

Czech BusinessToday.eu

Published by



volume XI, 5-2012

CZECH REPUBLIC HAS POTENTIAL!



Ten years ago nobody would imagine that the European Commission and the EU Member States could look under the hood of the other Member States' reform plans and give advice on its budgeting and basic reform steps definitions. This year is the second year when the Commission assess how the EU member countries achieve the goals of the Europe 2020 Strategy and consolidate their public funding. So-called European Semester helps to coordinate economic policy and leads governments to implement national reforms and to balance expenditures and growth measures. But is growth the right medicine? How to boost growth in a time of crisis? These were the topics for discussion among representatives of the European Commission, Czech Parliament, Czech Government's Office, top Czech economists and representatives of various interest groups held on June 26th 2012 in Prague. The most important recommendations for the Czech Republic are aimed at long-term sustainable development, not only at short-term activities – fiscal consolidation, collection of taxes and tax fraud prevention, cooperation between universities and the

application sphere. Despite the fact that the Czech Republic has already made certain effort, it is necessary to continue in it. It includes especially public pension scheme to ensure its long-term sustainability and effective participation of younger workers in the envisaged funded scheme to improve adequacy of pensions. "Country-specific recommendations cannot be simply regarded as a criticism, but as a factual evaluation with the proposals of amending measures and their intensity," said Jan Michal, Head of the Representation of the European Commission in the Czech Republic. "By approving these recommendations – together with those for other member states – they voluntarily signed up to meet them," said Elena Reitano from the European Commission. According to Reitano, the Czech Republic is not among the problematic countries. "On the contrary, the country has a high potential which is necessary to support," she stressed. Jan Král, Head of European Policies Coordination Department of the Czech Government's Office, added that the country-specific recommendations of May 2012 are the result of discussions at the national level, including social dialogue.

CEBRE: 10 YEARS IN BRUSSELS' LOBBY ARENA

CEBRE – Czech Business Representation to the EU celebrates this year the 10th anniversary of its existence in Brussels. Apart from the celebratory evening held at the premises of Prague House, CEBRE also organized a business breakfast with Czech MEPs together with the top representatives of CEBRE founders' organizations. Celebrations were held on 4th and 5th June 2012 in Brussels. The ceremony held on 4th June was opened by the speech of the Czech ambassador to the EU, Her Excellency Milena Václavová, who thanked both organizations for cooperation, remembered their early days and wished them a lot of success in the years to come. In the morning of the following day, on 5th June, the representatives met with Czech Members of the European Parliament at working breakfast, which focused on "Competitiveness and growth", where they discussed current business environment and its future development in relation with EU policies. Mr. Oldřich Vlasák, Vice-president of the European Parliament, opened the debate by expressing his understanding for business sector, which often have a considerable difficulty to follow the flow of

the EU legislative proposals. In that regard he stressed the positive contribution of CEBRE – Czech Business Representation to the EU in Brussels, which improves the overall awareness of Czech entrepreneurial public and has become an established and trusted player in the European lobby environment. According to the MEPs, the Czech Republic also desperately needs the concept of strategic planning for the distribution of European funds, which is still missing. Top representatives of CEBRE founders' organizations during the debate emphasized business issues related to the internal market, mutual qualifications recognitions, energy efficiency, cohesion policy and support to innovation and technology transfer.



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

>CZECHS ARE BECOMING MORE OPTIMISTIC ABOUT THE CRISIS

According to the Spring 2012 Eurobarometer, there are signs that Europeans, including Czechs, are becoming less pessimistic about the crisis, with more people saying that the worst is behind us. 30% of Europeans think that the crisis' impact on the job market has already reached its peak.

>EU DISCUSSIONS ABOUT BETTER WASTE MANAGEMENT TO START IN PRAGUE

A new report on how Member States manage their municipal waste shows startling differences across the EU. The report grades EU countries against 18 criteria in areas such as total waste recycled, pricing of waste disposal, and infringements of European legislation. Implementation gaps will be discussed with national authorities at bilateral seminars this autumn, starting in Prague on 19th September.

>CZECHS ARE MORE DEMANDING WHEN CHOOSING FOOD

More than 90% of EU citizens find quality and price as an important factor when buying food, even more important than origin (71%) and brand (47%). According to the data released by Eurobarometer in July, 98% of Czech respondents take quality into consideration, 96% look at price and 80% at country of origin.

A NEW DIRECTION FOR INDUSTRIAL POLICY



The industrial policy flagship introduced by the European Commission in 2010 has set the roadmap for boosting competitiveness of European companies, creating new jobs and ensuring sustainable growth for the next decade. While some of the initiatives have been more or less successfully implemented, conditions on the European playground changed significantly over the past two years. The first indications of possible economic recovery proved to be very fragile and did not lead to desired economic growth. On the contrary, both business climate and consumer confidence indicators have been declining more or less constantly since early 2011. Therefore, the European Commission decided to review the two-year-old communication in order to adjust policies to current political and economical environment in the EU. According to the European Commission, the new communication should concentrate on small number of initiatives that should bring desired effects as soon as possible and in the meantime ensure stability in medium term period. To indicate which initiatives it should be was the purpose of public consultation opened from mid-May until early August. The European business community, including

Czech entrepreneurial organisations, warmly welcomed the review of the communication. The Confederation of Industry of the Czech Republic (SP CR), member of BUSINESSEUROPE, strongly supports certain initiatives that were either not fully or not at all implemented since 2010, e.g. full realization of so-called fitness checks, stronger support of research, development and innovations, adoption of the third energy package, proper implementation of Think small first principle or adoption of the EU raw materials strategy. In addition, SP CR calls for refusal of intentions to create common European standards for the process of corporate restructuring and supports the voluntary principle in implementing Corporate Social Responsibility. The Czech Chamber of Commerce, Member of EUROCHAMBRES and UEAPME, deems that the new industrial policy should enhance competitiveness of European industry on one hand and take into account its sustainability on the other. Therefore it must be conceived in broader context as it is linked to various EU and national policies. For this reason it is necessary evaluate potential impact of future initiatives in areas such as innovation and R&D, standardization, IPR,

employment, energy and environment, investments, ICT and transport networks. Last but not least, the Chamber says that policy-makers should always be conscious of the need of better regulation. The Ministry of Industry and Trade of the Czech Republic pointed out three main areas in its contribution to the consultation: education, single market and energy. While unemployment raises constantly, companies lack skilled workforce, and therefore it is vital for education programmes to take into account thoroughly the needs of markets and companies. While taking full advantage of the Single Market elimination of costs for companies, it would also increase innovative potential and competitiveness of European industry. However, this potential could be seriously undermined by insufficient energy security and poor infrastructure, therefore modernisation of energy networks should be at the centre of focus. In addition, broader use of fitness checks should ensure that legislative proposals will not increase administrative burden and will not harm companies. The new communication based on public consultation contributions is expected to be adopted by the European Commission in September this year.

EESC CORNER: EESC TESTING PARTICIPATORY PROCESSES IN THE IMPLEMENTATION OF EUROPE 2020

The promotion of the 2020 Strategy as an integral part of all EU policies is one of the main priorities of the Cyprus presidency. "Towards a better Europe" will be the headline priority of the presidency with special emphasis on solidarity and social cohesion as well as effectiveness and growth. There is no other European institution more relevant to restore trust of the civil society in Europe and to test the participatory processes in implementing the guiding strategy Europe 2020 than the European Economic and Social Committee. In this connection, the presidency has asked the EESC for an exploratory opinion highlighting the targets for employment, poverty and social exclusion and addressing the gaps in the involvement of the social partners and civil society in the implementation and follow up to the Europe 2020 Strategy, as well as promoting their participation in the formulation, implementation and follow up to policies related to employment, poverty and social exclusion at national level. In its opinion adopted in July this year, the EESC calls on the European institutions and national governments to make a renewed political commitment

to engage with all relevant partners under the Europe 2020 Strategy. The EESC undertakes to build on work with the national Economic and Social Councils and similar bodies and national representatives of organised civil society by becoming the European contact point and to provide a dedicated platform for them. In the long term, the EESC believes that the European Union should develop a long-term vision of the ultimate goal of stakeholder engagement and work to gradually develop this. In the short term, the EESC believes that a number of small changes would have a significant impact on progress. In particular, as a matter of urgency, Member States and the European Commission should reconsider the timing and type of processes in order to allow for genuine engagement by all stakeholders.



Vladimíra Drbalová
Vice-Chairperson of the Section
for social affairs and citizenship
EESC Member



CEBRE CALENDAR:

- CEBRE seminar on India – opportunity for Czech exporters (Brno) – **12th September 2012**
- CEBRE debate on Energy Efficiency Directive (Prague) – **13th September 2012**
- CEBRE debate on EU Patent (Prague) – **4th October 2012**

AVAILABLE
IN BRUSSELS!



CEBRE – Czech Business Representation, protects the interests of the Czech business community in relation to EU institutions, informs Czech businesses about EU legislation affecting them, trains Czech entrepreneurs in Brussels and represents Czech business associations at European business federations. Contact: Czech House, 60 Rue du Trône, 1050 Brussels, Tel: +32 2 502 0766/+32 2 502 8091, e-mail: brussels@cebre.cz, www.cebre.cz