

CHARACTERISTIC OF THE CAPITAL CITY OF PRAGUE

Prague (Praha) is the Capital City of the Czech Republic. It is a natural centre of politics, international relations, education, culture and economy. The Capital City of Prague ranks among important and developed regions even within the entire EU. Since 1992, its historical centre has been on Unesco's World Heritage List. All these aspects are reflected in the specific character and position of Prague among the regions of the CR.

Pursuant to the Act of the Czech National Council on the Capital City of Prague, the city is a **statutory town**. It is administered by the bodies of the Capital City: the Assembly of the City of Prague, the Council of the City of Prague 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 of distinct character of urban centre or suburban areas on the contrary. They differ in the level of urbanisation, population density, quality of technical infrastructure and socio-economic conditions of life of their inhabitants. As for the number of inhabitants these city sections are also very different. While population of four city sections account for more than 100,000 each (Prague 4, Prague 10, Prague 8 and Prague 6), ten city sections comprise less than 2,000 inhabitants each, of which two have less than 500 inhabitants each (Prague-Nedvězí, Prague-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 1,280,508 inhabitants as at 31 December 2016** it represents more than 12 % of the total population of the CR. Prague then markedly dominates the population structure in the Czech Republic as its second largest city, Brno, makes one third of the Prague's population. But Prague has lost its dominant position in 2011, when Central Bohemia region became the most populated region in the Czech republic. By the end of 2016, number of inhabitants in Central Bohemia region was by 58.5 thousand higher than in 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 constituent 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, respectively Josefov, Vyšehrad, Holešovice-Bubny, Libeň. **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, in 1968** (attachment of 21 municipalities of the Středočeský (Central Bohemia) region, **in 1970** and finally **in 1974** when other 30 municipalities of the Středočeský region were attached to Prague. There has been no other territorial change since this year.

Population of Prague had been increasing already from 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 biggest number of Praguers was counted (all that calculated for the same territory). From 1991 to 2001 Census Prague's population decreased for the very first time of censuses taking place. Since 2002, Prague's population has been yearly slightly increasing again until 2010. Number of inhabitants as of 31. 12. 2011 was about 15.5 thousands lower. This change is influenced by inclusion of Population and Housing Census results in the number of inhabitants. By the end of 2012, the population increased by 5 thousands, but it has not reached the level from 2010. The decrease of population continued also in 2013. Until 2006 the increments of population resulted only from migration, namely persons in productive age, who move to Prague especially due to ample opportunity to find a job on the labour market. Persons with foreign citizenship prevailed among them. **In 2006, it was the first time after a longer period when a positive natural increase was noticed (number of live-births was higher than number of deaths).** The increase came from bigger number of children born to women belonging to the baby boom generation in the 1970's. Since 1975, natural increase was the highest in 2010 (2,526 persons). Natural increase has not reached this value in the following years but still remains quite high. In the year of 2016 the natural increase was 2,788 persons and at the same time, it surpassed the value of natural increase of 1975. There is a pattern to population structure change in the last years. The share

of people aged 15-64 in the population of the Capital is decreasing while the share of children 0-14 years old and share of people 65 years and older are rising. The age distribution of population in Prague is getting closer to the population structure of the whole country. The average age of population of Prague remains at the value of 42 years for the past three years. There were 122 people 65 years old and older per hundred children aged 0-14 (ageing index) in Prague in 2016. Per hundred people aged 15-64 there were 51 people aged 0-14 or 65 and older (total dependency ratio). Changes in the age structure of the population are caused mainly by migration – families with children are moving to the city surroundings and, in contrast, people of the younger productive age are coming to Prague. Positive development of natural change in recent years had smaller impact on age structure of Prague population. **High migrational volume is characteristic for migrational situation in Prague in recent years. It is given by considerable mobility of foreign nationals moving for work.** The highest migrational increase in Prague was reported in 2007, when 19.2 persons gained by migration falled on 1,000 inhabitants. 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 inhabitants. In the following years Prague gained again inhabitants through migration. In 2016 the net migration in Prague was 10,271 persons. What is a clearly positive feature of demographic development of the last decades is **improving of life expectancy.** Prague's inhabitants live to the oldest age when compared to all regions of the CR. In 2016, the life expectancy at birth for women was 82.7 years and 78.0 years for men. High values of life expectancy in Prague are 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 the economic centre of state and also a centre for intermediation of impacts of multinational economic relations in the whole state. Apart from all the main authorities of the state administration most of financial institutions and foreign enterprises are based here. All this has a significant effect on the economy of Prague, whose economic output makes up a quarter of the national gross domestic product (GDP). This share was higher than 25 % in recent years. In 2011, however, it dropped below 25 % and is still holding on. In 2015, its share was 24.4 %. Economy of the region expressed in GDP in current prices in 2015 increased year-on-year. In 2015, year-on-year increase by 6.6 % (which represents increase by 68.7 bil. CZK) was noticed. The gross domestic product in 2015 was the highest of the recent years and for the second time in row exceeded the level of 2008. The development of GDP in the whole republic was similar to that one in Prague. GDP per capita in Prague exceeds the Czech Republic average in the long run. In 2015 Prague's value was 204.0 % compared to the republic level. **Higher level of GDP production is typical for metropolises.** This is caused by many factors: **lot of non-Prague workers creates an added value in Prague, location and registration of headquarters of economic subjects in the city, presence of subsidiaries of multinational companies, concentration of central bodies of public and private sector.** Prague exceeds the republic level less according to net disposable income of households, which is the value, that a household can use for savings or consumption (129.1 % to CZ average per inhabitant).

The **situation on the labour market** is also connected with the performance of the economy. **Prague is the largest regional 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. This 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 Central Bohemia region which is integrated with Prague due to an intensive commuting which lowers the unemployment in the region. Job vacancies in the Capital City of Prague are opportunities also for inhabitants from wide surroundings and in fact 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. Number of jobs as at 26 March 2011 was nearly 701 thousand and employed inhabitants of Prague were by 118 thousand less. The importance of commuting has got an exceptional meaning for Prague. Labour force in Prague has significantly higher professional skills compared to other regions. More than 40 % of employed are persons with a university degree and their number has got lately a regular increasing trend. Also average wages in Prague reach significantly higher values than in other regions. In 2016, the average monthly gross wage in Prague (full-time equivalent) was 35,187 CZK, when the same value for Czech Republic reached 27,589 CZK. Another characteristic feature of Prague's labour market is also **lower share of unemployed persons**

than is the national average. In a long term, Prague has the lowest unemployment rate of all regions. The lowest unemployment rate was reached in 2008 both in Prague and Czech Republic. There was a significant decrease of unemployed people in 2015 and the share of unemployed persons in 2015 (annual average) was 4.64 % in Prague and 6.57 % in Czech Republic. The total number of job applicants in 2016 according to labour offices' registry has decreased (compared to 2015) by 18.9 % to 30,179 job applicants. The number of job vacancies has increased by 40.2 % to 21,054.

Basic structural reconstruction after 1989 was reflected in changes of **branch structure of Czech and Prague economy.** Characteristic features of the development of Prague economic basis after 1989 was strengthening of the sphere of services and decrease of share of production industries. **Tertiary industries represent in Prague more than 80% of value added since 2000.** Also employment rate in this sphere in Prague markedly exceeds data from all the regions. In 2001, 77.7 % of all employed in Prague worked in services and in 2016, it was 81.4 %. On the contrary, the share of industrial sector in creation of value added and Prague's employment is much lower than national average.

In construction, the influence of crisis appeared. Another upturn was the year 2015, when Prague remained at the leading position in the volume of basic construction output, which represented 39.5 % of the value in the whole Czech Republic in 2015. In 2016, 16.9% more apartments were completed in Prague compared to 2015, while the number of dwellings started dropped by almost 50 %. However, we will probably feel this in the years to come. In 2016 also reduced the number of building permits issued and announcements about 1.2 %, and the approximate value of building permits decreased by 25.2 %. The Prague dwelling market 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 (Central Bohemia), where the inhabitants of Prague most often move.

The tourism is an important branch of Prague's economy. 7,1 million of guests were accommodated in 2016 in Prague collective accommodation establishments, which is more than in 2015. Yearly growth rate increased by 7.9 %. Prague has become a favourite destination of **tourists from abroad, who represent more than 85 % of all accommodated guests.** In 2016 domestic guests made up 14.3 % of all accommodated guests. Prague is the most often target of domestic business trips. Most guests are Germans, whose numbers still grow. While Russians were the second most frequent group in the previous two years, they were (together with Italians) the fourth largest group of guests in 2015. Guests from United States were the second largest group, guests from UK took the third place. Moreover, Prague is also a conference centre. In 2016, the number of collective accommodation establishments decreased (compared to previous year) by 0,2 % to 795. Number of beds in these establishments increased by 0,9 % to the total of 91,887. Almost half of beds is located in 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 secondary schools represented in school year 2016/2017 approximately 14.2 % of all secondary schools in Czech Republic. It was 185 secondary schools with 58.3 thousand of students. In university education, Prague's position is absolutely unique. In the last school year, the number of universities was 31, at which more than 118 thousand students were studying in all types of studies. It is 38.0 % of all university students in the Czech Republic. The share of foreigners among university students increases slowly, when in school year 2016/2017, it made 17.7 % of all universities' students. During the last few years, existing demographical development has been reflected also in shifts in school establishments. Prague schools, mainly universities, serve not only for Prague citizens but for the population from wider surrounding and other regions.

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 several years. Number of physicians in Prague grows equally as in the Czech Republic. Number of hospitals is the highest of all regions. In 2016 there were 27 hospitals. The hospitals have high numbers of beds, they did not change in year-on-year. **Relative indicators from health grossed up to 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 role of Prague, a wide range of **transport links** has developed over time. Mutual regional links with the surrounding Central Bohemia Region are the closest ones. People are coming to Prague from the entire Czech Republic. This commuting concerns not only work and school commuting, but also commuting to shops, culture or to health establishments. On the other hand, Prague population goes for recreation not only to its nearest surroundings but also all over the CR. Thanks to its highly central location both within the CR and Europe, Prague is determined to play the role of transport crossroads as well as a target destination of goods and persons movement.

Prague is a central point of all highway routes. On 17 December 2016, the last section of highway D8 Prague – Dresden has been finished after a long time. Only small part of D3 highway, that is planned to lead from Prague to České Budějovice and to Austria, is finished. The whole route should be put into operation around 2025. More painful becomes absence of alternate routes around Prague and, most of all, around the inner city. So called Pražský okruh (Prague ring) has to lead the transit transport out of the city. Half of the inner city ring is finished. Tunnel complex called Blanka, which is a part of the inner ring, was finished in 2015 and was ranked among the 25 most significant tunnels worldwide. Daily about 80 thousand drivers use the Blanka tunnel. Prague is an important **international railway node**, too. The reconstruction of Prague Main Station was finished in 2011. Modern outfit of the station has improved the quality of travelling. The important change took place in the railway transport, when it was included into the Prague Integrated Transport System (PID) in 1992. This time, total 406 lines of public transport is integrated into Prague Integrated Transport, of which 33 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 2016 more than 13 million of travelers were checked in there which was by 8.7 % more than in 2015. The trend of previous years when the number of local travellers (travellers for whom Prague is the beginning or target destination) increased continued. In 2016 the year-on-year increase of these travellers was by 9.7 %. 64 companies offer their services and connect Prague with more than 146 destinations in all over the world. The runway system exceeds the limits in the peak period, so a new one is planned to be built. What is important 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 system of the metro (more than 65 km long) and networks of tram railways (almost 143 km long). Annually, more than 1 billion passengers use public transport vehicles. In 2016, it was 1,186 millions of passengers (including persons from outer zones and transport that is served by contract carriers), which was by 0,7 % more than in 2015. Passengers using subway are the most common (38.9 % in 2016), followed by passengers in trams (31.1 %). The similar share is represented by passengers in buses (30.1 %). The system of Prague Integrated Transport (PID) is important for Prague and its surroundings. Now, it is operated up to 35 km far from Prague and thus it includes also an important part of the Central Bohemia region.

In spite of marked improvement in the 90's, Prague belongs among the most affected regions from the **quality of the air** point of view. Air quality in Prague is mostly influenced by traffic and electricity and heat generation. The heating plant in Malešice and cement factory in Radotín are the biggest sources of emissions. Regarding the air quality measured by immission limit values, limit values are exceeded. Especially pollution by sulphur dioxide, suspended particulate matter of PM₁₀ and benzo(a)pyren is being above the limit values.