimated as a base for the payments was 1,650 a year, a grossly exaggerated figure in experts’ eyes. Various expert statements claim the number of patients nationwide suitable for proton therapy is in the hundreds. The centre thus seeks clients from abroad and strives to win patients ready to pay treatment costs themselves. A Czech News Agency survey found seven Czech health insurers covered 454 patients’ proton costs between 2013 and 2015, spending CZK 278m. PTC plans to treat over 1,000 patients this year.
Tenth of surveyed firms anxious over Brexit

Jaroslav Bukovský

The UK’s planned exit from the European Union has not yet made any real impact on the business of Czech exporters. They have not even been particularly affected by the eight percent depreciation of the British pound sterling.

Every tenth domestic small and medium sized enterprise (SME) is, however, anxious that the British Brexit from the EU will eventually have harmful consequences for their business. And almost each second such enterprise believes the Czech economy will not survive the Brexit without suffering appreciable damage. The conclusions stem from research conducted by ČSOB bank among 500 SMEs.

The bank’s survey also found that 28 of the quizzed firms had plans to abandon investments in relation to the British withdrawal from Brussels. “Brexit has lightly cooled the investment appetite among Czech businesspeople. Uncertainty has most grown in terms of decisions over investments ahead,” said ČSOB chief economist Martin Kupka. From comparing the latest research with a survey completed before the UK referendum vote on whether to stay in the EU, it appears that the number of businesses planning to raise investment this year has fallen by around one-quarter.

Some of the business respondents determined that there remained a big chance that the UK would not in the end leave the EU. “I see the probability of Britain staying in the bloc at about 30 percent. While in the event of an exit conditions could be arranged so that practically nothing changes,” remarked Radek Jakubský, executive director of health equipment company Proma Reha. Presently, around one-tenth of the firm’s output goes to the UK. Its trade with British buyers is carried out in euros, meaning the Brexit events have not to date had any repercussions.

Goebbels’ mistress biopic top draw in best box office for 23 years

Czech cinema audiences amounted to more than seven million viewers in the first half of the year, representing year on year growth of 12 percent and amounting to the best box office performance since 1993. Among the three most popular films were two Czech films. In first place was Lída Baarová [English title: Devil’s Mistress], a biopic on the 1930s Czech actress and lover of Nazi propaganda minister Joseph Goebbels. The third most watched film was the Czech comedy Teorie tygra [Tiger Theory] about a man resolved to win back control of his life. Second place was taken by American action adventure comedy Deadpool
Wages aren’t working for the poor

Labour and management representatives have failed to reach agreement on a minimum wage hike. A debate has raged about whether this country has become a de facto low-wage assembly line.

A number of irrefutable arguments are made in favour of a hike: from 2007 to 2012, the minimum wage did not rise at all. This year, the Czech economy has been growing at its fastest rate since the 2008 economic crisis. But the nation still ranks near the bottom in terms of its minimum wage both among developed and post-communist countries (even Turkey goes higher). Household consumption represents less than a half of Czech GDP, and this share fell further during the crisis. The country’s minimum wage does not even represent 40 percent of the country’s average wage, even though the poverty line is drawn at 60 percent of the average wage.

Economics experts increasingly refer to the “working poor”. The phrase perfectly underscores how even people working full time are unable to break the poverty barrier, so bottom create pressure for other wages to go up too. But from a macroeconomic point of view that would actually be desirable right now.

The makeup of those Czechs relying on a minimum wage perfectly illustrates the otherwise egalitarian Czech Republic’s social problems. Women, younger employees and the disabled are mostly found on the lowest wage scale rungs. And self-employed women, along with women pensioners, are the two groups most at risk of poverty. Meanwhile, unskilled labourers always have the weakest voice in any debate over wages.

For a long time, the public debate on this issue has tended to rigorously defend business owners and employers committed bribery. If the court agrees then we can assume that this will set a precedent for other similar cases. For instance; Prague mayor Adriana Krnáčová (ANO) created new posts at City Hall in order to hold together the city’s governing coalition; add to that PM Bohuslav Sobotka (Social Democrat), who’s presumably to be charged with extortion, given that he pushed fellow party MP Pavlína Nýtová (in hot water over a homophobic outburst) to not run in future elections. And so on, and so on...

Imagine all the (dull) people

For a long time, the public debate on this issue has tended to rigorously defend business owners and employers. And where poverty exists, dis的家庭 are paying the price for all this. Where poverty exists, dis家庭教育 is drawn at 60 percent of the country’s average wage, is ultimately absorbed by taxpayers.

Arguments against upping the minimum wage usually centre on the idea that the very people seeking higher salaries will actually end up losing out – because business owners won’t be able to absorb the costs and will lay people off. But no reputable studies have shown a direct correlation between minimum wage rises and layoffs. Another often heard contention suggests higher wages at the very Regional minimum wage breakdowns offer another perspective. The lowest share – almost 20 percent – is paid out in Prague, the location with the highest average wages nationally. In terms of sectors, the lowest paid are those in retail, administration and services. In all three, a minimum wage topped up with some kind of cash in hand bonus is the norm (finance minister Andrej Babiš (ANO) wants to rein in the grey economy via mandatory electronic till receipts [EET]. An aim is to force such undeciphered incomes into the light).

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Brexit and the City: What next?

It’s been rather a while since the British plumped for the EU exit, but policymakers, economists and workers alike are still scratching their heads over the future of London’s financial district.

When UK voters went to the polls for the EU In or Out referendum they knew their vote might help decide their country’s direction for generations. Your correspondent was a firm ‘Remainer’, but of course the Brexiters achieved a largely unexpected triumph. Not that that triumph has brought clarity. Several weeks later, the planned Brexit remains immensely contentious and there is little certainty over where the British are headed.

Politically, PM David Cameron’s swift resignation to make way for Theresa May allowed the Tories some breathing space ahead of negotiations that will take place before the Brexit is triggered with Article 50. Labour was far less fortunate. Its leadership contest may push it into arguably its most destructive schism in a generation.

Economically, the story gets far more interesting. Despite the doom and gloom that some predicted the Leave vote would instantly deliver, the City kept the ship steady and took a sanguine view of the situation – after all, there is no telling how the negotiations will actually pan out.

Most of the financial press, however, seem to agree on three potential outcomes in the long run. The first and best outcome is that the City of London will pretty much stay as it is, on top of morphing into something of a European take on Singapore. Utilising its qualified workforce, advantageous time zone and less regulated environment, London could develop as an offshore gateway for inbound Asian investment and Chinese renminbi trading.

The Swiss bankers’ association has even proposed a strategic ‘F4’ alliance between Switzerland, London, Hong Kong and Singapore.

The second best outcome sees London remaining a global financial centre, assuming negotiations maintain some form of Single Market access. Consequently, key City institutions will retain their large London presence. But something of a rebalancing will take place, most likely in the form of hiring freezes and stronger drives to attract talent to other office locations like Frankfurt, Paris or Dublin.

Third best is a substantial City downsizing. The subsequent combined loss of financial market passporting rights and inadequate foreign direct investment would then doubtless also affect the wider UK economy.

A caveat. All this is only speculation. Nothing specific has been tabled yet, and nothing is likely to surface until after the summer break. At least the sun has been shining during days of late, but even that is a bit too fond of making an exit.
Once simply the haunt of late-night revellers, Prague’s Dlouhá street has been given a complete makeover thanks to investments made by media types, American entrepreneurs and seasoned restaurateurs. New pubs and bars seem to pop up each and every day.

Daniel Novák

For over two decades, Dlouhá’s only evening attraction was more or less live music venue Roxy. But today the thoroughfare – which connects Old Town Square’s northern corner with Revoluční avenue, north of Náměstí Republiky – is very much a destination for a beer, shot or a cocktail. In fact, Dlouhá is by now drawing comparisons to Ostrava’s Stodolní street, the legendary heart of the northeastern city’s entertainment district. However, unlike Stodolní, Dlouhá also offers plenty to connoisseurs of food.

Pulling power

“Restaurant and catering business operators state that Dlouhá is for them location number one,” says Jan Voslář, a retail expert at the Cushman & Wakefield consultancy. According to him, the central street’s advantages include easy accessibility and rents for pub and bar premises that are lower than those of the prestigious Na Příkopě boulevard just off Wenceslas Square.

Dlouhá’s transformation was set in motion in 2005 by the now renowned Harley’s Bar at number 18. The people behind its success include Tomáš Tesner, a former top manager at Pilsen’s Pilsen’s Pilsner Urquell brewery.

The success of Harley’s was followed four years later by that of Lokál, a big beer venue belonging to the Ambiente restaurant chain owned by Tomáš Karpíšek. More businesses followed on its tail.
Gastro avenue is born

“The greater the number of good quality places in the vicinity the greater the concentration of knowledgeable people who appreciate fine food and drinks,” remarks Šárka Hamanová, a spokesperson for Ambiente, responding to a question about competition.

Prague Beer Museum at number 46 in Dlouhá has wagered its success on offering beers from a range of microbreweries. Its owner is North American businessman Jose-Manuel Padilla. Along with a few partners, Padilla has also founded the small Two Tales brewery. One partner is Martin Nejedlý, co-owner of consulting firm Fincentrum.

One of Dlouhá’s most recent newcomers cropped up at number 14. The owners of Food Story opted for a single roof over a pub with a wide selection of beers, a grocery store “with a story”, a café and a bistro. Co-owner Jiří Konhefr says the business is performing well.

Dlouhá, as a “gastro avenue”, has an ideal position in the very heart of Prague. “We succeeded in securing a good number of patrons within six months of opening and we see our customer numbers are climbing steadily,” Konhefr told E15. His project partners include Tomáš Kačena, CEO of Extra Online Media, the publisher of tabloid website Extra.cz, and Pavel Vondráček, former longstanding chief editor of Maxim.

Queuing up to get in the picture

More changes are in the pipeline for the premises covering numbers 11 to 15. Reality firm Amádeus Real, owned by Václav Klán, plans to reconstruct the historical building at the site and turn part of it into a very large pub – at 1,000 square metres it will even exceed the floor area of the Lokál watering hole. Construction work is to begin next year and be over by 2018. Through Cushman & Wakefield, the owner is currently negotiating with parties interested in operating the beerhouse. The reconstructed property will also include restaurant.

The fabled Roxy, of course, remains a powerful magnet when it comes to Dlouhá. Opened more than a quarter of a century ago, it underwent an extensive refurbishment in 2010 at a cost of several hundred millions of crowns.

Restaurant and catering business operators state that Dlouhá is for them location number one

Back in time. James Dean restaurant is themed with authentic US diner style furniture which is inspired by Chevrolet Bel Air’s armchairs from 1952
Wages for new hires are set to increase by tens of percent, suggests Ladislav Kučera, head of the Czech branch of personnel firm Hays. And companies stand willing to embrace more flexible working hours... Many personnel experts are now looking into the issue of the attractiveness of the public sector for young respondents. We did not use to see large numbers of young people going to work in public administration. The reason was because such work is known to be rigidly a nine-to-five affair.

What does that mean for employers? The image of a company matters far more than ever before. Candidates want to be able to associate themselves with something. Which is why corporations are spending large sums on marketing. Before no-one gave much thought to the idea of making a company appear attractive in the eyes of new talent. Today, companies can easily obtain finances, technologies are available – but what will be far more crucial to success is talent.

It must be difficult for some firms to adapt to the idea that young people don't want to do as much overtime. We also put the question of benefits to the employers with whom we work. That means companies spanning 12...
various branches from construction to manufacturing. In total, 75 percent of them said that workplace flexibility is now among the benefits they offer. Even those traditional firms, which previously sought to have their staff sit in the office for a given number of hours, are now starting to become flexible. Those who seek talent have no other choice. And I don’t just mean graduates. A similar situation is found with mothers returning from maternity leave. They represent a huge fountain of know-how – they are usually people with experience, and who long to work. But they need flexibility, because they want to harmonise work and family life.

Is it true that graduates want to do their work “from the beach” or is that just a myth? That is something of an exaggeration. Another matter is what graduates can offer to the market.

So do the expectations of graduates match what they can actually offer? Society is basically saying that you need a university degree. Even though that then ends up degrading this very title. It ceases to be a way to demarcate quality. We have two groups of graduates, both essentially different. The first contains very active young people, who make use of company internships, both at home and abroad. That way they improve their language skills, not in the academic sense, but rather in practical day-to-day usage. The size of this group is decreasing. In contrast, we are seeing an increase in the size of another graduate group – those aged between 26 and 28, who have a degree but who have never worked. Nor do they even possess any basic working habits. They can barely even conceive the import of carrying out a specific job. They arrive with such huge expectations that these cannot and could not be fulfilled. If employers see the CV of a 28-year-old who has never worked, and is trying to get a job for the first time, then that employer is going to think twice about hiring someone like that.

How does today’s near-zero unemployment help experienced workers? People over 50 used to encounter major problems finding work. They did – and that was certainly not good. This is changing at a fast rate. International corporations have norms and processes already in place for how to select employees. They don’t discriminate. But that doesn’t mean that all is rosy. When we published our surveys, I received feedback from several men and women from the Ostrava and Karvin regions voicing objections to what we had presented. They wanted to point out that people of near retirement age encounter problems finding work. Also crucial is the expectations that older job-seekers have for work. Sometimes it is difficult to adjust away from those things to which we are accustomed.

Are people over fifty still viewed as being older employees, given the increasing lifespan of the population? An ageing population is a key factor. All the while our country is not enacting any kind of active migration policy. In fact the converse is true, and the mood here is more than hysterical.

If the mood of the population changes, along with the political climate, is there a chance of luring qualified labour to the Czech Republic? Certainly. And that is detectable at shared services centres. This segment already employs up to 70,000 people, which is no small number. And a third of these, perhaps more, are foreigners. We have a scenic and safe country. If we offer good work, then we can become an interesting destination. Not everyone wants to go into the hypercompetitive environment of the Western countries. An active immigration policy has a notable impact, for example, on the kind of entry-level positions we can create for people. At this time, however, we are tending to deter people in all manner of ways.

So foreigners could mainly find work in places where Czech-language skills are not required? As a nation we tend to be quite inflexible as far as language is concerned. Our demands for Czech-language skills end up being quite a limiting factor.

In which fields are there the greatest labour shortages? Definitely information technology, chiefly software development. Shortages are being seen, for example, in managers of manufacturing quality. Each year the shared services centre sector grows by tens of percent. Existing centres are being expanded. What were formerly basic transaction operations are now being expanded to include more complex services. That is great for us. The more complicated the task, the less the likelihood that such activities will be relocated, for example to India. But it has led to problems in terms of finding staff capable not only of the service aspect, but also capable of performing in the appropriate language.

So who works in these shared services centres? The shared service centres started out covering the field of accounting. International companies such as DHL, Siemens and others, decided to concentrate certain services in a single location, for one in order to reduce costs, and secondly to create a unified set of procedures. Staff require not just an active knowledge of English, but naturally also the language of the country for which they provide the service. At present the greatest shortfalls are found with regards to English and German.

That seems surprising... I was also surprised by this at the outset. Right away we could employ dozens, maybe hundreds, of German-speaking accountants. We have also been looking for Hebrew, various Arabic languages, and also the languages of the Northern countries.

As a personnel agency do you have more work to do when companies are having difficulties, as is the case now, in finding enough people? Our work has changed radically. When there were a sufficient number of candidates and we had to battle for commissions, then we used to search our databases to find the most appropriate match for a given opening. Today we direct such searches for companies and also try to find candidates via social networks and interest groups. Most are already in employment at a given time, which complicates and prolongs the recruitment process. These are good times for companies such as ours. We should make the most of it while it lasts. We already know that our labour market is at a make-or-break point.
A huge fortress which looms majestically above the historical centre of Kłodzko (Kladsko in Czech) serves as a perfect symbol of why this western Polish town represents a perfect over-the-border trip for Czechs. Today, the fortress is among the most interesting examples of Polish military architecture. Despite the imposing visage of the fortress, much of its structure is found below ground in a huge 40 kilometre-long network of defensive tunnels. The Prussians played the greatest role in the creation of the current appearance of the fortress. Once part of Bohemia, the Kłodzko Land area was snatched from Hapsburg rule by the Prussians during the Silesian Wars of the mid-18th century. Even though the final fortress work was conducted at the end of the baroque era, no reasons existed for any kind of extravagant ornamental design. Even the fortress’ gates were mostly built without any kind decor. The fortress then became a key pillar in a defensive chain of fortifications spread along the Kłodzko Valley. Some internal areas of the fortress have undergone restoration and today house a number of interesting exhibits. Others, meanwhile, have been left to the ravages of time.

**Immersion into history**
I walk through the endlessly long, arched underground tunnels, infected by their depressing atmosphere of austere gloom. It is a highly atypical mix of utilitarian function on the one hand and militaristic elegance on the other. Long brick corridors, arched at the ceiling; cramped and musty. During the Second World War, some of the fortress interiors here were used by German firm AEG to make submarine radio receivers for the Nazis. After the Germans came the Polish army, which added an industrial “facelift” seen in the pipes of an air-conditioning system and other metallic military hardware.

I climb up out of the fortress cellars and into the area around Kłodzko castle. The main square and surrounding areas bear the hallmarks of a growing tourist industry. Today, visitors regularly explore both the aboveground and underground marvels of this Polish town.
Next up are the grounds of the gothic Church of Our Lady of the Rosary, situated right next to the famous Gothic Bridge – a kind of Charles Bridge in miniature. Despite the tourists, it's still possible to lose oneself – especially during a rain shower – in a magical world of Middle Age architecture. Slippery stone-tiled pavements, framed by a line of metal lanterns, disappear downwards amidst the dark and mysterious passages. Stone house signs emerge amidst the dingy, soot-covered facades, along with blackened entryway portals and decorated window jambs.

**Exploring Klodzko Valley**

The Klodzko Valley area also contains a number of unexpected marvels. One can start just beyond the Czech town of Náchod in the Polish village of Czermna (Čermná). The late 18th century Skull Chapel has an eerie interior decorated with the bones of the victims of war and disease spanning the 17th and 18th centuries. For something a little more noble, there are the region’s many spa centres. Even the smaller spas, such as that found in the charming town of Polanica-Zdrój, feature great facilities and, as a bonus, great mountain bike trails. Meanwhile, the spiritual side is catered for via countless pilgrimage sites. One such example is the small holy town of Bardo, situated on the banks of the Eastern Neisse river. Its 11th century chapel has served as a place to venerate the “Enthroned Madonna” (Virgin Mary) since the 13th century. And the northern part of the valley includes the village of Henryków (Jindřichov) which features a monumental Cistercian monastery complex.

*Książ castle. Situated in the city of Wałbrzych, this key regional tourist attraction is the third largest castle in Poland*

*Kłodzko fortress. Only from the air does the true vastness of this fortress become evident. Presently, visitors can only gain access to about ten percent of its grounds*
A n idyllic summer retreat from the city heat should mean a country table piled high with many traditional delights. Not to be forgotten are the livance, something in between the French crepe and the American pancake.

David Skokan

Sieve the flour. Moderately warm the milk and dissolve the butter in it. Pour the liquid into a mixing bowl and mix in the beaten yolks, vanilla sugar, salt and crumbled yeast, and, after a short while, the lemon zest and flour. Whisk the smooth thick dough and leave it to rise in a warm place without a draught. Grease the griddle with the oil, heat it and fry both sides of the livance to a golden brown. Place 100 g of the raspberries with the icing sugar in a saucepan. Add 50 ml of water and boil. Press through a sieve to achieve a smooth sauce. Serve the livance with the raspberry sauce, yoghurt and blueberries.

Tip: In place of sugar, you can sweeten the livance with honey, and, following the French style, you can add lavender or rosemary to taste.
No fence sitting from airport staff during volunteers’ day

The Letiště Praha (Prague Airport) company arranged a volunteers’ day during which some of its workforce were dispatched to paint a fence around the extensive premises of the Dědina Long-stay Rehabilitation and Requalification Centre for the Blind. The facility assists blind people and people suffering serious sight disabilities with their integration into society. The event was topped off with an evening of guitar songs around the fire.

Fundraiser amounts to a punishing time for golf players’ wallets

Some 130,600 crowns, the best total so far this year, was raised by the fourth golf gathering of the Pomozte dětem s Českým teplem 2016 [Help Children with the Czech Heat Company 2016] series, held at Ypsilon Golf Resort Liberec. Exactly that amount was paid in “fines” for both good and bad shots by the 60 players who participated. Thanks to the tournaments held this year so far, the fundraising initiative already has more than half a million crowns on its account. Pictured is České teplo executive director Václav Viáček handing a symbolic cheque to Pomozte dětem fundraising manager Jana Vožechová.

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**diversions**

**picture of the week**

**Probolinggo vs. The Gods**

Somebody should really keep a scoreboard – every year, during the Hindu Yadnya Kasada festival, the Tenggerese people climb up Mount Bromo volcano in East Java, Indonesia and throw coins, fruit, vegetables and live animals into its crater as offerings to the mountain gods. And every year, locals from nearby Probolinggo climb inside the crater and wait with nets to catch money and food. The 15th century legend of childless Roro Anteng and husband Joko Seger tells how the first offering ever tossed into Mount Bromo was a child. The couple pleaded with the mountain gods for help in bearing offspring and were granted 24, on condition that the 25th must be sacrificed. Is it too much to hope that a kind villager from Probolinggo was waiting?

**invitations**

**GIG**

**Felix Laband**

at Lucerna Music Bar

Described as the dark prince of electro, South African Felix Laband plays Prague’s Lucerna Music Bar on August 11, presenting his new album Deaf Safari. His unique live show will be accompanied by visual artist Kerry Chaloner. Laband creates minimalist soundscapes with classical, jazz and old television samples overlaid with instrumental performances. British DJ and producer Jon Kennedy is the support act.

**BEATBOX**

**Felix Zenger**

at Nákladové nádraži

Having earned praise from the likes of Pharrell Williams, Finnish beatbox artist Felix Zenger is said to have gone way beyond the usual conceptions of beatboxing as an art form on his debut album Won’t Say a Thing. Immersed in sound since the age of five – he started out on the piano – he’s praised for an extraordinary skill level and an ability to put his talent to good use in questing for his musical goals. August 2, Nákladové nádraži Žižkov, Prague.

**CONCERT**

**Shilpa Ray**

at Cross Club

New Jersey-born, Brooklyn-based singer-songwriter Shilpa Ray brings her sophisticated, sardonic sense of humour to her songs. She delivers the songs in a voice that shapeshifts constantly between a howl and a coo, between a boozy irony and an acid rebuke. Ray caused a stir when, to debut her new album, she created a parody news site called Savage Times. August 4, Cross Club, Prague.

**EXHIBITION**

**Swirling Dust**

at DOX

Sculptor Richard Kočí has in recent years moved away from monumental wooden sculptures dominated by architectural rationality in favour of shapes distinguished by playful colours and organic polymorphism. The artist, who left Czechoslovakia in 1967 for the US, has in Swirling Dust replaced wood with polyester resin and introduced looseness and playfulness. Until August 31 at Prague’s DOX Centre for Contemporary Art.

**CINEMA**

**Woody Allen’s Irrational man**

Philosophy professor Abe Lucas arrives on an American small town campus. People see him as a womaniser and alcoholic, but can’t see that he is a disillusioned idealist in a state of deep nihilism and arrogant desperation. He enters into a platonic relationship with a pretty and bright student. One day, in a diner, Abe and Jill surprise a conversation that will dramatically change the course of their lives. August 12, Aero cinema, Prague.