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ENTREPRENEURSHIP 2020 ACTION PLAN: WHO WANTS TO BE AN ENTREPRENEUR?

The number of people wishing to set up their own business declines in the EU. As numerous surveys show, the number of EU citizens who want to be their own bosses dropped from 45 per cent in 2009 to 37 per cent in 2012 and this number is expected to go even further down. Although the number of entrepreneurial aspirants declines also in other world economic centres, the drop in the EU is more evident. For these reasons, the European Commission decided to come up with a new strategy formulated in Entrepreneurship 2020 Action Plan. One of the main goals of the Action Plan is to improve the image of entrepreneurs in the society and increase attractiveness of entrepreneurship among EU citizens, as it is the most powerful driver of economic growth. Therefore, the Action Plan includes policy measures that should simplify the whole process of setting up a business from access to finance to business transfer facilitation and second chance for honest entrepreneurs after bankruptcy. Furthermore, it focuses on unleashing the entrepreneurial potential in certain specific segments of the population, like women, seniors or unemployed. Czech business and employers´ associations together with the European ones generally welcome the launch of the Action Plan. They agree that it is crucial to contribute to creation of environment that stimulates entrepreneurial potential. Above all, Czech business organizations especially appreciated the emphasis given to entrepreneurial education on all levels, from basic schools to universities. This measure is also important to change the way young Europeans perceive self-employment and to bring up new generation of entrepreneurs. The focus on ICT and innovative businesses that show much higher growth rates is also appreciated. However, as the business organizations stress, the new Action Plan should not in any case undermine the initiatives that are already in place, especially Small Business Act and Single Market Act I and II. SME support initiatives should not overlap each other as it could disintegrate the efforts and jeopardize the outcome of all these initiatives. The measures presented in the Action Plan are not revolutionary by themselves however, if implemented properly, they could revolutionize the EU entrepreneurship in the future.

CZECH PUBLIC PROCUREMENTS ACT NEEDS TO BE CORRECTED

Public procurements play a key role in improving entrepreneurial environment and conditions for business innovation, while research and development are crucial for increasing the competitiveness in the whole EU. The amendment of Public Procurement Act, which aimed to improve the system of public procurements in the Czech Republic and reduce the risk of corruption, came into force on the 1st of April 2012. By improving the corruption and transparency aspect, it also introduced certain measures that complicate the whole process, e.g. insufficient definition of price/quality ratio for assessment of final products or the necessity to cancel the tender in case of unique contractor. This is more the case in the R&D sector. There are few exceptions for public procurement in the field of R&D, but certain conditions have to be met. For example, the product of the procurement has to be used solely for the purpose of research and development and procurer is not allowed to have any profit of it. Overall, profitability of procurers is the main reason holding the public procurement contracting in this field back. Unfortunately, Czech law doesn't allow using the pre-commercial procurement (PCP) by the Technology Agency of the Czech Republic. Therefore a possible separation of PCP instrument from public procurement framework could be helpful. Taking into account that public procurement rules are currently being revised on EU level, it is clear that the Czech Public Procurement Act will also have to undergo the changes in the near future. Necessity for changing the Act was endorsed by participants of CEBRE debate held in Prague on 12th February 2013.

CEBRE was founded in 2002 by the three most important Czech business organizations - Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.

www.komora.cz

www.spcr.cz

www.kzps.cz

www.czechtrade.cz

News FLASH

>THE CZECH REPUBLIC SIGNED THE EU PATENT AGREEMENT

On February 19th, Czech Minister of Industry and Trade Martin Kuba signed the Agreement on a Unified Patent Court. Besides Spain opposing the EU patent for a long time, Bulgaria and Poland haven't signed the agreement yet. The next step to enforce the patent package is the ratification of the Agreement.

>DRAFT PROTOCOL ON THE APPLICATION OF THE CHARTER ADOPTED

On February 19th, the Committee of the European Parliament on Constitutional Affairs gave the green light to the Draft protocol on the application of the Charter of Fundamental Rights of the European Union to the Czech Republic.

>€20.5 BILLION FOR CZECHS IN THE NEXT MFF

At February European summit, the Council agreed on €960 billion for the Multiannual Financial Framework 2014-2020. The negotiated sum for the Czech Republic is of €20.5 billion, which is of €900 million more than proposed.

>MULTINATIONAL COMPANIES ATTRACTED BY THE CZECH REPUBLIC

More and more multinational companies choose Prague and other Czech cities as the place of their regional headquarters. The main reasons for their choice are advantageous location, good industrial base and technical workforce.

TOBACCO PRODUCTS DIRECTIVE: TO BAN, OR NOT TO BAN

At the end of the last year, the European Commission launched a public consultation on the revision of the Tobacco Products Directive. It was one of the most followed public consultations and the number of contributions reached approximately 80 000. As expected, the outcome of the consultation in the form of new directive proposal triggered a wave of contradictory reactions. The last version of the Tobacco Products Directive was introduced in 2002 when many of current tobacco products were not available on the market, which is reflected in the new proposal. As one of the new measures, the proposal bans slim and flavoured cigarettes, which are very popular in some markets, tend to be more attractive for young people and often are the first experience of youngsters with smoking because they create an image of being less harmful than normal cigarettes. In addition, the new directive proposes to increase the pictorial health warning to 75 per cent of the package and also imposes ban on some smokeless tobacco products and roll-your-own tobacco, and restricts the use of electronic cigarette. As expected, the directive proposal received a very cold welcome from the business community that puts on a table several arguments against the proportionality of the proposed measures. Firstly, tobacco products are excluded from the internal market rules as consumption tax is applied to them and they have several other specifics related to their sell and advertising that are regulated on national level. Therefore, business community doesn't find the proposal to further regulate these issues on EU level effective and necessary. Secondly, the proposal is very strict and doesn't give member states almost any space to adapt to specific market conditions in every country. Thirdly, public health traditionally falls within competences of member states and each state should define its own policy in this area. In this matter, the proposal in fact restrains member states from creating their own policy of reducing the negative impact of tobacco products. In addition, there is also a threat that plain packaging could boost black market, because it will be easier to falsify it. The increase of smuggling is imminent especially at the eastern border of the EU. Furthermore, this measure could significantly harm one of the most important competitiveness tools of EU companies, which are their trademarks and discourage international investors from investment in the EU. According to industry representatives, such an approach is not in line with Europe 2020 strategy, which claims to protect intellectual property rights of European industries. Let's see how the European Parliament will receive the proposal, where the decision-making process moves now and where it will certainly unleash another round of heated debate.

EESC CORNER: MEDICAL DEVICES AND NEW EUROPEAN LEGISLATION

European Economic and Social Committee adopted at its plenary session the opinion on the Commission's package of proposals to improve control over the manufacturing and marketing of medical devices and diagnostic medical devices in vitro. The proposals are a response to particular hardships caused to tens of thousands of women due to the use of improper silicone breast implants. This raised legitimate public clamour for stricter requirements for the approval of medical devices in Europe. The EESC welcomed the proposal to establish effective rules to strengthen the approval procedures prior to marketing and for surveillance after launch. We supported the proposed legal form of "regulation" rather than "directive" to prevent a different interpretation of the rules by individual Member States, to bring to European patients greater equality as well as a level playing field to suppliers. European approval system for medical devices is decentralized in contrast to the U.S. system. Some representatives of various civil society organizations are calling for the introduction of a similar centralized system in the EU. The comparison of the two systems, however, shows the advantages of the European solution. The average time of approval of new medical devices in the U.S. is about 43 months longer. Experience has shown that it does not guarantee more stringent requirements for these products, because the U.S. Bureau decided only on 22 cases differently from European authorized bodies during last few years. Medical device industry is one of the few areas where the EU has a technological lead over the U.S. thanks to the flexible authorization system. Many American manufacturers therefore transferred its production capacity to the EU. A major contribution of the system is a faster access to the latest medical technologies. The introduction of a centralized system would cause delays in access to new therapeutic methods, which would harm patients, without thereby increasing their protection. EESC supports the highest standards approval process for the high-risk medical devices and diagnostic medical devices in vitro before launching them in the market. Their safety must be demonstrated by reliable results of appropriate clinical trials and investigations. Repetition of fraudulent replacement of material for breast implants, which was a criminal act, cannot be avoided by the centralization of the certification process but only through rigorous inspections of the manufacturing process by the supervisory authorities.

Ivan Voleš
Member of the EESC – Group I, co-rapporteur on SMA II

JAN BŘEZINA

Member of the European Parliament's Committee on Industry, Research and Energy

"Existing legislation on public procurement is already quite complicated and there are a number of local and regional governments and SMEs, which face significant difficulties in an attempt to properly use it. I am therefore convinced that the rules for the award of public procurement should not apply to public procurement in the pre-commercial phase."

CEBRE CALENDAR:

- Business Breakfast: "Is strict regulation always the best?" – 19th March 2013 (Brussels)
- Debate "Is the REACH revision necessary?" – 30th April 2013 (Prague)