

## MORE THAN 700 ENTREPRENEURS RAISED THEIR VOICE IN THE HEMICYCLE



During the 5<sup>th</sup> edition of the European Parliament of Enterprises, held on 10<sup>th</sup> October 2018 in Brussels European Parliament Hemicycle, more than 700 entrepreneurs including those from the Czech Republic sent a clear message to the ongoing debate on the Future of Europe: the EU must be open for business! Entrepreneurs from across Europe debated and voted in sessions on skills, trade and the future of Europe in the presence of high-level institutional representatives.

An alarming 84% of business representatives stated that the skills mismatch problem is more acute than 5 years ago. Almost 93% voted that the integrity of the Single Market and EU unity take precedent over a favourable Brexit deal with the UK. 99% believe that the EU must do more to help SMEs benefit from free trade agreements and 69% do not believe that the Single Market is fit for business. The event was organised by EUROCHAMBRES and its national chamber members.

### MEPs Corner



*"I was honoured to take part in the European Parliament of Enterprises, the largest event at EU level giving the floor directly to entrepreneurs. During my session on skills, discussions and votes revealed concerns among entrepreneurs about skills mismatches. Majority of participants expressed the need to change the educational policy framework and agreed we must do better in ensuring that education prepares young people for current and emerging employment opportunities."*

Martina Dlabajová,

Vice-Chair of the Committee on Budgetary Control of the European Parliament

## CZECH BUSINESSES DON'T AGREE WITH PROPOSAL ON TRANSPARENT AND PREDICTABLE WORKING CONDITIONS

The European Parliament is currently discussing a proposal for a directive of the European Parliament and of the Council on transparent and predictable working conditions in the European Union. The proposal, published in December 2017, addresses challenges brought by developments in the world of work, including growing flexibility of the labour market and, in particular, the increase in the number of 'non-standard' forms of employment, such as temporary employment, part-time and on call work, zero hours contracts, on demand and multi-party employment. The draft directive also includes obligations to inform workers of the essential aspects of their work and a number of

minimum rights for workers. For the first time, the European Commission has introduced a single EU worker definition in the proposal. Until now, this definition has been the responsibility of EU Member States. Also, the proposal lays down uniform maximum lengths for the probationary period. Czech businesses don't agree with the proposal because it doesn't respect the principle of subsidiarity and diverse conditions in Member States. The draft report prepared by the Employment and Social Affairs Committee extends the scope of the directive, introduces an interpretation of the definition of a worker at the national level, and promotes a uniform EU definition. The report did

## News FLASH

### > A RECORD NUMBER OF CZECHS BELIEVE IN EU BENEFITS

According to a recent Eurobarometer from September 2018, 64% of Czechs think that the Czech Republic benefits from the membership in the EU. The year before it was only 56% and this year's result sets a new maximum for the Czech Republic.

### > PILOT PROJECT ON REVERSE CHARGE CAN CAUSE ADDITIONAL COSTS AND RED TAPE

Members of the Confederation of Industry CR are afraid of negative effects of the pilot project on the introduction of a reverse charge mechanism. They argue that its temporary nature and uniqueness within the EU will create existence of 2 regimes. This might bring additional administrative burdens and extra costs.

### > SERIOUS CANDIDATE FOR ARCELOR MITTAL IN OSTRAVA

Liberty House Group filed a binding bid for the acquisition of Arcelor Mittal in the Czech Republic, Romania, Macedonia and Italy. These four assets are part of the so-called compensation package that Arcelor Mittal had to submit to the European Commission in order to acquire the society Ilva. The offer of the Liberty House Group is the only offer that is now seriously underway.

not confirm an exception for short-term work (8 and less hours per month) at times of dynamic changes and shortcomings in the labour market. Extensive requirements for disclosure obligations contradict each other and create a great deal of legal uncertainty associated with administrative burdens. According to Czech businesses, the report does not reflect the need for flexibility in the current EU labour market, and therefore they hope that all the decision makers will take this into consideration during the next phase of the negotiations.

# CZECH BUSINESSES WELCOME EU-VIETNAM AGREEMENTS

In the middle of October, the European Commission adopted the EU-Vietnam trade and investments agreements that should eliminate basically all tariffs on goods sold between the partners. Apart from that, the trade agreement includes provisions that would support sustainable development, labour rights, and environment and climate protection. The agreement will remove 99% of the duties on goods. While two thirds of these duties will be eliminated immediately when the agreement comes into effect, the rest of the duties will be removed gradually over a 10 years period. Importantly, the trade agreement focuses on non-tariff barriers as well, especially in the automotive sector, and on protection of geographical indications. As for investments, the

agreement will improve investment protection rules and apply the new Investment Court System. It will also replace the existing bilateral investment agreements between Vietnam and EU Member States. Czech businesses welcomed the adoption of the agreements by the European Commission, as the Czech Republic exports almost 100 million EUR worth of goods to Vietnam yearly (93 million EUR in 2017). However, the external trade balance is negative for the Czech Republic, as it imports large quantities of goods from Vietnam. Czech businesses hope that the free trade agreement will help to change the situation. For the Czech Republic, a major producer of automobiles and car parts, the biggest exporting potential lies in

the automotive industry that is now burdened by up to 78% tariffs. Apart from that, machines and equipment currently face tariffs up to 35%, which is another sector where Czech industry is very strong. As for the geographical indications, several of them related to the production of beer will protect Czech products on the Vietnamese market. Czech businesses also welcome the arrangements related to the public procurement market. As the agreement should ensure fair treatment of European companies in Vietnamese public procurement tenders, Czech businesses hope that they will be able to participate in them more frequently. The same goes for the investment agreement, as several Czech companies also invest in Vietnam.

## EESC CORNER: EUROPEAN SPACE PROGRAMME



Since the 1990s, the EU has been developing a space policy oriented towards independence from other space powers, in particular through the development of programmes and applications in key industrial sectors such as communications, security, emergency services, navigation systems, information, event broadcasting, climate change, weather forecasting, etc. With the support of the European Space Agency (ESA), the EU now has a major network of satellites and its own access to space, via French Guiana, using European launchers. ESA Member States, in turn, have their own space agencies and programmes, research centres, ground facilities and substantial industrial capabilities. In general, they are the source of space initiatives which are then taken up in the framework of the EU or ESA. EU action involves, in particular, designing, fully financing and operating the following space programmes, for which it bears overall responsibility for implementing, including in the area of security:

- Galileo - the first highly accurate global satellite navigation and positioning system, specially designed for civilian purposes, provided free of charge to users;
- Copernicus - provides Earth observation data covering six areas: monitoring of land, the marine environment, the atmosphere and climate change as well as emergency management and security;
- EGNOS - a pan-European system of three satellites which improves the quality of the

open signals emitted by existing global satellite navigation systems and provides more accurate geolocation data;

- SST (space surveillance and tracking) - a space monitoring system used to track the 780 000 items of space debris in orbit around the Earth;
- Govsatcom - a governmental (civil and military) satellite communications system, recognised as one of the elements of the Global Strategy for the Union's Foreign and Security Policy.

The Commission has currently delegated the development and deployment of space infrastructure to ESA, which is responsible for deploying the Galileo infrastructure, while the EU agency in Prague (the European GNSS Agency – GSA) is responsible for promoting the market penetration of Galileo. ESA also manages some Copernicus operations. The European space industry employs more than 231 000 people, including 41 333 in the area of space construction, and generates an added value estimated by the European Commission to be between EUR 53 billion and EUR 62 billion in 2017. Space technologies, data and services have become indispensable in the daily lives of Europeans and for Europe to pursue its strategic interests. Thanks to major investment, the EU has a strong edge in space activities and the European space industry is one of the most competitive. However, there are many new challenges and actors across the

world. The Commission's proposal builds on the Space Strategy for Europe of October 2016 and the Industrial Policy Strategy presented by the president, Mr Juncker, in his 2017 State of the Union address. They are both a strategic vision for a smart, innovative and sustainable industry in response to growing global competition and major technological shifts. The proposal will bring all existing and new space activities under the umbrella of a single programme. The new space programme will maintain existing infrastructure and services and will introduce a number of new features, including:

- fostering a strong and innovative space industry,
- maintaining the EU's autonomous, reliable and cost-effective access to space,
- a unified and simplified system of governance.

The Commission proposes to allocate the EUR 16 billion budget for 2021-2027 as follows:

- EUR 9.7 billion for Galileo and EGNOS, the EU's global and regional satellite navigation systems,
- EUR 5.8 billion for Copernicus, the EU's earth observation programme,
- EUR 500 million to develop new security components.

The EESC supports the EU in its efforts to remain a major independent space power and agrees



with it acquiring financial resources commensurate with its ambitions.

Marie Zvolská,  
EESC Member,  
Group I – Employers

## CEBRE CALENDAR:

- 16<sup>th</sup> November – CEBRE founders meet Czech MEPs (Prague)

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