

No Euro before 2016

According to the Commission's report published in May, the Czech Republic will not adopt the euro before 2016. The main reason is the state of public finances. The Czech deficit increased to 5.9% of the GDP, although only 5.3% was expected.

Slight recovery

March statistics showed a slight recovery in the Czech trade balance. Czech imports increased by 12.7% and exports by 15.8%. The positive balance stands at CZK18.3bn. However, the Czech Confederation of Industry survey shows that 15% of companies do not use their full production capacities.

Internet training for SMEs for free

During May 2010, Czech SMEs can participate in a training programme to improve their Internet skills (design web page, use internet advertisement, etc.) for free. The Czech Association of Small and Medium-Sized Enterprises and Crafts is leading the project in cooperation with Google and ACTIVE24 „Online Start“.

Cutting red tape in the Czech Republic by 20%

A Czech legislative package on further reduction of administrative inefficiencies by 20% in the period 2005-2010 has been adopted in May. Businesses will save CZK 514 million a year. To comply with the EU reduction targets, a further 5% to be reduced by 2012. However the document compared figures to 2005 level only and did not take fully into account the legislation adopted after this date.

New Power for European Transport

The EU reduction targets for CO₂ emissions set for 2012 and 2020 are putting the automotive sector under constant pressure. These targets have already been set for Passenger Vehicles and are now being discussed for Light Commercial Vehicles. This initiative comes in a period when the automotive sector, a major industry sector and employer in the EU, is being hit very hard by the economic crisis. It is clear that there are limits to the level of regulation the sector can cope with, therefore new technologies must be developed. Where is the potential for further CO₂ emissions reduction? An answer can be partially provided by electric vehicles. Numerous projects on electric transport in Europe are already in progress and by 2030 the majority of new vehicles produced could be electric. However, the development must be coordinated at all levels. Participants of CEBRE business breakfast held on 27th April 2010 in the light of the Commission's

draft European Strategy on Clean and Energy Efficient Vehicles agreed that cooperation on common guidelines and standards in electrification of transport is necessary as well as support of R&D investment and financial incentives.

(see more on page 2)



From left: Fabien Hillairet, ČEZ group, Oldřich Vlasák, Member of European Parliament, Simon Godwin, EURCAR/ACEA.

YES to „Made In“

For better protection of national products and better protection of consumers, some world economies require an indication of the country of origin on imported products. The EU is also considering, whether to impose an obligatory origin marking on products imported into the EU. In December 2005, after discussions with companies and business organisations, consultative bodies of the Commission and consumers' organisations, the Commission submitted a proposal for a Council: Regulation on the indication of the country of origin of certain products imported from third countries (COM(2005)661). Categories of products that may be included are: leather, footwear, textiles and clothing, ceramics and glass products, jewellery, furniture, brushes and others. Fishery, aquaculture products and foodstuffs would not be covered by this regulation. In the CEBRE survey carried out in cooperation with BusinessInfo.cz, 95% of Czech businesses supported obligatory origin marking on specific products imported into the EU. More than 93%

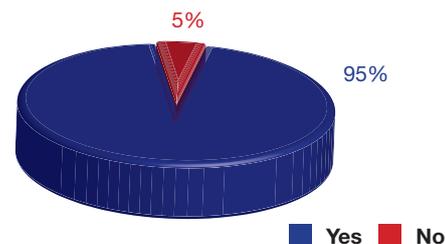
of them are in favour of requesting obligatory origin marking on imported food. Indication of the country of origin would put the EU on an equal footing with the conditions of the world market, as the key trade partners of the EU (Canada, China, Japan and USA) require the origin marking of goods entering their markets. It would avoid misguided information about the country of origin, increase the transparency and provide better information for European consumers (but also producers) who, in principle, prefer familiar local products in which they have confidence. If the proposed regulation will be adopted, European producers could become more competitive in world markets. However, the indication of the country of origin is hardly feasible in a globalised world. For example, if Czech porcelain is imported to China for decoration, once back in the EU it is marked Made In China. But Member States are still divided on this issue. Last October, they tried to reach an agreement on a compromise document and came up with a new proposal.

However, the foodstuffs and unfinished products are missing from the list, even though these have the greatest potential for harming consumers' health.

(see more on page 2)

Czech Businesses say „YES“

Do you agree with obligatory origin marking on specific products imported to the EU?



Source: Portal BusinessInfo.cz and CEBRE, April 2010

TALKING ABOUT...



(continued from page 1)

Significant CO₂ emissions reduction in the automotive sector has already been achieved and now the debate has focused on Light Commercial Vehicles (LCVs) that represent 12% of cars on the road. The European Commission proposes to reduce CO₂ emissions from LCVs to 175g CO₂/km by 2014 and 135g CO₂/km by 2020. "I believe that together with my colleagues from the European Parliament we will find a solution that will not destroy the automotive industry", said Oldřich VLASÁK, the MEP responsible for TRAN opinion on the proposal for a regulation on setting emissions performance standards for new LCVs. "I propose to postpone the coming into force of the regulation by three years and softening the 2020 target from 135g CO₂/km to 162 CO₂/km", he added. The automotive sector is the largest private investor in R&D in Europe. It



From left: Oldřich Vlasák, Member of European Parliament, Simon Godwin, EURCAR/ACEA, Lars Holmquist, CLEPA

has been leading and participating in many projects on clean, efficient propulsion technologies for all vehicles. For electric vehicles, numerous technologies can be used. "To change the mind of consumers and ensure continuous research, the support of public administration and politicians is needed", said Simon GODWIN, Director of EUCAR – European Council for Automotive R&D. The crisis and the economic measures taken have reduced the size of cars and engines. The automotive industry is undergoing a considerable transformation. "The demand for new technical solutions and global competitiveness require higher and more specific skills. To avoid future misalignments, the cooperation at regional, national, European (infrastructure, research and standardization) and international level (coordination of infrastructure and use of raw materials) is necessary," stressed Lars HOLMQUIST, CEO of the CLEPA - European Association of Automotive Suppliers. Expert on renewable energy and sustainable development at the ČEZ Group, Fabien HILLAIRET, echoed the previous speakers on the need to cooperate at different levels. "In Europe, there have been 30 projects on electric mobility on board since 2007. We have to avoid the use of different methods of charging. Unlike cell phone, cars need standardised chargers!" CEBRE will continue with the discussion at high-level workshop during the CoR Open Days in Brussels on 6th October, 2010.

ENERGIZING EUROPE:

Rules for EU ETS auctioning platform finally proposed

All industries emitting greenhouse gases falling under the EU's Emission Trading System (EU ETS), including electricity sector, had been attentively awaiting publication of rules for carbon auctioning in the third trading period – from 2013 to 2020. Their "wish" was answered – the European Commission published a proposal for an auctioning regulation concerning the timing, administration and other aspects of auctioning CO₂ allowances under the EU ETS. This regulation results from amended directive 2003/87/EC and should be adopted through the comitology procedure by 30 June 2010. All concerned industries hope for timely adoption and reasonable factual content of this proposal as the auctioning under the EU ETS will represent a fundamental



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way of attaining CO₂ allowances necessary for operation of all power plants emitting CO₂.

Jiří Horák, ČEZ Group

CEBRE CALENDAR:

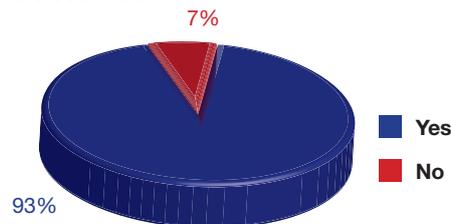
- Brussels Economic Forum on **25th and 26th May, 2010 (Brussels)**
- Exhibition of František Skála from **23rd June till 31st August, 2010 (Czech Centre/ Czech House Brussels)**
- SME Week from **25th till 1st June, 2010**
- Czech and Slovak Ice Hockey Games on **29th May, 2010 (Leuven)**
- Announcement of winners of the competition Against the crisis on **17th June, 2010 (Prague)**
- CEBRE Debate on EU Pre-Accession Instruments on **30th June, 2010 (Prague)**
- European Business Summit from **30th June till 1st July, 2010 (Brussels)**

YES to „Made In“

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Chinese milk containing melanin or honeys from foreign countries can be very harmful for people with allergies. Knowledge of the country origin (and not regional grouping) of certain foodstuffs is essential in some cases. More work must be done on the proposal implementation and on mechanisms of sanctions and controls. The Lisbon treaty gives more power to the European Parliament. And so from now on, MEPs will co-decide with the Council on the country of origin proposal. This gives us some hope for the future.

Are you in favour to request obligatory origin marking on imported food products from third countries?



Source: Portal BusinessInfo.cz and CEBRE, April 2010

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