

## WHAT PRIORITIES SHOULD THE EU FINANCE?



The EU is facing a lot of new challenges these days and therefore has to focus on some policy areas that weren't on its radar in previous years. Migration, security and defence are areas that are discussed on a daily basis and the EU has to react to some new realities. Apart from that, the "old" priorities still remain valid and mustn't be left aside. Although the list of priorities broadens, the EU budget doesn't reflect the situation and doesn't increase significantly. In addition, and although it is not clear yet what the conditions of the "divorce" will be, Brexit will quite surely have an impact on the EU budget as well. Will the system of Member States' contributions to the EU budget change? What priorities will be financed in the future by the EU? And how to maximise the effectivity of EU spending? Those were just a few areas discussed at a debate on the Future of EU budget organised on the 6<sup>th</sup> of October in the European House in Prague. The EU budget will also surely focus on future social and

economic cohesion. Although the results of EU cohesion policy are clearly visible, the convergence rate isn't as fast as expected in some EU regions. The big question for the Czech Republic is whether it will maintain its position as a net receiver after the current Multiannual Financial Framework, meaning that it will receive more money from the EU than it contributes to the common budget. According to the latest calculations, the Czech Republic will remain a net receiver until 2028. After that, the situation should be more or less balanced. As for the priorities that the future EU budget should focus on, the panellists mentioned migration and security (both internal and external), economic growth and investment, employment, research and innovation, infrastructure, digitalisation and climate and energy issues, and education. Another big task for the Czech government is to improve the use of EU funds so that the Czech Republic can take advantage of the full potential of EU support.

## MEPs CORNER



*"The future EU budget should aim at social and economic cohesion, smart agriculture, security and defence, innovation and modern technologies, and last but not least, the fight against climate change. The Czech Republic should also focus on how to facilitate the absorption of EU funds."*

Tomáš Zdechovský (KDU-ČSL/EPP)

## EU CONSUMER LEGISLATION FIT FOR PURPOSE BUT COSMETIC CHANGES ARE NEEDED

Current EU Consumer and Marketing law is largely fit for purpose, but it has to be properly enforced and applied. Still, there is room for improvement. Digitalization, new business models and an increase in online retail trade are among elements that stress the need for targeted legislative changes. For instance, many consumers are uncertain about whether they enter into B2C or C2C contracts in online marketplaces. These are the conclusions of a seminar organised by CEBRE together with the Permanent Representation of the Czech Republic to the EU on 25<sup>th</sup> September. In May, the European Commission published its Reports regarding the Fitness Check on EU Consumer and Marketing Law and Evaluation of the Consumer Rights Directive. The

exercise pointed out the need for more transparency in online marketplaces, the extension of consumer rights to contracts for "free" digital services, individual remedies in the area of unfair commercial practices, more effective deterrent penalties and the simplification of some rules regarding pre-contractual information and withdrawal right. The speakers from different institutions and stakeholder groups were divided in their opinions on the remedies and sanctions, however they agree on the need for better information for consumers. They also agree that awareness and education among not only consumers, but also businesses, is crucial in order to increase the trust in EU consumer legislation. Soft legal instruments are helpful tools. The European Commission is preparing guidance

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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## News FLASH

### > DRAFT OF NEW CONSUMER LAW

The Czech Government adopted a draft of the new consumer protection law. The aim is to concentrate the rights and obligations in the area of consumer protection area into one legal instrument. It also increases consumer protection, especially in the area of contract-by-phone.

### > CZECHS RATIFIED CETA

On 13<sup>th</sup> of September, the Czech Republic joined the Member States that had so far ratified the EU – Canada Comprehensive Economic and Trade Agreement, which provisionally entered into force on 21<sup>st</sup> of September.

### > CZECH AUTOMOTIVE INDUSTRY 2025

Czech Ministry of Industry and Trade and Czech Automotive Industry Association prepared a Memorandum on the Future of the Automotive Industry and Action plan "Czech Automotive Industry 2025" that deals with electromobility, autonomous vehicles and digitization. The memorandum was adopted by the Czech Government on 25<sup>th</sup> September.

on an unfair contract terms directive as well as a self-regulatory project on better presentation of consumer information. Targeted legislative amendments of Consumer legislation will be tabled by the Commission at the beginning of next year on the basis of the inception impact assessment and public consultation which runs until 8<sup>th</sup> October.

# SUPPORT TO AVIATION SECTOR: ESIF AND HORIZON 2020 ARE DIFFERENT BUT COMPLEMENTARY

Financing of research, development and innovation in the new EU programming period after 2020 will certainly be affected by Brexit and other new challenges. Better synergies of EU programmes have to be created, with EU funding allocated at national level. Those are some of the main thoughts expressed by the representatives of EU institutions, Council and businesses during a seminar on financing of R&D&I in the aviation sector post 2020 in Brussels on September 27<sup>th</sup> 2017. The Aviation industry has a long tradition in the Czech Republic and, in the last couple of years, has been growing steadily. Innovative Czech companies must gradually shift their focus from European Structural and Investment Funds (ESIF) financing towards other programmes and financial instruments, as the financial envelope for ESIF will decrease in the post 2020 period. The aviation sector is a great example in this respect. So far, Czech companies have achieved

solid success in the Clean Sky 2 programme, which supports research, development and innovation in green aviation. The Czech Ministry of Trade and Industry was progressive when it signed a Memorandum of Understanding with Clean Sky 2 last year. The aim is to create synergies in financing from ESIF and Horizon 2020, i.e. Clean Sky 2. The Ministry is preparing a special call under OP EIC Aplikace programme which will bridge the gap between ESIF and other EU funds. *"The synergy we are creating will also stimulate formation of consortiums which will facilitate better interaction of various actors within the research and innovation environment"*, says Tomáš Novotný, Deputy Minister for EU Funds, Research, Development, Innovation and Investment Incentives, Czech Ministry of Industry and Trade. The event was organised by CEBRE – Czech Business Representation to the EU, Clean Sky 2 and Czech Permanent Representation to the EU.



## EESC CORNER – DIGITAL SKILLS IN THE CONTEXT OF NEW FORMS OF WORK



The Estonian presidency calls itself a digital presidency putting special emphasis on the promotion of an open and innovative European economy, in other words, on the development of a business environment which will support growth and competitiveness in all areas. Development skills have been singled out as one of the areas of interest of the Estonian Presidency. In this context the Estonian Presidency submitted a request for exploratory opinion to the EESC on the Provision and development of skills, including digital skills, in the context of new forms of work: new policies and changing roles and responsibilities, which was discussed and adopted on 528. Plenary session on 20 September 2017. Due to the availability of very high-capacity broadband networks, a growing number of atypical work forms are being developed. Automation and robots will also have a significant impact on the future of work: they can replace monotonous, heavy or dangerous work and can be particularly helpful for people with physical disabilities; they have the potential to stabilise the economy in an ageing society. Yet, a significant number of jobs could

be affected by the introduction of more robots into the workplace. This is why the EESC believes that a social dialogue will be needed at an early stage. Taking into account these challenges, the EESC is of the opinion that it should be ensured that appropriate skills will be available, so that Europe remains competitive and is able to create new businesses and new jobs, people can remain integrated into the labour market throughout their entire working lives, and that well-being for all is assured. These future skills should match societal needs and the demands of the labour market. Lifelong learning will be a necessity for everyone, while much more time will have to be devoted to professional training and informal learning. More specifically, public and private organisations will have to provide professional training in new technologies, especially for those who do not have the capacity to organise training themselves, such as SMEs, the liberal professions and the self-employed. Long-term developments though, which may lead to new and unpredictable challenges where today's skills can quickly become obsolete, can best be dealt with

by general education. Qualitative preparation of educators will, therefore, be of key importance, according to the EESC, as well as their status in terms of professional flexibility, remuneration, and social guarantees.



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## CEBRE CALENDAR:

- 10<sup>th</sup> October – Debate on EU FTAs with Vietnam and Japan (Brno)
- 10<sup>th</sup> October – Seminar on European Fund for Strategic Investments (Brno)
- 10<sup>th</sup> October – Press Conference on CEBRE 15<sup>th</sup> anniversary (Brno)
- 17-18<sup>th</sup> October – Trade mission to Belgium (Brussels, Antwerp)
- 21<sup>st</sup> November – Sector seminar on Energy in EU External Aid (Brussels)

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