

# Czech

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### JUNCKER'S INVESTMENT PLAN: STILL A LONG WAY TO GO



In January 2015, the European Commission's Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness launched a 28-country road show to promote the new Juncker's Investment Plan, worth more than €300 billion. While being on the road, he has already visited the Czech Republic to meet with the President, Minister of Finance and to participate in the public debate with students. After the meetings, Mr. Katainen stated: "I welcome the Czech government's clear expression of support for the Investment Plan. The unlocking of public and private funds under the Plan will contribute to addressing the current investment gap in the Czech Republic and

to the sustainability of the country's ongoing economic recovery." Despite his efforts, Vice-President Katainen has not convinced everyone. There are still a lot of questions on how the plan and its Fund for Strategic Investments, will actually work. More importantly, which source the EU support will come from. Relocating funds from the Horizon 2020 programme and/or cutting other European investment projects face strong opposition. Clarification of measures within the Investment Plan for Europe is something that interests Czech businesses organisations who are rather of opinion that it represents no change from the ineffective existing approaches, in relation to SME policy.

CEBRE was founded in 2002 by the three most important Czech business organizations - Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.



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### MEPs CORNER



*Juncker's Investment Fund will obviously not guarantee a stronger EU economy. Nevertheless it has highlighted the need for more efficient use of public money - government must always consider why*

*they are spending money and should start to think rather in terms of "investments" and "returns". So I see the Fund as clear indication, that this is a path to follow in future.*

Luděk Niedermayer,  
Member of ECON Committee (CZ, EPP)

### COUNTRY REPORT 2015: BUSINESS POINT OF VIEW

At the end of February, the European Commission published its Country Reports in the framework of the European Semester. As for the Czech Republic, the European Commission appreciates that Czech economy has returned on growth track and even outperformed the expected growth rates. The situation was caused by an increase in the domestic demand, household consumption and exports. As regards public finance, the situation has improved as well. The general government deficit is about to reach 1.3% of GDP and the debt-to-GDP ratio stays under the 60% of GDP threshold. On the other hand, the Commission sees insufficiencies, many of which it has criticized continuously. First of all, while there is relatively low level of unemployment, the conditions on the labour market remain difficult for certain groups, for example parents with young children, low-skilled workers or disabled people. Secondly, the efficiency and transparency of public institutions is insufficient according to the Commission; creating barriers to structural reforms and growth. Furthermore, the lack of development in the field of transport infrastructure slows down economic

growth and limits efficiency of using EU funds in this sector. Burdensome and costly tax collection, high number of regulated professions or high taxation on labour are also criticised by the Commission. Although there has been some progress, the overall efforts to implement country specific recommendations from previous year are viewed as limited by the Commission. Czech entrepreneurs' and employers' organizations agree only partly with the criticism. There is a clear room for improvement in certain areas, especially those related to tax issues, labour conditions or in the number of regulated professions. On the other hand, the Commission report focuses rather on minor issues while not taking into consideration the broader image and the need to support competitiveness and growth of Czech economy, improve conditions for attracting investment and decreasing regulatory burden. Therefore, Czech business organizations hope that this year's Country Specific Recommendations will focus more on these crucial points that are necessary to improve the overall business and investment environment in the Czech Republic.

### News FLASH

#### >CZECHS GIVE THE GREEN LIGHT TO EFSI

At the last ECOFIN Council, the Czech Republic gave its support to the establishment of a European fund for Strategic investments which is crucial for the implementation of Juncker's Investment Plan for Europe. The Czech Government has started the transformation process of the Czech-Moravian Guarantee and Development Bank that is to be used for the implementation of national projects identified in the Juncker's plan.

#### >V4 SHOULD BETTER DEFEND THEIR COMMON INTEREST IN THE EU

The Heads of the Visegrad Group (V4) Parliaments decided at their meeting in Bratislava (SK) to raise more awareness about EU issues and better coordinate their positions in the European Union.

#### >ADR WITHOUT PRIVATE ENTITIES INVOLVED

The Czech government approved a proposal for an amendment of the Consumer Protection Act and other laws. The proposal, transposing ADR directive, enables only public entities to handle ADR procedures. The Czech Trade Inspection Authority will be in charge of general disputes, sectoral disputes will be in hands of Financial Arbitrator, Czech Telecommunication office and Energy Regulatory office.

# MEPs SHALL POINT OUT THE DISTORTIONS IN THE INTERNAL MARKET



CEBRE founders called on Czech MEPs during their March meeting in Prague to stress the tendencies of emerging obstacles to the Internal market. Barriers appear mostly in the area of social standards in transport going against the Internal market principles. "Initiatives of some western EU countries aimed at protecting domestic business entities tend to disadvantage entrepreneurs from the new EU member states and eliminate them from these markets. This growing protectionism and the decline in cohesion in the EU are contrary

to the Commission's efforts to reduce Internal market barriers and improve the performance of the European economy", highlighted Irena Bartoňová Pálková, Vice-President of the Czech Chamber of Commerce. CEBRE founders agreed that smart communication during the negotiation of the European initiatives and thorough defending of Czech business interest in the European parliament must be given critical importance. The key proposals to be discussed in the European Parliament this year according to the Czech businesses are: Digital Single

Market, Energy Union and Juncker's Investment Plan for Europe. The president of the Confederation of Industry of the Czech Republic Jaroslav Hanák said: "In my opinion, the concept of the Energy Union, as announced by the European Commission in February, is a good move. Nevertheless, the future Energy Union needs to well balance the objectives of the security of supply, competitiveness and sustainability, while fully respecting the principle of subsidiarity. Completion of the internal energy market, security of supply and the impact on energy prices and competitiveness is considered the main and most important priority of the Energy Union". The debate followed a discussion CEBRE founders held exactly a year ago with candidates to the European Parliament. Jan Wiesner, President of the Confederation of Employers' and Entrepreneurs' Associations reminded that the meeting serves as a platform to refine the principles of cooperation and specifically set up the way of a swift communication. "We wish our comments and positions are well received by our MEPs so that our interest is heard in the European Parliament", he stressed.

## EESC CORNER: ENTREPRENEURIAL SPIRIT BACK ON TRACK IN EUROPE



The Employers' group in the EESC welcomes very much intention of the European Commission cooperation together with the Trio presidency to come back to the Oslo Declaration (2006) and to the objectives of the Strategic framework for the European cooperation in education and training (ET 2020) and to foster creativity, entrepreneurship and mobility in the education and training. This is also the title and the aim of the own initiative opinion which is now in the development process in the study group. The EESC follows the conclusions of the Council for Youth, Education, Culture and Sport of 12 December 2014 which say very clearly that both entrepreneurship and education are priorities of the Europe 2020 strategy for smart, sustainable and inclusive growth. Development of an entrepreneurial mindset can have considerable benefits for citizens in both their professional and private lives. Creativity

and innovation are crucial for the development of enterprises and for Europe's ability to compete internationally. Investment in education and training for skills development is essential if we are to boost growth and competitiveness. The first challenge is to promote the acquisition by all citizens of transversal key competences such as digital competences, learning to learn, sense of initiative and entrepreneurship and cultural awareness. The EESC LMO conference in November 2014 on "Supporting start-ups to create growth and employment" also clearly showed that entrepreneurship education should be considered in the context of the wider business environment, including facilitating businesses start-ups, cutting red tape, and addressing the labour market flexibility. Pre-start, start-up and development incentives can be effectively linked to a range of other active labour market policies (ALMP) and also need to be seen

in the context of a wider framework of business support and enterprise development. The role of role teachers and educators in facilitating learning and multiplying idea is crucial. Integrating new educational processes and teaching technologies into the classrooms is no simple task and will require qualified teachers to spearhead the process. The quality of teachers and mentors/ counsellors is essential for ensuring the success and effectiveness of entrepreneurial training programmes.



Vladimíra Drbalová  
The Confederation of Industry of  
the Czech Republic,  
EESC Member

### CEBRE CALENDAR:

- 14<sup>th</sup> – 16<sup>th</sup> April – Czech managers visit EU institutions (Brussels)
- 21<sup>st</sup> April – Debate on technical education (Prague)
- 11<sup>th</sup> – 13<sup>th</sup> May – Business mission to Belgium (Brussels)

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