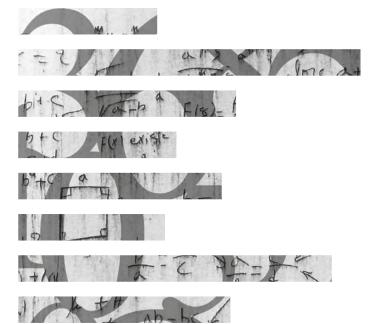


# ANNUAL REPORT FOR 2019

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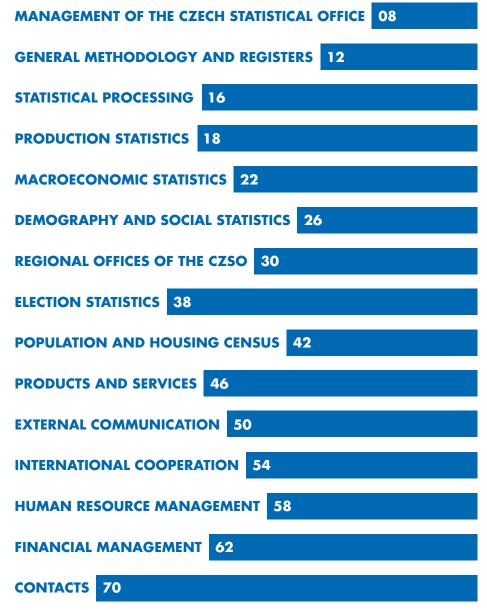




# ANNUAL REPORT FOR 2019



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FOREWORD	
	KA SA
	Marek Rojíček President of the CZSO

#### Dear readers,

The CZSO annual report you have in front of you summarizes a whole range of activities done in 2019. I would like to start by mentioning the main ones which had a significant impact on the operation and development of the Office.

Considerable progress was made on the preparation for the 2021 Population and Housing Census. A contract with Česká pošta was concluded. The relevant bill was sent to the Chamber of Deputies. A number of public contracts were made, territorial preparations were under way, and the necessary posts were largely filled too.

In waste statistics, following several years of intense negotiations, the CZSO started to obtain a part of the data from the information system of the Ministry of the Environment of the Czech Republic, which made it possible to reduce the double burden placed on respondents in a significant way without compromising our independence. Another great success was the fact that the socalled scanner data from some important retail chains were incorporated into the routine processing of data for the calculation of inflation. Work on the utilization of artificial intelligence (machine learning) in product coding was also started.

Throughout the year, preparations were under way for the publication of the gross domestic product indicator 30 days after the end of the reference period using monthly data. This was connected with the cancellation of quarterly reports for economic operators in selected production sectors in P3-04.

There were substantial changes in external trade statistics (including organisational ones). Preparations were under way for the Intrastat data exchange with other countries as part of the SIMSTAT project. The ground was prepared for a complete rebranding of this domain of statistics in 2020, when the results will only be published using the so-called national approach that the CZSO presented to the public a couple of years ago.

The presence of the Office on social media such as Twitter, Instagram and LinkedIn strengthened in the course of the year. The Statistika&My journal was very popular. It was used by the media on a regular basis, its scope of addressees expanded and work on the development of its electronic version began. On the whole, the media referred to the information provided by the Office very frequently. Furthermore, the CZSO celebrated the centenary of Czechoslovak statistics in a dignified manner. A range of events, including conferences and seminars, was organised, a dedicated website was launched, and a very successful social event was held in elegant Liechtenstein Palace. Last year, our PR activities once more earned several prestigious awards given by independent experts.

The reputation of the Office on the international level further grew. The number of times technical assistance was provided as well as the number of study visits greatly increased. The CZSO experts helped develop statistics in a range of countries both within and outside Europe. Cooperation with colleagues from Slovakia and other V4 countries intensified. To a significant degree, international activities were focused on improving the qualifications of Czech experts.

As far as management of the Office and its direction is concerned, the role and the decision-making power of middle management was on the whole strengthened. At the same time, the motivation system was enhanced. A range of projects aimed at easing the internal administrative burden, mainly via digitization and reduction of paperwork, was prepared. In order to support these processes even further, we are analysing the possibility of introducing electronic devices to facilitate cooperation within teams.

Finally, I would like to thank all our partners, respondents, and users of our statistics for cooperation and, in particular, for the valuable feedback which contributes to the development of the State Statistical Service of the Czech Republic. As is now the custom, I would like to use the final lines to express my thanks to the employees of the Office and other workplaces of the State Statistical Service for their difficult and socially important work.

### MANAGEMENT OF THE CZECH STATISTICAL OFFICE



The Czech Statistical Office is a highly professional institution with a long tradition. Its scope of authority is laid down by the State Statistical Service Act and the regulation on European statistics. In its activities, the Office follows the fundamental principles of official statistics adopted by the United Nations Statistical Commission, which, in the context of the EU, are further elaborated in the European Statistics Code of Practice.

#### **Mission of the Czech Statistical Office**

- To provide a trustworthy and consistent image of the state and development of society on the basis of data obtained.
- To take into account the developing needs of users of the State Statistical Service in the context of the changing socio-economic environment.
- To provide and coordinate the State Statistical Service in the Czech Republic.

#### **Vision of the Czech Statistical Office**

The CZSO is a continuously developing, up-to-date and user-oriented institution, which:

- adheres to and respects fundamental ethical values, such as professionalism, independence, impartiality, and openness;
- always provides high quality services to a wide spectrum of users based on the principle of equal access to information and thus strives to earn permanent respect, trust, and recognition of the domestic and international public;
- serves as the central pillar of the development of the national system of the State Statistical Service and forms an integral part of the international network of statistical institutions and the European Statistical System;
- constantly reduces the administrative burden placed on statistical survey respondents by means of implementing innovative procedures of mathematical statistics, making use of up-to-date electronic data collection, as well as by measures in coordinating the State Statistical Service;
- employs highly qualified experts, for whom it creates appropriate working conditions;

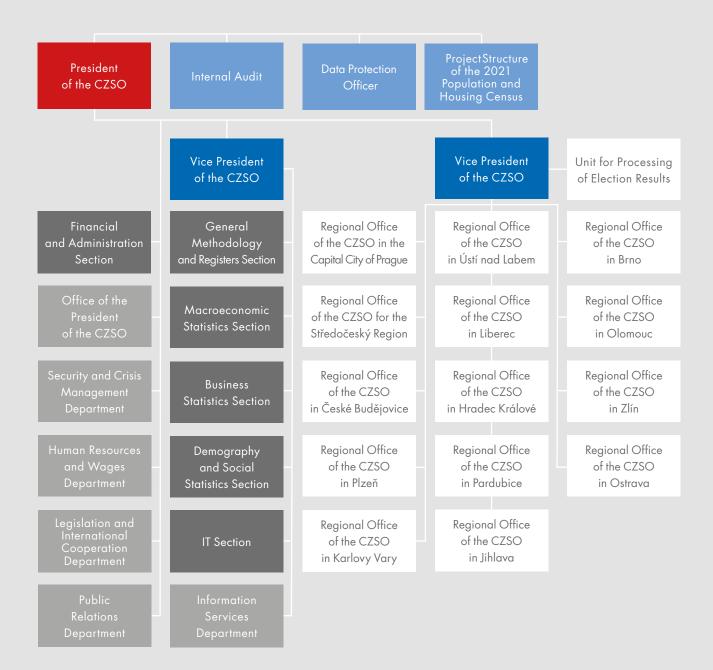
contributes to the development of statistics as a scientific discipline by means of professional journals published by the Office and also by lectures and consultancy provided by its employees at universities, scientific institutions, and statistical workplaces, both in the Czech Republic and abroad.

### Strategic Objectives of the Czech Statistical Office

- Maximising benefits to and comfort of users while maintaining the following basic principles: accessibility of statistical information, its relevance, accuracy, timeliness, comprehensibility, comparability, and completeness.
- Improving labour productivity and the effectiveness of processes, innovating the Statistical Information System using instruments of knowledge management, process optimisation, and continuous improvements of processes and procedures.
- Minimising the administrative burden placed on statistical survey respondents while maintaining the quality of output through using principles and options of e-government, sharing of available administrative data, improving of modern statistical methods, and promoting active dialogue with stakeholders.
- Motivating the Office employees and developing their professional skills in a permanent way by means of education, high-quality internal communication, and by enabling them to pursue self-fulfilment.

The Strategic Development Plan of the CZSO currently sets out the framework until 2022. In order to implement the adopted strategies, the Czech Statistical Office sets the so-called key

### ORGANISATIONAL STRUCTURE (as at 31 December 2019)



priority tasks on a yearly basis. These enable the Office to achieve its strategic objectives.

#### **President of the Czech Statistical Office**

The position of the President of the Czech Statistical Office is held by Ing. Marek Rojíček, PhD, who was appointed by the president of the Czech Republic upon the proposal of the government in 2018. Essential prerequisites for being appointed to lead the Office are professionalism, impartiality, and political neutrality. These guarantee objectivity and trustworthiness of official statistics as required by the Czech legal order. While performing the State Statistical Service, the President of the CZSO complies with acts and other legal regulations, adopts a professional perspective, takes into account requirements for practical usage and professional ethics, and ensures that only scientific methods are used for statistical work.

#### Advisory Bodies of the President of the Czech Statistical Office

Permanent advisory bodies of the President of the CZSO are the Czech Statistical Council, the Collegium of the President, the Meeting of the CZSO Management, the Election Steering Team, and the Crisis Team.

- The Czech Statistical Council discusses, first of all, the programme of statistical surveys, strategic plans of the Office, results of audits of professional statistics, etc. Its further tasks and way of working are regulated by its Statutes issued by the President of the CZSO. Members of the Council are appointed from among experts on statistical theory and practice.
- The Collegium of the President is an organisational instrument of the strategic management of the CZSO. It discusses mainly conceptual materials on the State Statistical Service and also drafts of decisions which are to have a substantial effect on the activities of the CZSO.
- The Meeting of the CZSO Management is an organisational instrument for the operational management of the Czech Statistical Office. It deals with drafts of decisions, concrete tasks,

procedures, and co-ordination of all activities of the CZSO, in particular those that have an impact on the management of financial resources and human resource management.

- The Election Steering Team is an organisational instrument of the CZSO management dealing with the preparation and processing of election results as well as their presentation to the public. It discusses the relevant legal, methodological, organisational, technical, personnel, and budgetary matters.
- The Crisis Team is an organisational instrument of the CZSO crisis management. It discusses solutions to situations connected with the declaration of a state of emergency, solutions to emergency states with threat of a crisis situation developing, and solutions to other grave situations related to security interests of the CZSO.

#### **Organisational Structure**

At the end of 2019, the organisational structure of the CZSO had four tiers of line management. The Office Headquarters in Prague concentrates, first of all, departments and units in charge of administrative work in the spheres of methodology and statistics on the one hand, and technology and economy on the other. The respective departments are responsible for crucial statistical processes: from the development of methodology, to functional and methodological management of data collection, to processing and dissemination of statistical information. The Headquarters also houses departments and units that are in charge of a range of supporting processes, including international cooperation, human resources, financial management, ICT, public contracts, security, and external communication. There is a Regional Office of the CZSO in each of the fourteen regions of the Czech Republic. These can be subdivided into two types: to large and small ones. Both types have an identical internal structure which consists of field survey units, information services units, and, since 2018, population and housing census units. On top of that, large Regional Offices have specialised units for statistical processing which provide services nationwide.

### GENERAL METHODOLOGY AND REGISTERS

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The Czech Statistical Office published a Decree on the Programme of Statistical Surveys for 2020. Based on the Decree, the Czech Statistical Office and six ministries will be carrying out statistical surveys which provide data for the creation of summary statistical information on the Czech Republic. In the course of the year, all the thirteen national institutions of the State Statistical Service were given methodological support. Standardisation of processing and use of meta descriptors of statistical objects continued. The CZSO cooperated with the National Registers Authority in implementing

the target concept of "Basic Registers 2.0". For the seventh year in a row, the Administrative Business Register (ROS), which is administered by the Czech Statistical Office, was operated and further developed. The replacement of the technological infrastructure of the ROS was finished.

#### **General methodology**

Under Act No 89/1995 Sb on the State Statistical Service, as amended, the Decree on the Programme of Statistical Surveys for 2020 was published in the Collection of Laws. The Programme includes 93 statistical surveys carried out by the Czech Statistical Office and 65 surveys carried out by ministries. They are based, in particular, on the requirements of 58 legal regulations of the EU, on the Czech law, and on the requirements of important users of statistical information.

Reduction of administrative burden placed on respondents in connection with the filling in of statistical questionnaires is an objective that is continuously pursued and fulfilled. The CZSO offers all groups of respondents the option of electronic communication, in which case the questionnaires are pre-filled (personalized) and sent to their data boxes. Further, it implements new methods of data processing and takes over data from other institutions. In 2019, the CZSO used more than 100 administrative sources of data. Thus, the administrative sources of data that were used outnumbered statistical surveys.

Statistical classifications and nomenclatures are created for the collection of statistical data, for their processing as well as for the publication of summary statistical information. The following statistical classifications and nomenclatures were updated in 2019: Nomenclature of Countries (CZEM) by the CZSO Communications No 153/2019 Sb, Classification of Hospitalized Patients (IR-DRG) by the CZSO Communications No 198/2019 Sb, Classification of Hospitalized Patients (CZ-DRG) by the CZSO Communications No 253/2019 Sb, International Statistical Classification of Diseases and Related Health Problems (MKN-10) by the CZSO Communications No 290/2019, and List of Selected Goods and Supplementary Statistical Sign by the Communications No 320/2019 Sb.

#### **Statistical Registers**

The Statistical Business Register (RES) is used for the preparation of statistical surveys. In 2019, the CZSO provided for all the activities related to the administration, operation, security and required output from the RES. From among requirements for development of the RES, it was changes leading towards making the register more up to date that were implemented. Work on improving the quality of the content of groups of businesses continued in line with the implementation of Vision 2020, whose aim is to ensure that the European register of international groups of business (the so-called EuroGroups Register) is more usable for foreign affiliate statistics (FATS) and other global statistics. With regard to the implementation of the Framework



regulation integrating business statistics (FRIBS), processing of data on bankruptcies from the insolvency register of the Ministry of Justice was provided and tested for business demography. The possibility of updating local units in the RES via statistical surveys continued to be tested.

In the context of the Register of Census Districts and Buildings (RSO), work on territorial preparations for the 2021 Population and Housing Census was under way. Special GIS application software was developed, initial conditions for defining census districts were created and the development was started of a batch application for processing (housing) units from the Information System of the Cadastre of Real Estate (ISKN) to the RSO for the needs of online and field data collection for the Population and Housing Census. In the context of implementation of the INSPIRE directive, tender documentation was prepared for a public contract for the harmonization of data and metadata on topics that the CZSO is in charge of. Furthermore, obligations arising from the role of the editor of the "Basic settlement unit" element in the Register of Territorial Identification, Addresses and Real Estate were fulfilled.

#### Data Warehouse and Data Markets, Standardisation of Processes

In the area of processing methodology and its application, the implementation of standardization of processing and use of meta-descriptors continued. This included central data



repositories of statistical information (data warehouse and data markets) and a public database used to present data to external users.

In 2019, the data warehouse, as a repository and source of consolidated statistical data, was filled with data from all statistical domains. Data were consolidated also in individual data markets, which provide a structured basis for the analysis and creation of statistical information. The data warehouse and data marketplaces and their presentation layers enter the processing primarily as an integration tool enabling data interoperability among respective statistical domains, statistical registers, and administrative data. In 2019, data markets which provide internal users with access to up-to-date statistical data continued to be developed. Not only for the above reasons, modifications were made to both the data warehouse and data marketplaces, as well as other applications of central processing. Development expenditure also included international requirements, such as requirements based on the new concept of a statistical unit of the enterprise type (according to the Framework regulation integrating business statistics (FRIBS)) and on the gradual implementation of quality monitoring (in line with the methodologies of the European Statistical System). In addition to the development of methodology, it was necessary to make adjustments to applications and environments due to the gradual replacement of infrastructure, the migration to an

updated software environment, all with regard to compliance with cyber security standards and the start of the transition to a new format in which data are transmitted to Eurostat, SDMX.

#### **Administrative Business Register**

2019 saw a complete replacement of the technological infrastructure of the Administrative Business Register (ROS) as well as the ORACLE migration. This succeeded in creating conditions for ensuring the sustainability of the ROS at least until 2022, fulfilling one of the objectives of the ZR 2.0 framework strategy (implemented on the basis of Government Resolution No 650/2018) and ensuring the security requirements of the critical information system arising from Act No 181/2014 Sb on Cyber Security are complied with. Furthermore, the ROS blocking services were modified to ensure compliance with the requirements arising from Section 60 of Act No 111/2009 Sb on Basic Registers. Moreover, modifications of the ROS-IAIS were finished aiming to ensure consistency with checks of items in the Register of Rights and Obligations (RPP) and to eliminate calling using an empty data list. In addition, steps were taken to implement non-stop operation, expand ROS reference data, and improve ROS notification services.

In the course of the year, methodological support was given to new editors of the Administrative Business Register, requests to correct potential errors in the reference data were dealt with, and user queries and complaints were assessed.



The Programme of Statistical Surveys is determined by a decree of the Czech Statistical Office. Respondents can fill in their data electronically using fillable PDF forms or a web application. Out of the total number of 1.4 million active economic operators recorded in the Statistical Business Register (RES), a total of 139,322 entities from the ranks of entrepreneurs, government institutions, or non-profit organizations took part in statistical surveys.



The Programme of Statistical Surveys, which forms Annex 1 to the Decree on the Programme of Statistical Surveys for 2019, defined the reporting duty for 91 statistical surveys of the CZSO. According to Act No 89/1995 Sb. on the State Statistical Service, the respondent is obliged to fill in the data in time, completely, correctly, and truthfully.

For the correct completion of forms, respondents were provided with the necessary information on the forms they received and on the following website: www.vykazy.cz. On this website, they could find answers to frequently asked questions and a detailed overview of how the current forms differed from the ones used in the previous year. The same website also featured the Questionnaires by ID application with continuously updated information. Upon entering their identification number, the respondents could use the application to verify their reporting duty, obtain up-to-date contact information about the processors or download a fillable PDF questionnaire.

All respondents who have a data box were sent accompanying letters and PDF questionnaires electronically. The remaining number, i.e. approx. 24% of respondents who do not have a data box, were sent paper questionnaires by post.



The letters contain links to legal regulations, important information on the method of data transmission, deadlines for sending the data, and details of persons to contact in case of questions.



From the point of view of the production statistics section, 2019 was a year of significant legislative change. The European Parliament and the Council adopted the basic act of the Framework regulation integrating business statistics (FRIBS), completing a preparation and negotiation process that lasted several years. Within Eurostat working groups, work on the preparation of implementing regulations continued as did, in parallel, work on the implementation of new requirements in the individual statistical domains. On top of ensuring routine work continued and providing standard output, the results of production

#### Industry, Construction, Energy, Agriculture and Forestry

In the field of industry statistics, preparations for the change in the transmission of data to Eurostat via the SDMX format were successfully completed and the transmission of data in this format was introduced into routine processing. As part of efforts to improve the quality of statistical information provided, new models for seasonal adjustments of the industrial production index were tested and implemented. At the same time, the presentation strategy was modified so that year-on-year data adjusted for the effect of the number of working days are now emphasized. In the case of statistics of industrial goods, work continued to be carried out in relation to the implementation of the Framework regulation integrating business statistics (FRIBS). To this end, three versions of the Prům 2-01 questionnaire were prepared. Statistical units will be sent the appropriate one based on the size of the business and the importance of the production of industrial goods and services.

Similarly to industry statistics, the transmission of data to Eurostat via the SDMX format was successfully implemented also in construction statistics. Furthermore, the modified Stav 5-01 questionnaire was processed. The results will be published in 2020. In response to the conclusions of the methodological

#### statistics were extensively presented to the public in the form of press conferences and professional seminars.

audit of construction statistics, the Stav 2-12 and Stav 7-99 questionnaires were updated in relation to the change in the Classification of Types of Constructions (CZ-CC). The change in classification made it possible to link the building type to the international classification and thus simplify the form of the questionnaire. Furthermore, some indicators were removed while other monitored indicators were modified. These measures were reflected in a further reduction of the administrative burden.

Work also continued in the areas of methodology and analysis with the aim of optimizing the administrative burden.

Within energy statistics, work continued on securing and implementing new requirements for energy statistics. In addition to addressing the issue of disaggregation of consumption in industry, special attention was paid to meeting transport-related requirements. A new section focusing on detailed monitoring of fuel consumption in transport was created in the EP 5-01 questionnaire. In relation to this, cooperation was established with the Ministry of Transport regarding the possibility of using available administrative data from the Register of Vehicles and technical inspections for statistical purposes. As part of the work on the planned modernization of energy statistics, talks with energy distributors were initiated in order to obtain more detailed data on electricity and gas consumption. Among other things, attention was also paid to the issue of import and export of energy commodities in connection with the planned raising of thresholds in external trade statistics.

In agricultural statistics, there were preparations of the agricultural structural census, which will be conducted in 2020 based on Regulation (EU) 2018/1091 of the European Parliament and of the Council on integrated farm statistics. Within the EU agri-environmental statistics, data on the consumption of plant protection products and on their marketing were obtained in collaboration with the Central Institute for Supervising and Testing in Agriculture while the balance of nitrogen and phosphorus was acquired with the help of the Crop Research Institute. In connection with a change in the structure of the Soil Register (LPIS) of the Ministry of Agriculture, the parameters of data taken over by the CZSO have changed. A new transmission interface was created for their correct identification and new rules as well as new procedures were established for their further processing.

#### Trade, Transport, Services, and Tourism

In the area of statistics on trade, transport, and services, following the expected implementation of FRIBS, work continued on the preparation of monthly information for the wholesale sector using administrative data sources. Data from the Revenue Structure annex continued to be gradually substituted by data from electronic records of cash desks (the so-called scanner data). An irregular survey on e-commerce was conducted and an analysis of its results was published. Detailed time series were gradually expanded by means of the results of annual surveys. In tourism statistics, in collaboration with the Ministry of Regional Development (MMR) and the CzechTourism agency, analyses of the most suitable variants of using data from mobile operators

to estimate the total number of visitors within inbound and domestic tourism continued to be carried out. A project named Tracking (field surveys organized by the CzechTourism agency) to obtain information on inbound tourism and expenses of foreign visitors, on which the CZSO closely collaborates, entered its implementation phase and the surveys are already being conducted in the standard mode. In the Tourism Sample Survey (VŠCR), changes connected with the extension of the data required by the EU were made, as well as methodological changes in grossing-up with the aim of improving the quality of the output data. In addition, the first results of regional satellite accounts were presented to the public. The scope of data presented by means of the Public Database (VDB) was extended to include data from the satellite account and its employment module. Cooperation on the task of providing the public with open data, which started in 2017, continued also in 2019. Web--scraping methods were newly used to improve and supplement information on collective accommodation establishments in the Register of Accommodation Establishments (RUZ).

In 2019, environmental statistics continued to search for sources of relevant data in order to meet Eurostat's expanding requirements in the area of environmental accounts. Work also continued on the use of administrative data in statistics — the Ministry of the Environment of the Czech Republic and the CZSO signed the Agreement on the Provision of Administrative Data for Statistical Purposes. The Department of the Environment

also took part in fulfilling the task of reducing the administrative burden placed on businesses, in particular by reducing the scope of the sample file of the ODP 5-01 task. In terms of sustainable development, the primary task in 2019 was to monitor the availability of all 244 indicators for the Czech Republic, which are intended for the measurement of 17 goals and 169 sub-goals of sustainable development as set in the UN 2030 Agenda. The CZSO continued to chair the committee for RVUR indicators and manage the operation of this committee composed of representatives of the State Statistical Service. The CZSO also took part in the Promotion of Sustainable Development Principles (PUDR) project, which further develops the issue of indicator sets. Cooperation also continued with the Ministry of Industry and Trade in implementing the Secondary Raw Materials Policy Action Plan and the EU Circular Economy Action Plan

#### **Cross-sectional Business Statistics**

Following changes in the processing of the P 5-01 questionnaire and related administrative data in 2017 and 2018, necessitated by the amendment to the Accounting Act and related regulations, 2019 was, from the point of view of structural business statistics, a year of stabilization. In its course, a new system for the creation of data series reported to Eurostat in accordance with the requirements of Regulation No 295/2008 of the European Parliament and of the Council on structural business statistics was made operational, tested, and put into routine operation. The data market allowing work with source data was expanded. The technological and contractual conditions for taking over an extended set of administrative data from the General Financial Directorate were fine-tuned, and, last but not least, the CZSO's cooperation within the joint project of the Ministry of Industry and Trade, the European Commission and the World Bank on the SME Support Strategy after 2020 was successfully completed.

In the area of short-term business statistics, 2019 saw the finalization of preparations for the cancellation of the P 3-04 task from the 2020 processing year onwards, as part of the CZSO's priority task, the Revision of Business Reporting with the aim of reducing the administrative burden.

In the area of processing inward foreign affiliate trade statistics (IFATS), a new system for the creation of data series reported to Eurostat was made operational, tested, and put into routine operation in accordance with the requirements of Regulation No 716/2007 of the European Parliament and of the Council on Community statistics on the structure and activity of foreign affiliates. A proposal was prepared for the presentation of the output from IFATS on the CZSO website and cooperation with the Regional Offices of the CZSO on identifying and updating the top owners of units under foreign control was made more precise.

In the area of business cycle surveys, an ad hoc survey in industry was carried out as part of the "Survey on Survey" project with the aim of increasing the predictive ability of business cycle surveys. Preparatory work was under way in relation to the extension of surveys in individual sectors by new questions in line with the requirements of the European Commission. A series of meetings took place on the future form of presenting the consumer part of the business cycle survey results.



Within macroeconomic statistics, intensive work was carried out in 2019 both in the area of obtaining and processing new data sources and in the area of revising time series. One of the key tasks was the preparation for the publication of GDP estimates 30 days after the end of the reference period and the publication of revised series of national accounts. In order to reduce the administrative burden and improve the quality of published data, intensive work continued on the implementation of the so-called scanner data into the calculation of the consumer price index and discussions on reporting data to Intrastat continued to be held. In addition to these activities, CZSO continued

to be actively involved in international activities, such as technical assistance or Eurostat projects, whose aim is to further improve the quality of individual statistics. On the national level, the CZSO continued its intensive cooperation with the Czech National Bank (CNB) and the Ministry of Finance in the field of macroeconomic statistics.

#### **National Accounts Statistics**

In the area of national accounts statistics, routine work related to the compilation of annual and quarterly accounts was carried out and work on the revision of national accounts, whose results will be published in 2020, was under way. The main reason for this extraordinary revision of accounts is Eurostat's ongoing verification of procedures for compiling gross national income. Work on updating the methodology for gross national income calculation was under way throughout the year and will continue in the first half of 2020. In the last quarter, work was also started on a new set of annual national accounts, which should factor in up-to-date data from the October notifications of general government deficit and debt. Within developmental activities, work continued on accelerating the publication of quarterly GDP and employment estimates. The CZSO was active on the international stage — it participated in Eurostat working groups, especially in the following areas: sector accounts, calculation of reinvested earnings on foreign direct investment, and work on household sector accounts.

#### **Government and Financial Accounts**

In the field of government and financial accounts statistics, in addition to routine activities, preparations were under way for the 2020 extraordinary revision of national accounts, including capturing the excessive deficit procedure (EDP) in the statistics. A standard Eurostat dialogue visit took place in May, which resulted in action points for the CZSO and other producers of government finance statistics. The individual action points are dealt with according to the agreed schedule. In cooperation with the CNB, intensive negotiations continued to be held in order to harmonize the financial statistics of the two institutions, with the harmonization of assets and liabilities being completed and work on the harmonization of transactions in progress since 2019. In cooperation with the Ministry of Finance a change in the recording of foreign claims was made on the basis of Eurostat recommendations. It continued to be the case in 2019 that Eurostat had no objections to data compiled by the CZSO on the general government sector balance and on the debt of the general government sector.



#### **Price Statistics**

The most important task of price statistics in 2019 was to prepare for the gradual introduction of electronic data from the cash desks of selected retail chains into the process of calculating the consumer price index. At the same time, these data successfully continued to be taken over from other retail chains on the basis of the decree on statistical surveys and their detailed analysis was carried out. Furthermore, a complete update of the weighting scheme for the consumer price index was prepared, down to the lowest level of the hierarchical structure for 2020. This also improved the basis for the calculation of the harmonized index. Another task was to improve the database for real estate price statistics. Preparatory work was carried out for the production of commercial real estate price statistics. In the area of international statistical cooperation, the key task was to fulfil the requirements of the purchasing power parities project, which was under way within the framework of the Eurostat Purchasing Power Parities grant for 2019.

#### **International Trade Statistics**

In statistics on international trade in goods, there was an actual reduction in the administrative burden in 2019, thanks to a lower number of units reporting to Intrastat, which remains an important source of data for these statistics. Savings were achieved by raising the threshold values specified in the government regulation on the duty to report data to Intrastat. An accurate evaluation of savings will only be possible after the end of the 2019 processing year. At the same time, negotiations were initiated

in cooperation with the General Directorate of Customs and the Ministry of Finance on the possibility of raising thresholds for Intrastat reporting further, which would be valid from 2022 onwards. In the area of statistics on international trade in goods, preparation was under way already this year for the "rebranding" of international trade statistics, which consists of changes in terminology and the way data are presented; only the data that used to be labelled as falling within the "national concept of external trade" are to be presented as information on international trade. The "cross-border concept of external trade" will be newly referred to as statistics on cross-border movements of goods. Preparatory work also continued on the planned exchange of microdata with other EU Member States. As part of the approval process for the European Parliament's Framework regulation integrating business statistics, a process of commenting on the proposal of the general implementing act took place, during which, in particular, the new requirements in the field of statistics on international trade in services were clarified. On the international stage, the CZSO, in collaboration with the Czech National Bank, provided technical assistance to the statistical office in Macedonia in introducing and implementing the requirements of statistics on international trade in services.

### DEMOGRAPHY AND SOCIAL STATISTICS

The CZSO processed and published all the planned outputs of demographic statistics in 2019 on schedule. As part of household surveys, the following regular annual surveys were conducted: the Labour Force Sample Survey, the Living Conditions Survey, the Household Budget Survey and the Sample Survey on ICT Use in Households. The System of Health Accounts and the Satellite Account for Culture were compiled according to the common international methodology of Eurostat and OECD. The results of the new Sample Survey of Persons with Disabilities were



published. In the field of statistics on science, research and innovations, surveys were carried out on research and development as well as on the use of information and communication technologies in businesses.

#### **Demography Statistics**

In 2019, all the standard data and analytical outputs within the field of demography were published (Demographic Yearbook of the Czech Republic, Demographic Yearbooks of Regions/Districts/Administrative Districts of Municipalities with Extended Powers/Administrative Districts of Municipalities with Authorized Municipal Authority/Towns, Czech Demographic Handbook, Population of Municipalities, Age Distribution of the Population, News Releases – quarterly, Population of the Czech Republic – quarterly, Life Tables, Population Development, Deaths by Cause). The fundamental regular analytical publication Population Development was newly divided into two separate outputs: a publication mapping demographic change in the Czech Republic in the last 10 years, published in September, and Population Development in Regions, published electronically in October. In addition, a thematic publication called Changes in the Age Distribution of the Population of the Czech Republic - 2001-2050 was prepared and published. It contains a retrospective overview of the development of the age distribution of the population of the Czech Republic from the beginning of the 21st century and a future outlook based on the results of the last population projection that the CZSO prepared in 2018. A year after the publication of the new population projection for the Czech Republic, Population

Projection for the Regions of the Czech Republic until 2070 was published too. In addition, the findings of demography statistics were presented at two press conferences, the first of which focused on the current population trends in the Czech Republic, while the second one dealt with statistics on the causes of death.

All Eurostat requirements were met in a timely matter for data whose provision is required by Regulation (EU) No 1260/2013 of the European Parliament and of the Council on European demographic statistics and Commission Implementing Regulation (EU) No 205/2014 laying down uniformed conditions for the implementation of Regulation (EU) No 1260/2013 of the European Parliament and the Council on European demographic statistics, as regards breakdowns of data, deadlines, and data revisions. The requirements were also fulfilled in the field of statistics on deaths by cause of death arising from Commission Regulation (EU) No 328/2011 implementing Regulation (EC) No 1338/2008 of the European Parliament and of the Council on Community statistics on public health and health and safety at work, as regards statistics on causes of death. According to user requirements, a number of non-standard outputs from demography statistics were prepared, including microdata for the purposes of scientific research.

In the course of 2019, the CZSO actively participated in meetings of Eurostat working groups on population projections and population statistics, in a joint meeting of Eurostat and UNECE on population projections, and in a meeting of the users of IRIS (software for coding the causes of death). A representative of demography statistics also took part in meetings of the Task Force on the future EU censuses of population and housing, whose main task is to prepare new unified European legislation for the entire field of population statistics. In the field of Czech (and Slovak) demography, representatives of the CZSO participated, for example, in a conference of the Czech Demographic Society.

#### Labour Market and Equal Opportunity

In the area of labour market and equal opportunity statistics, activities in 2019 focused chiefly on the preparation of a fundamental change in quarterly business statistics in the field of labour and wages - from the reference year of 2020, all the sectors will be covered by a single questionnaire: Práce 2-04. The number of vacancies will newly be surveyed. At the same time, requirements for data on labour and wages in other quarterly questionnaires of the CZSO are cancelled, which will result in a significant reduction of the administrative burden. In 2019, as part of the Labour Force Sample Survey (LFSS), a special ad hoc module on reconciliation between work and family life was completed for the reference year of 2018. Its results along with the quality report were transmitted to Eurostat. Data were collected in the field for the ad hoc module on work organization and working arrangements. Preparations were under way for the LFSS supplementary questions for 2020 on the topic of accidents at work and work-related health problems. Several analytical articles were published. In cooperation with the Ministry of the Interior and the Directorate of Alien Police Service, outputs on foreigners in the Czech Republic were updated for a web presentation of the CZSO. On top of standard numerical outputs published quarterly, "Focus on Women and Men" and "Foreigners in the Czech Republic" data yearbooks were also published, as is the case every year. In addition, an extraordinary analytical publication called Seniors and their Expenditure – International Comparison was published too. Two press conferences were organized on the topic of foreigners working in the Czech Republic and on issues of the structure of earnings.

#### **Social statistics**

In the area of social surveys of households, the regular annual Living Conditions Survey – the national version of the EU SILC pan-European survey – was conducted. In 2019, this survey included an international module comprising questions focused on the topic of intergenerational transmission of disadvantages (what the respondents' living conditions were when they were 14 years old). In 2019, for the third year in a row, the Household Budget Survey was carried out in a new model which is based on probability sampling of reporting households and integrated into the thematically related Living Conditions Survey. In cooperation with the Czech National Bank, the Financial Position of Households pilot survey was conducted.

There were regular annual activities related to the acquisition, processing, and presentation of data in the fields of education, health, culture, sport, social security, and crime. Activities worth noting include the compilation of the Satellite Account for Culture in cooperation with the National Information and Consulting Centre for Culture (NIPOS) and the compilation of the System of Health Accounts according to the common methodology of Eurostat and OECD, including their presentation at a press conference held by the CZSO. Furthermore, an extensive publication was prepared with data on teachers, children, pupils, and students at individual school levels for the last ten years. This publication was presented at a press conference held at the beginning of the school year. In 2019, data from the brand new Sample Survey on Persons with Disabilities (VŠPO 2018) were successfully processed and published. The aim of this survey is to provide the required indicators specified in Resolution of the Government of the Czech Republic No 385 of 25 May 2015 on the National Plan for the Promotion of Equal Opportunities for Persons with Disabilities for the period of 2015–2020. To complement the survey, a supplementary study on children under 14 and persons with disabilities living outside private households was processed based on available administrative data. In collaboration with the Institute of Health Information and Statistics of the Czech Republic and the National Institute of Public Health, the European Health Interview Sample Survey (EHIS 2019) and the follow-up European Health Examination Sample Survey (EHES 2019) were conducted.

#### Science, Research and Innovation, ICT

As in previous years, detailed data on the state and development of science, research and innovation in the Czech Republic were collected and processed by means of surveys conducted by the Office itself (both sample and comprehensive ones), or by means of using administrative resources. In addition to regular summary publications with detailed results of individual surveys, regular and extraordinary outputs (such as tables, reports etc.) were continuously prepared to meet the needs of users – individuals as well as national and international organizations.

As the foremost among the regular statistical surveys, the annual Research and Development Survey (VTR 5-01) was conducted and its results were presented at a press conference. On top of this survey, a European business survey called Technological Innovation 2018, which takes into account the methodological recommendations of the revised international Oslo Manual for this field of statistics, was carried out. Based on available administrative data, the CZSO also processed detailed statistical information on direct and indirect (by means of tax incentives) public support for research and development. These were then provided and presented to the experts in the Czech Republic and abroad (OECD, Eurostat). Furthermore, statistics on qualified human resources, patents, and licences were updated in this area.

In the area of information and communication technology (ICT) statistics, it is necessary to mention another repetition of two annual sample surveys focused on the use of ICT by the population and businesses in the Czech Republic. The surveys were conducted in accordance with Regulation (EC) No 808/2004 of the European Parliament and of the Council concerning Community statistics on the information society. As in previous years, the thematic composition of questionnaires was aligned with the needs and requirements of the European Commission embodied in the Eurostat model questionnaires. The main findings from both surveys were presented at separate press conferences held by the CZSO. The data from both surveys were used for the monitoring of how the individual objectives of the Digital Agenda for Europe were fulfilled and for the execution of state administration in the field of information society development and the digital economy.

In addition to the aforementioned surveys, a wide range of statistics was prepared to comprehensively monitor the use and importance of ICT with regard to the further development of the information society and the digital economy in the Czech Republic. Using the results of individual statistical surveys and available administrative data, cross-sectional and overview publications – Information Society in Figures and Digital Economy in Figures – were compiled. They map the development of ICT production and its use in the Czech Republic and other EU countries by means of official statistical data.

### **REGIONAL OFFICES OF THE CZSO**

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In 2019, Field Survey Units, Statistical Processing Units, Information Services Units, Register Administration Units, and the new Population and Housing Census Units of the 14 Regional Offices of the CZSO were responsible for tasks in the fields of data collection and processing, for providing and publishing statistical information, for the management of statistical registers, and for tasks related to the preparation of the 2021 Population and Housing Census. They also played a significant role in the processing of election results.

In 2019, the number of systemized positions within Regional Offices amounted to 801.5 of

#### **Field Surveys**

In the individual regions, interviewers of the CZSO carry out field work for sample surveys in households, consumer price statistics, and agricultural statistics (in case of natural persons). Field surveys in 2019 were conducted by internal interviewers (holding 312 systemized posts) along with other external interviewers..

#### Sample Surveys in Households

In the vast majority of cases, interviewers contact and interview households in person; only in some predetermined cases can the interview be also done over the phone. Interviewers record the respondents' answers directly in electronic form on laptops or, if computer technology cannot be used, on paper questionnaires. Surveys in households have long been conducted within two groups. Both are based on a random sample of dwellings from the Register of Census Districts and Buildings.

The basis for the first group is the Labour Force Sample Survey (LFSS), which provides information on the character of employment and unemployment of the population for each quarter. In 2019, this survey also contained an ad hoc module on work organization and working arrangements. The sample consistently comprises almost 34,000 dwellings; interviewers



#### the total number of 1,503 positions in the CZSO as such, including the new positions approved for the 2021 Population and Housing Census project.

of the CZSO contact respondents at quarterly intervals five times in a row.

The LFSS is followed by the Tourism Sample Survey. Out of the total number of dwellings surveyed in the LFSS, 6,780 are included in this follow-up survey which is concerned with monitoring household members' trips away from home throughout the year.

Another subset of dwellings from the LFSS, of the same size (6,780), is included in the Sample Survey on ICT Use. This survey is normally carried out in the second quarter. The data obtained from this survey provide information on the equipment, access to, and use of information and communication technologies by households and individual members of these households.

In 2019, the LFSS was extraordinarily followed up with the European Health Interview Sample Survey (EHIS). The survey was prepared in collaboration with the Institute of Health Information and Statistics of the Czech Republic and the data were collected in the field in the third and fourth quarter on a sample of 13,560 dwellings. The EHIS respondents were asked questions concerning health and other health-related topics.





The second group of surveys in households is based on the Living Conditions Survey (EU-SILC), which collects information on the social and economic situation of households as well as data for the calculation of indicators showing monetary poverty and material deprivation.

Every year, this survey includes a thematic module. In 2019, this module was concerned with intergenerational transmission of disadvantages. Internal and external interviewers collaborated in contacting approximately 11,500 households in the first half of the year; out of the total number, 4,750 households were contacted for the first time.

The EU-SILC survey is linked with the Household Budget Survey, which is carried out throughout the year. It examines the budget management of selected households, monitoring their expenditure, consumption patterns, or the impact of various

factors (such as price movements, market situation) on the structure of their expenditure and on their consumption habits. Over 3,000 households were asked to participate in the survey in 2019.

#### **Consumer Price Statistics**

Interviewers from Field Survey Units of Regional Offices of the CZSO carry out year-round surveys of price statistics.

Even though collecting data directly from retail chains (the so-called scanner data) is becoming more prominent within consumer price statistics, data collection done by interviewers right in the field remains irreplaceable.

#### **Agricultural Statistics**

For agricultural statistics, interviewers of the CZSO collect and acquire data from reporting units (natural persons) using the DANTE application.





They gather data for eleven types of agricultural questionnaires as well as for the administration and updates of the Farm Register. Already in 2019, the interviewers gradually started to prepare for the execution of the Integrated Survey on Agriculture census, which will take place in 2020.

#### **Statistical Processing**

The Announcements about the reporting duty were generated and sent out without any issues. As of 31 December 2019, 139,322 Announcements about the reporting duty and 14,442 Supplements to Announcements were sent out. Out of these Announcements and Supplements, 118,605 were sent to data boxes and 35,159 were sent by post (these were mainly agricultural statistics questionnaires).

In 2019, Regional Offices processed all the tasks without any serious issues. All the data export deadlines were met in accordance with valid schedules. In the same year, more than 662,000 questionnaires were processed, out of which 64,5% were submitted electronically, i.e. via ePDF or DANTE WEB.

The response rate is steadily high with an increasing tendency of respondents to fill in the questionnaires via DANTE WEB. Compared to 2018, the rate increased on average by 3%. Information materials that are distributed to reporting units together with the Announcements about the reporting duty or with the questionnaires themselves continue to be used as a means of promoting electronic reporting. Direct everyday communication between processors and respondents also makes a significant contribution to its promotion.

In 2019, it was necessary to deal with the processing of the irregularly included and methodologically demanding "Benefits" supplement to the P 5-01 questionnaire.

#### **Information Services**

Throughout the year, Information Services Units of the CZSO Regional Offices performed tasks in the area of information activities. In addition to providing data and information from up-to-date outputs, the activities also included processing of answers to enquiries and requests from users of statistical data, and, last but not least, methodological consultations on the utilisation of data for various programme documents and theses. During the year, Regional Offices continued to cooperate with a number of regional and educational institutions in the form of participation in working groups, consultations, lectures, and visits to statistical workplaces, or directly through student internships in Regional Offices. Close cooperation was established while providing data for regional projects of the Ministry of Labour and Social Affairs (Regional Family Policy, Implementation of the Ageing Policy, Territorial Employment Pact - KOMPAS). As a result, around 48 presentations were prepared for employees of regional institutions and students of various schools. The content of the presentations focused both on the ways in which data and sources can be provided and, above all, on the results of statistical surveys and the conclusions of the "Men and Women in the Region" analyses.

Indisputably, the main means of presenting regional data are the websites of the given region. In addition to being regularly updated with new data, the websites were supplemented with regional time series. During the year, the employees of Information Services Units also published on their websites a number of short analytical texts in the form of news that evoked response from the regional press.

The main focus of publication activities was placed on three main titles, which were coordinated centrally. Each Regional Office published a regular quarterly statistical bulletin. Throughout the year, systematic effort was put into the preparation for the publication of regional yearbooks, which were, this time, published already in the second half of December. In the fourth quarter of 2019, all Regional Offices published a monothematic analytical publication called "Women and Men in the Region", which contained available statistical data about men and women and examined the differences between them in various areas. That completed the cycle of regional analyses based on demographic groups.

Individual offices also published other optional outputs such as "Prague – First Hand Figures" (incl. an English version), "Population Change in Municipalities of the Jihočeský Region", "Municipalities of the Plzeňský Region", "Municipalities of the Liberecký Region", "Municipalities of the Královehradecký Region", "Population of the Plzeňský Region", "Population of the Ústecký Region (1974-2018)", "Statistical Guide to Municipalities of the Jihočeský Region", or "České Budějovice in Numbers 2019". The Jihočeský, Jihomoravský and Zlínský regions produced publications on age distribution and population change in 2018. The Středočeský Region published an extensive data set of the age distribution in the region, all the way down to the municipal level. In five regions, an analysis called "Basic Tendencies of Demographic, Social and Economic Development of the Region in 2018" was carried out.

On a monthly basis, the Regional Office in Pardubice published regular information sheets for its users and the Regional Office in České Budějovice regularly prepared summaries under the title Current information. The Regional Office in Zlín prepared regular quarterly reports for the Regional Authority. During the year, several data and information puzzles were created to be distributed to the general public.

### Cross-border Cooperation of Regional Offices of the CZSO

The year-round cooperation between the Regional Offices of the CZSO in Olomouc and Ostrava and the Statistical Office in Opolí was not limited to meetings; the joint outputs under the title "Analysis of the Social and Economic Situation in the Praděd Euroregion" and "Agglomeration in the Opolský, Olomoucký and Moravskoslezský Regions in the years 2010-2018" prepared in a Polish-Czech language version show that the collaboration was fruitful.

A representative of the Regional Office of the CZSO in Ústí nad Labem was a member of a working group of the EURES-TriRegio project also this year. This cross-border cooperation resulted in the creation of a brochure called "Labour and Professional Education Market in a Nutshell", which covered the issues of the labour market (demography, employment, unemployment, and education) in the Ústecký, Karlovarský, Královehradecký and Liberecký regions. The Regional Office also had its representative in the operating working group dedicated to the development of the Elbe/Labe Euroregion. It also sent a participant to a conference organised as part of the "We solve problems together" project within the framework of the Interreg V-A - Czech Republic-Poland programme.

Lively cross-border activities that had become customary and take place every year centred around the EUREX Statistika working group, in which the employees of the Information Services Unit of the Regional Office of the CZSO in Liberec together with their German and Polish colleagues published data sets called "Prices and Incomes in the Neisse-Nisa-Nysa Euroregion" and "Basic Statistical Indicators of the Neisse-Nisa-Nysa Euroregion". By means of consultation, the representatives of the Regional Office took part in a survey for a project focused on development potentials of a part of the Czech-Polish-German tripoint region in the Liberec development area – Zittau, focusing on the possibilities of cross-border cooperation. In November 2019, a meeting of the international Cross-border Friendship Database (CBFD) team took place in the Regional Office in Liberec.

In mid-2019, representatives of the Regional Office in České Budějovice travelled to Vienna to participate in another workshop of Czech, Austrian, Slovak, and Hungarian regional statisticians on the updating and further development of the CentropeSTATISTICS cross-border database. In July, they

took part in user testing and stress tests of the Centrope/MAP/ CentropeSTATISTICS application.

The Regional Office of the CZSO in Plzeň continued cooperating on a cross-border cooperation project within the Upper Pfalz – Plzeňský Region partnership forum. In mid-2019, a representative of the Regional Office participated in the evaluation of the partnership forum in Schönsee, Bavaria.

The Regional Office of the CZSO in Hradec Králové sent their representative to present "The Influence of Demographic Development on the Labour Market in the Czech-Polish borderlands" at a cross-border conference in Jelenia Góra, which was organised by the NOVUM Grouping of Territorial Cooperation.

### Financial Performance of Regional Offices of the CZSO

Regional Offices continuously pursue economical use of budget resources and, when spending, they comply with the 3E principle (efficiency, economy, effectiveness). The amount and types of expenses as well as potential year-on-year fluctuations in the use of individual appropriations by Regional Offices reflect the changing tasks and the financially demanding nature of their fulfilment. The effort to reduce expenses led to the implementation of various supporting applications, such as GPS navigation in company cars that are used mainly for the fulfilment of tasks and optimisation of Regional Office field survey workers' trips in particular, electronic "journey log" etc. These efforts are reflected in the minimisation of expenses in appropriations such as domestic travel expenses or fuel consumption. However, the scope for saving financial resources is getting smaller every year due to, among other things, a gradual increase in mandatory expenses (food allowance rates, fuel prices etc.). That also applies to the area of field surveys, where the effort to optimise the use of working capacities and performance management leads to continuous updates of the capacity model, from which it is apparent that the workload of field survey workers is already so high that the possibility of saving in this area is highly limited.

In 2019, Regional Offices of the CZSO fulfilled their tasks efficiently, within the set deadlines, and with the required quality.

#### Preparation of the 2021 Population and Housing Census (SLDB) at the Regional Offices of the CZSO

In 2019, the newly established SLDB departments started intensive preparations for the 2021 SLDB project. Most of the activities concerned mainly territorial preparations. The newly recruited employees attended a number of trainings so that they could familiarise themselves thoroughly with the census. Several Regional Offices struggled to recruit employees for some of the positions. At the turn of the year (2019/2020), only 90% of the positions allocated for 2021 SLDB at Regional Offices were filled.

A separate chapter called "POPULATION AND HOUSING CENSUS" is dedicated to the preparation of the 2021 SLDB project.



In 2019, the CZSO processed the results of the European Parliament election in the Czech Republic as well as seven extraordinary elections. These were additional, new, and repeated elections (including repeated municipal elections), which took place in January, March, June, September, and December. A two-round by-election to the Senate of the Parliament of the Czech Republic took place in April. Attention was also paid to electoral legislation, that is both to proposals concerning necessary amendments to electoral laws and decrees and to statements made during interdepartmental commentary procedures.

From the organisational and methodological point of view, the most demanding task for the CZSO was the processing of the results of the European Parliament election that was scheduled for Friday, 24 May, and Saturday, 25 May 2019. 39 political parties with more than 840 candidates, which the CZSO recorded into registers and nomenclatures, took part in the elections. The CZSO was responsible for the collection of voting results from more than 15,000 electoral districts at more than 500 collection points. This was done within hours of the closing of polling stations. However, the CZSO was allowed to publish the results only after the last polling station in the European Union was closed, which was on Sunday, 26 May, after 11 PM. This was done simultaneously in a press conference and on the www.volby.cz website. The deferment of the publication of election results that is stipulated in the legislation necessitated further extension of security measures.

Another important task of the CZSO was the execution of a two-round by-election to the Senate of the Parliament of the Czech Republic in electoral district no. 24 located in Prague 9. This election was called after the resignation of the then-senator and was scheduled for the 5th and 6th of April 2019. The new senator was elected in the second round,



which took place a week later. His mandate will be ended by the regular election in this Senate district, which will take place in 2020.

The CZSO also processed the results of all elections to local councils, which were called and scheduled successively for six special dates (one in January, two in March, and one in June, September, and December respectively). As a result, 77 new local councils were elected. In January, additional elections took place in the municipalities where there was no regular election in 2018. Additionally, there were repeated elections in two municipalities ordered by judgement of court. There were also new elections in those municipalities where the number of representatives dropped below the legally required limit. In December, both new and repeated elections took place in Strakonice. These were called due to a court review that had been going on since the regular election, in 2018.

Attention was also paid to further improvement of the quality of trainings for district electoral committees. Methodological materials were updated, converted into a new form, and complemented with a clearly arranged presentation with examples of ballot evaluation.





The outputs of election statistics were also processed in a quality manner. These include publications, time series of basic indicators, inspectional recalculations, and statement releases. Based on users' requirements, the web presentation was expanded to include Analytical outputs by territorial units with a graphic and tabular comparison of the chosen areas.

The CZSO processed the results of all the elections that took place throughout the year flawlessly and handed them over to the State Electoral Committee for approval and publication in the Collection of Laws of the Czech Republic.

When it comes to legislation, the CZSO had the opportunity to make a number of proposals and observations during the preparation and the interdepartmental commentary procedure concerning the new bill on administration of elections and supplementary laws. The Office cooperated with the Ministry of the Interior and, as the case may be, with the Supreme Administrative Court and prepared a model recalculation for the court review of the European Parliamentary election. It also released statements on all the amendments of laws proposed in the Parliament that have an impact on the processing of election results.



In many respects, 2019 was the year of culminating preparations for the 2021 Population and Housing Census, the main achievement being the finalizing of the Bill on the Census, which was approved by the government and submitted to the Chamber of Deputies. Territorial preparation progressed significantly and the first stage of work was done on census forms, both in electronic and printed versions. The overall architecture of the project, including the architecture of information systems, was elaborated in detail. After the signing of an agreement on horizontal cooperation with

Following the subject matter of the law, an articulated bill was prepared in 2019. After an extensive inter-ministerial comment procedure, the bill was submitted to the government and discussed at the end of September, after which it was submitted to the Chamber of Deputies. Subsequently, the preparation of the implementing regulation was started.

As part of the preparation, the CZSO cooperated with municipalities and municipal districts of Prague and Brno in rectifying inconsistencies and looking for missing territorial identifications of buildings and addresses. In cooperation with regional capitals, the first stage of harmonization of the definition and description of basic settlement units in the territory of their administrative district was carried out. Within the regional departments, a survey was gradually conducted with the aim of registering and identifying apartment buildings with multiple entrances without a unique address and checking multi-purpose buildings in order to determine the predominant purpose of their use and the number of apartments. In cooperation with 683 municipal building authorities, the investigation of technical and economic attributes (TEA) of almost 100,000 selected buildings took place and continues to be carried out.

Česká pošta, intensive preparation of the infrastructure for the field phase took place. The project structure for management and implementation of this project, including the structure of regional departments, was finalized.

Great efforts were made to prepare electronic and printed versions of the census forms and to test them. Based on the test results, the content and especially the graphic style of the forms were modified. In connection with the process of preparation of the census forms, a methodology for identifying and processing certain topics that are the subject of the census was also being prepared. Work has begun on a more detailed specification of the steps of initial data processing from the census forms in the CENSUS information system.

After the completion of the overall proposal for the architecture of information systems and following a detailed analysis, census information systems were put out to tender. These are mainly the CENSUS information system for secure storage and processing of non-anonymous data, the information system for ONLINE CENSUS, and the CMS system designed to monitor and evaluate the course of the distribution, collection, and processing of forms.

Based on a government resolution and in connection with intensive work and negotiations in the months that preceded it, work was completed on the preparation of an agreement on horizontal cooperation between the CZSO and Česká pošta,





which will play a significant role in the preparation and implementation of the census fieldwork project, including digitalization of the paper census forms.

The contract was signed at the end of November and its execution was immediately started, i.e. especially work on the implementation project of field work.

Similarly, preparations were started on the basis of a government resolution on horizontal co-operation agreements with the State Treasury Shared Services Centre, which will provide for the establishment, operation and administration of the ONLINE platform and the CENSUS information system while meeting very high standards of security and availability of the solution as required by the project.

Great attention was also paid to other components of the large-scale census project, in particular security issues, cyber security, the preparation of security audits, and the protection of personal data. In cooperation with an external agency, work began on the strategy of the communication, marketing and PR census campaign. A strategy for the dissemination of census results has been prepared and approved.





Publishing of data in open format has been further expanded. The CZSO commemorated the 100th anniversary of official statistics by launching a new website www.stoletistatistiky.cz.



### **CZSO** Website

The internet presentation of the Czech Statistical Office www.czso.cz is still a key source of statistical information for all users. The year 2019 saw ongoing adjustments and improvements to individual elements of the content management system that were based on the continuously obtained feedback from users of the website. For example, a new functionality has been implemented that makes it possible to assign brief descriptions and basic summary information to individual websites and products displayed in Internet search engines. All the Flash-based charts presented in the Statistics section are being converted to HTML5, as Flash is no longer supported. The source of the vast majority of data is now the Public Database, from which data are read directly. The czso.cz website was also further modified to comply with the Directive 2016/2102 of the European Parliament and of the Council on the accessibility of websites and mobile applications of public sector entities, and Act No 99/2019 Sb.

In January 2019, on the occasion of the 100th anniversary of official statistics in the Czech Republic, a new website www. stoletistatistiky.cz was launched. Not only does it offer interesting facts from the history of statistics, including long-term development of selected statistics from 1918 to the present, it also presents a more modern way of using statistical data in the form of infographics and fun quizzes. Another novelty that appeared on the CZSO website is an application allowing the comparison of regions in different fields since 2000. At the end of 2019, preparations were made for the information structure of the website of the planned CZSO Children's Group. The website will be launched during 2020. In the autumn of 2019, migration of databases used by the content management system to a higher version was completed. For expert users of statistical data, the CZSO has prepared an application (currently in pilot operation) allowing quick access to selected machine-readable data of news releases and time series of the CZSO.

The number of visitors to the website of the CZSO decreased in 2019 compared to the previous year (the number of visitors in 2018 was significantly affected by the election of the President of the Czech Republic and by municipal elections).

The homepage of the website was visited by 1.4 million users. In total, it was viewed 8.8 million times and recorded 2.8 million visits. An average user viewed three pages during their visit and their visit lasted almost three minutes.

The most visited sites in 2019 included Data Collection; the homepage of the website as the main signpost and source of basic information; Inflation; Consumer Prices; Population; People; Electronic reporting (DANTE WEB); Statistics; Classification of Economic Activities (CZ NACE); Vacancies; Inflation Rate. To access the www.czso.cz website, most visitors use a PC (76.6%), followed by a mobile phone (21.2%), and a tablet (2.2%). It is also worth mentioning that in addition to visitors from the Czech Republic, the website of the CZSO is not infrequently viewed by visitors from the United States (58 thousand per year), India (31 thousand), Germany (24 thousand), and Slovakia (16 thousand).

# **Public Database**

The public database (VDB) has proven to be an effective tool for the processing of open data, and the online use of VDB data for the Office's website is also on the rise. APIs for direct user access to data are also actively used. During 2019, 17 million new entries were stored in the VDB. At the end of the year, there were a total of 537 million current statistical entries in the database.

During 2019, 138 new distributions of data sets with statistical data were generated from the VDB. Users downloaded 30,000 data files in open format, most often data sets on population, foreigners, and tourism. The data in the VDB were brought up to date. Simultaneously with the publication of news releases on the CZSO website, data in the VDB are now published, and open data generated.

Compared to 2018, VDB traffic did not change much during 2019. A total of 2.8 million pages were displayed, which

meant a slight decrease compared to 2018 (by 1.1%). The rate of abrupt abandonment of the website decreased by 4.6%. The number of pages visited per session decreased slightly, reaching 8.64 pages. Compared to 2018, access via mobile phones increased by almost 20% and, conversely, the number of visitors using tablet access decreased by 15%. Demand for individual sections of the VDB remained almost at the same level as in 2018. The chart "Number of employees and average gross monthly wages" had the most views (45 thousand), followed by charts displaying population movement (38 thousand), and price indices (32 thousand). Overall, the VDB response also improved (e.g. the average page load time decreased by 2.5% and the average page download time by 56.4%).

### **Publishing Activity**

Every year, the CZSO compiles a Catalogue of Products, which contains an overview of all planned CZSO outputs (e.g. publications, news releases, analyses, data sets, etc.). The catalogue of products is available on the Office's website and offers users a wide range of search options according to various criteria, for example by territorial structure, type of publication, group of statistics, date of issue, etc. All products presented are available on the website free of charge.

By the end of 2019, the Catalogue of Products contained a total of 453 items, including 72 printed titles, 21 types of news



releases, many data sets, analyses, and time series. A total of 1,146 outputs were published in 2019, mostly in the area of price statistics (282), construction (110), and regional statistics (91). One of the most sought-after printed outputs last year was the extraordinary publication O složitém jednoduše aneb Nebojte se statistiky, nekouše (Simply about Complexities, or Don't Be Afraid of Statistics, It Won't Bite). Next in popularity was the traditional Statistical Yearbook of the Czech Republic and the Demographic Yearbook of the Czech Republic.

Altogether 23 readers newly registered with the Central Statistical Library. By the end of 2019, 2,139 users were registered. During the year, the library was visited by 732 people who borrowed, mostly for full-time study, a total of 2,168 publications.

# **Services Provided**

In 2019, more than 9.7 thousand orders were processed at the information services workplaces at the Headquarters and in the Regional Offices, which is only by 0.6 thousand orders less than in the previous year. Although the total number of customer requests has decreased, their complexity is increasing. Thanks to the easy availability, scope, and clarity of the published information, users can easily find the answers to their simpler questions in a user-friendly form on the Internet. Despite a significant decrease in the prices of a number of products at the beginning of the year, revenues from products and services provided exceeded CZK



1.2 million. The largest part of revenues was traditionally accounted for by the sale of data from the Register of Economic Entities (RES), as well as the processing of demanding orders and the provision of microdata.

The CZSO has been part of the European Statistical Data Support (ESDS) network of national contact centres for 16 years. In 2019, CZSO staff processed a total of 166 requests for data on the entire European Union or its individual states and regions.

EXTERNAL COMMUNICATION

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In 2019, the CZSO actively continued to provide statistical information to the public and to promote statistical education, using a wide range of communication tools. It published information on websites and social networks, held press conferences, published press releases, magazines, and continued to present the results of statistical surveys by means of data visualization, mobile applications, exhibitions, and other ways.



### **Media Relations**

In the field of external communication, the CZSO organized a total of 23 press conferences. 79 press releases were issued, often supplemented by audio recordings of the individual respondents' statements. Through press releases, it then drew the media's attention to the currently published news releases.

The CZSO recorded a total of more than 32,000 appearances in the media with reference to the Office's data, which is 4,000 more than in 2018.

In 2019, most communications (70.4%) were published on the Internet, while 27.5% appeared in the press, 0.9% were broadcast on television and 1.2% on the radio. However, this result may be affected by the way it is monitored through Newton Media, which does not monitor the continuous broadcasting of some stations or all the outputs of news agencies and social networks.

In 2019, 4,168 citations of 141 CZSO employees were recorded in the monitored media. The President of the CZSO, Ing. Marek Rojíček, PhD, had a total of 578 citations. Every day, all CZSO employees receive a daily overview of media releases by e-mail.

### **CZSO Magazines**

In 2019, 10 issues of the *Statistika & My* journal and 4 issues of the professional quarterlies Statistics: Statistics and Economy Journal and Demography were published.

In the 17th year of the Golden Semicolon corporate media competition, which is staged annually by the PR Club branch association, the *Statistika & My* journal won the RATED award in the G2C category (a magazine and newspaper of public and state administration). The CZSO magazine succeeded in this competition, which evaluates corporate periodical and non-periodical publications intended for representation, for the eighth year in a row. For the Statistics: Statistics and Economy Journal, the Scopus citation database updated the value of the CiteScore index for 2018 to 0.21 and the SJR citation index to 0.125. The *Statistika & My* journal transcends the boundaries of the regular professional company periodical and is one of the important tools of the CZSO's marketing and communication strategy.

The *Demography* journal, a review for population development research, which the CZSO has been publishing since 1959, retained its traditional content structure last year, bringing a number of interesting articles, commemorating important anniversaries of personalities in Czech and international



demography, and updating readers about news, conferences, and the like.

The professional peer-reviewed (open access) journal *Statistika: Statistics and Economy Journal*, which the CZSO has been publishing since 1964 (since 2011 only in English), was in 2019 also published quarterly. The journal has significantly improved the value of its citation indices in the database of scientific peer-reviewed journals Scopus as compared to the previous year, and continues to do so in the Web of Science (ESCI database) and elsewhere (e.g. DOAJ, EBSCO, EconLit, ProQuest).

### **Social Networks**

In 2019, the Office continued its active involvement in social networks. The official Twitter account @statistickyurad was followed by 16,200 users, which is about 2,100 more than in the previous year. Last year, 733 posts (excluding retweets) were published on Twitter, which is 13% more than in 2018.

The CZSO also newly established a profile on Instagram, where it had a total of 1,280 followers by the end of 2019. Since May 2019, the CZSO has also been active on the LinkedIn social network, where it presents its activities to the public, publishes job offers, infographics, videos, invitations to press conferences, and much more.

Attractive infographics on the occasion of important days and anniversaries were also published on social networks. On the Czech version of Wikipedia, the office regularly updated information about the institution, basic concepts of statistics, statistical indicators, etc. In addition to the audio recordings of the respondents, which were included in the press releases, the CZSO prepared audiovisual recordings for the media and the general public published on the YouTube channel

### **Promoting Statistical Literacy**

On 20 October 2019, as in the previous years, the Czech Statistical Office actively participated in the celebrations of the European Day of Statistics. It published the most popular names of children born in January 2019 on its website and social networks. The CZSO also compiled an overview of unusual names given by Czech parents to their offspring, as well as the most common names of children and parents in the regions.

For the fifth time, the Office, in cooperation with the University of Economics in Prague, participated in the organization of the national round of the International Competition for the Best Statistical Poster. Last year, 265 student teams from 37 primary and secondary schools took part in the competition, creating a total of 37 posters. The winners of the national round were announced at the ceremonial opening of the exhibition of the best posters on 27 February 2019 at the CZSO Headquarters in Prague.

From 9 to 12 May 2019, the CZSO also participated in the literary festival and book fair *Svět knihy Praha* (*Book World Prague*). A book launch, author reading and autograph signing of a popular science book on statistics titled *O složitém jednoduše* (*Simply about Complexities*) took place at the fair with the participation of the President of the office, Marek Rojíček, the author of the publication, Tereza Košťáková, and the sponsor

of the book, Jakub Fischer. Throughout the fair, the CZSO also had its own information stand at the Prague Exhibition Grounds, which was visited by more than 2,000 visitors.

### **Direct Presentation of Outputs**

In 2019, several exhibitions were held on publicly accessible premises of the CZSO in Prague, of which the traditional exhibition of winning photographs of the *My & Statistika* journal photo competition enjoyed great success, as did the exhibition of graphically processed results of the 2018 Minicensus educational project, the exhibition of the best statistical posters, the exhibition of painter Věra Hrušková's watercolours, another exhibition about what the office does and how, and the exhibition of the logotype and unified visual style of the forthcoming 2021 Population and Housing Census.

# **Easter and Christmas Markets**

In cooperation with five charitable organizations, sheltered workshops, and children's homes, the CZSO also organized traditional Easter and Christmas markets at its Headquarters in Prague. Proceeds from the sale of products went to charity

# **The Century of Statistics**

In 2019, the Czech Statistical Office celebrated the 100th anniversary of the birth of modern Czech statistics, commemorating it with two events. On 27 February 2019, it organized a professional seminar with a number of important guests at its Headquarters. The Century of Statistics project was symbolically closed by a ceremonial reception held on 19 September in the Liechtenstein Palace with the participation of Prime Minister Andrej Babiš, Deputy Prime Minister Karel



Havlíček, Eurostat Director General Mariana Kotzeva, Heads of V4 Statistical Offices and other guests. As part of the gala evening, the CZSO President's Award for Outstanding Merit and Contribution in the Field of Statistics was awarded to the Emeritus Chairman of the Office, Jan Fischer.

# **Acknowledgements**

The CZSO's activities in the field of public relations were also praised by the PR Club organization, which awarded the Office 2nd place in the PR team of the year category in the prestigious Speaker of the Year 2019 competition. The jury consisted of 23 experts from the field and journalists, who received a total of 138 nominations in 3 categories.

# INTERNATIONAL COOPERATION

The CZSO operates within the European Statistical System and participates in activities of statistical bodies of the UN, OECD and other international organizations and in cooperation with statistical offices of other countries.



### **European Union**

Within the Council of the EU, the CZSO participated in the preparation of legislation in the field of European social and business statistics and in the field of migration and international protection statistics. It was also involved in the preparation of the Single Market, Business Competitiveness and European Statistics programme for 2021-2027, and in the work of the Statistics Subcommittee of the Economic and Financial Committee of the Council of the EU, which also prepared the so-called autumn statistical package covering the areas in need of attention and further effort in terms of cooperation between the Commission and the ECOFIN Council in the coming period, as well as the "conclusions on statistics" adopted by ECOFIN at its November meeting.

At the regular meetings convened by the European Commission/ Eurostat at all levels (working groups, committees, etc.), the preparation and state of implementation of legislation, methodology issues, and other activities within the European Statistical System (ESS) have been discussed. The Chairman of the CZSO represented the Czech Republic at the meetings of the ESS Committee and at the annual conference of the Presidents of Statistical Offices (DGINS) held in October 2019 in Bratislava, which focused on the statistical implications of economic globalization. For the first time in 2019, the CZSO joined, for example, a task force for the preparation of peer reviews of the European Statistics Code of Practice, which is to be formed in 2021. As part of the ESS's cooperation with the European System of Central Banks, the CZSO participated in joint expert activities. The CZSO's involvement in projects financially supported by EU grants, training courses abroad, and other events continued. At the national level, the CZSO has been involved in the preparations for securing the presidency of the European Council, which will be held by the Czech Republic in 2022

### **Other International Organizations**

At the beginning of March 2019, the President of the CZSO attended the annual meeting of the UN Statistical Commission in New York, where the same key topic was discussed as in the previous years: the issue of data and indicators for the 2030 Agenda for Sustainable Development. In August, he attended the World Statistical Congress of the International Statistical Institute (ISI) in Kuala Lumpur.

The meeting of the UNECE Conference of European Statisticians, which took place in Paris in June and was also attended by the CZSO President on behalf of the Czech Republic, focused



on two topics: new data sources and their availability and the emerging role of national statistical offices as possible data administrators for national governments. At the expert level, representatives of the CZSO participated in this institution during the year of negotiations in the field of national accounts, demographic projections, poverty measurement, and sustainable development goals. Within the OECD, CZSO representatives participated in the work of professional statistical bodies (in some cases together with the UN or Eurostat) in the field of innovation statistics, digital economy, national accounts, and foreign trade. The annual meeting of the OECD Committee on Statistics and Statistical Policy, which was also attended by the President of the CZSO, had items on the agenda dealing with the OECD Going Digital project, environmental and economic statistics, quality of life indicators, and the implementation of OECD recommendations on good statistical practice.

# **Technical Assistance**

As part of its long-term activities, the CZSO continued to provide technical assistance abroad with the aim of contributing to the further harmonization of statistics in countries in the process of economic and social transformation, including the strengthening of



their statistical infrastructure. As in the past, the CZSO cooperated with the Statistical Office of Northern Macedonia and, within the framework of European IPA programmes, carried out two expert missions to Skopje on national accounts in 2019 and received four study visits to Prague in the field of national accounts, foreign trade, and sustainable development goals. In 2019, the CZSO joined a multi-year twinning project for Georgia led by Statistics Denmark and funded by the EU in several areas: household surveys, national accounts, and tourism. For the Turkish Statistical Office, CZSO experts prepared and carried out two study visits in the field of national and sector accounts and one mission for foreign trade (EU-funded). As part of technical assistance, three one-off study visits to the CZSO also took place. These included a study visit by experts from Armenia on tourism statistics (funded by the World Bank project) and two visits from Albania on the issue of unidentified economic estimates and on the census communication strategy (EU-funded).

# **Bilateral and Multilateral Cooperation**

Within the framework of bilateral cooperation with the Statistical Office of the Slovak Republic, a number of working consultations took place at the top and working level. The

meetings focused on the development of national statistical information systems, European topics (including the EU Council Presidency), census data collection, price statistics, business and industry statistics, social statistics, dissemination, methodology, registers, agricultural, and foreign trade statistics. Following last year's memorandum, a meeting was held in 2019 with representatives of Statistics Korea to consult on further cooperation, administrative data issues, social statistics, and other issues. In September 2019, senior representatives of the statistical offices of the Visegrad Group (V4) discussed further cooperation in Prague, and, at the end of the year, an international workshop on online data collection for population censuses at the expert level was held at the CZSO with extended participation both from within and outside V4. Cross-border cooperation with colleagues from Germany, Poland, and Austria also continued, focusing mainly on the joint presentation of statistical data on the respective regions.

The total number of trips abroad in 2019 was 299. CZSO employees took part in 220 events. In 2019, a total of 25 foreign visits and meetings took place at the CZSO with the participation of more than 110 foreign experts.



HUMAN RESOURCE MANAGEMENT

25%

Personnel management in 2019 was focused on the ongoing implementation of Act No 234/2014 Sb., On Civil Service, as amended (hereinafter referred to as ZSS). The decisive elements of this process were selection procedures for service positions, in particular the filling of service positions established for the 2021 Population and Housing Census project, service evaluation of civil servants and government office worker examinations. Emphasis was also placed on increasing and deepening the qualifications of employees and on the continuous development of their professional knowledge and skills.

For the year 2019, a limit of the number of employees was set at 1,500 persons, including employees for the SLDB project, which was increased to 1,503 systemized positions as of 1 July 2019. The number of employees was increased as a result of changes in the systemization of jobs and service positions in the CZSO in connection with the SLDB project. In 2019, the average number based on a recalculation was 1,402 employees. As of 31 December 2019, the CZSO employed a total of 1,450 natural persons, of which 1,090 were women.

During 2019, a total of 233 new employees/civil servants joined the CZSO. 105 employees terminated their employment or service, in 4 cases by agreement, in 8 cases by the employee, in 13 cases by the expiration of fixed-term contract, in 41 cases at the request of a civil servant according to Section 73 of the ZSS, in 14 cases during the probationary period by the employee, in 16 cases during the probationary period by the employer and in 1 case by the death of the civil servant. The employment relationship with 2 employees was terminated for organizational reasons according to Section 72 (1) (d) of the ZSS. 3 civil servants were released to another service office. The employment relationship with 3 employees was terminated according to Section 74 (1) (h) of the ZSS due to reaching the age of 70. Termination of employment or service due to retirement occurred in the case of 38 employees.



	2015	2016	2017	2018	2019
Number of employees	1 345	1 321	1 303	1 329	1 450
Number of civil servants	1,091	1,102	1,113	1,129	1,216
Females (%)	76.4	76.5	76.4	76.2	75.2
University graduates (%)	53.9	56	57.2	58.5	59
Average age	47.8	47.5	48	48.4	48.4
Up to 30 years	92	101	97	91	98
31–40 years	276	257	229	224	235
41–50 years	365	355	375	392	434
51–60 years	479	485	460	457	492
61+ years	133	123	142	165	191

The achieved fluctuation rate of 7.3% presents an increase of 0.6 percentage points compared to the previous year.



Due to a general lack of applicants, positions had to be repeatedly advertised mainly in Prague. Regional Offices, on the other hand, continued to be more successful in terms of the number of applicants, and the vacancies were more likely to be successfully filled at the first go.

Of all CZSO employees, 59% held a university degree, the share of employees with a secondary education level (i.e. a secondary school with a school-leaving examination and a higher vocational school) being 40.1% of the total number.

The ageing of the population was also reflected in the age structure of CZSO employees. The average age of CZSO employees is 48.4 years. The age structure has remained virtually unchanged in recent years, with the highest share represented by employees aged 51-60 and 41-50. Since 2016, the number of employees aged 61 and older has been gradually increasing.

# **Courses and Education**

The training of CZSO employees was based on an analysis and identification of their training needs. All implemented training events were focused on deepening the education of employees in areas that are important for the performance of their work/



official tasks. In 2019, the CZSO held a number of professional statistical courses, seminars on the SLDB project, specialized statistical studies, computer training, courses for field workers, activities related to the implementation of the ZSS, short-term professional courses, language courses, training in manager development, etc.

During 2019, 447 educational events were organized (including activities related to the implementation of the ZSS and conferences), which were attended by 4,603 people. The vast majority of employees (3,838) were trained in CZSO classrooms and meeting rooms (including Regional Offices). About a quarter of the courses (including activities related to the implementation of the ZSS) were provided by CZSO employees. For special professional training, employees were sent to training companies outside the CZSO. 14 employees took part in foreign courses.

As part of the implementation of the ZSS, employees were provided with support for preparation for the government office worker examination. Last year, the CZSO held full-time seminars on the special and general part of the examination and, at the same time, employees were offered a simulator of questions and the general part of the test. For the field of service No 54, "State Statistical Service", an official examination was held on 22 dates and was passed by 118 CZSO employees and 2 participants from other ministries.

In 2019, the Department of Education and the FKSP (Fund for Cultural and Social Needs) managed funds in the amount of approx. 4,356,000 CZK, with each employee participating in an average of about 3 courses. Expenditure on training of one employee amounted to approximately CZK 3,000.

Course type	Number of participants <sup>1)</sup>		
Short-term professional courses <sup>2)</sup>	4,386		
Long-term courses	23		
Language courses	194		
Total	4,603		

<sup>1)</sup> incl. participants from abroad

<sup>2)</sup> educational events shorter than 5 days incl. conferences and activities related to the implementation of the ZSS

# FINANCIAL MANAGEMENT

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In 2019, the Office's budget was affected by the continuing effort to ensure sustainability of two projects co-funded from the Integrated Operational Programme, namely SIS Redesign in connection with the deployment of eGovernment in the Czech Republic and Modification to the Current Statistical Register System in connection with the creation of basic registers of public administration. It was also affected by the operation of a project which, as a component of the state's critical infrastructure, ensures the operation of the Administrative Business Register (ROS).

Furthermore, it was necessary to ensure budgetary coverage of expenditure related to the holding of elections to the European Parliament and other announced elections, expenditure on preparatory work on the 2021 Population and Housing Census, and fulfilment of other tasks of state statistics.

### **Income and Expenditure Budget Data**

On 19 December 2018, the Chamber of Deputies of the Parliament of the Czech Republic, by its Resolution No 420, approved Act No 336/2018 Sb., On the State Budget of the Czech Republic for 2019.

The Act approved the income budget for Chapter 345 (CZSO) in the amount of CZK 12,005,000 and the expenditure budget in the amount of CZK 1,304,798,310.

In the course of 2019, the Ministry of Finance of the Czech Republic approved the overall adjustment of the chapter's budget as follows:

a) the set breakdown of expenditure was increased by CZK 389,262,710, because it did not cover expenditure on securing new elections, additional elections and repeated municipal elections, by-elections to the Senate of the Czech Parliament, elections to the European Parliament, reimbursement of expenditure on the updated Concept of Integration of Foreigners: In Mutual Respect in 2019, funds for costs associated with the processing of CSSA (Czech Social Security Administration) administrative data for 2019 (the Nem-Úr 1-02 questionnaire), resources to cover the costs of the European Health Survey

for 2019, which is carried out on the basis of Regulation 1338/2008 of the European Parliament and of the Council, expenditure on securing the 2021 Population and Housing Census, and expenditure on co-financing and pre-financing of the "Mechanisms for promoting the principles of sustainable development in state administration" project (there was also a corresponding increase in EU income and expenditure in the amount of CZK 621,620).

b) the expenditure budget was reduced by CZK 19,083,160 due to the transfer of funds to the Ministry of the Interior to pay for the operation of the Administrative Business Register information system, the transfer of funds intended for 2021 SLDB back to the VPS chapter (they were intended for municipalities as a specific grant to cover the expenses incurred in connection with the preparations for 2021 SLDB in 2019) and the transfer of funds to the Ministry of Health within the Provision of basic information on Purchasing Power Parities project.

After these adjustments, the income budget amounted to CZK 12,626,620 and the adjusted expenditure budget amounted to CZK 1,674,977,860. The expenditure budget was further increased by extra-budgetary resources in the total amount of CZK 203,545,850, i.e. claims from unused expenditure



(hereinafter claims), the reserve fund, transfer from the FKSP (Fund for Cultural and Social Needs), and funds credited to the income account during the year. The final expenditure budget amounted to CZK 1,878,523,710, of which CZK 97,720,040 was made up of expenditure on elections, CZK 392,931,690 of expenditure on 2021 SLDB and CZK 1,387,871,980 of other expenses to ensure the fulfilment of the tasks of the CZSO.

According to the type breakdown of the final budget, expenditure consisting of salaries, other personal expenses, insurance, and allocations to the FKSP totalled CZK 1,091,210,380 (58.09%). Material expenses amounted to CZK 580,379,780 (30.90%), transfers to the reserve fund to CZK 3,439,130 (0.18%) and capital expenditure to CZK 203,494,420 (10.83%).

# **Actual Income and Expenditure**

### Income

The budgeted income was achieved in the amount of CZK 17,736,380, i.e. at 140.47%.

The total income in 2019 reached 118.69% of the income generated in 2018, while the absolute increase of CZK 2,792,750 in 2019, compared to 2018, was mainly affected by higher non-investment transfers from the European Union (by CZK 2,153,270) and higher transfers of funds from FKSP (by CZK 2,438,500). On the other hand, income from CZSO's own

activities totalled CZK 1,239,760, which is by CZK 1,413,050 less than in 2018 and by CZK 1,060,240 more than expected in the budget after changes for 2019. Non-standard orders, such as extractions from databases, creation of special customized outputs, sale of data for scientific and research purposes, have more than a half-share in the fulfilment of income from CZSO's own activities. The development (decrease) in income from CZSO's own activities is influenced by the ever-increasing supply of publicly available data on the CZSO and Eurostat websites. This trend is expected to continue in the coming years. Furthermore, at the beginning of 2019, the CZSO's pricing policy changed and the Office thus approached the standards of other European states. Another area of income, i.e. income from the lease of property, income from the sale of unnecessary property, received penalty payments (contractual fines and interest on arrears), and other non-tax income, amounted to CZK 895,830. Compared to 2018, the stated amount is higher by CZK 298,180, due to received contractual penalties. Capital income was not reported, and, in comparison with 2018, the difference amounted to CZK 15,750. Another part of the total income consisted of received transfers, which were fulfilled in the amount of CZK 15,600,790. Compared to 2018, when the stated received transfers amounted to CZK 11,677,420, the performance was higher by CZK 3,923,370.

The binding indicator "other tax-free income, capital income, and total received transfers", which was set for the year 2019 in the

amount of CZK 3,060,000, was achieved by tax-free income without received transfers in the amount of CZK 2,135,590. For this reason, according to Section 25 (c) of Act No 218/2000 Sb., on budgetary rules, as amended, it was decided on binding of CZSO budget expenditure in the amount of CZK 924,410 in the CZSO budget system.

### Expenditure

The total drawing of expenditure in 2019 was CZK 1,369,964,300, i.e. 81.79% of the budget after changes. Of the total amount of drawing of expenditure, current expenditure was CZK 1,283,243,850 (93.67%) and capital expenditure was CZK 86,720,450 (6.33%). Compared to 2018, the total drawing of expenditure was higher by CZK 203,121,590. Current expenditure in 2019 was, in comparison with 2018, higher by CZK 170,831,660, of which current expenditure on operation and activities of the CZSO was higher by CZK 77,932,360, election expenses lower by CZK 34,417,280, and the drawing of funds for securing 2021 SLDB was higher by CZK 127,316,580. Compared with 2018, the drawing of capital expenditure in 2019 was higher by CZK 32,289,930.

# Elections

In 2019, new, additional, repeated, and by-elections were held on eight dates. These were new elections to municipal councils, additional and repeated elections to municipal



councils, by-elections to the Senate of the Parliament of the Czech Republic, and elections to the European Parliament.

From the amount of CZK 97,120,040, which were the funds to cover the current expenses of the elections, CZK 89,179,790 (91.82%) was used, mainly for personal expenses, electronic communications services, and programming and analytical work, as well as for energy, travel, and small assets for ICT.

# 2021 Population and Housing Census (2021 SLDB)

The final budget for the preparatory work for securing the 2021 SLDB project amounted to a total of CZK 392,931,690. As of 31 December 2019, budget drawing was in the amount of CZK 140,849,100, i.e. 35.85% of the final budget, of which current expenditure amounted to CZK 130,453,800 and capital expenditure to CZK 10,395,300.

From current expenditure, drawing of wage expenditure was in the total amount of CZK 62,657,480. Funds in the amount of CZK 12,323,800 were used for purchase of materials, of which purchase of furniture accounted for CZK 3,959,460 and purchase of computer equipment accounted for CZK 7,346,960. Energy purchase amounted to CZK 1,116,760.

CZK 46,232,910 was used for the purchase of services. The payment for the services of Česká pošta in the amount of CZK 36,180,280 accounted for the largest share. Project

management, administration, and management services payments totalled CZK 6,198,880, consulting and legal services payments amounted to CZK 473,530, and the payments for services of servers and applications totalled CZK 732,880. As of 31 December 2019, CZK 7,886,100 was drawn for other purchases, the bulk of which was due to the purchase of noninvestment software for ICT in the amount of CZK 7,096,680. The expenditure on other items, i.e. wage compensation in times of illness and the purchase of motorway stamps, amounted to CZK 236,740.

Capital expenditure amounted to CZK 10,395,300, of which the purchase of passenger cars amounted to CZK 9,568,430, the purchase of ArcGIS licenses to CZK 363,000, and the purchase of a manual of a unified visual style to CZK 183,640.

Unspent funds will be used to fulfil the tasks of the 2021 SLDB project in the next period.

# Operation and Activities of the CZSO

Resources for expenditure in Section 614600 (CZSO) represent resources from which expenditure related to the operation and activities of the CZSO's own workplaces is covered. After including extra-budgetary funds in the amount of CZK 81,612,890 (of which legal claims accounted for CZK 74,313,580, the reserve fund for CZK 431,980, funds credited to the Office's income account for CZK 4,274,660, and funds from FKSP for CZK 2,592,670), the final budget reached CZK 1,387,838,980. The amount of CZK 1,139,707,450 was drawn, i.e. 82.12% of the final budget, of which current expenditure amounted to CZK 1,063,580,140 and capital expenditure to CZK 76,127,310.

Compared to 2018, the drawing of personal expenses was higher by CZK 56,993,230 and was mainly due to a 5% increase (compared to January 2019) in salary tariffs, including benefits and supplements. The drawing of material expenses was higher than in 2018, by CZK 18,353,060. This difference is mainly influenced by an increase of CZK 6,805,470 in expenditure for rewards for the use of computer programs due to a one-time purchase of a Microsoft Windows 10 Enterprise lease; by an increase of CZK 205,480 in expenses for the purchase of water, fuels, and energy, which were mainly due to higher prices for the purchase of electricity on the commodity exchange; by an increase of CZK 550,040 in expenses for electronic communications services mainly due to an increase in expenditure on mobile data and voice services; and by an increase of CZK 15,276,850 in expenditure on data processing services

Compared to 2018, drawing of expenditure on the purchase of materials was lower by CZK 4,004,880, mainly due to lower expenses for furniture (by CZK 4,355,580), where in 2018 the expenditure on the purchase of office furniture and office

chairs for the needs of selected Regional Offices amounted to CZK 3,983,940. Expenditure on consulting, advisory, and legal services was also lower by CZK 548,880, mainly due to a smaller number of legal cases and less serious litigation when compared with 2018. In addition, expenditure on the purchase of other services was lower by CZK 449,630,000, mainly due to underspending for the eIDAS services.

At the end of the budget year 2019, funds in the amount of CZK 3,439,130 were transferred to the CZSO reserve fund, which means that compared to 2018, CZK 2,588,020 more was transferred.

Capital expenditure was drawn in the amount of CZK 76,127,310. Compared to 2018, there was an increase of CZK 29,458,180. The thing that had the greatest impact on the increase in capital expenditure in 2019 was securing functionality of the Administrative Business Register (ROS) IS, which represented an increase of CZK 45,050,610 in expenditure when compared to 2018. The drawing of capital expenditure on this project was mainly affected by the complete change of elements of the technological infrastructure of the Administrative Business Register due to the manufacturer's termination of support for the original infrastructure, acquired in 2011. Another factor that influenced the drawing of capital expenditure was the non-completion of some tenders in 2019 or the postponement of the implementation of some events until 2020.

### Programs Co-financed from Abroad

In co-operation with the EU, in 2019, the CZSO financed from the budget one project of the Employment Operational Programme in the amount of CZK 584,850 and 15 projects of the Community Programme – Statistical Programme of the EC (KP 2014+) in the amount of CZK 6,733,490. Furthermore, the CZSO financed 12 projects of KP 2014+ in the amount of CZK 4,185,150 from the claims of unused expenditure. KP 2014+ projects in the amount of CZK 2,137,370 were financed from funds provided to the income account from abroad and from the reserve fund. The same sources of funds were used to finance missions and study visits Twinning out and the International ESTP course in the amount of CZK 2,486,760. A total of CZK 16,127,620 was spent on projects co-financed by the EU in 2019, of which CZK 11,873,340 was drawn from EU funds.

A total of CZK 82,510 was paid from funds outside the EU, of which CZK 13,880 was paid for the Kyrgyzstan 2018 technical assistance. From the funds provided to the income account, CZK 68,630 was paid for technical assistance in Armenia. The analysis of the drawing of expenditure in all sections according to the type breakdown shows that personal expenditure (salaries, other personnel expenses (OPE), severance pay, pay-offs, statutory insurance, allocations to the FKSP) in the total amount of CZK 968,269,690 accounted for 70.68% of the total expenditure. Material expenses in the amount of CZK 311,535,030 accounted for 22.74% of the total budget (purchase of materials, energy, and services). Transfers to the

reserve fund amounted to CZK 3,439,130, i.e. 0.25% of the total drawing. In 2019, the CZSO capital expenditure was made within the framework of programme financing of the reproduction of CZSO assets maintained in the EDS/SMVS Programme Financing Information System in programme 045 01 Development and renewal of the CZSO material and technical base from 2018, the actual drawing being CZK 86,720,450, i.e. 6.33% of the total expenditure. To finance the total expenditure, a total of CZK 1,272,952,350 was drawn from budgetary funds and CZK 97,011,950 from extrabudgetary funds.

As of 1 January 2020, the balance of claims from unused expenditure amounted to a total of CZK 662,989,580, of which CZK 542,400,860 consisted of profiling expenses, which include the amount of CZK 128,521,940 for salaries of civil servants, employees employed pursuant to the Labour Code, and other payments for work performed; CZK 5,404,410 to finance KP 2014+ projects; CZK 156,190 for the operational programme Employment without salaries and OPE; the amount of CZK 213,380,040 for events registered in IS EDS/SMVS; and CZK 194,938,280 for earmarked current expenses without salaries and OPE (elections, SLDB, and other earmarked expenses). As of 1 January 2020, non-profiling expenditure amounted to CZK 120,588,720 including benefits and supplements to salaries (excluding those benefits and supplements to salaries and OPE that are tied to EU projects and elections).

The balance of the reserve fund as of 31 December 2019 in the amount of CZK 4,962,320 represents funds intended for financing projects/grants of the Community Programme and technical assistance and other foreign activities.

The financial resources set by the CZSO in 2019 in the approved state budget, as well as extra-budgetary resources, were drawn in accordance with the Office's tasks, in compliance with budgetary regulations, and with an emphasis on their economical, efficient, and effective use.







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