

CHARACTERISTICS OF THE REGION

Prague (Praha) is the Capital City of the Czech Republic. From that, also its role results: it is a natural centre of politics, international relations, education, culture, and economy. Within the EU, the Capital City of Prague ranks among developed regions. Since 1992, its historical centre has been on the UNESCO's World Heritage List. All these aspects are reflected in the specific character and position of Prague among other Regions of the CR.

Pursuant to the Act of the Czech National Council on the Capital City, the Capital City of Prague is a **statutory town**. It is administered by the following bodies of the Capital City: the Prague City Assembly, the Prague City Council, and the Prague City Hall. Since 2001, Prague is divided into 22 administrative districts for the execution of the state administration. From the point of view of self-government it consists of 57 autonomous city sections with own elected bodies. These city sections are significantly different. There are city sections, which have a distinct character of an urban centre or, on the contrary, suburban areas. They differ in the level of urbanisation, population density, quality of technical infrastructure, and socio-economic conditions of life of their population. As for the number of inhabitants, these city sections are also very different. While four city sections exceed 100 000 population (Prague 4, Prague 10, Prague 8, and Prague 6), ten city sections have less than 2 000 population, of which two have less than 500 population (Praha-Nedvězí and Praha-Královice). The Capital City of Prague is the largest city of the Czech Republic. Its area is 496 km², which is only 0.6% of the CR's territory, but with **the population of 1 294 513 as at 31 December 2017** it represents more than 12% of the total population of the CR. Prague thus markedly dominates the distribution of the population of the Czech Republic, because the second largest city, Brno, makes almost one third of the Prague's population. However, in 2010 Prague lost its dominant position of the most populated Region, when the Středočeský Region became the most populated Region of the Czech Republic. By the end of 2017, the population of the Středočeský Region was by 58.3 thousand higher than that of Prague.

The current area of the City is a result of natural historical development and a long-term territorial growth. The beginnings of Prague could be put in the second half of the 9th century when the Prague Castle was founded and independent settlements began to develop under its protection in the surrounding area. These settlements grew to constitute independent towns of Prague: Staré Město (the Old Town), Malá Strana (the Lesser or Little Quarter), Nové Město (the New Town), and Hradčany (the Castle District). Milestones in the development of Prague so far include the year of 1784, during the reign of Joseph II, when the four still independent towns were joined into the town of Prague, then the years of 1850, 1883, 1884, and 1901 when other four towns were attached (Josefov, Vyšehrad, Holešovice-Bubny, and Libeň, respectively). **The Act of 6 February 1920** established the **Great Prague** when other 39 nearby municipalities were joined to the existing eight Prague neighbourhoods. **Further territorial growth took place in 1960, 1968** (attachment of 21 municipalities of the Středočeský Region), **1970**, and **1974** when other 30 municipalities of the Středočeský Region were attached to Prague. There has not been any other territorial change since then.

Population of Prague had been increasing already from the half of the 17th century; it culminated in 1992. When we look at the results of periodic censuses, we can see that Prague's population increased 4.5 times from the first census (1869) to 1991 Census when the highest number of Praguers was counted (all that calculated for the same territory). From the 1991 to the 2001 Census, Prague's population decreased for the very first time since censuses have been carried out. Since 2002, Prague's population was slightly increasing every year again until 2010. The population as at 31 December 2011 was over 15.5 thousand lower. It was influenced, to a certain extent, by an inclusion of the Population and Housing Census results in the resulting population. By the end of 2012, the population increased by over 5 thousand, but it has not reached the level from 2010. The population decrease continued also in 2013. Until 2006, the increments of population resulted mainly from migration, namely of persons in the productive age, who moved to Prague especially to increase their opportunity to find a job on the labour market. Persons with foreign citizenship prevailed among them. **In 2006, it was for the first time after 26 years when a positive natural increase was recorded (the number of live births was higher than the number of deaths).** The increase was owing to a higher number of children born to women belonging to the 1970's baby boom generation. Since 1975, the natural increase was the highest in 2010 (2 526 persons). Natural increases have not reached that value in the following years but still remained rather high. In 2017, the natural increase was 3 125 persons and, at the same time, it even surpassed the value of the natural increase of 1975. When

recalculated to take into account the Region's population, the natural increase was the highest among all the Regions of the CR. There is a pattern to the change in the distribution of the population in the last years. The share of population aged 15–64 years in the population of the Capital City is decreasing while the share of children aged 0–14 years and the share of the population aged 65+ years are increasing. The age distribution of the population in Prague is becoming similar to the distribution of the population of the whole country. The average age of the population of Prague in recent years is around the value of 42 years. There were 121 people 65+ years old per hundred children aged 0–14 years (ageing index) in Prague in 2017. Per hundred people aged 15–64 years, there were 52 people aged 0–14 years or 65+ years (total dependency ratio). Changes in the age distribution of the population are caused mainly by migration – families with children are moving to the City surroundings; on the contrary, people of the younger productive age are coming to Prague. Positive development of the natural change in recent years had a smaller impact on the age distribution of the population in Prague. **A high migration volume is characteristic for the migration situation in Prague in the recent decade. It is caused by frequent labour mobility of foreign nationals.** The highest migrational increase in Prague was reported in 2007, when the migrational inflow was 19.2 persons per 1 000 population. Since that year, the positive migrational increase has been continuously decreasing. There was a population loss by migration in 2013 (-4.3 persons per 1 000 mid-year population). In the following years, Prague's population was increasing again thanks to migration. In 2017, the net migration in Prague was 10 880 persons. What is a clearly positive feature of the demographic development of the last decades is **increasing of life expectancy**. Prague's inhabitants live to the oldest age when compared to all Regions of the CR. In 2017, the life expectancy at birth for women was 82.7 years and 78.1 years for men. High values of life expectancy in Prague are usually attributed to better availability of medical care, but also to some favourable tendencies in the way of life even despite worse parameters of the environment.

As for economy, the Capital City of Prague has a unique position within the Czech Republic. It is an economic centre of the CR and also a centre, from which influences of multinational economic relations are spread all over the country. Besides all the main authorities of the state administration, most financial institutions and foreign enterprises are based in Prague. All this has a significant effect on the economy of Prague, the economic output of which makes constantly about a quarter of the national gross domestic product (GDP). The share was over 25% from 2007 to 2010. In 2011, however, it dropped below 25% and it still remains to be there. In 2016, the share was 25.0%. Economy of the Region expressed in GDP at current prices in 2015 decreased, year-on-year. In 2016, a year-on-year decrease by 0.2% (which represents an increase by CZK 35.3 bn) was recorded. The gross domestic product in 2015 was the highest of the recent years and for the second successive time exceeded the level of 2008. The GDP development in the whole CR was similar to the one of Prague. The GDP per capita in Prague exceeds the Czech Republic average for a long period. In 2016, Prague's value was 107.5% compared to the national level. **A higher level of GDP production is typical for metropolises.** It is influenced by many factors: **a lot of out-of-Prague workers generate value added in Prague, businesses have their seats located and registered in Prague, subsidiaries of multinational companies are located there, central bodies of the public and private sectors are concentrated in the City.** Prague exceeds the national level less as for the net disposable income of households, which is the value, that a household can use for savings or consumption (30.0% of the CR average per capita in 2016).

The situation on the labour market is also connected with the performance of the economy. **Prague is the largest regional labour market in the CR.** Characteristic features of existing development are on the one hand high localization attractiveness of Prague's labour market, on the other hand Prague's ability to cover increased demand. It is given by a significant professional mobility of internal sources as well as to date fast growing sources of out-of-Prague and foreign workers. Prague's labour market thanks to a wide offer of professions was able to absorb almost all labour force released in the process of transformation as well as the new coming one. Prague affects also the rest of the Czech Republic and especially the Středočeský Region, a part of which is integrated with Prague due to an intensive commuting, which at the same time lowers the unemployment in the Region. Job vacancies in the Capital City of Prague are opportunities also for inhabitants from wide surroundings and virtually the whole CR. According to results of the 2011 Population and Housing Census the number of jobs held in Prague represented 16% of all jobs in the CR. The number of jobs as at 26 March 2011 was nearly 701 thousand; the number of employed inhabitants of Prague was by 118 thousand lower. Commuting to work is of extraordinary importance for Prague. Labour force in Prague has significantly higher professional skills compared to other Regions. More than 40% of the employed are persons with university education and their number has been regularly increasing recently. Also average wages in

Prague reach significantly higher values than in other Regions. In 2016, the average gross monthly wage in Prague (full-time equivalent) was CZK 35 187, while the Czech Republic's average was CZK 27 589. Another characteristic feature of Prague's labour market is also a lower share of the unemployed. **In a long term, Prague has the lowest unemployment rate of all Regions of the CR.** The lowest unemployment rate was reached both in Prague and the entire Czech Republic in 2007. Afterwards, due to a recession, there was an increase in the unemployment and since 2013 there was the decrease again. In 2017, the percentage of unemployed persons decreased from 3.35% to 2.34%, year-on-year. The total number of job applicants according to labour offices' registry decreased (compared to 2016) by 27.8% to 21 787 job applicants. The number of job vacancies has more than doubled.

In the entire CR and its Capital City, basic structural reconstruction after 1989 was reflected in **changes in the structure of the economy as for economic activities (industries)**. Characteristic features of the development of Prague economic basis after 1989 were: strengthening of the sphere of services and decrease of share of production industries. **Tertiary industries (services) have been making in Prague more than 80% of the value added already since 2000.** Also employment rate in this sphere in Prague markedly exceeds data from all the Regions. In 2001, 77.7% of all the employed in Prague worked in services; in 2017 it was already 82.4%. The share of manufacturing industries in the generation of the value added and the employment in Prague is much lower than the national average.

In construction, an influence of a crisis has been reflected recently. Another upturn was the year 2015, when Prague remained at the leading position in the volume of basic construction output, which made 39.5% of the value in the whole Czech Republic in 2015. In 2017, 16.4% less dwellings were completed in Prague, while the number of dwellings increased by 34.5%. However, we will probably feel this more clearly in the years to come. The number of building permits granted and announcements are decreasing for a long time, as is the approximate value of permitted constructions. The Prague real estate market with dwellings has seen a certain shift in recent years, and this was also reflected in housing construction, which has moved from Prague to its surroundings in the Středočeský Region, which is the destination to which Prague population moves most frequently.

Tourism is an important part of Prague's economy. 7.6 million guests were accommodated in Prague's collective accommodation establishments in 2016. The year-on-year increase was 7.4%. **An absolute majority of Prague's visitors (who accommodated in some of its collective accommodation establishments) consists permanently of tourists from abroad who make over 85% of all accommodated guests.** In 2016, domestic guests made 14.2% of all guests accommodated in Prague's accommodation establishments. Prague is also the most frequent target of domestic business trips. As for guests from abroad, prevailing are Germans, numbers of whom are constantly growing. Guests from the United States of America were the second largest group; guests from the United Kingdom of Great Britain and Northern Ireland ranked third. Prague is visited not only by tourists; it has recently become an important target of conference tourism, too. In 2017, the number of collective accommodation establishments on the territory of Prague decreased by 1.0%, y-o-y, to 787. The number of beds in these establishments increased by 1.0% to the total of 90 887. Over a half of beds used in Prague's accommodation establishments are in the hotels of the highest category.

Prague is a national centre of education. Already from the secondary level of education upwards there is an increased concentration of schools. Prague has the highest number of grammar schools and secondary technical schools of all the Regions. Prague's secondary schools represented in the 2017/2018 school year approximately 13.9% of all secondary schools in the Czech Republic. It was 183 secondary schools with 59.5 thousand students in full-time studies (excluding conservatoires; including schools established by the Ministry of the Interior and the Ministry of Defence). As for higher education, Prague's position is absolutely unique. There were 29 universities in Prague, at which more than 115 thousand students were studying in all types of studies. It is 38.6% of all university students in the Czech Republic. The share of foreigners among university students is slowly increasing; in the 2017/2018 school year it made 18.4% of all students of Prague universities. During the last few years, existing demographic development has been reflected both in the number of students in all types of schools as well as in changes in numbers of the school establishments. Prague schools, mainly universities, serve not only to inhabitants of Prague but also to the population from its wider surroundings and very often also from all Regions of the CR.

Also **health establishments are concentrated on the territory of the Capital.** They are mainly specialized and often also research establishments, which, however, serve to patients from all over the Czech Republic. One fifth of all physicians working in the CR are employed there and this share is

stable for several years already. The number of physicians in Prague has been slightly growing, basically with the same growth rate as in the entire Czech Republic. Also the number of hospitals in Prague is the highest of all Regions of the CR. In 2017, there were 28 hospitals in Prague. They have many beds; the number of beds did not change, year-on-year. **In Prague, relative indicators from health per 1 000 population are permanently the highest of all Regions** and are markedly above the national average. All Prague's health establishments serve also to the surroundings of Prague and some specialized establishments serve the population of the entire CR.

In accordance with the importance, location and the role of Prague, a wide range of **transport links** has developed over time. Mutual regional links with the surrounding Středočeský Region are the closest ones. Many people are commuting to Prague from the entire Czech Republic. It concerns not only commuting to work and schools, but also commuting to shops, culture, health establishments, etc. On the other hand, Prague population goes for recreation not only to its nearest surroundings but also all over the CR. Thanks to its central location both within the CR and Europe, Prague is determined to play the role of an important target destination as well as a place, where important transit routes intersect.

Prague is a central point of all motorway routes. On 17 December 2016, the very last section of the D8 motorway from Prague to Dresden was put into operation after a long time. Only a small part of the D3 motorway, which is planned to lead from Prague to České Budějovice and further to Austria, has been finished. The whole route should be put into operation around 2025. A high intensity of road transport in central parts of Prague is a result of absence of alternate routes around Prague and, most of all, around the inner City. So called Pražský okruh (Prague Ring road) is to lead the transit transport out of the City's inhabited areas. A tunnel complex called Blanka, which is a part of the inner City ring road, was put into operation in September 2015 and ranks among 25 most significant tunnels worldwide. About 80 thousand drivers a day use the Blanka tunnel. **Prague is also an important international railway node.** Prague Main Station underwent a total reconstruction, which was finished in 2011. Its current amenities have highly enhanced the quality of travelling. An important change took place in the railway transport, when it was included in the Prague Integrated Transport System (PID) in 1992. Currently, 406 lines of public transport are integrated in the Prague Integrated Transport, of which 33 are train lines.

Air transport of freight as well as passengers is provided particularly by the Prague-Ruzyně airport, which was renamed to Václav Havel Airport Prague in 2012. In 2017, more than 15 million of travellers were checked in there which was by 17.9% more than in 2016. The trend of previous years when the number of so-called local travellers (travellers for whom Prague is the beginning or target destination) increased continued. 69 airlines offer their services there and connect Prague with 163 destinations all over the world. A new runway is planned to be built in the years to come. What is very important (among others) for the Prague airport is the development of long-distance flights outside Europe, thanks to which the number of passengers who use the Czech Capital as a transfer point increases.

Prague has relatively well functioning **public transport** with a backbone underground system (metro) over 65 km long and a network of tram railways (almost 143 km long). Annually, more than 1 billion passengers use public transport vehicles. In 2017, it was 1 165 million passengers (including persons from outer zones and transport that is served by contract carriers), which was by 1.8% less passengers than in 2016. Most frequently, passengers use the underground (metro) (37.4% in 2017), trams (32.1%), and about the same share belongs to passengers in buses (30.5%). The system of Prague Integrated Transport (PID) is important for Prague and its surroundings. It is operated now up to 35 km far from the City limits and thus it includes also an important part of the Středočeský Region.

In spite of marked improvement in the 1990's, Prague belongs to the most affected Regions as for its **air quality**. Air quality in Prague is influenced the most by traffic and electricity and heat generation. The heating plant in Malešice and a cement factory in Radotín are the biggest air polluters. Regarding the air quality measured by emission limit values, the limit values are exceeded especially by emissions of sulphur dioxide, suspended particulate matter (PM_x), and benzo(a)pyren.