

## PROPER IMPACT ASSESSMENTS PRIOR TO PROPOSALS ARE CRUCIAL, CZECH BUSINESSES AGREED WITH MEPS



At the end of November, just before the beginning of the mandate of the new European Commission chaired by President Ursula von der Leyen, CEBRE founders met Czech MEPs for another regular meeting. The meeting was focused primarily on the digital agenda and topics such as taxation of digital companies, development of artificial intelligence and the Digital Services Act. As regards the overall approach of the new Commission, the digital agenda is one of its priorities, which was welcomed by the MEPs and business representatives. However, the Commission does not put enough emphasis on some other key areas, especially the internal market. A positive thing is that the Commission has promised to issue only non-legislative reports in the first hundred days in its function, as thorough impact assessments need to be made before any legislative proposals. The Digital Services Act will be one of the crucial proposals of the Commission that

will be based on the revision of the e-commerce directive, but will encompass many more digital topics. However, not only new proposals will keep the stakeholders busy next year. According to MEPs, there will be a strong push to find consensus on the e-Privacy regulation as well. Although Ursula von der Leyen promised to present a lot of papers during the first 100 days, Czech businesses think that more time is needed for proper analysis of the digital environment and therefore hope that the proposals will be of only non-legislative character, as promised. It is necessary to finish the current proposals and deal with current issues before opening new ones. As for the taxation of digital companies, business representatives warned that many traditionally non-digital companies progressively start to belong to the digital sector as well. The EU should seek a global solution at the OECD level, not introduce EU-only legislation.

## News FLASH

### >GREEN LIGHT FOR OSTRAVA SUPERCOMPUTER

Representatives of Ostrava signed an agreement to host one of eight European supercomputers and create a supercomputer centre. This means that the building of the supercomputer can start. The computer will support Europe's researchers, industry and businesses in developing new applications in a wide range of areas.

### >PRAGUE WANTS TO BECOME AI SUPERPOWER

The Czech Republic and the City of Prague placed a bid to host the European centre of excellence focused on artificial intelligence. AI is one of the top priorities of the new European Commission and of the Czech government as well. The results should be known in the first half of 2020. Two out of 8 European bids were submitted by the Czech Republic. Czechs want to focus on AI security, automation and robotics.

## MEP CORNER



*The original objective of the E-commerce Directive is still relevant and therefore we need to make sure that the crucial parts of the legislation, such as the country of origin principle, remain unchanged. We also need to ensure that liability rules allow European start-ups to grow and do not harm consumers.*

Marcel Kolaja,  
Vice-President of the European Parliament

## GREEN DEAL – WHAT DEAL FOR BUSINESS?

The Von der Leyen Commission wants Europe to become the first climate-neutral continent and it believes that it is the greatest challenge and opportunity of our times. To make it concrete, the Commission presented a European Green Deal on 11<sup>th</sup> December. This means Europe will need to invest in innovation and research, redesign the economy and update its industrial policy. It requires an extreme effort from all of us, especially those who run the economy. In order to enable the economy to reap the benefits of the new climate and

environment policy, businesses urge the Commission to respect the following key principles when adapting existing or drafting new legislation in the field. Market-based solutions should remain the central pillar of the EU's climate policy. Only the market should decide which of the technologies are the most suitable because different technologies are viable for different applications. The principle of technology neutrality must therefore be upheld, especially

with regards to the research and innovation agenda. The businesses need stability, and planning security is crucial. This includes the necessity to streamline existing legislation to avoid incoherence and conflicting goals. Efforts to do so have to be continued and intensified. Last but not least, we have to make sure that European SMEs are able to adapt their business models to the new legislation. The transformation of business models is not happening overnight. The Commission has to apply the SME Test and measure the impact the Green Deal will have on the economy. Businesses need to be challenged but not overburdened.

We also draw the Commission's attention to the global aspects of EU decisions. We must ensure that the steps of the European Commission will not hinder the competition of our economy globally.



## CZECH REPUBLIC AND FRANCE IDENTIFIED AREAS OF COMMON INTEREST

The ministers of State for European Affairs of the Czech Republic and of France made a joint statement on EU priorities on 28<sup>th</sup> November. Both countries agreed to work closely ahead of the key European discussions and in view of the French and Czech Presidencies of the Council of the European Union in 2022. The two ministers therefore agreed to hold closer talks to prepare for the European discussions on the European Green Deal and the Just Transition Fund. They highlighted the need to facilitate the transition by ensuring adequate financial resources through EU policies – including dedicated instruments that are flexible and easy to use – as well as public and private investments and recalled that nuclear energy, alongside renewable energy, must play a role in achieving low-emission energy mixes. Moreover, the Czech Republic and France encourage the Commission to propose a carbon inclusion mechanism at the borders of the European Union to help combat carbon leakage, in a manner consistent with WTO rules and accompanied by a thorough impact assessment. Regarding the next Multiannual

Financial Framework, they reject the opposition between traditional policies and new priorities. A strong, sovereign, safe and prosperous Europe requires adequate level of financing for the new challenges as well as existing Treaty-based policies with clear European added value, specifically the Cohesion Policy, and the Common Agricultural Policy whose budget must be kept at the current EU-27 level. Both countries support the abolition of all rebates. They stress that the Single Market is one of the greatest assets of the EU and they are committed to continue to deepen and strengthen it. They also highlight that Europe needs an integrated and future-proofed approach for the new industrial policy. France and the Czech Republic also restated that they will continue to actively support efforts for reaching a global solution to digital taxation at the OECD level. They also welcomed the success of the defence partnership in both its capability and operational aspects and agreed on the need for an appropriate and sustainable European response to the migratory challenges.



## EESC CORNER: THE BLUE BIO-ECONOMY AS A CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS



At the request of the Finnish presidency of the EU, the European Economic and Social Committee (EESC) has drawn up an exploratory opinion on the Blue Bio-Economy. The blue bio-economy refers to economic activities and value creation based on sustainable and smart use of renewable aquatic resources and related expertise. It includes businesses and activities that grow the raw materials for these products, or that extract, refine, process and transform their biological components. The majority of the EU Member States have direct access to the sea, but lakes and rivers also play a crucial role in most European countries. The blue bio-economy is already an economic factor in many of the EU Member States but has the potential for further development. Restoring the biodiversity of seas, lakes and rivers would open up new opportunities for businesses – particularly for family and small businesses in local markets. This also requires technological innovation and services, and the appropriate financial support through appropriate financing instruments. Priority measures for the blue bio-economy include: clean water and sanitation; a healthy, diverse and safe aquatic environment; sustainable aquatic food production; high-value non-food products; climate change adaptation; blue health and well-

being; and better coordination in combating illegal activities involving aquatic resources. In its opinion the EESC has made suggestions for boosting the blue bio-economy throughout Europe and thereby contributing among others to food security, water quality and marine ecosystems, but also to achieving several of the Sustainable Development Goals (SDGs). EESC suggest that the Commission launches pilot measures in selected areas of the EU to improve the state of production capacity of aquatic ecosystems. These pilot projects should be undertaken in collaboration with local political stakeholders, involving universities and research centres, as well as local professionals and relevant civil society actors. Based on the experiences and lessons learned from these pilot projects, the EU should promote awareness-raising, education, training and knowledge-sharing. Fisheries, aquaculture and algae cultivation are crucial to increasing sustainable aquatic food production in the EU, promoting food security and creating economic growth and sustainable jobs. The potential of the blue bio-economy remains untapped in the EU. The EESC therefore recommends introducing pan-European pilot projects and, based on their results, tapping the sector's full potential with the involvement of both

local stakeholders and the scientific community. Under certain conditions, these findings should also be made available to third party countries as a EU contribution to the UN SDG's. In particular, the blue bio-economy should become a focal point of the EU's co-operation programme with the United Nations and serve as a tool to achieve the climate change goals of the Paris Agreement. In addition, the blue bio-economy could become an important factor in improving food security and providing healthy food with a low carbon footprint, novel foods and food additives, but also animal feeds, nutraceuticals, pharmaceuticals, cosmetics, clean water, and non-fossil energy, to name but a few.



This EESC Opinion has been adopted as NAT/770-EESC2019-0- 01573 by 547<sup>th</sup> Plenary session on 30-31 October 2019.

Vladimír Novotný,  
Member of Group I - Employers

## CEBRE CALENDAR:

- 11-12 February – Meeting Czech exporters, Prague

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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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