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SINGLE RULES FOR CROSS-BORDER ONLINE TRADE WILL BOOST DIGITAL ECONOMY



Only 12% of EU retailers sell their goods online to another EU country, meanwhile 37% of companies sell online on their domestic market. Only one third of consumers using e-commerce buy online from another EU country. The development of cross-border e-commerce is limited by many barriers. According to surveys of the European Commission, a medium company must pay up to 10 000 EUR to assess the contractual conditions in another EU member state. The European Commission is preparing a proposal for single contract rules for goods and digital content in cross-border e-commerce. The scope and the main features of the expected proposal were discussed by EU institutions' representatives with different stakeholders in the European House in Prague on 21st September. The

speakers agreed that there is a need for single, therefore fully harmonized rules for e-commerce in goods and digital content. Otherwise, the fragmentation of national rules will persist in this area. As for business-to-business relations, speakers agreed that there is no need for harmonisation. However, the other aspects are also important for better development of e-commerce such as quality and price of cross-border delivery, single rules for labelling of goods and security of payments. "The EC initiative will cover key mandatory contract law rule so that consumers and businesses will benefit from modern and simple rules for online sales of tangible goods and digital content", said Simona Constantin, Member of the Cabinet of Commissioner for Justice, Consumers and Gender Equality.

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

>CZECH INDUSTRIAL PRODUCTION GREW BY 5%

According to the Czech Statistical Office, domestic industrial production grew by 5% from January to July 2015. Czech Republic ranks among EU top five with the fastest industrial growth. Automotive industry still remains the driver. Overall, the Czech Republic holds 2nd place among EU countries with the lowest unemployment rate.

>ENERGY COMPANIES ARE WORRIED ABOUT COMPULSORY SAVINGS

Czech energy companies are worried that the Czech Republic will not be able to fulfil EU targets for energy efficiency. They are afraid of a possible obligation to save energy by their clients from 2018 which would certainly lead to price increases.

>CZECH FARMERS WILL RECEIVE 313 MILLION FROM EU BUDGET

Czech farmers will receive more than 300 million CZK from the EU to provide liquidity and to compensate the losses for low purchasing prices of milk. Throughout the EU, the purchasing price of milk drops due to the abolition of milk quotas and the implementation of Russian embargo on food imports.

MEPs CORNER



„Legislative and non-legislative measures aiming at better cross-border trade online must primarily increase the quality of this service in its totality from online purchase, via its delivery till the possibility to complain or to get a compensation“.

Olga Sehnalová

The Member of the Committee on Internal Market and Consumer Protection, European Parliament

THE INVESTMENT PLAN FOR EUROPE – WHAT'S IN FOR CZECHS?

European Fund for Strategic Investments (EFSI) is the key pillar in the Investment Plan for Europe which can mobilize public money from the EU budget and attract private investments. On 17th September in Prague, Czech audience discussed with the EIB and DG ECFIN representatives the possibility how to get involved in the Investment Plan for Europe. Approved projects to be financed by EFSI in other EU countries were presented by EIB and ECFIN speakers. The Czech Republic is not among the countries who contributed to EFSI. According to Tomas Novotny, Deputy Minister, Ministry of Trade and Industry CR, thanks to the cooperation between the EIF and Czech-Moravian Guarantee and Development Bank (CMZRB) on the national programme Záruka (Guarantee), the Czechs are involved in COSME programme and use

EFSI. In the period 2015–2017, this cooperation will allow granting credits for SMEs of CZK 4.4 billion for 1,500 entrepreneurs, therefore by one third more than granted only by CMZRB from its sources. Thanks to the EIF guarantee, CMZRB will guarantee these types of loans – investment loans and working capital. The applicants must be small entrepreneurs with less than 50 employees, the guarantee is granted for investment loans for the period of 8 years, for the working capital for 6 years. The guarantee is for free. In brief, Czechs can use EFSI for investment projects for SMEs and midcaps (support programmes combining national and EU money) and for infrastructure investment projects dealing directly with EIB/EIF. Good news is that the EIB liaison office is to be opened in Prague by the end of the year.

JOUROVÁ'S ROAD MAP FOR WOMEN EMPLOYMENT – NEW HEADACHE FOR EMPLOYERS?



The negotiation on the so-called maternity directive failed to unblock in the Council and the last attempt of the S&D group in the European Parliament to re-launch the negotiations did not work either. For this reason, the directive was withdrawn from the legislative process within the REFIT programme 2014. This decision was welcomed by Czech employers. In their position papers, they have always been stressing the necessity to analyse the existing systems in Member States and study all related financial and non-financial impacts. Any possible change must be considered in relation to the existing measures and the impact it would bring into national legislations must be assessed. The Commissioner Věra Jourová is now coming up with a comprehensive proposal in a form of a Road Map that reacts to the challenges in the field of combining work and family life for working parents. In principle, it goes for a greater involvement of women in the workflow and men into family and childcare. The Road Map is based

on existing legislative framework and its aim is to create a comprehensive framework covering both legislative and non-legislative proposals. Articles 157(3) and 153(2) of the Treaty on the Functioning of the European Union should serve as the legal basis. In accordance with the article 155, this will also allow for social dialogue at EU level. The Road Map also deals with the issue of subsidiarity and its reason for EU action is justified by the risk of fragmented approach of EU Member States, which led in the past to the limited economic and social convergence in the Single Market. The Commission also mentions the impact of the proposals on employers, particularly on small and medium-sized enterprises, which should be minimized. On the other hand, the Commission calls on businesses to take note of the benefits that the proposals might bring. This will be mainly translated in the reduction of absence from work, increase of productivity and greater availability and use of qualified workforce. The Road Map is an open

document and for the moment, it comes up with the alternatives to various legislative and non-legislative solutions. Employers are analysing the proposal. In principle, they agree with the comprehensive approach to promote the development of knowledge and economic potential of women. A woman who gets a job opportunity and a salary corresponding to her qualifications, sees the possibility for a career progress. If she can put her children in crèche, she gets the confidence to seek for a higher-level job position or for a membership in company statutory bodies. That is the way supported by the employers rather than rigid regulations. Therefore, we call on the Commission to respect the principle of proportionality



and the variety of differences in measures applied in each Member State when formulating the final draft.

Vladimíra Drbalová,
Confederation of Industry
Czech Republic

EESC CORNER: ECONOMIST PETR ZAHRADNÍK IS JOINING EESC WITH HUGE EXPERIENCE IN EU POLICIES



In the period when the Czech economy again started to belong among the group of fastest growing ones in the EU, accompanied by a very low unemployment rate, substantial trade balance and current accounts surpluses, and rather a moderate fiscal deficit, I have been honoured to be finally approved for being a new member of the European Economic and Social Committee (EESC). I personally consider the EESC as an important EU institution, a respectable player contributing to the EU economic policy framework as a reflection of the opinion and a position of a very important stakeholder groups. In addition, I can imagine that an effective utilisation of the EESC membership also means an active participation in the extraordinarily structured and never-ending networking process contributing to making benefits in favour of the Czech Republic and its business and economic community. My ambition within the EESC is to be a part of ECO and TEN sections. ECO section, covering the whole range of economic policies and the topic of cohesion policy is naturally my first preference as my professional career is almost equal to providing economic policy consulting and advisory from different aspects. I started the preparatory phase for that in the second half of 80s, after my graduation from the University of Economics in Prague and receiving my first diploma in finance. Shortly after that, I decided not to enter a state company within, at that time, centrally planned system and rather

preferred to absorb my first work experience in the academia at the Department of Monetary Theory and Policy, where I had an opportunity to discuss with the key future policymakers who – immediately after the Velvet Revolution in November 1989 – took the highest positions in the newly created democratic political system. My consequent steps, however, led to Western economic academia and research institutions, including my next two diplomas in economic policy management and European studies from Columbia University and KUL Leuven. After almost five years abroad, I decided to return back to the Czech Republic to become a part of the first macroeconomic analytical team in the country in the company Patria Finance, followed by the career at the capital market with Conseq and EU policy analysis and advisory with Erste Bank/ Česká spořitelna. My tops in the advisory activities for the public sector are excellent cooperation, first in 1995 – 1998 when I worked as an economic adviser to President Václav Havel and the second in the period 2009 – 2014 when I was a member of the National Economic Council of the Czech Government. I also like teaching, being the Professor of Economic Transition and Integration at New York University until the end of 2013. I intend to utilize the absorbed professional experience in EESC economic, cohesion, and structural policy concepts as a strong believer in advantages and benefits of a very intensive and deep integration

concept. The current, rather sensitive, may be fragile and surely not very predictable political and social situation represents in my eyes and mind a big exogenous risk for stability and positive development of the integration process in Europe and a serious element of European vulnerability, despite my conviction about Europe as a strong, responsible and competent continent and its integration grouping.



Petr Zahradník,
EESC Member,
Group I Employers

CEBRE CALENDAR:

- **20th October** – CEBRE debate on Energy labelling in European House (Prague)
- **30th October** – CEBRE debate within the National Convent on the EU on „education in entrepreneurship“
- **2nd November** – CEBRE founders meet Czech MEPs (Prague)

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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: Avenue des Arts 19 AD, 1 000 Brussels, Tel: +32 2 502 0766/+32 2 502 8091, e-mail: brussels@cebre.cz, www.cebre.cz