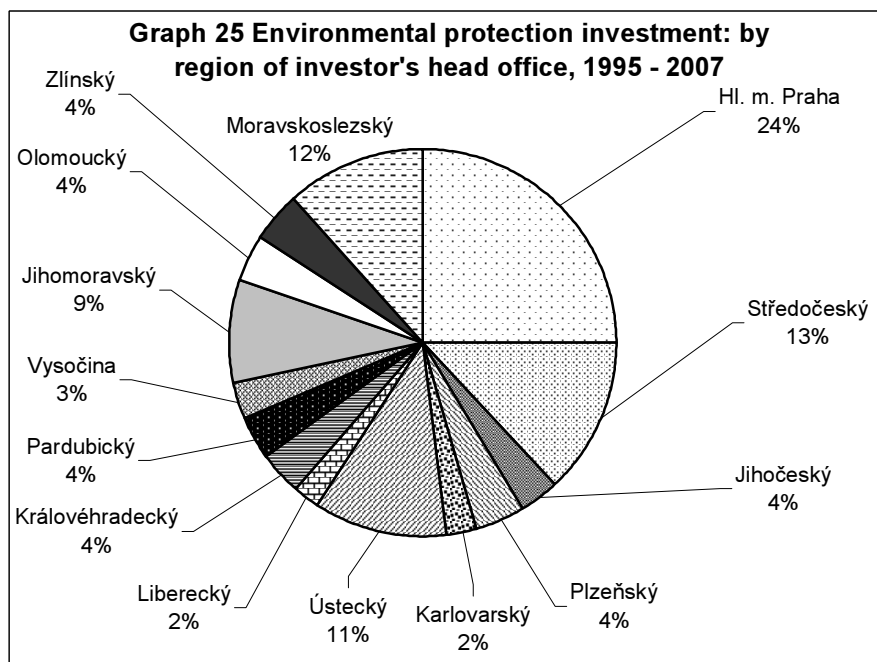


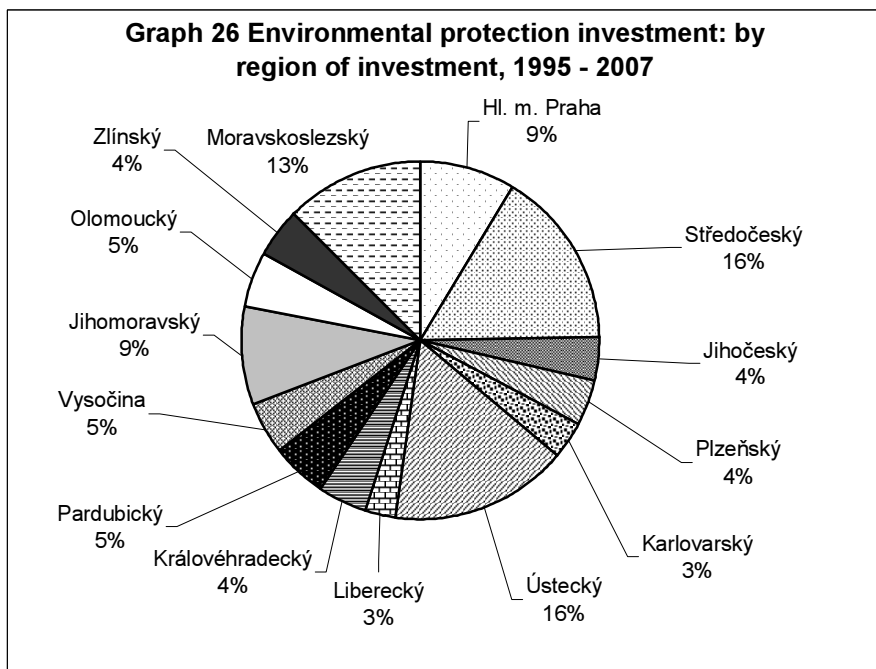
Environmental protection in the regions of the Czech Republic

Environmental protection expenditure is one of the important indicators used for interregional comparisons within the Czech Republic. Investment expenditure can be viewed from two different angles. Environmental protection activities can be divided by location (region, district) of investor's head office or by region of investment implementation. Graph 25 presents the shares of individual regions in total investment in 1995–2007 by region of investor's head office and Graph 26 shows the shares of investment implemented in 1995–2007 in individual regions.



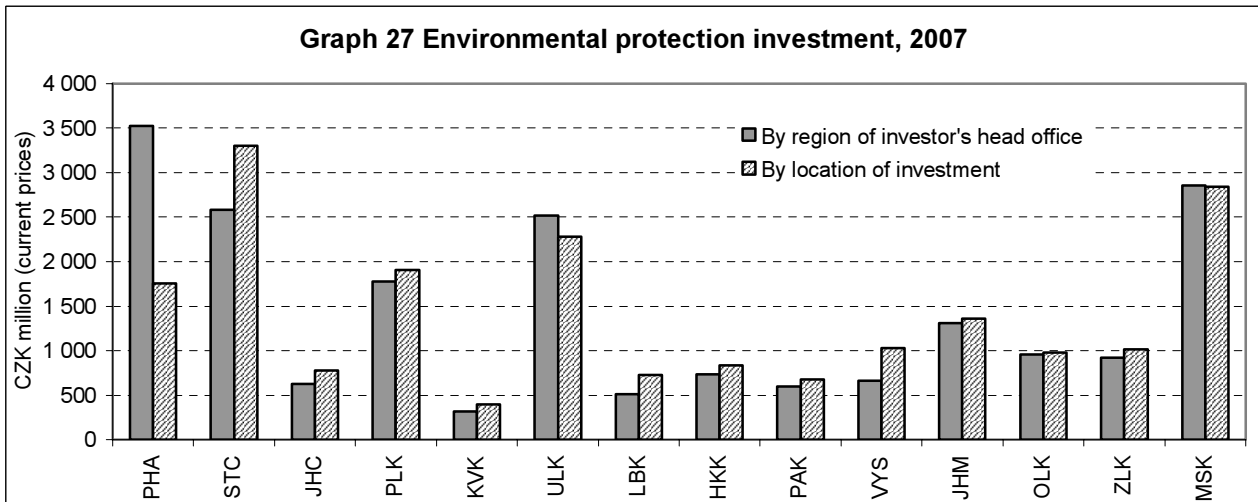
These two long-term indicators differ considerably within some of the regions, as enterprises investing in a region have their head office in another region. With respect to environmental protection investment by region of investor's head office, the *Hlavní město Praha* Region had an absolutely majority share in the reference period, while the share of investment implemented in the *Hlavní město Praha* Region in total investment is markedly lower due to numerous transfers of investor's head offices to the *Hlavní město Praha* Region. For this reason, in nearly all the regions the share of implemented investment in the region is higher in comparison to the share of investment by region of investor's head office. There are some regions where this difference is important, mainly the *Ústecký* Region (difference 5 percentage points) in which large electricity generation plants of the ČEZ company

are located but the head office of the company is in the *Hlavní město Praha* Region.

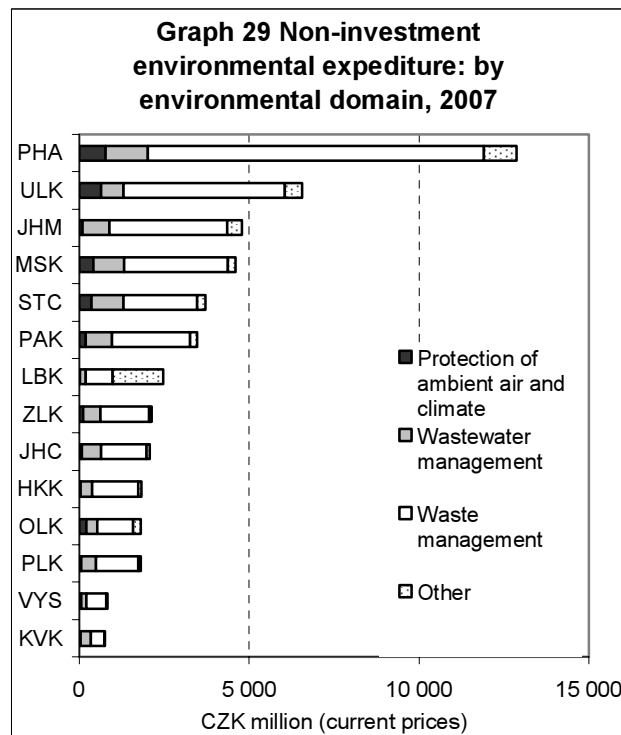
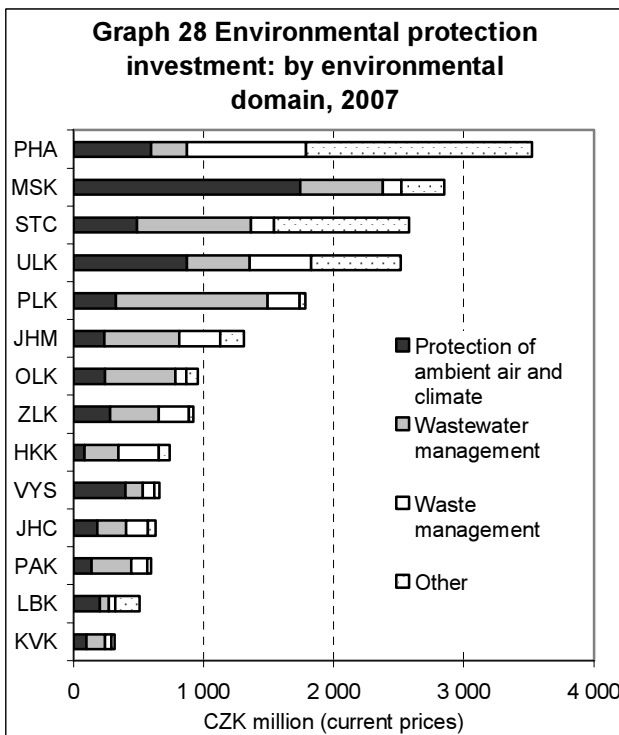


are located but the head office of the company is in the *Hlavní město Praha* Region.

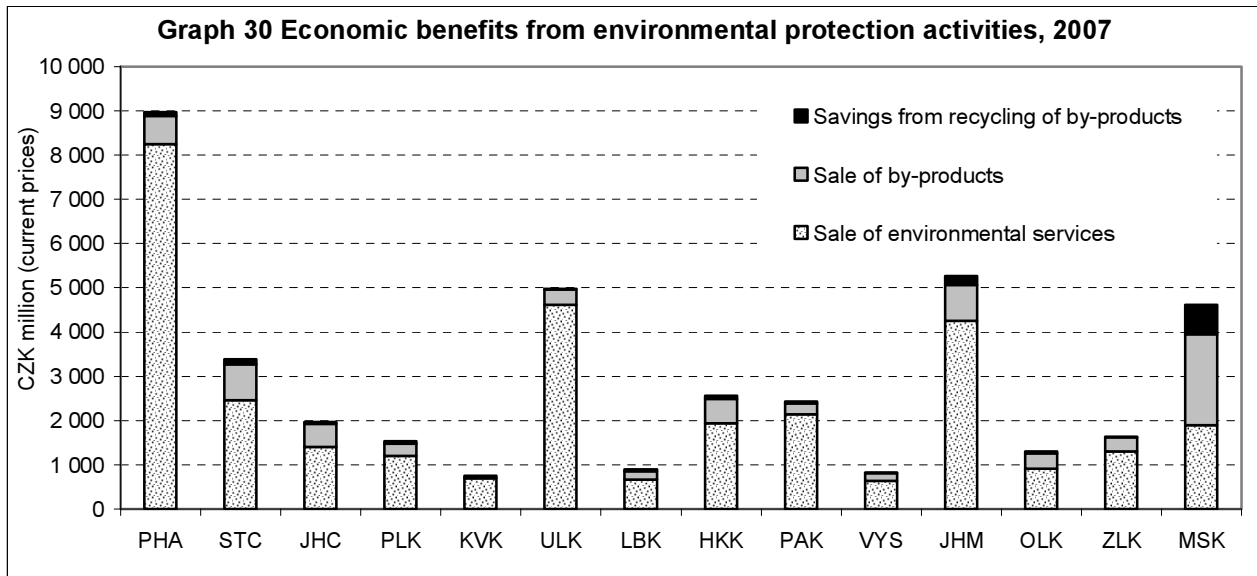
Comparisons of environmental protection investment in 2007 by region of investor's head office and by region of investment implementation are presented in Graph 27 where significant disproportion is obvious in the *Hlavní město Praha* Region and inverse disproportion in the *Středočeský* Region. In 2007 the *Ústecký* Region saw a change in the long-term trend (as mentioned above) and less investment is implemented there in comparison to investment by region of investor's head office.



By domain, environmental protection investment can be divided only by region of investor's head office and the same holds for non-investment environmental expenditure. As Graphs 28 and 29 show, the shares of investment and non-investment expenditure by environmental domain were considerably different from region to region in 2007. Investors with head office in the *Moravskoslezský* Region invested mostly in protection of ambient air and climate, while investment in the *Plzeňský* Region went mostly in wastewater treatment. As to non-investment expenditure, the situation was similar in most of the regions – non-investment expenditure was channelled into waste treatment, except for the *Liberecký* Region, where nearly half the money went in protection and remediation of soil, groundwater and surface water.



Economic benefits resulting from environmental protection activities can also be classified by location of head office of the investor or environmental service provider only. Graph 30 shows revenues from sale of environmental services, revenues from sale of by-products originating from environmental activities, and savings from recycling of by-products which include reduction of expenditure achieved by the enterprise thanks to environmental protection measures taken in individual regions of the Czech Republic in 2007.



In all the regions the prevailing economic benefit from environmental protection activities is revenues from sale of environmental services. Enterprises with head office in the *Moravskoslezský* Region are an exception. In this region a large part of economic benefits is produced by revenues from sale of by-products in manufacturing and a part of the benefits come from savings from recycling of by-products.

In conclusion we should note that, for the purpose of interregional comparisons, it is advisable to calculate individual environmental protection expenditure indicators and economic benefits from environmental activities in relation to, e.g., the population or area of the region or regional GDP. In doing so, we should bear in mind that these indicators apply to enterprises with head office in a given territory. An exception is environmental protection investment where additional breakdowns – by environmental domain, by financing – are impossible.