

### Social standards in transport need to be enforced according to EU laws and principles

**Brussels, June 2<sup>nd</sup>, 2015:** On the 19<sup>th</sup> of May 2015, the European Commission launched an infringement procedure against Germany concerning the introduction of the Minimum Wage Act to the transport sector. Previously, the step of German government was heavily criticized both by governments of EU member states, especially the new ones, and business representatives as a means to distort competition in the EU and restrain the fundamental rights of the EU. Social standards in transport and the Minimum Wage Act particularly were the topics of a debate organised by the Czech Permanent Representation to the EU and CEBRE – Czech Business representation to the EU on 2<sup>nd</sup> June in Brussels.

**Jakub Dürr**, the Deputy Head of the Czech Permanent Representation to the EU opened the debate by saying that the Minimum Wage Act has raised a lot of discussions on various levels and the Czech Republic was one of the countries that were hit the most by the legislation. *“The Czech Republic supports initiatives that aim to increase conditions of road workers, but fair competition needs to be ensured,”* stated Dürr.

Representative of DG MOVE of the European Commission **Eddy Liegeois** confirmed that the Commission supports national legislation that sets minimum wage, but application of a German minimum wage to all transport operations without making any distinction is raising serious legal concerns. *“It would be disproportionate to apply such rule on nationals from other Member States where the transport operation presents a negligible link with the German territory; principles of freedom to provide service and free movement of goods shall be respected,”* said Liegeois. That’s the reason why the Commission started the infringement procedure with Germany on 19<sup>th</sup> May. According to him, the application of the law can be justified in certain cases, e.g. when it concerns cabotage, but it can’t be applied to transit. As far as the priorities of the new Commission are concerned, Liegeois indicated that the aim of the Commission is to focus on social policy in transport; therefore it is envisaged to present a legislative package that will consist of three pillars, which are road charging, social dimension of transport and internal market in the second half of 2016. The public consultation with stakeholders could be launched in July 2015. Besides that, the Commission wants to intensive social dialogue in this area.

According to **Luděk Niedermayer**, Member of the European Parliament, social standards in transport are a frequent topic in the European Parliament. While he admits that national governments have the right to introduce social standards initiatives like minimum wage, they should, at the same time, look at the extent of implementation and consequences it might cause. *“In the case of German minimum wage, the legislation is too extensive and costs of compliance are too high,”* added Niedermayer. Therefore he hopes that after the intervention of the Commission, there will be no similar measures in EU member states that cause uncertainty on the Internal market.

*“The situation of road operators in the EU is extremely difficult these days as there is a fierce competition and very low margins”,* said **Jan Němec** of the International Road Transport Union. And the German minimum wage makes the situation even more complicated as it creates additional cost for them. *“We calculated that for Czech haulier, there is 540 EUR of additional costs per driver per month, and we must not forget the administrative burden related to it. For a British haulier there is additional 12,000 EUR, esp. due to the translation of the labour contract,”*

stressed Němec. According to IRU representative, there is a sufficient legislative framework to enhance social standards in the transport sector and a new legislation is not needed, but the current one needs to be clarified and enforced. One of the solutions of how to increase social standards could be the introduction of social code as a supplementary tool to legislation.

All speakers agreed there is a need for improving safety standards and working conditions in transport sector instead of creating new barriers on the Internal market.

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## Pictures

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Source: Czech Permanent Representation to the EU

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## More information

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The debate was organized by CEBRE – Czech Business Representation to the EU together with the Czech Permanent Representation to the EU on June 2<sup>nd</sup>, 2015 in Brussels.

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## Contact for media

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### **Alena Mastantuono**

Director, CEBRE – Czech Business representation to the EU in Brussels

Phone: +32 2/502 07 66 / E-mail: [brussels@cebre.cz](mailto:brussels@cebre.cz) / Web: [www.cebre.cz](http://www.cebre.cz)

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## About CEBRE

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CEBRE - Czech Business Representation to the EU in Brussels was founded by the three most important cross sectoral Czech entrepreneurial and employers organizations - Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic, Confederation of Industry of the Czech Republic and Czech Chamber of Commerce. Ministry of Industry and Trade of the Czech Republic together with its Trade promotion agency Czech Trade provided support to this joint effort.

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## Partners of the debate

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Permanent Representation  
of the Czech Republic  
to the European Union

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## CEBRE founders' organizations

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