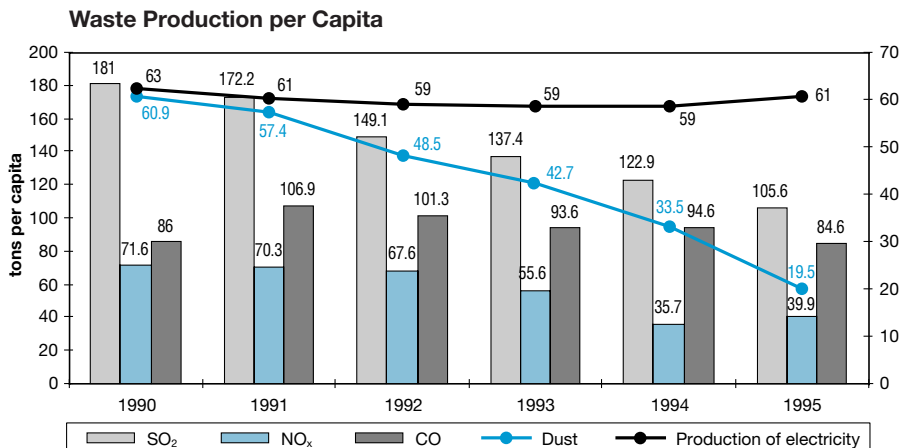


VIII. ECOLOGY



Source: Statistical Yearbook of the Czech Republic

The Czech government has become more aware of environmental protection. The presented graphs and tables show an improvement in the quality of the environment and general public satisfaction. The large quantities of solid, liquid and atmospheric emissions in the Czech Republic and former Czechoslovakia were caused by energy production (burning brown coal with a high concentration of SO₂) and by heavy industry. Although energy production did not decrease, the emission of pollutants has shown an overwhelmingly declining pattern. Nevertheless, there is still a pressing need to improve the quality of the environment, especially with regard to the emission of nitrogen oxides.

During the last two years, investment in environmental protection stabilized at around 2.6% of GDP. Moreover, everybody believes that the economic transition along with

market forces will improve the efficiency with which raw materials are used, and given appropriate and enforced regulations, this should reduce pollution overall.

Air Pollution Charges Imposed upon Large and Medium-sized Polluters in CZK per Ton of Emission*

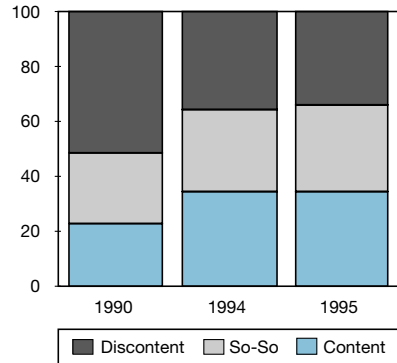
| Pollutant/Year | 1995 | 1996 | 1997 |
|----------------------|-------|-------|-------|
| Solids | 1800 | 2400 | 3000 |
| Sulphur Dioxide | 600 | 800 | 1000 |
| Nitrogen Oxides | 480 | 640 | 800 |
| Carbon Monoxide | 360 | 480 | 600 |
| Hydrocarbons | 1200 | 1600 | 2000 |
| Class I Pollutants | 12000 | 16000 | 20000 |
| Class II Pollutants | 6000 | 8000 | 10000 |
| Class III Pollutants | 600 | 800 | 1000 |

* A 50% surcharge is added to the basic charge when the source does not conform to the emission limit.

A characteristic of the centrally planned economy of former Czechoslovakia was the extensive use of natural resources. Changes in the use of these resources and the current strict enforcement of new environmental protection laws have led to significant improvements in the quality of the environment. Nevertheless, the 1993 emission of sulfur dioxide, hydrogen oxides and carbon dioxide pollutants was, respectively, 137.4, 55.6 and 14900 kg per capita, compared to 48.3, 36.0 and 11000 kg per capita in Germany and 75.7, 81.7 and 19800 kg per capita in the USA. Since major air polluters of sulfur and carbon dioxides (e.g. power plants) have a temporary exemption from emission limits till January 1998, in order to allow for the

installation of new technologies, we can expect a further decrease in air pollution in spite of an expected increase in energy demand.

Satisfaction with Air Quality



Source: Ministry of Environment and IVVM