

CAN THE EU CLEAN THE PLANET ON ITS OWN?



On 28th November the European Commission adopted the Strategy “A clean Planet for all”. For businesses it is a good starting point for the debate on future action in this field. However, the target of the EU being climate neutral by 2050 is rather idealistic. It is most important to decide how we will change our behaviour and how we will increase investment in R&D and innovations in this field. The EU has the most ambitious targets worldwide and we need to reach a well-balanced scenario which will support investment in low-carbon emissions technologies and products and at the same time not hamper the EU’s competitiveness. In order to reach a well-balanced solution we have to push for

coordinated action across the whole planet. Without involving our international partners in this vision we risk losing competitiveness. Therefore, it will be crucial to engage in a dialogue with other major economies of the world during the COP24 meeting in Katowice, where important talks on how to halt the increase of global temperatures as well as on how to speed up collective efforts to reduce emissions will take place. As for the Czech Republic, the main challenge will be to change its heating plants sector which will require huge financial resources and investment in R&D&I. This means we will have to create a motivation mechanism which will allow this transition.

MEPs Corner



“Zero-emission economy by 2050 is a very ambitious target. It means a hard intervention in the economy and could cause more harsh environmental behaviour. We need a comprehensive and balanced proposal in order to avoid what happened to photovoltaic. For this reason investments must be motivational from an economic point of view.”

Evžen Tošenovský,
Member of ITRE, European Parliament

BUSINESSES ARE STILL STRUGGLING WITH A PHENOMENON CALLED GOLD-PLATING

On 22nd November the European Commission published the Communication “The Single Market in a changing world”. Businesses expected the document to be a vision of how the single market will evolve. However, it is rather a mere “stock-taking” of the initiatives presented by the current Commission and describes their benefits to consumers and entrepreneurs. The form of the Communication serves more like a marketing tool for highlighting the benefits of the single market and lacks a perspective for the future. The EU has not yet been able to cope with the inconsistent, vague and sometimes delayed transposition of EU legislation.

We are still struggling with a phenomenon called gold-plating. Czech businesses would welcome better tools to showcase EU legislation in the legal framework of individual member states, such as on the central website and in real time. For the proper functioning of the single market, we need rules that are clear, fair and appropriate for their purpose but The Commission often appears to forget these preconditions. One example is the posting of road transport workers. The proposed rules in the posting of drivers shows that the Commission is omitting these principles. It has to respect them and also act as guardian of treaties against the protectionist

News FLASH

>LEADERS IN BLOCKCHAIN?

Czech government started its cooperation with the Blockchain Republic initiative to support breakthrough technology in the Czech Republic. The recently launched initiative under the leadership of the Czech Fintech Association and the Confederation of Industry Czech Republic is aimed at helping entrepreneurs, attracting talent and investment and making the Czech Republic one of the world’s largest blockchain centres.

>CZECH INVESTMENT PLAN DRAFT PRESENTED

The Czech Republic Investment Plan, which will support key investment in transport infrastructure, agriculture and regional development till 2030, consists of 17 000 projects totalling CZK3.5tn. The plan should help coordinate the activities of the State and the regional local authorities.

>CENTRE OF EXCELLENCE ON AI COULD BE IN PRAGUE

The Czech Republic is striving to establish in Prague a new centre of excellence for the development of artificial intelligence.

SCREENING MECHANISM SHOULD PROTECT WHILE ENSURING FAVOURABLE INVESTMENT MARKET IN THE EU

The European Commission, the European Parliament and the European Council recently finalised their trilogue negotiations on the framework for screening foreign direct investment. The proposal is a reaction to the situation where foreign investors have been more intensively involved in investing into strategic European companies in crucial sectors. According to a survey carried out by Czech business organizations, almost two thirds of Czech companies welcomed the proposal, while almost 20 percent of those questioned expressed concern. 75 percent didn't come across an investor with a non-transparent structure. Czech companies mainly hope that the proposal would be beneficial for strategic industrial sectors in the Czech Republic, would limit the unfair trading practices of some investors and would create a level playing field. On the other hand, the

majority of those questioned expressed worries about slowing down the process of investment and increasing the administrative burden in relation to the process of screening. In addition, certain companies worried about the misuse of sensitive company data and an increase of protectionism. Czech business organisations therefore welcome that the negotiated text keeps balance between the Member States' right to regulate and a favourable investment environment. Another positive outcome of the negotiations is that there won't be any new EU authority in charge of screening of the investment. The main focus of the framework has to be to maintain a favourable investment environment in the EU while protecting strategic interests of EU Member States. In addition, the investment procedure should not be slowed down by excessive administrative burden.



EESC CORNER: NEW COMPANY LAW FOR THE DIGITAL AGE



In October 2018 the EESC Plenary session discussed and adopted its opinion on a comprehensive set of measures for fair, enabling and modern company law rules in the EU. Currently EU company law includes already certain elements of digitalisation, such as the obligation for Member States to make available online information about limited liability companies. However, these requirements are limited and lack precision, leading to a very diverse implementation at national level. The new EC proposal aims to provide more digital solutions for companies in the Single Market and more equal opportunities for companies in the EU while ensuring that Member States have the necessary flexibility to adjust their national systems and to maintain their legal traditions. The proposal sets out common procedures at the EU level on how a company can move from one EU country to another, merge or divide into two or more new entities across borders. The rules will stimulate the growth potential of European companies by digitalising the process of setting-up and

running a business. The new rules for cross-border conversions and divisions will now also include specific measures that will help national authorities fight against abuse. Transfers of this kind will include effective safeguards against abusive arrangements to circumvent tax rules, undermine workers' rights or jeopardise creditors' or minority shareholders' interests. Under the new rules, in all Member States, companies will be able to register, set up new branches or file documents to the business register online. To prevent fraud and abuse, national authorities will be able to rely on each other's information about disqualified directors. If they suspect fraud, authorities can still request the physical presence of company owners. They will also be able to require the involvement of bodies, such as notaries, in the process.

The EESC supports the proposals that enhance the international competitiveness of SMEs, reduce costs and that harmonise and simplify processes for the registration and filing of company changes and conversions.

It welcomes the "once-only principle", so that SMEs will avoid multiple registrations and multiple official publications while at the same time national registers ensure the reliability and trustworthiness of the documents and information which they publish and stresses the importance of the cost factor for micro SMEs and SMEs, since they have neither the capacity nor the necessary instruments to cope with the digital society. The EESC is against loopholes enabling letter box companies to abuse legislation for fraud, tax evasion, money laundering, reduction of labour standards or social protection and increase unfair competition. The EESC believes as well that the new procedure for the transfer of the company seat (cross-border conversion) will establish legal certainty through its ex-ante control in the Member State of origin and in the Member State of destination.



Vladimíra Drbalová,
Vice-President of the EESC
Employers Group

CEBRE CALENDAR:

- 23rd January – Informal meeting with MEPs assistants (Brussels)

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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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