

After 5 years of enlarged Europe we cannot divide into old and new members!



Czech accession to the EU is evaluated very positively by Czech entrepreneurs. – They particularly value the benefits of the Internal Market, easier access to foreign markets and better macroeconomic stability. Furthermore, participants of the CEBRE debate about EU enlargement in 2004 and its impacts agreed, in terms of the financial stability, that they lack the accession into eurozone. Participants positively evaluated the quote of Czech Prime Minister Mirek Topolánek that five years after the enlargement it is not possible to divide Europe into "old" and "new" member states - each has to be evaluated according to objective criteria.

At the beginning of the debate **Jan HEBNAR**, Director of the Internal Market Department at the Czech Ministry of Industry and Trade, briefly summarised the Presidency conference on the consequences of EU enlargement in 2004, held in Prague's Congress Centre earlier the same day. He mentioned an interesting contrast - the European economic integration was based on an effort to control trade in the field of strategic raw materials (coal and steel), which was later developed into the Internal Market and freedom of trade in goods and services. According to the OECD study about the enlargement - countries which gained the most were Czech Republic and Slovakia. The annual GDP in the new Member State has increased by 1.75%, and in the old by 0.5% than. According to the Presidency it is necessary to unlock the 5 "locks" blocking the full potential of the Internal Market: stop dividing Europe into old and new Member States, strengthen the protection of intellectual property rights (including patents), work on inter-connecting of industries network, liberalization of services and focus on the definition of the common vision of Europe.

Czech SMEs similarly evaluate the enlargement as very positive, especially due to the easier access to foreign markets. Negative opinion is shared on the inconsistency between Member States, worse position of the new members and especially the reluctance of the Czech government to announce the date of euro adoption. "Membership in the EU must be seen as an opportunity - but it depends on sufficient information and quality of work," said Tereza **ŠAMANOVÁ**, Director of Legislation, Information, Counseling and Training Department of the Czech Chamber of Commerce. The biggest companies evaluate the enlargement positively as well. According to vice president of the Czech Confederation of Industry Stanislav **KÁZECKÝ**, over-regulation of the business environment is the greatest problem (also criticised by OECD in their study). Europe's GDP could increase in 10 years by 10% through removing this over-regulation.

Representatives of European business associations spoke and presented their views as well. EUROCOMMERCE's Senior Advisor for the Internal Market Patrice **Pellegrino** noted that the transitional period, although they cannot fully agree with it, have been applied at each wave of enlargement. A number of old Member States prefer deepening integration before enlargement, but deeper integration can be done only as a result of enlargement. "European integration is not a marriage of love but of pragmatism," said Pellegrino. European Federation of Chambers of Commerce and Industry EUROCHAMBRES carried out the second survey on the enlargement conducted in the entire EU (the first survey was done in 2004). Entrepreneurs across Europe mainly appreciate the benefits of the Internal Market, access to foreign markets and the emphasis on support for SMEs. "Europe now

faces a major challenge - to find common solutions to the economic crisis. The crisis is a test for the Internal Market, "said Ben Butters, Director on European Affairs.

Participants agreed that the crisis can be seen as an opportunity for reflection of to, what extend is European economy build on solid grounds, if we have managed to build and deepen the Internal Market and where is the need for development. Building a functioning Internal Market is a continuous process of reflecting current developments in economy, bringing new ideas, measures and products.

Debate was organised by CEBRE - Czech Business Representation to the EU in cooperation with Ministry of Industry and Trade and Representation of the European Commission in Prague on 2nd March at the European house in Prague.

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