

# Czech

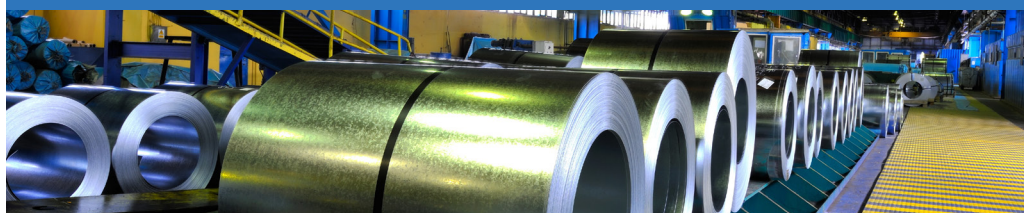
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### ENERGY EFFICIENCY DIRECTIVE: POSITIVE EFFECTS ON THE ENVIRONMENT BUT NEGATIVE IMPACT ON CZECH INDUSTRY



Climate change is a topic that surrounds us on every day basis and EU policies are not exempt. On the contrary, there are many new European legislative proposals taking into account environmental aspects. Nevertheless in some cases, a strictly "green" focus can seriously jeopardize European economy. It seems to be the case of the Energy Efficiency directive adopted by the European Parliament mid-September and to be formally approved by the Member States on Oct. 4<sup>th</sup>. "The European Parliament said its clear "yes" to the proposal", stressed Martin Stašek, spokesman of the European Commission Representation in the Czech Republic, when opening the debate that took place on September 13<sup>th</sup> in Prague. Pavel Jirásek of the Czech Ministry of Industry and Trade warned that some articles of the directive had already been transposed into the Czech legislation but those remaining would be probably very difficult to implement, such as the mandatory annual renovation of 3% of total floor areas in public buildings and obligation for energy producers to save energy consumption of their end-users by 1.5% of annual total volume of sales. Josef Zbořil of Confederation of Industry of the Czech Republic and Member of the European Economic and Social Committee pointed out that the directive would

put additional financial burden on both businesses and individuals. He said: "The proposal lacked a real impact assessment on European economy". According to another expert from coal mining industries Vladimír Budínský, the room for increasing energy efficiency in the Czech Republic is already quite small compared to other European countries. Martin Sedlák, Executive Director of the Alliance for Energy Self-sufficiency thinks, contrary to abovementioned industry representatives, that the directive will bring mainly positive effects. "It will create new jobs and fundamentally reduce consumption of fossil fuels and therefore reduce Czech dependency on Russian imports. Energy efficiency directive is not a threat but an opportunity", added Sedlák.



From left: Martin Sedlák of the Alliance for Energy Self-sufficiency, Josef Zbořil of Confederation of Industry of the CR, Vladimír Budínský of Severočeské doly a.s., Pavel Jirásek of the Czech Ministry of Industry and Trade, Alena Vlačíhová of CEBRE

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.



www.komora.cz



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www.kzps.cz



www.czechtrade.cz

## News FLASH

### > GALILEO SEATS IN PRAGUE

The European Galileo Satellite Navigation Agency (GSA) moved from its provisional seat in Brussels to Prague. European Commission Vice-President in charge of Industry and Enterprise Antonio Tajani and Czech Minister of Transport Pavel Dobeš officially opened the new headquarters in Prague on September 6<sup>th</sup>.

### > LIMITS TO USE OF BIOFUELS?

The European Commission examines whether to limit the use of biofuels in the future. New studies show that biofuels are less environmentally friendly than expected. Czech Biomass Association CZ Bion says that the Commission should rather toughen the criteria for the production and cultivation of crops.

### > SUPPORT OF ROBOTICS IN EU

In the years 2007-2013, over 120 R&D projects in robotics has been co-financed by the EC. According to the last Eurobarometr survey, the Czechs assess the use of robots as an important part of their professional and personal life, however they fear robots will take over their jobs.

### > AID FOR CZECH AIRLINES

After an in-depth investigation, the European Commission has concluded that restructuring aid amounting to approx €100 million granted to the Czech state-owned air carrier Czech Airlines is in line with EU state aid.

## ACCESS TO THIRD MARKETS: INDIA – OPPORTUNITY FOR CZECH SMES



MSV 2012



Věra Vencílková of Entrepreneurs Platform for Foreign Development Cooperation

In the World, there are not so many markets growing as quickly as the Indian one. Despite a small economic downturn, India still represents many trade opportunities for Czech companies, especially from energy sector, water management and transport. This year, about

130 Indian companies have participated in the International Engineering Fair in Brno (CZ). On this occasion, CEBRE organized a seminar for Czech companies wishing to enter Indian market. "Should the companies be successful in entering third markets, they must have a thorough analysis of the local market to minimize all potential risks of the

failure", stressed Věra Vencílková, Director of Entrepreneurs Platform for Foreign Development Cooperation. "Beside the national support structure, Czech exporters can also use the help of the European Business and Technology Centre in Delhi (EBTC)", informed Jiří Hansl, Director of Foreign Affairs Department of the Czech Chamber of Commerce. EBTC helps European companies accessing the Indian market while focusing on biotechnologies, power engineering, transport/logistics and environmental technologies. The Centre helps to arrange meetings with Indian public bodies, Indian companies and other stakeholders. "The advantage of Czech companies is also a good name of their machinery products", informed Ivan Kameník, Director of CzechTrade Office in Mumbai. "The problems to deal with when entering Indian market are: heavy administration, corruption and different culture. To overcome these barriers, companies need a lot of patience!", he concluded.

# 8<sup>th</sup> EU-China Business Summit



Economic relations between the EU and China are one of the most significant in the world. While the EU is seeking economic growth outside its internal market, China is interested in EU technologies and innovations. These are good reasons for deepening economic cooperation. But only fair conditions for companies from both sides will create a win-win situation, which is often not the case for EU businesses willing to enter Chinese market. The most obvious obstacles are preferential conditions for local companies and heavy administrative burden. The high representatives of both sides José Manuel Barroso, President of the European Commission, Herman van Rompuy, President of the European Council, and Wen Jiabao, Chinese Prime Minister, agreed it was absolutely essential to avoid rising protectionist measures. PM Wen Jiabao expressed his continuous intention to support the EU in times of crises, either in form of buying bonds or supporting European Stability

mechanism. Although it may not seem so at first sight, both China and EU have to deal with declining economic growth. However, China still maintains its annual growth rate close to 8 percent, about which the EU can only dream of. As representatives of European business community mentioned, it is crucial to understand business environment in China and realize that the same approach used in Europe will probably not work the same way in the East. Although it is not easy to enter Chinese market, it is definitely not impossible and the image companies often receive from media is slightly distorted. As well as in case of many other countries, patience and endurance are the keys to success. Nevertheless, there are several measures Chinese government could introduce to facilitate access to its market. The most important one would be investment protection agreement that would show willingness to create trustworthy and stable business environment.

## EESC CORNER: SINGLE MARKET ACT II



During its July plenary, the European Economic and Social Committee adopted, among others, its opinion on key priorities that should be reflected in the Single Market Act II (SMA II) to be presented by the Commission in October this year. The SMA II should be a follow-up to the SMA I from the last year defining twelve levers for re-launching the Single Market. In its opinion, the Committee called for basic payment accounts available to all citizens and for regulatory measures on transparency of fees and

on easy switching of accounts. To relaunch the Single Market, the Committee proposed to use the potential of the digital market and in this respect to ensure the data protection, openness of the Internet, net neutrality, e-signature and e-payments and access to broadband. In the area of energy networks, the Committee calls on the Commission to examine why the energy market liberalization has not achieved the expected decrease in prices for consumers and businesses. To create jobs and boost growth, the Committee recommends allowing better access of SMEs to finance. The SMEs should have the possibility to access capital markets and new mezzanine instruments should be created. Within the new operational programmes after 2013, the Member States should create guarantee schemes for SMEs. The Committee also proposed to adopt a standardized VAT declaration for the whole EU and to introduce schemes of cash accounting (VAT is paid only from paid invoices). Last but not least, the Committee asked for a



Ivan Voleš  
Member of the EESC – Group I,  
co-rapporteur on SMA II

## GENERAL DATA PROTECTION – POSITION OF THE CZECH PUBLISHERS ASSOCIATION

The Commission's proposal for a General Data Protection Regulation of 25th January 2012 impacts various activities of newspaper and magazine publishers' businesses. As well as affecting editorial press freedom, it also impacts press distribution for both the consumer and the business-to-business press and the future development of the digital press, and therefore the economic sustainability of magazines and newspapers across Europe. Furthermore, given the broad scope for delegated acts by the Commission's proposal, the EU data protection framework remains uncertain and unpredictable to a large extent to European companies. We would like to highlight the following comments in particular: The need to safeguard press distribution for the consumer press, for the business-to-business press, and for the direct marketing purposes in order to preserve readership and media pluralism. The need to preserve editorial press freedom, to ensure free, independent and quality press and the need to secure the future development of the digital press, by avoiding unnecessary bureaucratic burdens and ensuring key elements for positive online user experience. More generally, we are concerned by the many-delegated acts foreseen by the Commission to expand further these and many other provisions in the draft. Given the significant implications, we believe that any future changes must be subject to the full democratic EU law-making process.



Petra Fundová  
Managing Director and Director of  
Publishing Burda Praha, Member  
of EMMA and ENPA

## CEBRE CALENDAR:

- The European SME Week 2012 (Brussels), **15<sup>th</sup> – 21<sup>st</sup> October, 2012**
- Single Market week (EU), **15<sup>th</sup> – 21<sup>st</sup> October, 2012**
- European Council of Business (Brussels), **18<sup>th</sup> October, 2012**
- CEBRE debate on FTA EU-Japan (Prague), **30<sup>th</sup> October, 2012**

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CEBRE – Czech Business Representation, protects the interests of the Czech business community in relation to EU institutions, informs Czech businesses about EU legislation affecting them, trains Czech entrepreneurs in Brussels and represents Czech business associations at European business federations. Contact: Czech House, 60 Rue du Trône, 1050 Brussels, Tel: +32 2 502 0766/+32 2 502 8091, e-mail: brussels@cebre.cz, www.cebre.cz