

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 Trone, 1050 Brussels, Tel: +32 2 2139 450/2, e-mail: cebre.europe@mail.be, www.cebre.cz

Czech Presidency – Europe Without Barriers

From January to June 2009, the Czech Republic will hold its first Presidency over the Council of the EU. Czechs will chair numerous meetings, represent the EU in the world and deal with unexpected events. Many challenges are already on the table: Firstly, financial crisis has threatened business confidence in Europe and stressed the need for a better business environment. Secondly, the mandates of both the European Parliament and European Commission come to an end in 2009. Thirdly, many actions and proposals have been initiated under the French Presidency. While some of them have been achieved, others

have not. The Czech Presidency's slogan "Europe without barriers" reflects a more open Europe without any barriers to the Internal Market, global markets, or in its relations with

third countries. Special attention will be also given to secure, efficient and sustainable energy. Identification of persisting barriers to the Internal Market and conceivable solutions will be presented in an OECD study to be released at the beginning of the Presidency. 2009 is also dedicated to creativity and innovation. In light of the five year anniversary of EU10 enlargement, the European Commission will release a study on the impact of the 2004 enlargement.



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„The Czech Presidency will enhance all initiatives that will even better enable implementation of the freedoms of the internal market and will reduce administrative burden and extensive regulation.“
Martin Říman, Czech Minister of Industry and Trade



Full auctioning of emission allowances in Czech Republic as late as 2020

Czech energy producers and consumers could breathe a sigh of relief after the December European Council. The compromise achieved regarding the climate-energy package brought by prime ministers and heads of the EU countries was quite positive for them. The proposal stipulates relief for countries who produce more than 30% of energy from solid fuels (coal, above all) when the GDP per capita in the market prices of such energy does not exceed 50% of the Union average. The Czech Republic falls within this group. Therefore, the full auctioning will not commence in the Czech Republic until 2020. In addition, the countries ob-

tained relief that decreased emissions from 1990 to 2005 by 20%. The compromise proposal was confirmed also by the European Parliament at its meeting a week later. The functioning of ETS after 2012 was the subject of the CEBRE Policy Café organised in the European Parliament on December 2nd 2008. For further details, see page 3.

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NEWS FLASH

Czech economic growth slows to 4.2%

The Czech economy slowed its annual GDP growth to 4.2% in the 3rd quarter despite Western Europe's fall into recession (+0.9%). The estimations for 2009 reflect substantially lower growth (2.5-3.7%).

The Government has approved a taxation system that will simplify administrative burden

From 2010, Czech entrepreneurs will have less work when it comes to taxes being levied - the Government has approved a new system of taxation. The aim of the new rules of procedure is to modify the collection of taxes, to simplify tax law and to reduce administrative burden.

Trucks not to travel in the Czech Republic on Friday afternoons

The Czech Government proposed a year-round driving ban on all roads for trucks weighing more than 7.5 tons on Sundays and on Friday afternoons. Carriers denounce this proposal, particularly during the current financial crisis.

Exporters are hurt by the strong crown and high energy prices

The Czech economy is based on exports. The strong crown and high energy prices caused last year's fall of Czech exports by four billion crowns. Euro adoption and greater emphasis on a knowledge economy may rescue exporters.

Denmark will open for Czech workers in May

In May, Denmark will cancel all transitional limitations of its labour market for Czechs, Slovaks and other new European Union members. The transitional periods remain only in Belgium, Germany and Austria.

Foreign workers leave the Czech Republic

During the last three years, the number of foreigners in the Czech Republic doubled to reach four hundred thousand. In November, the economic migration started in the opposite direction, and approximately one thousand foreigners left the Czech Republic. Most of them were Slovak, Polish and Vietnamese.

WHAT IS CZECH PRESIDENCY ABOUT

The Czech Presidency calls for a "Europe without barriers" which makes full use of its economic, human and cultural potential and is therefore capable of holding its own against global, political and economic competition. The Presidency will focus on three priority objectives:

Economy - A Competitive Europe

In line with the Lisbon Strategy, the Presidency will focus on the development of all four freedoms of the internal market and try to improve the administrative environment for businesses and to enhance employment as well as flexibility on the labour market. The Presidency will further work on world trade liberalisation and fight unfair competition and insufficient protection of IPR.

Energy and Climate Change

The Presidency will try to ensure energy security, competitiveness and sustainability in Europe focusing on energy supply security, on replacing imported fossil fuels with new technologies and greater territorial diversity of suppliers. Further, it will strive to achieve efficient coordination among transmission system operators. The Presidency will focus on Kyoto obligations to pave the way for a broad international consensus to be reached in Copenhagen at the end of 2009.

External relations – An Open and Secure Europe

The Czech Presidency will place an emphasis on close dialogue with the new US administration in the key areas of security, economy and energy. It will launch the Eastern Partnership project, strengthening the cooperation with the countries of the Eastern Dimension of the ENP and will continue with the South Dimension as well. Accession negotiations with Croatia, Turkey and the Former Yugoslav Republic of Macedonia will continue, and possibilities for the countries of the Western Balkans will be examined.



TALKING ABOUT CZECH PRESIDENCY

STRONG SUPPORTER OF BUSINESS CONFIDENCE?

The Czech Presidency claims to focus on removing barriers within the internal market. The business sector has always supported such efforts. Nonetheless, how realistic is such an aim by the Presidency? What are the barriers that currently remain? The Czech Ministry of Industry and Trade requested two studies to be conducted by the European Commission in cooperation with OECD – one on the impact of the 2004 enlargement, and another on the internal market.

Business representatives, members of the European Parliament and Czech officials of the incoming Presidency of the EU Council gathered in the Czech House on the 3rd of December 2008 to share their views about the future economic development of the Union. The upcoming six months will be marked by numerous challenges - financial crisis, an inherited agenda from the French and finishing the mandates of the European Commission and European Parliament. The Internal Market, better regulation, energy, innovation and industrial policy will be of great interest of the Czech Presidency, said Jan PROCHÁZKA, Director of EU Affairs at the Ministry of Industry and Trade. The European Commission, in cooperation with OECD, will release two studies during the Presidency which will aim at identifying persisting barriers within the internal market and assess the potential benefits of their removal as well as analysing the impact of the 2004 enlargement on the EU economy. The motto

of the Czech Presidency "Europe without barriers" should express this effort. Czechs will continue to look for a compromise for the European private company statute and Community patent and help the Member States to implement newly adopted measures such as the Small Business Act and



Speakers of CEBRE Business Breakfast

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TWO QUESTIONS FOR MARTIN ŘÍMAN, MINISTER OF INDUSTRY AND TRADE

The Czech government seems to promote entrepreneurs. Can the Czech Presidency help to regain the confidence of European entrepreneurs in the internal market?

The concept of free movement of goods, capital and persons seems to function quite well in Europe already, despite the fact that the free movement of services is more fiction than reality. Entrepreneurs are very much aware of that. Nonetheless the future of the competitive European economy is in services. Czech Presidency will enhance all initiatives focused on implementation of the internal market.

Do you already have a plan for implementing the SBA action plan?

Implementation of the SBA action plan will take

place through the National Reform Programme. We are working on a number of measures that will reduce the administrative burden on entrepreneurs. One such area we are already working in is the field of statistical evidence. During the Czech Presidency we will progress with the negotiations of the European Private Company statute as well as focus on the late payments directive.



"The Czech Presidency will enhance all initiatives that will even better enable implementation of the freedoms of the internal market and will reduce administrative burden and extensive regulation." Martin Říman, Czech Minister of Industry and Trade

CZECH ENERGY DAY IN BRUSSELS

On December 10, 2008, the eve of the upcoming Czech Presidency of the Council of the EU, the Czech power company ČEZ Group and the Czech Permanent Representation to the EU organised a one-day conference on current energy issues in Brussels. The conference, which maintained energy as its top priority, was followed by a solemn dinner in the spectacular hall of Concert noble. In the presence of approximately 150 distinguished guests from European institutions, different Member States and businesses, the participants discussed the climate-energy package, third liberalisation package, energy security and energy as a priority of the Czech presidency in general. In the evening, the dinner was opened by the Czech Prime Minister Mirek Topolánek who pointed out the significant role of energy issues in the next six months. After the fruitful debate, all the guests and participants wished the Czech Republic success in the Presidency, which we would like to reiterate here.

„Clear conclusions of the Union concerning the future approach to climate protection create a good basis for preparations of the European position at the summit in Copenhagen,” says the Prime Minister of the Czech Republic Miroslav Topolánek“.



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CZECH PRESIDENCY: STRONG SUPPORTER OF BUSINESS CONFIDENCE?

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possibly continue working on dossiers such as the climate-energy package.

“The right cohesion must be found between the Small Business Act and the Commission’s recovery plan helping businesses affected by the crisis,” said Petr DOLEJŠÍ, competitiveness attaché from the Czech Permanent Representation to the EU.

Czech businesses represented by Vladimíra DRBALOVÁ from the Confederation of Industry and Ivan VOLEŠ from the Czech Chamber of Commerce evaluated the priorities in a very positive way, supporting the point of view of

their government. Attention to a better business environment without creating new barriers is more than welcome, although controversial measures (often hidden behind the “green hysteria”) continue to be proposed. It could be partly due to a very diverse point of view of the different Council formations. Many issues are linked to business environment, but only some are discussed within the Competitiveness Council. For the internal market to function better and for European economic development, Europe needs less of a sector approach and more of a horizontal approach. This is something agreed on by both Czech officials as well as businesses.

European Council sends positive message – EU ETS by 2020

The December European Council reached a compromise on EU ETS that was very warmly welcomed by the Czech business community – full auctioning of emission allowances will start in 2020 in the Czech Republic. This rapid change is due to exemption granted because the Czech energy mix is more than 30% dependent on fissile fuel and Czech GDP per capita does not exceed 50% of the European average. This compromise reflected the lobby action undertaken in the previous months and weeks, such as the CEBRE Policy Café that took place on December 2nd 2008. During this Policy Café, MEPs spoke with business representatives and agreed the most effective way would be to make companies responsible for positive change in CO₂ production through investments in R&D, instead of imposing large external costs on them. During the key statements, Jan Březina (EPP-ED), member of the EP Committee on Industry, Research and Energy, said: “Withdrawing money from businesses through full auctioning of



Participants of CEBRE Policy Café!

allowances can be very dangerous - it could lead to reduced investments in new modern power plants, less money for R&D and higher electricity prices.” Paul Rübzig (EPP-ED), member of the EP Committee on Industry, Research and Energy, President of SME Global, did not question the aim and the targets set by the climate-energy package, but the method (EU ETS) of achieving the targets. “Keep money in the companies so they can invest it in R&D and innovation,” he suggested. The business side was represented by Zuzana Krejčířková, Director European Agenda of ČEZ Group and Matthias Duerr, Director of Brussels office of RWE AG. CEBRE Policy Café was organised by CEBRE and MEP Jan Březina in cooperation with ČEZ Group, RWE AG and SME UNION of EPP.

Czech Presidency – Europe Without Barriers

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Many interesting events are planned during the Presidency. Czech Business Today brings you a calendar of scheduled meetings, conferences and seminars relevant to the business community. You can see the full list of Presidency events at the official web page: www.eu2009.cz.



What You Shouldn't Miss

Business Breakfast on SMEs access to finance

January 21, 2009

What impact has the economic crisis had on SME access to finance? What tools are offered by the EU and by national governments?

Barriers to the Internal Market

January 28, 2009

How realistic are Czech plans on removing barriers to the internal market? A panel discussion will examine Czech plans from the point of view of the Brussels business association and business community.

Karel Capek in Czech Centre

February 2009

The Czech Centre invites you to see the films and exposition about the life and novels of the Czech famous writer Karel Capek



Policy Café on SBA

February 10, 2009

The European Parliament's report on the Small Business Act for Europe is nearly ready for a vote. To what extent did the report manage to take on board concerns and the opinions of businesses?

Business Breakfast on EU budget

February 11, 2009

European entrepreneurs must have a say in the ongoing discussions about the new EU budget. What will be allocated to improve the business environment and fulfil the Lisbon targets?

**Any questions or comments?
Interested in participating
in some events?**

Contact us at:

cebre.europe@mail.be

AVAILABLE
IN BRUSSELS!



Events

November 10-11, 2008

LOBBYING IN THE EU with Daniel Guéguen

Czech entrepreneurs and policy makers had a unique chance to discuss the art of European lobbying with Daniel Guéguen during a specialised training organised by CEBRE in Prague. The training was followed by a conference co-organized by the Senate Chamber of the Czech



Luděk Sefzig, Chairman of Senate EU Affairs Committee

Parliament and Czech Confederation of Industry that took place in the beautiful Knight's Hall of Senate. Participants had a chance to learn about the differences between interest representation on the European and national level and listened to interesting presentations by Chairman of European Committee Luděk Sefzig, Deputy Minister of Industry and Trade Martin Tlapa, Commissioner Špidla's Cabinet Member Pavel Bouda, Daniel Guéguen, deputy governor of the Pardubice Region Roman Linek and many more distinguished speakers from both the public and business sphere. During this conference, the Czech edition of Guéguen's book "European Lobbying" was introduced.



Martin Tlapa, Deputy Minister for Industry and Trade and Pavel Bouda, Member of Commissioner Špidla's Cabinet

November 20, 2008

EDUCATION MINISTER LIŠKA DISCUSSES YOUTH AND ERT



Representatives of youth organisations, businesses and Czech Minister of Education Ondřej Liška

Czech Education Minister Ondřej Liška came to Brussels for the second time prior to the Presidency to discuss priorities in the field of education and youth with various stakeholders. CEBRE organised a number of meetings for Liška, including a debate with young people in cooperation with Microsoft, lunch with a European Round Table of Industrialists and bilateral meetings with SGs of BusinessEurope and EuroChambres.



Vision of future tertiary education in Europe

December 2, 2008

Policy Café on EU ETS

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December 3, 2008

BUSINESS BREAKFAST ON PRESIDENCY BUSINESS PRIORITIES



CEBRE held a business breakfast on the business priorities of the Czech Presidency introducing Czech priorities in the field of competitiveness, energy and telecommunication to MEPs and the Brussels business community. (Continued on page 2)