

Czech – Liechtenstein TODAY



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A QUARTER CENTURY OF THE PRINCE OF LIECHTENSTEIN'S RULE

Prince Hans-Adam II has secured his country the second highest standard of living in the world.

On 14 February, H. S. H. Prince Hans-Adam II celebrated 70 years since his birth. And the Prince of Liechtenstein can afford a truly grand celebration. Under his more than 25 years of rule, the country's GDP has grown by 200 percent and this small principality with 38 thousand inhabitants has become the country with the second highest standard of living in the world.



Reigning Prince Hans-Adam II of Liechtenstein on an official photography

Hans-Adam was born on 14 February 1945 in Zurich as the first-born son of Liechtenstein's Prince Franz Joseph II. A period of particular difficulty was beginning at that time. Although Liechtenstein had been neutral in both World Wars, and had not recognised the formation of the Protectorate of Bohemia and Moravia, all Liechtenstein citizens with property in Czechoslovakia were classed as German in 1945, and their movable and immovable property was confiscated.

As such, the Liechtensteins lost 80 percent of their property and the family and state found themselves in deep financial crisis. Czechoslovakia and Liechtenstein did not recognise each other for more than 60 years and more. The Liechtensteins overcame the financial crisis at the end of the 1960s, having been forced to sell some of their land in Austria and some valuable works in their art collections before.

In 1970, Hans-Adam's father entrusted him with the reorganisation of the family property management, which included extensive land and woods in Austria, the war-damaged Vienna Palaces and extensive art collections. He collected the family property together in the Liechtenstein Global Trust foundation.

The family's property began to grow, and is now estimated to be worth four to six billion Euro. At the same time, their reorganised Bank in Liechtenstein, owned by the Princely Family, under its new name, LGT Bank, became a respected private bank which over time expanded into more than a dozen countries throughout the world.

Another of Hans-Adam's tasks was to prepare for taking over the role of Head of State, which was why his father named him Regent in 1984. The Crown Prince fulfilled all the tasks of a reigning Prince. In October 1989, his mother died, followed less than a month later by his father. The prince became the Head of State – Hans-Adam II, Reigning Prince of Liechtenstein.

Despite the initial resistance of politicians and some voters, he succeeded in 1990 in ensuring the country joined the UN and European Economic Area, which was of strategic importance for a country very dependent on export. Vaduz opened additional embassies.



Prince Hans-Adam on picture from 1974 year

For practically the whole of the 1990s, the Prince faced demands that his powers be restricted. Some extremist politicians wanted to turn him into just a formal sovereign whose only task would be to represent the country. Hans-Adam II, however, preferred a direct democracy to balance a short-term interests of politicians, protect minorities and above all the long-term interests of the country and its citizens. Were he not to receive these powers, he was prepared to give up his rule and move with his family to Austria.

The crisis was solved on 16 March 2003 with a referendum in which the majority of citizens declared themselves in favour of expanding the Prince's role. The Prince is able to veto any law.

Citizens are entitled to propose and decide on laws and to decide on international treaties. The new constitution also includes the possibility for the people to take a vote of no confidence against the Prince.

From the beginning of the 1990s, Prince Hans-Adam II has been pushing for the decentralisation of political power to the level of municipalities. He considers the optimal state to be one in which the state only performs those functions

which no-one else is able to do better, such as defence, foreign policy and the judicial system. He also places great importance on education, Liechtenstein's education system being one of the best in the world. In 2012, the average salary in Liechtenstein was 6380 Swiss francs, while workers in the education sector received 9365 francs monthly. This is roughly a thousand francs more than in the domestic finance sector, for example. It is because of these high salaries that schools are able to choose the best teachers.



Prince Hans-Adam II and Princess Marie (2012)

Last November, the Prince celebrated a quarter century of his rule. That time has been marked by a rapid increase in the country's economic level, also by a growth in population. Gross Domestic Product has rapidly grown since the 1970s, with industrial sector in particular responsible for the growth. Under Hans-Adam II's rule, GDP has increased by more than 200 percent, and the country has jumped to second place in the country rankings in terms of GDP per citizen (150,000 USD/citizen, 2013). Only Monaco is ahead of Liechtenstein. Czech Republic is on 36th rank with 28,770 USD/citizen, 2013).

Around 38 percent of GDP is now accounted for by engineering, which is 10 percentage points higher than in Germany, for example. The sector employs almost 40 percent of employees. More than four thousand companies are headquartered in the country, of which approximately 600 are involved in industry. Statistics from 2013 state, however, that there were just 17 companies in the country with more than 250 employees, and 85 with between 50 and 249 employees.

Compared to Switzerland or Luxembourg, the financial sector is very small – the overall balance sheet total comes to 'just' 120,2 billion Swiss francs (2013). The financial sector takes up a 24 percent share in creating GDP. Its importance for the country's economy has been falling since 2008 when the country was faced with scandal after the data of clients of LFT trust funds were stolen by a former bank employee.

A minimum of bureaucracy, and comprehensible and quickly enforceable laws enable low taxes. This, along with the high level of education, social and health care and the country's favourable location all ensure the Principality is highly attractive for investors and citizens. The population has

grown over the last 25 years by roughly a quarter to the current figure of 38 thousand. An increasing number of foreigners with long-term residence are partially responsible for this growth, now making up 1/3 of the population, a figure which was just 16 percent in 1945.

In 2013, 36 224 employees worked in Liechtenstein, of whom more than half commuted from surrounding countries (90 percent from Switzerland and Austria).

LIECHTENSTEIN BUSINESS DAY AT THE UNIVERSITY OF ECONOMICS, PRAGUE

On **29 April 2015 from 12.45 pm**, Liechtenstein Business Day is to take place at the University of Economics, Prague (VŠE). The objective of this seminar is to familiarise its participants with the economic and business policies of Liechtenstein. The seminar is open to the public.

Giving talks at the seminar will be:

- Petr Dvořák, VŠE Vice-Rector
- Georg Sparber, Counsellor for the Embassy of Liechtenstein in the Czech Republic

SUCCESSFUL YEAR FOR HILTI

Vaduz 9 January 2014: Liechtenstein company, Hilti, achieved exceptionally good business results for 2014. With revenue growth of 7.5 % to 4.5 billion Swiss francs, the company's operating profit rose by 27 % to 536 million francs. Hilti's net profit reached 426 million Swiss francs (+40%). Revenues increased in Europe by 3.5 %, in North America by 9.5 %, in Latin America by 14.6 %, in Eastern Europe, the Middle East and Africa by 14.9 % and in Asia by 10.6 %. Hilti employs about 20 000 people abroad, of which about 160 are in the Czech Republic.

HISTORIC ASSOCIATION LIECHTENSTEIN ELECTORAL GENERAL MEETING

Prague 6 February 2015: On 6 February 2015, HSL's General Meeting took place. This meeting of members was also electoral. The General Meeting was quorate. All participants approved the Chairman's report on HSL activities and its proposal for activities in 2015-2019. The report and action plan up to 2019 are available on the association's website: www.hs-liechtenstein.cz in the section 'O nás' (About Us).

BOOKS AND MAGAZINES

Vyškov Proceedings VIII

Matouš Jiráček is the author of the article Jubilee Monuments of Prince Johann II of Liechtenstein, which discusses the so-called Jubilee Stones of Prince Johann II (1840-1929) in detail. These stone monuments were built in woodland in all the Liechtensteins' estates within the Lands of the Bohemian Crown and in Austria to commemorate the 40th and 50th

Unemployment in the country is of the order of 2.3 percent. A further 30 thousand people are employed by Liechtenstein companies abroad, including in the Czech Republic (220 employees, 1 bil. CZK turnover).

The Principality has no debt; in fact the country and municipalities have created large reserves. Although the state budget has been in deficit since 2010, this deficit is paid for using state reserves built up in previous years.

- Pavel Juřík, HSL (Historic Association Liechtenstein) Chairman
- Josef Zeidler, Hilti Czech General Manager
- Petr Bohuslav, Hoval s. r. o. General Manager
- Tomáš David, Czech Top 100 General Secretary

You can find the seminar programme at www.vse.cz and www.hs-liechtenstein.cz

Hilti is a world leader in the small and large construction tools, equipment and other technology sector. The company was founded in 1941 in Liechtenstein by brothers, Martin and Eugen Hilti.

The family foundation, the Martin Hilti Family Trust is a major European sponsor of science, culture, education and social projects. www.hilti.com

The Executive Committee was elected in its prior composition for the next five-year electoral period:

Chair:	Ing. Pavel Juřík
Deputy Chair:	PhDr. Marek Vařeka, Ph. D.
Executive Committee members:	PhDr. František Honzák, JUDr. Ondřej Horák, Ph. D.

anniversary of his rule. Most of them remain preserved today.

Proceedings of the Moravian Provincial Archive in Brno, State District Archive - Vyškov, 2011, pg. 95-211
Further information on the so-called Jubilee Stones can also be found at: www.jubilejnikameny.euweb.cz

Zprávy památkové péče (National Heritage Institute report) no. 74/2014/4

On the basis of a study of extensive photographic material, authors Andrej Žiarovský and Valburga Vavřínová look at the life and career of Johannes, Prince of Liechtenstein (1873-1959) in the article 'Kapitán řadové lodě válečného c. a k. námořnictva Johannes von und zu Liechtenstein svědectvím objektivu' (Ship-of-the-line Lieutenant Johannes von und zu Liechtenstein of the Imperial and Royal War Navy through the lens). The Prince served in the Austro-Hungarian Navy where he worked his way up the ranks thanks to his leadership and tactical abilities (as Commander of the S. M. S. Csepel destroyer) and achieved the rank of Ship-of-the-line Lieutenant.



Prince Johannes of Liechtenstein in photographs from the beginning and end of his naval career (1918)

For victory in the Battle of the Strait of Otranto (14. 5. 1917), he received an Order of the Iron Crown, 3rd Class with military decorations. Because of his popularity and authority amongst sailors, he managed to keep a revolt under control in the Bay of Kotor. Shortly before the dissolution of the monarchy, he was accepted as a Knight of the Order of the Golden Fleece by Emperor Charles I. He lived at the castle in Zahrádky until 1945.

National Heritage Institute, Zprávy památkové péče, year 74, no. 4, 2014, pg. 329-338

Marie Nostitzová, watercolour as witness

The watercolours painted by Countess Marie Nostitzová (1902-1980) mainly show interior and exterior scenes of the Notstitz family residences, and also their family and friends. Of these, we particularly appreciated a 1942 watercolour depicting the relaxed family atmosphere at her Aunt Marie's. In the picture, we can see the lounge of Zahrádky Castle near Česká Lípa, where Princess Marie and Prince Johannes and Emanuel of Liechtenstein are reading.

Jan Štěpánek, Marie Nostitzová, watercolour as witness
Machart publishers, Czech and German edition, 2013, 48 pages, price 179 CZK.



UNDER PREPARATION

THE LIECHTENSTEINS IN THE CZECH LANDS, A brief history of the Princely Family of Liechtenstein and the Principality to the present day, Pavel Juřík, 32 pages, Czech, English and German edition

This publication, issued for the 70th birthday of Liechtenstein's Reigning Prince Hans-Adam II, provides basic information for those interested in the history of the Liechtenstein family and country on the basis of the latest findings of Czech and international historians. – The publication will be free to download from the HSL website at the end of April.

THE LIECHTENSTEINS, The History and Estates of the Princely Family, Pavel Juřík, Libri, 380 pages, published in Czech

This book follows on from the author's successful publication, 'Moravská dominia Liechtensteinů a Dietrichsteinů / Moravian Dominions of the Liechtensteins and the Dietrichsteins' (Libri 2009). The latest findings of historians on their early and modern history is included, described right up to 2014.

The book now also includes information on the family's estates in Silesia (the Opava and Krnov/Jägerndorf districts) and more detailed information on the confiscation of property from Liechtenstein citizens in Czechoslovakia in 1945. – The book is to be published in May 2015 – information on the book launch can be found on the HSL website.