**[President to appoint Babiš prime minister ahead of referendum outcome](http://www.radio.cz/en/section/news/president-to-appoint-babis-prime-minister-ahead-of-referendum-outcome)**

[President Miloš Zeman will appoint ANO leader Andrej Babiš prime minister before the outcome of the Social Democratic Party‘s referendum on whether to enter into a coalition with ANO.
President Zeman announced his intention in an interview for Czech Television on Monday, saying the appointment would take place before June 15.
He said he had decided in favour of such a move in order to step up the pressure on the Social Democrats to enter into a coalition with ANO and speed up the formation of a new government.
Mr. Zeman said he expected Andrej Babiš to produce a new cabinet line-up by the end of June at the latest.](http://www.radio.cz/en/section/news/president-to-appoint-babis-prime-minister-ahead-of-referendum-outcome)

[**Central bank governor: Price of flats overinflated by 15 percent**](http://www.radio.cz/en/section/news/central-bank-governor-price-of-flats-overinflated-by-15-percent)

The price of flats in the Czech Republic is overinflated by around 15 percent, Czech National Bank governor Jiří Rusnok told the news site idnes.cz.
The governor said the central bank was keeping a close eye on prices on the housing market since mortgages make up around 60 percent of all loans granted to households.
Mr. Rusnok said he would address the issue in greater detail at a press briefing on June 12th.

[**Brno theatre fest to get lower subsidy over controversial plays**](http://www.radio.cz/en/section/news/brno-theatre-fest-to-get-lower-subsidy-over-controversial-plays)

[The South-Moravian region has indicated it will cut the planned subsidy to the Festival Theatre World Brno because of two controversial plays performed within this particular cultural event.
Spokeswoman Monika Brindzáková told the ctk news agency on Monday that governor Bohumil Šimek would propose exempting the two controversial theatre plays from the subsidy package.
They are the Croat play Our violence, Your Violence, which caused protests in Brno on Sunday and the play Damnation, both directed by Oliver Frljich.
The head of the National Theatre Brno, Martin Glaser, who slammed the show of intolerance during a performance of the play Our violence, Your violence on Sunday night, said this would not present a problem since the plays would be covered by a subsidy from the Czech Ministry of Culture.](http://www.radio.cz/en/section/news/brno-theatre-fest-to-get-lower-subsidy-over-controversial-plays)

[**Smoking ban supported by 71 percent of Czechs**](http://www.radio.cz/en/section/news/smoking-ban-supported-by-71-percent-of-czechs)

[A tough smoking ban in pubs and restaurants, which went into force a year ago, is supported by 71 percent of Czechs, according to the results of a poll carried out by the Ipsos polling agency in cooperation with Charles University. Twelve percent of respondents were vehemently against the ban. Over 1,000 people were surveyed.
Surveys suggest that around a quarter of Czechs still smoke. The Constitutional Court recently rejected a complaint against the smoking ban on the grounds that it restricted the rights of individuals and entrepreneurs. A recent move to soften the ban in Parliament also failed.](http://www.radio.cz/en/section/news/smoking-ban-supported-by-71-percent-of-czechs)

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**Social Democrat Štěch for pulling out of coalition deal with ANO over Poche**

Senior Social Democrat Milan Štěch says the party should pull out of a deal with ANO to form a coalition if it is broken before it can even come into effect. The speaker of the Senate was responding to ANO leader Andrej Babiš’s refusal of the Social Democrats’ nominee for the post of foreign minister, Miroslav Poche.

Mr. Babiš said ANO would not accept Mr. Poche just after the membership of the Social Democrats voted in an internal ballot to enter a minority coalition with ANO.

Such a government would be backed by the Communists, who also reject Mr. Poche as foreign minister. President Miloš Zeman is likewise opposed to the MEP’s nomination.

The chairman of the Social Democrats, Jan Hamáček, says Mr. Babiš had been aware that Mr. Poche was their candidate. Mr. Hamáček says his party have done all they can to reach a coalition deal and have no room to make further concessions.

US President Donald Trump has threatened to impose tariffs on an additional $200bn (£151bn) of Chinese goods in a growing trade row.

Mr Trump said the 10% tariffs would come into effect if China "refuses to change its practices".

The move would be a major escalation of the dispute, which threatens to take the US and China into a trade war.

China responded by accusing the US of "blackmail" and saying it would match any further tariffs.

Mr Trump insists that China has been unfairly benefitting from a trade imbalance with the US for years.

Last week, he announced the US would impose 25% tariffs on $50bn worth of Chinese goods.

Beijing responded by saying it would hit 659 US products worth $50bn - including agricultural products, cars and marine products - with a similar tax.

Mr Trump said in a statement on Monday night that by retaliating, China was "threatening United States companies, workers, and farmers who have done nothing wrong".

Asian markets sank on Tuesday in response to the latest news. [**Stock markets had already fallen on Monday**](https://www.bbc.com/news/business-44524533) amid fears of a further deterioration in US-China trade relations.

In his statement, the US president said that he had asked his trade advisers to identify additional Chinese products on which to impose new tariffs.

The White House said it would consult on tariffs on the further $16bn of products, and would apply these later.