

# Czech Presidency BUSINESS NEWSLETTER

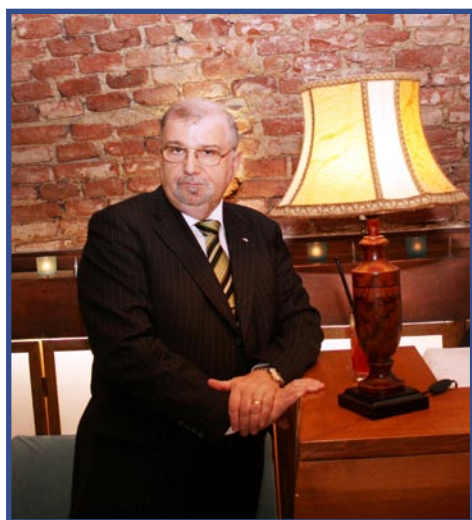


EU2009.CZ

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## OPENING WORD OF JAROSLAV HANÁK, 1ST VICE-PRESIDENT OF SP CR



Dear Ladies and Gentlemen,

What hurts Czech companies during the global crisis also hurts European companies:

decline in demand and decreasing access to bank loans. This is why the Czech Confederation of Industry has exerted enormous efforts towards the banking sector and the Government regarding rational operating financing. Money circulation in an economy is akin to blood circulation: if bank and inter-bank markets do not work circulation becomes

blocked. This is the case of the Czech republic and Europe too. More intently we observe and welcome united European government efforts the better it is.

Nobody can estimate the depth of the crisis. Every company's management conceals the state of their orders, finance, wages and salaries, personnel, investment – because of unreliable competition and risks of difficulties with financial institutions. One certainty lies in companies having to help themselves alone. Only part of the assistance falls on the Government and other state subjects.

Unified pressure and clear expression of the employers' interests, at national, European and BUSINESSEUROPE levels, is important. This is supported by Czech Govt.'s acceptance of proposals by the Confederation of Industry to mitigate global crisis impact. More vigorous state support in guaranteeing company lending, application of the accelerated depreciation principle, assistance to companies with EU money for co-financing are among them. A requirement is also public procurement in transport infrastructure. Employers are aware of the necessity to maintain jobs. Small and medium-sized enterprises need state support. We owe a duty to the employees. As the presiding EU country we must lead the way and overcome the impacts of the crisis at the European level.

## FOCUS ON ENERGY SECTOR

The Energy sector causes a stir nowadays. Some concerns: ensuring enough raw materials, reliable secure energy supplies, construction of new sources, construction of new lines or strengthening of transmission network, emissions reduction, emission allowance trading and more efforts in climate protection. These issues are tackled at national and international levels being summarized within the EU framework of packages. They are also a priority of the Czech Presidency in the EU Council (the EU energy policy, Energy Security and Reliability, Internal Market in electricity and gas). Energy efficiency

and low carbon energy sources are a concern too.

There are many discussions within the EU – but very few concrete results and solutions. Example: Since 2000 EURELECTRIC has pointed to the necessity of constructing new sources. 300 000 MW of installed capacity is needed by 2020. It already appears unrealistic to ensure sufficient sources until 2020. The politicians provide no answer as to how to solve the situation when there is nowhere to take electricity from. Since the beginning of our Presidency (continues on p.2)

## CZECH NEWS

### Bonus and a flight ticket for voluntarily leaving jobless foreigners

The Czech government offers to pay a fare and a bonus of 500 EUR to jobless foreigners who leave the country voluntarily in order to avoid excessive social costs and a potential increase in the crime rate. Estimated costs stand at 60 millions CZK.

### Step forward to Lisbon Treaty adoption

After long discussion and review by Constitutional Court, the Lisbon Treaty has finally been adopted by the Czech Chamber of Deputies. The treaty, supported by 64% of Czechs, still needs the assent given by the Senate and president.

### Access to 2.5 billions CZK for Czech businesses

The Czech Ministry of Industry and Trade releases 2.5 billions CZK in its operational program "Business and Innovation" in February and March. The Ministry also focuses on administrative burden alleviation.

### Index of economic freedom 2009

Terry Miller, director of The Heritage Foundation presented on February 20, 2009 in Prague, results of economic freedom of 179 countries in 2009. Czech Republic is ranked 37th place immediately after Slovakia, with results corresponding to the EU-27 average. Improvements are to be done in corruption and property rights.

## CONTACT



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# ON TOP OF THE AGENDA

## CALENDAR OF EVENTS

### MARCH '09

### EU2009.CZ

## Focus on energy sector

EVENT	DATE	PLACE
<a href="#">Eurogroup</a>	9	Brussels
<a href="#">Employment, Social Policy, Health and Consumer Affairs Council (EPSCO)</a>	9-10	Brussels
<a href="#">EP Plenary Session</a>	9-10	Strasbourg
<a href="#">Economic and Financial Affairs Council (ECOFIN)</a>	10	Brussels
<a href="#">EU - Turkey Ministerial Meeting (Troika)</a>	10	Prague
<a href="#">General Affairs and External Relations Council (GAERC)</a>	16-17	Brussels
<a href="#">European Council</a>	18-20	Brussels
<a href="#">Conference on Audiovision and Copyright: "The Responsibilities of Content Providers and Users"</a>	19-20	Prague
<a href="#">EP Plenary Session</a>	23-26	Strasbourg
<a href="#">Research Infrastructures and the Regional Dimension of ERA</a>	24-25	Prague
<a href="#">Flexicurity in Times of Economic Crisis</a>	25-26	Prague
<a href="#">Ministerial Conference "Forum for Creative Europe"</a>	26-27	Prague
<a href="#">European Business Summit</a>	26-27	Brussels
<a href="#">Transport, Telecommunications and Energy Council (TTE) - Transport</a>	30	Brussels
<a href="#">Transport, Telecommunications and Energy Council (TTE) - Telecommunications</a>	31	Brussels

(continues from p.1) our representatives have been very active in tackling the problems outlined. Our activities as regards the gas crisis are among a number showing our endeavour. Further, a seminar devoted to energy security of the EU Member States was held in Ostrava on 30 January. Participants supported a single European transmission network and completion of the internal energy market. The debate on nuclear energy will be developed by the European Nuclear Forum in Prague in May. EU countries which support nuclear energy, with some energy companies, expect a greater level of support for the utilization of nuclear energy in the EU at the Prague Forum meeting. This was supported by the EP at its first Plenary session.

The March EC meeting will be important for the further development of the EU energy sector. This should deal with the conclusions of the Council of Ministers for Energy that met on 19 February in Brussels and supported the 2nd Strategic Energy Review defining energy security priorities. If approved by the EC they should provide the basis for the new EU Energy Action Plan for 2013 – 2020.

### APRIL '09

### EU2009.CZ

EVENT	DATE	PLACE
<a href="#">EP Plenary Session</a>	1-2	Brussels
<a href="#">Informal Meeting of Ministers for Economic and Financial Affairs</a>	3-4	Prague
<a href="#">EU - Russia Political Directors' Meeting (Troika)</a>	6	Prague
<a href="#">Conference on the Partnership between Education and Training Institutions and Employers for Lifelong Learning</a>	6-7	Prague
<a href="#">Justice and Home Affairs Council (JHA)</a>	6-7	Brussels
<a href="#">Conference 'Internet in Public Administration'</a>	6-7	Hradec Kralove
<a href="#">Informal Meeting of Ministers for the Environment</a>	14-15	Prague
<a href="#">High level Seminar on e-Communications: "Future Europe: Modern Communications for Everyone"</a>	15-16	Prague
<a href="#">High-level Conference on Chemical Industry</a>	16-17	Usti nad Labem
<a href="#">Networking Meeting of the Competent Authorities for Pricing and Reimbursement of Pharmaceuticals</a>	16-17	Prague
<a href="#">International European Conference on Social Economy and Enterprise</a>	16-18	Prague
<a href="#">Conference "Future and Emerging Technologies" - FET09</a>	16-23	Prague
<a href="#">Civil Law Conference</a>	20-21	Prague
Seminar: TEC – Platform for Removing Trade Barriers between EU and USA	21	Prague
<a href="#">EP Plenary Session</a>	21-24	Strasbourg
<a href="#">Conference Safety and Health at Work in Europe in 21st Century</a>	27	Prague
<a href="#">General Affairs and External Relations Council (GAERC)</a>	27-28	Luxembourg
<a href="#">Conference "Researchers in Europe without Barriers"</a>	27-29	Prague
<a href="#">Stabilisation and Association Council EU – Croatia</a>	28	Luxembourg
<a href="#">EU -Troika - US Justice and Home Affairs Ministerial Meeting</a>	28-29	Prague
<a href="#">Conference 'Mineral Resources for Europe'</a>	28-29	Prague
<a href="#">Informal Meeting of Transport Ministers</a>	28-30	Litomerice
<a href="#">European Patent Forum</a>	28-30	Prague

The Czech Association of Energy Sector Employers constantly reviews issues of development of the energy sector and energy security. In a call to the Czech Government by the general meeting of the Association last December it put forward these demands:

- Not to block geological coal reserves, not to allow a write-off of its reserves and to cancel environmental limits for brown coal mining
- To cancel part of the Govt. declaration concerning nuclear plant construction and enable fast commencement of further nuclear power station blocks
- New legal rules enabling fast building of electrical network in the Czech Republic
- To use Czech Republic's Presidency in the EU Council to:
  - prefer low carbon emission-free technologies of energy generation and their efficient use
  - enforce cancellation of the greenhouse gas emission allowance scheme after 2012 (or loosen the auction scheme for the energy sector from 2013 to 2020)
  - create legal conditions for the development of an European electricity network

František Petružálek  
ENERGETIKA magazine, Editor-in-Chief

# NEWS FROM SP CR

**16 February 2009**

## The highest representatives of **BUSINESSEUROPE** – President Ernest-Antoine Seilliere and Director General Philippe de Buck visited Prague



BUSINESSEUROPE representatives President Ernest-Antoine Seilliere and Director General Philippe de Buck were received by the Chair of the Council of Europe and Prime Minister of the Czech Republic Mirek Topolánek, the Deputy Prime Minister for European Affairs Alexandr Vondra and President of the Confederation of Industry of the Czech Republic Jaroslav Míl.

Meetings took place not only as part of a tradition but mainly due to the very complicated and unprecedented state of the economic situation, which

requires maximum coordination, cooperation and an endeavour for solutions to both existing and new challenges.

BUSINESSEUROPE representatives addressed the Czech Presidency with the demands of the European business community for concrete actions within the framework of the Presidency priorities. Their message was based on the letter sent to Prime Minister and President of the EU Council Mirek Topolánek on the eve of their visit to Prague.

To see the letter [click HERE](#)



### Czech Presidency and SP CR

For online brochure [click HERE](#)



**25 February 2009**

### Visit of TÜSIAD delegation to the Confederation of Industry of the CR



A delegation of the Turkish Industrialists' and Businessmen's Association headed by its President Ms. Arzuhan Doğan Yalçındağ visited the Confederation of Industry of the Czech Republic on February 25, 2009. During the meeting, topics on bilateral economic relations, the current economic situation and possible measures to be adopted in order to overcome the global crisis were discussed. TÜSIAD appealed to its Czech partner organization for support of Turkey in its accession negotiations with the European Union. The Confederation of Industry of the Czech Republic as a representative of the Czech business community is ready to give this support in view of the priorities of the Czech Presidency to the European Council.

**26 February 2009**

### SP CR calls on the Czech Presidency to take the decisive action to stop protectionism

Uncoordinated and protectionist responses of some governments to the global economic crisis lead to creating barriers that could disrupt the global economy, reduce trade and raise prices for consumers and business alike. Escalating trade barriers will have tragic economic, political and social consequences. Recalling these effects in the 1930s, that path must be avoided at all costs.

Therefore the Confederation of Industry of the Czech Republic calls on the Czech Presidency to make all the effort needed to ensure that during the extraordinary summit of the EU on March 1st and the Economic Council meeting on March 20th. For more [click HERE](#)



# A COMPETITIVE EUROPE WITH A FUNCTIONING INTERNAL MARKET AND EASY ACCESS TO WORLD MARKETS: A DREAM OF EUROPEAN BUSINESSMEN

## Forum on services and trade liberalisation, Prague, 2-3 February 2009

These were the main messages of the prestigious event of the Ministry of Industry and Trade under the Czech Presidency of the EU. Opening speeches were given by Deputy Prime Minister for Industry and Trade of the Czech Republic Martin Tlapa and Jörgen Holmquist of the DG Internal Market of the EC.

Financial crisis, economic slowdown and in many cases even a transition towards recession make this message more urgent. Downturns in production and loss of competitiveness go hand in hand with a dramatic loss of markets and decreases in exports. On the other hand, this critical situation may be understood as a stimulus for the acceleration of structural changes, completion of reforms and above all the key to unleashing the potential of the European Internal Market and dynamic development of world trade.

Employers and entrepreneurs therefore welcomed the two-day forum which brought together representatives of European institutions, international organisations, business federations and chambers of commerce, companies, organisations of consumers and academia. The forum opened a discussion leading towards unleashing the potential of companies both in Europe and worldwide.

***"Services are the main driver of European growth."***

Jörgen Holmquist, DG Internal Market, EC

The forum was divided into two parts. The first day was devoted to the discussion of the state of liberalisation in the services sector in the European market – not only to the Directive on Services on the Internal Market of 2006, but also to the future of services in Europe and in the world. The second day concentrated on the liberalisation of international trade and the discussions focused mainly on the synergy



of trade liberalisation and economic growth, strengthening EU competitiveness in the context of the global economy and the changing frameworks of interdependence – liberalisation, innovation and growth.

The Confederation of Industry of the Czech Republic (SP) was in favour of organising this forum from the very beginning and gave its support to the event by providing the participation of representatives of the European business structures of which it is a member. Unleashing the potential of services in Europe is important for business. Businesses hoped for a bolder approach in the liberalisation of services in the EU, but now it is important for them to transpose the accepted compromise as fast and as thoroughly as possible and keep its dynamic and liberal elements in the text. European businesses were represented by Carlos Almaraz, Deputy Director of the BUSINESSEUROPE Internal Market Committee.

Liberalisation of international trade – simplifying the processes and access to the market with non-agricultural products – is no less important for businesses in Europe. The business

community is watching the negotiations on the Doha Development Agenda within the WTO and failures in their closing with mixed feelings.

***"We have to think more fundamentally about the Internal Market in the future."***

Malcolm Harbour, Internal Market Committee, EP

The decrease in exports and loss of markets is one of the concrete impacts of the financial and economic crisis in the world for European companies. The business community is therefore ringing the alarm and calling for restoration of the multilateral negotiations and for strengthening of bilateral co-operation. The emphasis at this moment is on transatlantic dialogue with the new U.S. administration and on an effective use of the newly created instrument of this co-operation – the Transatlantic Economic Council (TEC). The international business community was represented by Dirk Manske, BIAC Senior Policy Manager.

Vladimira Drbalova, SP CR

## NEWS FROM EUROPE



**28 January 2009**

### CEBRE debate "CZ PRES and Barriers of the Internal market" (Brussels)



This high-Level panel debate introduced the Czech Presidency's priorities in the business sector and allowed representatives of European business associations to react to them. Speakers from Czech Permanent Representation, BUSINESSEUROPE, UEAPME, EUROCHAMBRES and EESC agreed that it is of up-most importance to focus on all possible types of measures that help to liberalise the Internal and global markets.

For more information [click HERE](#)

**28 January 2009**

### Meeting of the Internal Market Policy Committee of BUSINESSEUROPE

The IMCO members opened a debate on the EC staff working document **The Single Market Review: one year on** published in December 2008 demonstrating the considerable progress already achieved and a complementary paper **Market Monitoring: State of Play and Envisaged Follow-up** focusing on market monitoring as a new tool contributing to the modernisation of the governance of the Single Market. Furthermore, BUSINESSEUROPE future action in telecommunications was discussed. The IMCO members were also invited to exchange views on the **impact of the financial crisis on Financial Services Dossiers**.

**2 February 2009**

### Meeting of the CHINA working group of BUSINESSEUROPE

**BUSINESSEUROPE** This meeting took place on February 2, 2009 and included a guest from the European Commission, Helena König Head of Unit Trade Relations with the Far East of the DG Trade. She spoke to participants about the top-level discussion between President Barroso and the Chinese Prime Minister Wen Jiabao on January 30th in Brussels. Prime Minister Topolánek also took part. Global crises, the threat of protectionism, access to markets, anti-dumping and, above all, HLM were the topics on the agenda. Thus far, no substantial progress has been achieved during negotiations with the Chinese side, but there are certain expectations for the EU-China summit that will take place during the Czech Presidency in Prague.

To learn more about CZ PRES events [click HERE](#)

**3 February 2009**

### Meeting of the International Relations Committee of BUSINESSEUROPE



This meeting took place on February 3, 2009. The main points on the agenda were the future of Trade Policies, Transatlantic Trade Relations, Enforcement of International Trade and Investment Rules and IRC Strategic objectives for 2009. BUSINESSEUROPE supports the continuation and fulfilment of discussions from DOHA and implementation of the 'standstill' agreement during the present complex situation of impeding protectionism. The General Director of BUSINESSEUROPE Philippe De Buck pointed out that we are going through an extremely complicated period. The role of governments is much more influential, and that is why WTO is a crucial element. Transatlantic Trade Relations are one of the priorities of BUSINESSEUROPE and also of the Czech Presidency. The global financial crisis has stressed the need for transatlantic economic and regulatory cooperation to prevent the emergence of protectionist policies. On April 15, 2009, the Confederation of Industry of the Czech Republic in tandem with the Ministry of Trade and Industry and the Cabinet Office will organise a conference relating to the Transatlantic Economic Council under the auspices of the Deputy Prime Minister Alexandr Vondra. More on this topic at [www.spcr.cz](http://www.spcr.cz) or [click HERE](#)

**5 - 6 March 2009**

### Competitiveness Council: European business calls for a quick and sustainable recovery

At a moment when the financial crisis is taking its toll on our economies and the European Union faces a recession, the Competitiveness Council has a key role to play to support growth-enhancing measures, to fight protectionism and to ensure that EU climate policy is aligned with competitiveness objectives.

This is a reason why the European business community is addressing the Czech Presidency and the President of the Competitiveness Council Martin Říman its message tackling main areas of interest for business as Single Market perspectives, better regulation objectives and innovation strategy.

To view BUSINESSEUROPE letters [click HERE](#) and [click HERE](#)



# SMALL STEPS FOR BUSINESS ... GIANT LEAPS FOR EUROPE



Henri Malosse, EESC

However, the Commission's current proposal could be significantly improved upon. In an opinion adopted at its plenary session held on 14 January 2009, the EESC advocates using the Small Business Act as an instrument for combating excess regulation and red tape. We call for the principle of "think small first" to be enshrined in an interinstitutional agreement complementing the opinion on "Better Lawmaking, an initiative which has already reined in the EU's legislative zeal. Four very specific recommendations are made:

- Organisations representing businesses should be consulted on any new EU proposal on companies before its official publication, allowing a minimum of 12 weeks for the organisations to respond.
- Any new legislation on companies should not be revised for five years and should enter into effect only on 1 January each year.
- The principle of "once only" should apply for any administrative request addressed to another company.
- The implementation of European legislation at national level should be better monitored, in order to prevent excessive regulation resulting from the transposition of directives.

The Czech Presidency should also do its utmost to ensure that the Statute for a European private company (SPE) – a new, flexible legal instrument for SMEs recognised across the European Union – is adopted without delay.

On the basis of the Small Business Act, the European Commission could also redirect use of the Structural Funds towards supporting innovation in small and medium-sized companies. We also advocate financial engineering mechanisms (e.g. guarantee funds) to facilitate the granting of loans to SMEs for innovation and use of clean technology that promotes energy efficiency (e.g. in the construction sector).

Lifelong learning is also very important for the future of European companies. We therefore welcome the excellent European Commission proposal "New Skills, New Jobs", and we urge the Czech Presidency to draw up ambitious proposals based on that document for the informal European Council to be held in Prague in April.

The Czech Presidency has asked the EESC to draw up an exploratory opinion on partnerships between employers and education establishments, which will be presented at that meeting. We believe this to be a crucial issue.

The lack of skilled manpower is a real problem for very many companies, hampering growth and competitiveness, and encouraging relocation.

We therefore advocate a new process that could be called the "Prague Process", to create stable and dynamic relationships between employers and education establishments.

The purpose of this would be to strengthen exchanges between professionals by sector and by branch, based on small multicultural teams, to give individual assistance to specific groups of students (the disabled, young people with problems, minorities), to promote career development and investment, as well as encouraging entrepreneurship among young people during primary or secondary education.

At European level this process will be designed to promote mobility (among trainees, teachers, students, etc.), and pooling and transfer of experience, to develop common draft reference criteria for professional qualifications, to build European investment and mobility networks, and to launch pilot Europe-wide establishments or networks of establishments.

Vladimira Drbalova and Henri Malosse, EESC



We are very hopeful that, under the Czech Presidency of the European Union, small steps will be taken for business that may represent giant leaps for Europe.

Many business leaders, already worried about the economic crisis, feel that the European Union is not providing any response or discernible solutions to their problems. Worse still, some of them even see the European Union as the source of their problems: excessive regulation, pointless bureaucracy, no clear vision guiding its development and constraints without opportunities.

Several steps could be taken now to restore hope and confidence.

First, there is the "Small Business Act for Europe" proposed by the European Commission. This is about developing a legal and operational framework at European level that is much more favourable to small and medium-sized businesses.