

# Czech

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## YOUNG GENERATION CARES ABOUT ITS FUTURE



In Europe, young people are three times more likely to be unemployed than adults. According to the EUROSTAT data from January 2014, almost 5.556 million young people (under age of 25) were unemployed in the EU-28. At the beginning of May, the European Parliament opens its doors to approximately 5,000 young Europeans within European Youth Event 2014. Students and graduates from all the corners of Europe will gather to discuss ideas about young people's concerns, dreams and future perspectives which will be provided to the newly elected MEPs in June. Czech university students and graduates in cooperation with CEBRE also take part in the event and prepare studies and recommendations on how to improve employment of young people. According to their findings, insufficient level of experience is one of the main reasons why young people are disadvantaged on the labour market. Czech students and graduates suggest some solutions. First, universities and businesses should establish a close partnership on providing students with practical experience which would lead to an effective bridge between gaining theoretical knowledge and practical skills during studies.

Business community should also work closely with academia on shaping educational programmes that would reflect the needs of labour market. Universities should create career centres helping students to choose their career and a new job; incorporate internships as an obligatory part of the last year of university studies to provide students with work experience and contacts and last but not least issue an informal assessment of students' practical knowledge, experience and activities as a part of the final diploma. In their recommendations, Czech students have also identified barriers to youth in setting up a business. In their view, students should be taught how to set up their own business through business development courses. Universities should also set up advisory centres for young entrepreneurs. Furthermore, all useful information about the legislative framework, access to finance and administration should be gathered in one online source. More findings and recommendations of Czech students, based on conducted studies, will be presented at workshops during European Youth Event in Strasbourg on 9<sup>th</sup> and 10<sup>th</sup> May 2014.

## RECOVERY OF THE EU INDUSTRY WILL ENSURE JOB CREATION

*My opinion on the changes of the current labour market leading to job creation is very clear and precise. I am convinced that job creation can be ensured by the recovery of the EU industry which creates long-term sustainable jobs and room for development of follow-up services. Another important stimulus is the interconnection between educational systems and labour market needs so that the employment offices were no longer crowded with graduates with no hope of employment in their fields feeling the urge to be retrained again soon. The encouragement of cooperation between schools and employers and support of the so-called dual system of education (combining*

*theory and practical training in companies) plays a very significant role, too. I also want to stress greater support to flexible forms of work for parents of young children and working persons over 50 years of age. And last but not least I believe it is the adjustment of the minimum wage to make work pay off instead of receiving benefits, and the strengthening of labour inspection and other mechanisms to combat undeclared work that would definitely make the difference.*

Richard Falbr, Member  
of the European Parliament



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.



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## News FLASH

### >PRESIDENT HERMAN VAN ROMPUY VISITED PRAGUE

On the occasion of the 10<sup>th</sup> anniversary of entering the EU, President of the European Council Herman Van Rompuy visited Prague. During his stay he spoke about the 2004 EU enlargement and met with Prime Minister Sobotka and President Zeman. Despite signs of recovery, he pointed out high unemployment and the need to ensure sound public finances.

### >THE 5<sup>TH</sup> ANNIVERSARY OF EASTERN PARTNERSHIP

High Level Meeting on Eastern Partnership and its achievements during the last 5 years took place in Prague on 24<sup>th</sup> April. On behalf of the Commission's President Barroso, Commissioner Füle highlighted the importance of the Eastern Partnership and the role of the Czech Republic in its creation.

### >SCEPTICISM OF THE CZECH GOVERNMENT TOWARDS CARD PAYMENT FEE CAPS

On 3<sup>rd</sup> April, MEPs voted for uniform capping of credit card fees at a maximum rate of 0.3% of the transaction value in order to reduce costs and therefore prices for card users. The Czech Government, nevertheless, remains sceptical.

# BUSINESS SAYS: WE BELONG TO THE EU!

The Czech Republic is celebrating 10 years since its accession to the EU and that is a good opportunity not only to look back and review, but also to look into the future. According to the survey presented during the conference on 30<sup>th</sup> April in Prague, conducted by the Confederation of industry of the Czech Republic and by Erste group among more than 250 Czech companies, around 75% of companies see clear positive effect on making business after joining the EU. Furthermore, they perceive the internal market as the biggest advantage of the enlargement. "We belong to the EU", reaffirms President of the Confederation of Industry CR Jaroslav Hanák. However, the Czech Republic hasn't made full use of its potential and has been losing its competitiveness. "The lost potential has its price", says Secretary of the State for EU Affairs Tomáš Prouza, adding that, if the Czech Republic had been a member of eurozone, Czech economy

would have been growing faster each year from 0.6 to 1.2%. The newly elected government is more significantly inclined to the EU than the previous one and current Prime Minister Bohuslav Sobotka reassured President of the EU Herman van Rompuy that the Czech Republic is willing to adopt euro in the coming years. Approximately three quarters of Czech companies would welcome it. Furthermore, the Czech Republic needs to be more involved in shaping EU and its legislative process. "Czech Chamber of Commerce is following closely EU legislative proposals and supports Czech businesses through its Brussels' representation, as nearly 70% of Czech legislation is based on EU laws", points President of Czech Chamber of Commerce Petr Kužel out. This is also closely related to the need of having more representatives in key positions in the EU institutions, agrees Czech government with businesses.

## EESC CORNER: YES FOR REINDUSTRIALISATION OF EUROPE



April plenary of the EESC adopted its opinion on European industrial renaissance. The economic crisis has demonstrated the importance of industry for economic stability, employment, innovation and the international performance of European economies. Industry accounts for over 80% of Europe's exports and 80% of private research and innovation. About 15% of jobs in the EU are in industry; in addition, each industrial job creates up to 1.5- 2 jobs in other sectors. Moreover, industrial jobs are nowadays high-quality jobs and wages are above the average. Industry is not an aim in itself, but a vehicle for employment and for maintaining good standards of living. The EESC welcomes the Commission's communication "For a European industrial renaissance" (COM/2013/14), coming as it does against the backdrop of economic crisis and increasing concern about the competitiveness of European industries. The challenges facing industry are not dwindling - quite the opposite. The global business environment is continually changing, and at an ever faster pace that our companies need to be able to respond to. Without competitive industry, Europe will not be able to secure higher growth and more jobs. In light of the serious situation, the EESC would have expected a stronger set of proposals for EU industrial policy with a clear vision and urgent measures. Clear messages are needed to convince businesses that Europe will be an attractive region for new investments in the future. The communication now covers few new features compared with the 2010 and 2012 communications. It is mainly a stocktaking of past and planned action in the main priority areas of industrial policy, as set out above. This reveals much unfinished work and

underlines the need for implementation at both EU and Member State levels. The EESC supports the communication's conclusions, including the 20% target for industry's share of GDP, although it would qualify its support for this: the 20% target is purely quantitative, while it would be more in line with EU aspirations for socially and environmentally sustainable competitiveness to add qualitative aspects. The 20% target should be accompanied by other targets, which the EESC calls on the Commission to explore further, in particular reflecting issues which will provide added value in an international context. The EESC particularly welcomes the Commission's clear message on the importance of European companies' integration into international value chains. In reality the highly specialised, very complex and dynamic nature of industrial activities today could be better described as value networks. Companies are globally competing for key positions in these networks. The goal of European industrial policy should be to enhance European companies' possibilities of achieving such key positions and to maximise the value capture for Europe. Greening European industry is necessary as a priority and seems to be progressing well, even if it has not delivered the new jobs expected. Greening alone is, however, far from enough to ensure industrial growth and jobs. What Europe needs is a move towards more knowledge-based and new technology-based, higher value-added, competitive and sustainable industrial and service sectors.

Vladimíra Drbalová,  
EESC Member – Employers Group,  
Vice President of SOC Bureau



## EU-JAPAN

### FTA: OFFERS EXCHANGED

At the beginning of April, the fifth round of negotiations between the EU and Japan concerning the free trade agreement took place in Tokyo. As the review after the first year of negotiations is rapidly approaching, the importance of negotiating rounds has gradually increased. As a result, offers on the market access of trade in goods were exchanged between both sides. The main interest of Japan in this area is to eliminate EU tariffs in automotive, especially auto parts. In exchange, the EU demands to cut duties in eight areas, some of which are related to food products, especially wine and cheese. Other aspects of the deal, like customs procedures, technical and non-tariff barriers to trade, sanitary and phytosanitary measures, rules of origin, investment or intellectual property rights, were discussed as well. Given that two economic giants sit on each side of the table, the negotiations have been so far rather cautious and especially the Japanese side was criticized several times for not proceeding quickly enough in the talks. That is also why European stakeholders pushed the Commission to implement the so-called review clause in the negotiating mandate, given the EU the possibility to suspend the negotiations if Japan does not make sufficient effort to remove non-tariff barriers. Although there has been some progress on the Japanese side in eliminating certain non-tariff barriers, EU businesses are still not sufficiently convinced by Japanese commitment in the negotiations. While there are some good examples, businesses point out that new barriers are being raised in the meantime. Not surprisingly, the automotive sector has been most affected, but there are also other examples, like railways, pharmaceuticals or electronics. Therefore, EU businesses see the review progress as a chance to push for a higher level of involvement in the negotiations and to progress more swiftly towards an ambitious agreement.

### CEBRE CALENDAR:

- Debate on "Labour Market Flexibility" – 13<sup>th</sup> May 2014 (Prague)
- Debate on "CSRs for the Czech Republic" – 23<sup>rd</sup> June 2014 (Prague)

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