

Czech Presidency BUSINESS NEWSLETTER

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Confederation of Industry
of Czech Republic

Representing those
who create value

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INTRODUCTORY WORD OF JAROSLAV MIL, PRESIDENT OF SPCR



Dear friends,

The Czech Presidency of the European Union faces many challenges. Our priorities, summarized under the motto "Europe without barriers", reflect our desire to eliminate obstacles which still remain on the European domestic market and in relations between Europe and the rest of the world.

Both European business and the Confederation of Industry of the Czech Republic believe that Europe has sufficient capacity to overcome current global crises. We strongly caution against fierce state interference on all levels. European business knows what it wants and will make this clear in Brussels. We want a Europe which is attractive for industry and business, a Europe which inspires new technologies and innovations,

a Europe of educated and professional people, a Europe open to the advantages of globalisation.

During the Czech Presidency of the EU, the Confederation of Industry of the Czech Republic will lead 36 business and employer associations and members of BUSINESSEUROPE. The Confederation will be the leading voice in communicating with EU institutions, mobilising the efforts of the business and employer associations for the development of common European policies that are beneficial to business. We believe this will lead to the creation of new employment opportunities and improve living standards in Europe.

I can assure you that the Confederation is prepared for this demanding role, prepared to protect and promote the interests of the European business community. In the past, we managed to influence decisions of European policy makers. We will not slow down in our efforts and believe that we will successfully manage to improve the competitiveness of the EU. I wish success to all of us in our joint effort.

Jaroslav Mil
President

ECONOMIC CRISIS

What does SP CR propose to mitigate the impacts of the world economic crisis on the Czech Republic?

Each country struggles with a different level of intensity and specifics during this world financial and economic crisis. In this way, the Confederation of Industry of the Czech Republic, continuing the processes started at the European

level, proposes solutions that would help to mitigate the impacts on the economy and employment.

The basic problems of the open and export-oriented Czech economy are connected with the decline of demand in foreign markets.

(continued on page 6)

CZECH NEWS

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 estimates for 2009 reflect substantially lower growth (2.5-3.7%).

Czech Presidency Web site

A new official Web site of the Czech EU Presidency www.eu2009.cz was launched on January 1, 2009. Its trilingual version provides up-to-date information, a calendar of events, interviews, photo/audio/video archives and the chance to subscribe to a weekly newsletter.

Czechs to announce euro adoption date in November

According to a statement by the Czech Prime Minister Mirek Topolánek on January 1, 2009, the government will set the euro adoption date on November 1, 2009. Therefore, the earliest possible year for the introduction of a common European currency has been postponed to 2013.

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.

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KEY EVENTS DURING CZECH PRESIDENCY

JANUARY '09

EVENT	DATE	INSTITUTION	PLACE
Opening conference European Year of Creativity and Innovations	7	Ministry of Education, Youth and Sports CR	Prague
Meeting of the Czech Government with the EC representatives	7	Government Office	Prague
Informal GAERC meeting	8	Vice Prime Minister for EU affaires CR	Prague
EP Plenary Session	12-15	European Parliament	Strasbourg
Troika COASI EU - Russia	15		Brussels
Informal Meeting for Justice and Home affairs meeting	15-16	Ministry of Interior, Ministry of Justice CR	Prague
EU - Ukraine	16		Kiev
EU Informal Workshop on Climate Change	18-20		Prague
Eurogroup Economic and Financial Affairs	19	Council of Ministers	Brussels
Agriculture and Fisheries Council	19-20	Council of Ministers	Brussels
Economic and Financial Affairs Council	20	Council of Ministers	Brussels
CEBRE Business breakfast "SMEs access to finance"	21	CEBRE	Brussels
INCOM ministerial conference on innovation, research and development	22-23	Ministry of Education, Youth and Sports CR	Prague
Informal meeting of ministers for Employment and Social affairs	22-24	Ministry of Labour and Social Affaires CR	Luhačovice
Informal Dinner of Trade Ministers	25		Brussels
General Affairs and External Relations Council (GAERC)	26-27	Council of Ministers	Brussels
CEBRE debate "CZ PRES and Barriers of Internal market"	28	CEBRE	Brussels
Informal Meeting of Development Ministers	29-30	Ministry of Foreign Affaires	Prague
Conference "In Search for Security of Energy Supply of the EU Member States on the Common Electricity Market"	29-30	Ministry of Industry and Trade CR	Ostrava
Conference on the European Qualifications Framework	29-30	Ministry of Education, Youth and Sports	Brussels

FEBRUARY '09

EVENT	DATE	INSTITUTION	PLACE
Forum on Services and Trade Liberalisation	2-3	Ministry of Industry and Trade CR	Prague
EuroCommerce Board and steering committee meeting	2-3	Czech Confederation of Commerce and Tourism	Prague
Working Session of Directors of EU-27 Food Federations and European Food Associations	2-3	Federation of the Food and Drink Industries of the Czech Republic	Prague
CEBRE - Debate on Internal Market liberalization	3	CEBRE	Prague
EP Plenary Session	2-5	European Parliament	Strasbourg
CEBRE - Debate on Trade liberalization	4	CEBRE	Prague
EU-Troika - Ukraine	5		Prague
European Urban Day	5-6		Prague
Conference on Parental Childcare and Employment Policy	5-6	Ministry of Labour and Social Affaires CR	Prague
Eurogroup	9		Brussels
Economic and Financial Affairs Council	10	Council of Ministers	Brussels
CEBRE Policy Café: SBA progress	10	CEBRE	Brussels
CEBRE Business breakfast: EU Budget review - Businesses priorities	11	CEBRE	Brussels
Conference on Direct Selling	11	Czech Confederation of Commerce and Tourism	Prague
Days of Czech Regions	12/2-21/4	Regions of the Czech Republic	Brussels
Education, Youth and Culture Council	16	Council of Ministers	Brussels
Conference to Launch Erasmus Mundus II	16-18	EC and Ministry of Education, Youth and Sports	Brussels
Ministerial Conference on e-Communications: "Next Steps in EU Telecoms"	17	Ministry of Interior	Prague
E-Justice Conference	17-18	Ministry of Justice	Prague
Ministerial Conference on e-Health for Individuals, Society and Economy	18-20	Ministry of Health	Prague
Transport, Telecommunications and Energy Council (TTE) - Energy	19	Council of Ministers	Brussels
General Affairs and External Relations Council (GAERC)	23-24	Council of Ministers	Brussels
Agriculture and Fisheries Council	23-24	Council of Ministers	Brussels
European Forum on Research and Development Impact Assessment	24-25		Prague
Justice and Home Affairs Council	26-27	Council of Ministers	Brussels
Conference on Strengthening EU Competitiveness Potential of Migrant Workers on the Labour Market	26-27		Prague

CZECH PRES PRIORITIES - EUROPE WITHOUT BARRIERS

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:

E 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 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.

E Energy and Climate Change

The Presidency will try to ensure energy security, competitiveness and sustainability in Europe, focusing on energy supply security, 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.

E 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 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.

SECTOR THEMES

This section deals with a brief outline of the themes that will be negotiated within the framework of the EU Council formations concerned, irrespective of the Czech Republic's preferences. The so-called sector themes are concerned with what will be accentuated by the events with regards to the politically defined priority areas of the CZ PRES referred to in the motto "Europe without barriers".

I - GAERC: GENERAL AFFAIRS AND EXTERNAL RELATIONS COUNCIL

- **To prepare the ground for further enlargement**
Endeavour to achieve Lisbon Treaty ratification in the entire EU in 2009
Finalisation of the accession negotiations with Croatia, commencement of the negotiations with FYROM, Iceland
- **The Eastern Partnership (summit EU-Russia, summit The Eastern Partnership):** achievement of a free trade agreement between the EU and Ukraine
- **Transatlantic relations (summit EU-USA, summit EU-Canada)**
- **Monitoring of the action programme for implementation of the EU Territorial Agenda (a report on progress)**
- **European Safety and Defence Policy:** fulfilment of the Civilian Headline Goal 2010 and the EU involvement in Western Balkans (i.e. EULEX in Kosovo), support of the European Defence Agency activity
- **Increase in efficiency of the EU policy in the area of human rights and democracy support** (interconnection of the EU development agenda with the other international initiatives)
- **Endeavour to achieve an agreement within the framework of the Doha Development Agenda and WTO**
- **Implementation of the revised Market Access Strategy and revision of Trade Defence Instruments**
- **Greater IPR protection and enforceability**

II ECOFIN: ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

- **Solving the financial and economic crisis**
- **Coordination of the economic policy (BEPGs) and preparation of the Key Issue Paper for the spring European Council**
- **European Commission report on the impacts of population ageing, public finance sustainability**
- **Lisbon Strategy after 2010**
- **Informal ECOFIN dealing with evaluation of the EU enlargement in 2004 (the Commission report "Five years after")**
- **Effective supervision of financial markets (Solvency II, collective investing, directive on capital requirements, e-money directive)**
- **Fighting against tax evasion**

III JHA: JUSTICE AND HOME AFFAIRS COUNCIL

- **Preparation of the new Post-Hague Programme 2010-2014**
- **Implementation of the European Pact on Migration and Asylum, blue cards**
- **eJustice (building of the European Justice Portal)**
- **Observance of the time schedule for launching the Visa Information System (VIS) (May 2009) and of the Schengen Information System of the second generation SIS II (September 2009)**
- **Integrated Model of EU External Borders Protection**
- **Implementation of the Decision of the Council on establishing Europol**

SECTOR THEMES

IV EMPL: EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER AFFAIRS COUNCIL

- Labour market liberalisation in the EU and cancellation of the transitional periods being applied
- Implementation of the European Employment Strategy and flexicurity
- Directive on working hours
- Financial sustainability of health systems
- E-health

V COCOM: COUNCIL ON COMPETITIVENESS

- **Lisbon Strategy after 2010**
(European Commission annual report on progress, evaluation of the national programme reforms).
- **Internal market:**
Implementation of the directive on services (December 2009), Revision of the internal market strategy, OECD report on persisting barriers in the internal market, Community patent, complex IPR strategy.
- **Better regulation:**
Observance of the reduction objective by 25% by 2012 and of the approved Prague Declaration, evaluation of the impact on the inter-institutional decision-making process and the policies being newly submitted.
- **SMEs policy:**
SBA fulfilment and implementation of the action plan; SME Week will take place from May 6 to 14.
- **EU Sustainable Industrial Policy**

VI TTE: TRANSPORT, TELECOMMUNICATIONS AND ENERGY COUNCIL

- **Optimisation of the internal market functioning:**
implementation of the measures from the "greening package", negotiation about the amendment to the Eurovignette Directive, Single European Sky, TransEuropean Transportation Network
- **Elimination of administration in transportation**
- **Galileo Programme:**
Intelligent Transport Systems Action Plan, NAIADES
- **Safe road traffic: Action Plan 2011-2020**
- **Telecommunications and information society:**
Revision of the regulatory framework for electronic communications networks and services, revision of the extent of the universal service, revision of the regulation on roaming prices, information society.
- **Power engineering:**
Action Plan after 2010, implementation of the measure approved during the FR PRES in the area of the internal market with electricity and climate calls, safety of energy supplies into the EU.

VII AGRIFIN: AGRICULTURE AND FISHERY COUNCIL

- Revision of expenditures for the Common Agricultural Policy
- Direct payments after 2013 and prolongation of the SAPS application for the EU-12 till the end of 2013
- Agricultural products and food quality
- Establishment of a system of official laboratories for phytosanitary purposes and change of the plant passport system

VIII ENVI: ENVIRONMENTAL COUNCIL

- UN Framework Agreement on Climate Change and the Kyoto Protocol
- Strategic Energy Outline, national emission limits for 2020, ETS
- Communication on the sustainable consumption and production

IX EYC: EDUCATION, YOUTH AND CULTURE COUNCIL

- Updating of the EU long-term strategic framework for cooperation in education after 2010
- Partnership between the educational sphere and employers
- European space of university education in 2010
(conference in Louvain during the CZ PRES)
- Autonomy of sport
- Forum for Creative Europe, Work plan for the area of culture for the years 2008-2010, European Heritage Label



České předsednictví
v Radě EU

Czech Presidency
of the Council of the EU

Présidence tchèque
du Conseil de l'UE

2009

CZECH BUSINESS PRIORITIES

The Czech Republic has rightful ambitions to become knowledge-based and technological center of Europe with fast-growing economy and living standards, low level of unemployment and its ability to compete on the global scale. However, this transformation can never happen without the key involvement of the local industry. Historically, the Czech industry has been the producer of the national wealth and for many years it has been the driving force of the economic growth and in this role it is irreplaceable. Our industrial production has the fundamentals in its strong tradition, experience and background and should be able to utilize these advantages not only in the half a billion common market of the European Union.

If the Czech economy is to maintain the current pace of its economic growth guaranteeing catching up the level of the advanced countries of the European Union, it has no other alternative, but to implement structural changes. The core of its ability to compete must not focus on the low costs,

but increasingly on its ability to utilize technological development, innovations and education.

Strategic needs of the Czech industry during the years 2008 - 2011 are divided into six priority areas, which serve as the basis of competitiveness not only for the industry itself, but also for the entire domestic economy. The Confederation of Industry of the Czech Republic has clearly declared its willingness to assist with the necessary changes and to actively search for possible solutions, which will contribute to further increasing of quality and productivity of the local industry.

1. Institutional environment
2. Human resources and labour market
3. Research, development and innovation
4. Transportation and transport infrastructure
5. Securing the sources of energy
6. International trade

To learn more



"The Czech EU presidency is a first, therefore great opportunity and at the same time a great challenge to this new EU member state. I am confident that it will strengthen the position of your organisation, too. SP and its President, Mr. Jaroslav Mil will play an important role in building and strengthening links between the Czech presidency and the European business community. Our expectations are high. We count on your involvement to make our voice heard, but rest assured you can also count on BUSINESSEUROPE's full support in this task."

Philippe de Buck,
Director General, BUSINESSEUROPE

Troika business priorities for the period from July 2008 to December 2009

Back on track: Towards a competitive Europe without barriers

France 1. 7. - 31. 12. 2008

Czech Republic 1. 1. - 30. 6. 2009

Sweden 1. 7. - 31. 12. 2009

During its leadership in the years 2008-2009 the French, Czech and Swedish Presidencies have been facing numerous challenges. That is the reason why the Confederation of Industry of the Czech Republic has joined the French MEDEF and the Swedish Svenskt Näringsliv in order to agree on common priorities of their countries' 18-month presidency of the European Union and on common procedures during their promotion. As the members of BUSINESSEUROPE they want to emphasize a number of essential moments, which are indispensable for getting the European Union back on the track of competitiveness:

I. Real Reforms Real Jobs

- Strengthening the reform strategy for growth and employment in the European Union by

redirecting the agenda to the questions, which are most important for the competitiveness. Increasing the efficiency and sustainability of public expenditures.

- Improving entrepreneurial climate for small and medium-size business.
- Reforming of labour markets with the goal of stimulating mobility and creation of employment opportunities.
- Strengthening of education, research, development and innovations.
- Redirecting the finances in the European Union's budget to investments, which will help our future ability to compete.
- Releasing full potential of the European Union's internal market.

II. Global Europe Global Business

- Open and free global markets
- Strengthening free trade and multilateral approach
- Strengthening transatlantic co-operation between the EU and the USA and trade relations with the third countries
- Global approach to migration
- Securing global supplies of natural resources

III. Energy for competitiveness Energy for life

- Europe needs a policy on climate change and an energy action plan
- The European Union should protect the security of energy supplies
- A common approach to increase energy efficiency

To learn more

FAIR AND BALANCED MOBILITY - A PRECONDITION FOR A COMPETITIVE EUROPE

The free movement of people is one of the most fundamental freedoms guaranteed by Community law and is a necessary precondition for building a single market. While Europeans continue to view their "right to move and work within the EU" as the EU's greatest benefit and advantage (based on

53% of respondents in a Eurobarometer survey), mobility across Europe is still very low. Only around 2% of EU workers (EU-25) were born in a Member State other than the one in which they currently work. Almost 4% of the EU population has lived in another Member State, while a further 3% has lived

in a country outside the EU. The aim of the European Commission's Job Mobility Action Plan for the years 2007-2010 is to analyse the situation in light of the challenges posed by globalisation, demographic change and the development of new technologies. It will also tackle existing

barriers to mobility in Europe, identify new trends in mobility models and define what action needs to be taken.

The CZ PRESCzech Presidency will continue in this effort to increase the mobility of workers in the EU and focus its priorities on promoting the greatest possible freedom of movement for workers within the EU and on facilitating and increasing workers' geographical and job mobility across the entire EU market. It will also seek to complete the work begun on modernising the legal arrangements for coordinating the social security of migrant workers.

The Czech PresidencyCZ PRES will draw attention to the negative impact of current transitional periods on the free movement of workers. It sees

unlocking the full potential of workers and making the EU labour market more flexible as vital parts of the Lisbon Strategy. Based on the conclusions and recommendations of the 2nd Progress report on application of the transitional arrangements published by the European Commission in November 2009, this effort will be very good. For this reason, the main item on the agenda of the Informal Council of Ministers for Employment and Social Affairs January 22nd -24th in Luhacovice will be "Mobility of the European work force". The mutual discussion will address all aspects of mobility and its impacts on labour markets in the EU as well as its role in efforts to increase EU competitiveness in the age of global economy.

In this context, the CZ PRES has mandated the EESC elaborate and form an opinion on the

"identification of outstanding barriers to mobility in the internal labour market", which will help to identify the remaining mobility barriers and develop the appropriate recommendations to the European Commission, Member States, Social Partners and civil society organisations.

Czech employers fully support all initiatives of the European Commission and CZ PRES focused on improving worker mobility and better matching of labour demand and supply in the EU. In addition, Czech employers want to contribute to this process. Improving mobility levels will require action across a broad spectrum of areas and involve all relevant actors.

Vladimíra Drbalová

CREATIVITY AND INNOVATION MARK 2009



European year of creativity and innovation 2009 was officially opened at a kick-off event in Prague at the beginning of January with the presence of Commissioner Ján Figel, Czech Minister of Education Liska and Minister of Culture Jehlička, former Finnish Prime Minister Esko Aho and number of other high level participants. Its objective is to enhance creativity and innovation as a key competence for personal, social and economical development that should appear in most areas of human interaction such education,

research, culture or business. Priority areas of the European year are: education, Lisbon strategy, entrepreneurship, regional and urban development, design, children and sustainable development.

Groups of honorary ambassadors of the European year meet the same day in Prague and delivered a set of recommendations for governments of Member States how they could contribute, through creativity and innovation, to better European prosperity. Among a number of interesting recommendations the below mentioned have been mentioned with relevance for business sector:

- Well functioning higher educational system adjusted to modern age,
- Sufficient financial support to education and research (even in the time of economic recession),
- More and better cooperation and partnership between education sphere and businesses as well as increased mobility,
- Innovation - an ability to do things different.

If you want to learn more about European year 2009, see: <http://create2009.europa.eu>

Michal Kadera

ECONOMIC CRISIS

(continues from p. 1) Therefore, the measures should be aimed at support for export. At the same time it is necessary to work more intensively on creating conditions for increased competitive performance in the business sphere. From a long-term prospective, SP CR considers the improvement of the business environment quality more basic than the state's short-term financial aid addressed to select branches or businesses.

We consider it unacceptable for the Government and the legislative bodies to adopt decisions without a thorough analysis of the crisis consequences in terms of the development of the economy. An assessment of the consequences must be considered before the documents are adopted.

The new situation stimulates review of the environmental policy that often burdens the business sphere without actual results. Therefore, we consider it necessary to suspend at least some disputable measures being prepared in this area.

With regards to the key role of the external demand for the Czech Republic, we consider it important to further develop support for exports and to

increase its efficiency. The capital base of the Czech Export Bank should be strengthened more significantly. Preconditions for increased effectiveness of the export support system are efficient economic diplomacy, improvement in coordination of state institutions and increasing the capacities of the commercial-economic sections of the representations in select foreign countries.

The union considers ensuring access of enterprises to financing a priority, while small and medium enterprises are most endangered. Therefore we request that the Government also arrange for capital strengthening of the Czech-Moravian Guarantee and Development Bank as it is the institution involved in financing this group of enterprises.

We also consider drawing from the EU Structural Funds a tool of support for economic growth in the Czech Republic. Simplification of the conditions for drawing on those funds must represent one of the Government's priorities.

We also propose increasing public tenders which represent a significant demand for industry,

construction and services and create job opportunities.

The ability of businesses to adapt will depend on labour market flexibility. Therefore, we struggle for adoption of modifications to the Labour Code supporting flexibility of employment relations and strengthening of the state's active policy to create conditions for re-qualification and improved labour mobility.

Turbulence in the development of the Czech crown exchange rate can endanger the competitiveness of our business sphere. This risk will go away with adoption of the single European currency. We request that the Government quickly establish the date of euro adoption for the Czech Republic.

In addition to these urgent measures, we request continued implementation of the reforms that are, from the point of view of the competitive performance of the Czech economy, essential in the global environment. This concerns reforms of education, research, development and innovations, social systems and state administration.