

Czech University of Life Sciences Prague

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BACHELOR THESIS

summary

**ECONOMICS OF ROAD TRANSPORTATION POLICIES IN THE CZECH
REPUBLIC**

**EKONOMIKA POLITIK A PRAVIDEL V OBLASTI SILNIČNÍ DOPRAVY
V ČESKÉ REPUBLICCE**

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1 Summary

Bachelor thesis „Economics of road transportation polities in the Czech Republic“ deals with economic aspects, which significantly affects road transportation in the Czech Republic. It evaluates the extent to which the economics is able to influence the policy of the state, city, and last but not least ordinary citizens. Individual categories were chosen because they are the main income sources from traffic, but also because they are obvious examples how they can influence policy economy and vice versa. The most profitable sources such as consumption tax on fuel and toll collecting are dramatically influenced by politics. Also they are most frequently and most strongly affected by the legislation. Less profitable sources, such as road tax, in essence, are not subject to pressure of policy or affect policy itself. The work shows increasing tendency of car accident amount, which is one of the consequences of low investment level in building of road infrastructure.

2 Key words

Municipal police, Police of the Czech Republic, Fines, Tax, Fee, Antiradar, Toll system, Car accidents, Traffic

3 Objectives of thesis

The objective of this thesis is to evaluate how the policies affect the economy in road transport and vice versa, as the economy can influence policies up to the regional level and how current situation affects road traffic participants, i.g. drivers. Another objective is to show how these policies encourage police to use unlawful methods to increase income.

4 Methodology

Information about issue were mainly from Acts no. 16/1993 Coll. road tax, no. 353/2003 Coll. consumption taxes, no. 361/2000 Coll. road traffic, and no. 553/1991 Coll. municipal police. Additional information gathered from available literature, internet sources and public institutions on the basis of requests for information with reference to Act no. 106/1999 Coll. free access to information and data about speed measuring methods and antiradars were obtained from the exclusive distributor of radar detectors of majority of world producers. By using deductive method on acquired data with focus on how policies affect economic indicators in transportation, how much can the economy influence policies and also how these policies can influence behaviour of traffic participants were evaluated realistic issues.

5 Main findings

Toll system income in 2012 reached nearly 720 million CZK per month however costs were nearly 360 million CZK per month. 50% of income is paid to cover costs.

Road tax income in period from 2003 to 2013 was in average 5.45 billion CZK per year. Income in period from 2010 to 2013 was in average 5.254 billion CZK per year. Difference in averages is 0.196 billion CZK per year which reflects economic crisis in 2009.

Car accidents costs in 2010 reached 53 billion CZK. Amount of car accidents reached 75 522 that year, respectively 75 522 car accidents were reported and recorded. Damages of these car accidents were thus higher than 100 000 CZK. If there was no increase of damage limit in 2009, costs would probably be twice as high as they were.

Investments in building road infrastructure were in 2012 nearly 16 billion CZK. If these investments are converted to 1990 price level, it is 3.204 billion CZK. That is only by 0.114 billion CZK higher than it was in 1990. However investments in 2009 when economic crisis appeared were 38.452 billion CZK. In 1990 price level it is 7.621 billion CZK. This results in decreasing of quality of road infrastructure. From 2003 to 2012 was invested 309.374 billion CZK, that is in average 30.938 billion CZK per year.

Automatic surveillance devices income is classified information due to close connection to traffic offenses and protection of personal data. However costs of these devices are available. Cost of 1 device is 1.3 million CZK. In Czech Republic is 87 area speed measuring devices, 31 stationary radars and 47 red-sign cameras. Costs of area speed measuring devices are 113.1 million CZK, stationary radars cost 40.3 million CZK and red-sign cameras cost 61.1 million CZK. Total costs paid reached 214.5 million CZK.

Effort to obtain finances and increase income can be seen everywhere and in many cases goes this effort side by side with illegal or unlawful practice. This applies not only to private companies but also to municipal police. Municipal police officers are using citizen's ignorance of legislation to obtain finances. They are consciously unlawful methods to do it.

6 Conclusion

Toll collection seems to be very profitable, but the efficiency is low. What cannot be evaluated is the contract with Kapsch from the legal view, but even to the layman it must be clear that revenues for the operator of toll gates are unreasonably high.

To road tax, specifically to its rates and selection cannot be said anything negative. Its amount is balanced in all categories of vehicles and one can say that it is not subjected to criticism. Apparently this is also a prerequisite for almost 100% collection and minimum of irrecoverable arrears.

Consumption tax on fuel is the exact opposite the road tax. Speculative recent increase of this tax did not bring the expected result by Czech politicians. However, it brought the expected results by renowned economists. Sales of fuel have significantly dropped, mainly due to the reduced number of foreign customers. Thanks to this state lost and continues in losing of large amounts of money.

Investments in building of road infrastructure are nearly at same level as in 1990. Due to poor quality of roads and its repairs, state is paying for same roads and highways every year. This leads to lack of invests in building new roads. That is also reason why road infrastructure in the Czech Republic cannot keep pace with increasing amount of vehicles which is main reason of increasing traffic density.

Fines as a source of finance should be evaluated in two levels. The first is income of Police of Czech Republic. Police of Czech Republic mainly deals in road transportation with accidents. The fines imposed in these cases rather cover the cost of its own act, i.e. departure of patrols and administration associated with the accident records. In this case, it is an activity paid from the state budget aimed at supervising of compliance with the law in general. In many cases municipal police behaves somewhat differently. The truth is that in some cities are activities of police officers not seen and if so, it is precisely during imposing fines for traffic offenses solved only by automatic systems. If a municipality wants to avoid offenses in their cadastre and increase safety on the roads, police officers should be seen more on the streets and causing mainly preventive. This could lead to a reduction in the number of offenses and lower income for municipality, but it would definitely raise respect to municipal police in the eyes of the citizens and also would improve view on the activities of police officers. In this case, political pressure on the economical aspect of activities should go to seclusion.

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