

2.11. PLAYING THE STRATEGIC ROLE

The Czech Republic banking sector matures

As the Czech Republic transformed its economy over the past 8 years, the banking sector played a major role. Today the country's "Big Four" commercial banks, all partially state owned, are proving themselves increasingly important as the Czechs move closer to membership in the European Union.

Czechs banks **tend** to follow the German **template** in providing universal services and in being closely involved in the management of other companies. Several have their own brokerage houses and control big fund-management companies, which makes them owners as well as lenders, a **duality** that needs to be handled with care. Their control of major investment funds gives them considerable influence over the range of privatized enterprises.

In the 3 years from 1990, the Czech National Bank (CNB), licensed 55 new banks, but several fell victim to inexperience. CNB was obliged to announce a **moratorium** on new licenses. Since then, the Big Four – Investicni a Postovni Banka (IPB), Komerčni Banka, The savings bank Ceska Sportelna and Ceskoslovenska Obchodni Banka (CSOB) – have strengthened their position with more than two thirds of banking business. Miroslav Kostel, Deputy Executive Director of CNB says that there is no reason to expect bank failures, because the banking sector stabilized now.

Task:

1. What conclusion can you make out of this text?
2. Read, translate, discuss and make up dialogs.
3. Explain the meaning of the emphasized words.

2.12. A RICH HISTORY AND DEVELOPED SERVICE LURE VISITORS TO THE CZECH REPUBLIC

Tourism is a powerful engine of growth for the Czech Republic, and has been so since the fall of the **Iron Curtain**. 17 million tourists visited the country in 1996, bringing in \$2.8 billion, an amount equivalent to 17% of total export earnings. The city's marvellous architecture is a particular **lure**, reflecting its past. Prague was a prosperous crossroads a thousand years ago. From the 13th century, it developed as a Gothic town and many of its stone-built houses having survived in