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## HIGH-QUALITY REGULATION CANNOT BE PREPARED WITHOUT THE HELP OF ENTREPRENEURS!



The EU's goal is to reduce the administrative burden by 25% by 2012; however the commitment will probably not be fulfilled. Moreover, reducing administrative burdens is based on analysis from 2005 and does not include new obligations specified by later adopted legislation (e.g. REACH). Yet, all these efforts should be evaluated very positively. Important question is what will be the EU's goal after 2012. Reducing administrative burden is of a high priority for representatives of public bodies and business organizations who participated at CEBRE's debate on 7th November 2011 in Prague. It is impossible to adopt high-quality rules of law without well-functioning state administration, comprehensive and integrated impact assessments of proposed legislation and closer dialogue with stakeholders. Czech entrepreneurs have high expectations from transferring the RIA agenda ("regulatory impact assessment") under the control of the Czech State Government Office and of the creation of an independent board of experts composed of representatives from business and academia that will be in charge of assessing the impact of forthcoming legislation. Consultation of businesses and constant dialogue with stakeholders

can be a good inspiration for the Government Office's new task. However, business organizations have an insufficient capacity to control impact assessment in all areas. Therefore, the business representatives asked for special subsidies from EU cohesion funds to build up these capacities. The speakers also pointed out that the Impact Assessment Board at EU level should more consider regional specifics. *(see more on page 2)*



*From left Michal Mejstřík, Chairman of ICC CZ and NERV Member; Tereza Šamanová, Director of Legislation, Information and Counselling Dept., Czech Chamber of Commerce, Bedřich Danda, Deputy Minister for Trade and Industry, Petr Mlsna, Director of Czech Governments' Legislative Council and Michal Kadera, Director of CEBRE.*

## Business Plan for Reinforcing the Euro

Presidents of 41 business federations from 35 countries, including Czech Confederation of Industry, gathered at the Council of Presidents of BUSINESSEUROPE in Warsaw on 2nd December 2011 and phrased unanimous call for a strong, quick and comprehensive political commitment towards a new Budgetary Union in the Euro Area. They urge the European leaders to consider below mentioned recommendations at the European Council: European Financial Stability Facility should provide conditional support to Member States experiencing liquidity problems until the European Stability Mechanism is developed into a politically independent European Monetary Fund open to all EU 27 Member States. The ECB should continue to assist financial stability by both providing liquidity to the banking sector and, for a limited period of time until other means are in place, engaging in sovereign debt

markets to the extent it believes necessary to stabilise the Euro. Economic governance has to be built on the principles of early prevention, greater surveillance of fiscal and macroeconomic imbalances, independent statistics, legal debt brakes for Euro Area members, and a more automatic decision-making process in the Council for the adoption of robust country-specific Commission recommendations. Eurobonds shall be long-term refinancing instrument for a European Monetary Fund underpinned by greater Euro Area budgetary union. Single market has to be completed to increase both economic convergence and growth.

### BUSINESSEUROPE



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](http://www.komora.cz)



[www.spcr.cz](http://www.spcr.cz)



[www.kzps.cz](http://www.kzps.cz)



[www.czechtrade.cz](http://www.czechtrade.cz)

## News FLASH

### > ONLY 5% OF CZECHS ARE PRO-EUROPEAN

According to an IPSOS survey only 5% of Czechs are unequivocally pro-European, 16% are against. The positive approach to the EU increases with higher education. People aged 18 to 24 years and aged 55 to 64 years are rather pro-European. However, Czechs are not against the EU as such, but more against the existing situation within the EU.

### > EU FUNDING HELPS TO INVEST IN NEW TECHNOLOGIES

Owing to the unique Nanospider technology developed in collaboration with the Technical University of Liberec, the company Elmarco in Liberec became one of the leading innovators in the field of nanotechnology. The successful project was supported by the structural funds, which encouraged entrepreneurs to invest in innovative products and improve competitiveness of the EU economy.

### > NEW CZECH EXPORT STRATEGY FOCUS OUTSIDE THE EU

The need to reduce the Czech export dependency on the EU countries (80%), the gradual shift towards products with higher added value and the need for increase in exports are some of the main objectives of the new Export Strategy of the Czech Republic for the period 2012-2020, presented by the Ministry of Industry and Trade.

## CUTTING RED TAPE



(continues from page 1)

Till the end of last year, the Czech Republic succeeded to reduce the administrative burden by 15.6% compared with 2005 within the framework of an ambitious reduction target - 20% by 2010. The CR has also to face the fact that it has the highest transposition deficit of the EU regulation. At CEBRE's seminar in November, Petr Mlsna of the Czech Government's Legislative Council explained the new methodology of RIA to be implemented beginning next year. He stressed the need to implement the RIA also ex-post, change the formal approach to the RIA by ministries, draft impact assessments for strategic and conceptual papers and last but not least to set up an independent expert board. The Czech Republic should also start preparing IAs when drafting a national framework position to the EU legislative proposal and to the delegated acts within the committee. Bedřich

Danda, Deputy Vice-Minister of Industry and Trade, stressed that till now the reducing administrative burden helped businesses to save €462 mil, however businesses prefer to measure the burden in a saved time. Czech entrepreneurs are still subject to more than 190 information obligations. Professor Michal Mejstřík, Chairman of ICC Czech Republic and Member of National Government Economic Council, said that the weakest points of the Czech competitiveness are the State institutions. In this context, it is necessary to change the Rules of Procedure of the Chamber of Deputies, in order to prepare IAs also together with substantive amendments. Tereza Šamanová, Director of Legislative and Information Dept. at the Czech Chamber of Commerce recommends to start with cutting red tape at State offices by introducing the e-Journal, single contact points for taxes and common commencement dates.

## Business takes position on G20 issues

In parallel with G20, the most powerful employers' organisations in the World met on 2-3rd November in Cannes at Business Summit B20. For the first time, the B20 representatives met the representatives of L20 (Labour Summit of Trade Unions) and laid down the basis of social dialogue at international level. In their common position paper they expressed a deep disappointment with current global economic situation. Employers together with employees face global instability of markets, including increasing unemployment and insecurity in the labour market when economic prospects do not indicate any improvement. The main priority should be to create a favourable environment for business and new jobs, creating a stable social security, respect for fundamental principles and rights at work and coherence in international multilateral cooperation. On the occasion of the G20 summit, the twenty Chambers of Commerce and Industry (C20) coming from the G20 countries stressed the importance to enhance the growth, ensure long-term stability at financial markets and avoid further banking crisis. However the new measures should not restrict the SMEs access to finance.

## CONNECTING EUROPE FACILITY

In October 2011, the European Commission published a proposal for the Connecting Europe Facility ("CEF") to financially support the European transport, energy and digital network in the period 2014-2020. CEF, with €50 billion budget (of which €10 billion will be earmarked from the Cohesion Fund to transport infrastructure) will be centrally administered by the European Commission. For the Czech Republic it is crucial to ensure that the re-allocation of money from the Cohesion Fund will not happen at the expense of the new Member States and the money earmarked for cohesion policy would not end in the infrastructure projects of old Member States. At the debate in the European House in Prague on 21st November, the majority of participants agreed that the partial solution is a high quality of submitted projects to be co-financed by CEF and maximum effective use of the Structural Funds by the Czech Republic in the future programming period. "Road infrastructure is difficult to finance outside State budgets. Czech government should try to influence the final list of projects co-financed by CEF during the negotiations about its final version," said Jan Michal, Head of the EC Delegation in the Czech Republic. "However, many unknown aspects of CEF remain - the method and criteria for selection procedure of projects and the definition of European added value," said Director for Strategy of Ministry of Transport CZ Luděk Sosna. Therefore, it is crucial for the Czech Republic to maximize co-financing from Structural Funds. The question remains whether the CR will be able to co-finance the projects. The cohesion policy is co-financed from national sources of min. 15%, whereas the CEF need approx. 60-80%. Petr Kašík, Director of the Transport Union CZ warned that the CEF funding



From left Tomáš Veselý of ČEPS, Petr Kašík of Transport Union CZ, Jan Sochorek of Czech Permanent Representation to the EU, Luděk Sosna of the Ministry of Transport CZ.

for the transport projects is insufficient for the whole EU. Jaromir Kohlíček, MEP said that current plans for European transport infrastructure are 30 times greater than the available resources. "The money from the CEF can only be granted to those who will be well-prepared," he added. In the digital area, the CR sets its national targets for the digital networks in the strategy Digital Czech Republic, informed Jan Sochorek, attaché for digital agenda and telecommunication of Czech Permanent Representation to the EU. Tomáš Veselý, Head of International Cooperation ČEPS, a.s. said ČEPS had identified 19 energy projects of the "common interest". "The question is whether the new proposal for Infrastructure legislation will lead to improving the authorization procedure, when it should be primarily applied to projects of the "common interest", rather to the construction of the linear structures as a whole" he added.

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## EESC CORNER – INTERNATIONAL YEAR OF CO-OPERATIVES

In the time of high unemployment and financial instability, the United Nations are launching an international year focused on a unique way of doing business - co-operative enterprise. The International Year designation provides an opportunity for co-operatives to come together and to raise awareness of their way of doing business. The theme for the International Year is "Co-operative Enterprises Build a Better World". Co-operatives are successful value-based businesses owned and democratically controlled by their members. Co-operatives are important economic and social actors. In Europe they represent 160,000 enterprises with 5,400,000 employees. As key players, competitive in a whole range of economic areas, they perform

in generating activities, sustainable employment, innovation, social link and cohesion on territories, economic growth, in favouring creativity allowing individuals to create and find solutions in a collective way. Last but not least, they resist and avert crisis. Their model of enterprise particularly fits to tackle and help overcome economic downturns. The EESC, in its opinion Cooperatives and restructuring highlights how cooperative enterprises anticipate and manage change in industry and services in the current economic situation. The EESC perceives the cooperatives as enterprises bringing new perspectives of social innovation and contributing to a sustainable socio-economic model. The Member States are invited to support the actions of the cooperative sector by creating an enabling environment, promoting co-operatives and easing their access to finance, supporting cooperation between

enterprises, recognising co-operatives as an economic and social actor and improving the national statistics on cooperatives.v



Marie Zvolská, Member of the EESC – Group I

Wishing You a Merry Christmas  
and Happy New Year 2012!  
CEBRE Team

