

BEWARE OF RE-ALLOCATIONS FOR OLD MEMBER STATES AND MISSING NATIONAL SUPPORT SYSTEMS!



The success of the new financial perspective lies undoubtedly in the capacity of the Member States, as well as the regions, to allocate and absorb the EU money, agreed key Czech economists, representatives of State administration and regional entities and the European Commission on a debate discussing the future of the EU budget on 20th September 2011 in Prague. Common concern was how the EU budget (mainly the revenue side) will be made up and spent when many EU countries are witnessing increasing debts. Participants stressed the importance of the reallocation of EU funds in favour of old Member States. According to the participants, the Connecting Europe Facility fund, supporting EU infrastructure, will be created to the prejudice of the EU money for new Member States. On the revenue side, there are two new controversial own resources

such as European VAT and Financial Transaction Tax. According to Jan Gregor, Deputy Minister of Finance, the key and toughest negotiations will take place before the 2012 summit. *(see more on page 2)*



From left Jan Gregor, Deputy Minister of Finance responsible for public budgets; Alena Vlačíhová, Deputy Director of CEBRE.

Petr Kužel on his visit to EU institutions



Petr Kužel, president of the Czech Chamber of Commerce (CCC), met important EU officials as well as the Heads of the Czech institutions in Brussels on 25th October 2011. His aim was to stress the need to focus on a daily life of a business and not only on macroeconomic issues and to consider growth-enhancing measures. Kužel also highlighted the necessity to restart the Single Market as to use its full potential, avoid incoming counterfeit and health deleterious goods from third markets, make the apprenticeships more attractive and modernize professional qualifications recognition as well as to ease business access to finance and reduce administrative burden.

„We have to know what kind of skills graduates must have in the next decade. Apprenticeships as well as support to crafts must find their place in the future cohesion

policy”, stressed Kužel. “It will be also important to ease the access of start-ups and SMEs to micro-credits as they can help to create jobs and employ people”, he added. Petr Kužel met Henri Malosse, president of the EESC Group I – Employers, François Arbault, Member of Michel Barnier’s cabinet, Daniel Calleja Crespo, EU SME Envoy, Jiří Plecítý from Commissioner Andor’s cabinet, Jakub Dürr, Czech Deputy Permanent Representative to the EU and last but not least Ivo Šrámek, Czech Ambassador to Belgium.

Declaration on restoring confidence in Europe’s economy:

The CCC is a full Member of UEAPME – European Association of Craft and SMEs, and EUROCHAMBRES – Association of European Chambers of Commerce and Industry. On 24th Oct. 2011, Kužel attended the EUROCHAMBRES plenary which adopted a Declaration



EUROCHAMBRES

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

>THE CZECH REPUBLIC HAS THE LARGEST DEFICIT INTRANSPOSING EU RULES

During the last last six months 16 of the 27 EU Member States failed to have the transposition deficit smaller than 1%. The biggest deficit was unfortunately recorded by the Czech Republic (2%), followed by Austria, Cyprus, Hungary, Poland and Italy.

>EMISSION ALLOWANCES FOR FREE, BUT HIGHER CARBON TAX

The Czech Republic will apply the exception to grant a third of emission allowances for free in the period 2013-2020. From 1st January 2013 the carbon tax will increase and therefore affect mainly households and businesses.

>CZECH REPUBLIC THE WORST IN USING EGF

The Czech Republic is ineffective in using the money from the European Globalization Adjustment Fund (EGF). Last year, the EGF helped only 450 Czech workers out of total 23,688 EU workers fired.

on restoring confidence in Europe’s economy. European chambers want to see a better focus on growth, stimulate access to finance, safeguard the euro, accelerate delivery of the many remaining elements of the EU internal market and avoid negative impacts of capital requirements on larger banks.

NEXT EU FINANCIAL FRAMEWORK

(continues from page 1)

For the Czech Republic, the most important area in the EU budget is the cohesion policy. During the negotiations, Czechs will advocate equal treatment between "old" and "new" EU Member States. Proposal of the new EU infrastructure fund connecting EU networks (in energy, ICT and transport field) does not appeal to the Czech Republic. Michal Mejstřík, President of ICC Czech Republic and Member of National Economic Government Council (NERV) highlighted that we have to assess the EU budget proposal within the context of economic situation in the whole EU. Many countries are struggling with huge debts and it is not clear how these countries will be able to contribute to the EU budget as well as comply with agreed rules. The EU Member

States, and also the Czech Republic, should focus on support of competitiveness. For this purpose they should use financial engineering, on which the new MFF will focus. In any case, it is necessary to set up stable and explicit rules for granting EU money and rules regulating returnable forms of support, said Mejstřík. Radko Martínek, President of the Pardubice region, said that problems of many countries such as Greece, Portugal and Spain result partially from the fact that these countries became from the net beneficiaries the net contributors. The existing system of support in the Czech Republic was totally replaced by EU funding. The Czechs must create their own support infrastructure, from which will be financed areas such as investment in transport development.

Modernized professional qualifications can enhance mobility across Europe!

Simplification and modernization of Professional Qualifications Directive 2005/36/EC, setting the rules for mutual recognition of professional qualifications, can, hand in hand with European Professional Card, enhance mobility of professionals in Europe. The Single Market, although formally achieved two decades ago, still poses some difficulties when it comes to the recognition of professional qualifications. This can be particularly perceived in the implementation of the Services Directive. In order to modernize the Directive and simplify its rules, following public consultation and Green Paper process, the European Commission will come up with a legislative proposal in December.

Representatives from EU institutions, public bodies and business organisations discussed professional qualifications on 12th October at Czech Permanent Representation to the EU. Both business organisations and EU institutions supports the creation of European Professional Card that might be a solution for better mobility in Europe, as well as modernization of the Directive instead of its complete revision.



From left Jakub Dürr, Czech Deputy Permanent Representative, Emma McClarkin, MEP, Liliane Volozinskis of UEAPME, Michèle Claus of FEB-VBO

EESC CORNER: How to make post-secondary vocational education and training more attractive?

The structural shortage of skilled labour in the EU is a fact. For European businesses, the immediate consequences of these shortages are missed opportunities for growth and increased productivity. The lack of skilled labour will be one of the main obstacles to economic growth in the upcoming years. To bring together Bologna and Copenhagen into an integrated process, to identify main causes of low attractiveness of the vocational education and training, to address the recommendations to the different stakeholders, this is main message of the own initiative opinion drafted on behalf of the Employers' group in the EESC. Post-secondary VET cannot be placed in a grey area between upper secondary VET and higher education. Post-secondary VET is strategically important within the EU 2020 Strategy as a way of making VET a more attractive career option for young people and to support up-skilling and higher levels of attainment. Cross-border learning mobility is a key area which business has long supported, notably for young persons in VET and apprenticeships. Europe currently

still has an insufficient level of mobility as regards VET employees, learners and teachers. Their mobility can only be improved by having a good knowledge of at least one foreign language. The Committee calls upon the Commission to encourage the Member States to achieve long-term and short-term objectives set out in the Bruges Communiqué, improve the quality and efficiency of VET so as to enhance its attractiveness and relevance. In this respect the social partners at all levels have to continue to play an active role in the Copenhagen process and contribute to realisation of the short-term deliverables. Member States have to develop financial levers both for companies, especially SMEs (incentives, tax), in order to increase the attractiveness of both IVET and CVET and mobilise businesses, and for the education institutions to cooperate with business. The budget for Europe 2020 has to invest in Europe's brains by increasing the amounts allocated to education, training, research and innovation.

Vladimíra Drbalová

Member of the EESC, Rapporteur of the opinion

EU External aid programmes

Participation of Czech SMEs in the EU external aid is quite low. In terms of use of financial instruments for the EU's external cooperation, Czech entrepreneurs were particularly successful last year in tenders for projects financed from the Nuclear Safety Cooperation Instrument (from which they received 52% of the total amount) and from the Instrument for Pre-Accession Assistance (29%). In terms of territorial coverage, Czech entrepreneurs were mainly successful in the Western Balkans (five projects focusing



The participants of the seminar.

on supplies of goods and specific orders), in the Eastern Partnership countries (two projects focusing on supplies of goods and services) and in the ACP Region (one project on supplies of goods). The total amount acquired by Czech entrepreneurs, as project leaders only, in the realization of the EU projects in the third countries reached €14,348,949. Possibilities of external aid programmes for Czech entrepreneurs, various development programmes and new strategy of the Czech Trade were discussed at an information seminar on 5th October, which was held for representatives of companies and entrepreneurs associations during International Engineering Fair in Brno.

CEBRE CALENDAR:

- CEBRE Debate on "SME and Administrative burden" (Prague) – 7th November
- CEBRE Debate on "Connecting Europe Facility" (Prague) – 21st November
- CEBRE Debate on "Cutting Red Tape: How to implement the SME Test?" (Brussels) – 23rd November

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