

Rise of unemployment

Czech government increased obligatory payments of self-employed persons in the Czech Republic. Although this has a positive effect on the public budget, it harms this category of entrepreneurs. It is partially linked with the rise of unemployment, which is expected to increase by 7% in the tourism sector this year.

Public tenders revised

Czech MPs adopted a partial revision of the public tenders' law and introduced many positive amendments to the document, such as environmental parameters for car tenders. However, Czech business organisations are asking for complex revision of the law. They want a 60 day maximum payment period for tendering authorities and a more transparent process.

New limits for Bank Deposits Insurance

Czech Parliament gave the green light to increased limits for bank deposits insurance from EUR 50,000 to EUR100,000. The revision of the law should come into force in 2011.

End of photovoltaic speculations

Czech MPs agreed that the Czech Energy Regulatory Body will be allowed to decrease future buying prices for solar electricity by more than 5%. It should avoid speculative investment in the photovoltaic and connexion requests in the distribution network.

Eastern partnership: Win-win situation not only for businesses

The Eastern Partnership project (EaP), aiming to improve the political and economic relations of the countries of "strategic importance" - Ukraine, Belarus, Moldova, Azerbaijan, Armenia and Georgia with the EU, was inaugurated on 7th May 2009 in Prague. This ambitious project aims to develop good governance in these countries, promote human rights, enforce rule of law and strengthen their cooperation. Businesses and business organisations play a vital role in achieving the aims of EaP and should be more present in the whole project through participation in its four thematic platforms, civil society dialogue as well as implementation of particular projects. Dialogue, best practices sharing and absorption capacity of Eastern partner countries are the most important elements of the EaP. EU and EaP businesses can share their experience and contacts mainly via Civil Society Eastern Partnership Business Forum. Businesses from EaP countries expect improvement of regulatory environment and a better investment climate. Cooperation will also happen

at parliamentary level the European Parliament is setting up the joint Parliamentary Assembly where 60 members of the European Parliament and 60 parliamentarians from EaP countries will gather to improve their dialogue and cooperation. (see more on page 2)



From left: Ivan Voleš, Member of EESC, Commissioner Štefan Füle, Milena Vicanová, Czech Permanent Representative to the EU and Kristian Vigenin, MEP, discuss the Eastern Partnership with stakeholders on 4th March, 2010.

European Private Company shouldn't die

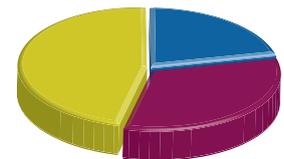
In June 2008 the European Commission adopted proposal for European Private Company statute (SPE) as a part of the Small Business Act. Its aim is to allow European SMEs to use one standardized legal form for cross-border activities in the European Union. After long and detailed discussions, reports and consultations, the Commission submitted a proposal for an accessible (cheap), open and flexible statute. SPE companies will be able to set up and create branches with the same structure in any Member State. Unlike big multinationals, SMEs were waiting for the single statute for a long time. To enhance cross-border trade in the EU, SMEs should also have the possibility to use a uniform statute reflecting their needs, containing minimum of references to na-

tional laws and decreasing costs when setting up a company abroad. An unpleasant surprise came during the Council's meeting last December, when the SPE proposal was not immediately adopted by the Member States, who instead decided to take time for its further examination. SPE was delayed. However, the Council's (non-) action is partially positive. It gives hope to SMEs that the document will be reviewed and adapted to be more in line with the initial proposal. Advantages for SMEs contained in the Commission proposal have been reduced to a minimum in the December document, and hence it would not fully satisfy SMEs expectations. Quick action is needed now to resuscitate the initial work of the Commission before its good intentions die. (see more on page 2)

Czech SMEs barometer 2010:

The number of Czech SMEs whose economic situation has improved since last September has slightly increased. Nevertheless, there is less optimism among SMEs regarding their economic development in 2010.

• Growth expectations in the first half 2010



21% FAVOURABLE 33% UNFAVOURABLE 46% UNCHANGED

Source: Czech Chamber of Commerce survey, February 2010

TALKING ABOUT...



EASTERN PARTNERSHIP

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Eastern Partnership was set up last May during the Czech Presidency. Ten months later, business organisations, Members of European Parliament and representatives of Member States discussed the challenges of Eastern Partnership (EaP) for EU as well as Eastern partners businesses with European Commissioner responsible for Enlargement and European neighbourhood policy, Štefan FÜLE. "Companies on both sides should perceive the EaP as an opportunity for potential markets. It's a win-win situation," said Commissioner FÜLE. To achieve a win-win situation, we have to understand each other. "We have to learn about the expectations and requirements of both sides", pointed out Milena VICENOVÁ, Czech Permanent Representative to the EU. Launch of the EaP and its evolution was followed with interest by the European Economic and Social Committee. Its members were involved in its "institutionalising" and have been participating in its thematic platforms. EESC

members have also been active in the Civil Society Dialogue and interested in the possibility to set up an Eastern Partnership Business Forum. "Though, important components of the society dialogue are missing such as employers, employees and consumers' representatives. Whole civil society should be represented," stressed Ivan VOLEŠ, Member of EESC and Head of Eastern Neighbourhood Contact Group. Businesses from Eastern partner countries expect improvement of regulatory environment and investment climate for SMEs. "We want the EaP to become a strong equal partnership beneficiary for both parts," said Anna ZVOLIKEYCH, Director of EU Ukrainian Business Council. Kristian VIGENIN MEP, chairman of Euronest Parliamentary Assembly and AFET Committee, added: "the European Parliament is setting up the joint Parliamentary Assembly where 60 members of European Parliament and 60 parliamentarians from EaP countries will gather to improve their dialogue and cooperation".

EUROPE 2020

In early March, the European Commission revealed "Europe 2020", its proposal for new growth and jobs strategy. The biggest challenges of the strategy are economic crisis that has driven us back to the early 1990s, constraints on public finances, population ageing, competitiveness at the global level and environmental issues. Without serious ownership, political commitments and efficient instruments there is only a small chance that the strategy will be successful. The strategy must have a controlling mechanism for its implementation and enable Commission to use "sticks" and "carrots". Nevertheless, the Commission and European Parliament will have also their role to play. Business organisations are ready to become the watchdogs of Europe 2020 implementation. The strategy needs to be accountable, homogenous and comprehensive for EU citizens.



From left: Pat Cox, President of the European Movement International and Milena Vicenová, Czech Permanent Representative to the EU discussed the EU 2020 Strategy on 3rd March, 2010

EUROPEAN PRIVATE COMPANY

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In the Czech Republic, the SPE statute corresponds to the limited liability company statute called společnost s ručením omezeným (or "s.r.o."). The minimum capital required in the Czech Republic for a limited liability company is around EUR 7,400. SPE, as proposed by the Commission, could be more competitive and cheaper. On the other hand, it would bring stricter rules regarding employees' participation. In the Czech Republic, only listed companies (corporations) with more than 50 employees are obliged to enable employees to elect their representatives in the Board of Trustees. Setting up a company in the Czech Republic costs approximately EUR 20,000 Euro and requires ten different procedures lasting seventeen days. Use of the SPE would allow the companies to save the set-up costs and also those for administration (around EUR 15 000). SPE could facilitate and enhance cross-border trade. Czech companies support the EC proposal for SPE and require:

- The least participation of employees possible
- Possibility to have the registration and main office in a different Member State
- Minimum of references to the national laws

CEBRE CALENDAR:

- Policy Café on CO₂ of vehicles and electrification of transport on **27th April 2010 (Brussels)**
- Concert of Czech rock band Blue Effect on **5th May 2010 (Brussels)**
- Conference on University Business Partnership on **25th May 2010 (Ostrava)**
- SME Week **25th May – 1st June**
- Debate on development aid, **June (Prague)**

AVAILABLE
IN BRUSSELS!



ENERGIZING EUROPE: European Nuclear Energy Forum – this year in Bratislava!

The European Nuclear Energy Forum (ENEF) represents a platform for a broad and comprehensive discussion on ensuring the energy needs of the EU by means of nuclear energy. All relevant stakeholders in the nuclear field – governments of the 27 EU Member States, European Institutions, nuclear industry, electricity consumers and the civil society – will gather in Bratislava on the 25th and 26th of May to discuss annual outcomes of ENEF working groups on transparency issues and the opportunities and risks of nuclear energy. Furthermore, this fifth plenary session will also focus on active debate over construction of



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new nuclear facilities in both Czech Republic and Slovak Republic.

Jiří Horák, ČEZ Group

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