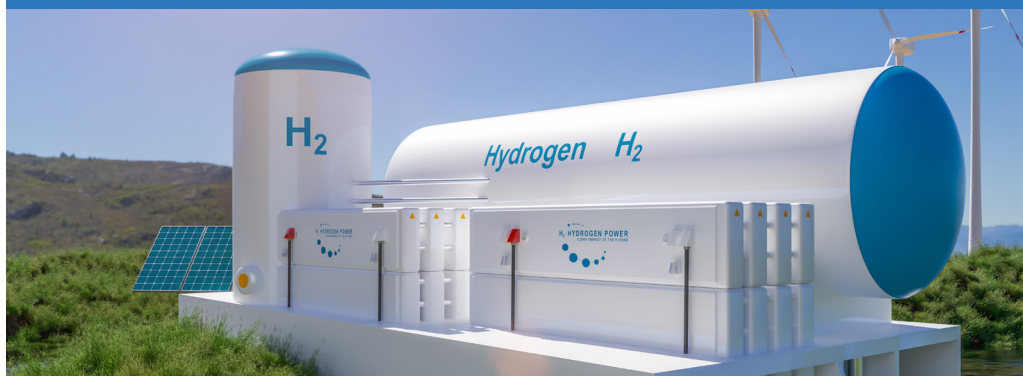


EU HYDROGEN REVOLUTION



The European Commission presented a Hydrogen Strategy on 8th July 2020. It sets, among other things, that from 2025 to 2030 hydrogen needs to become an intrinsic part of our integrated energy system with the production of up to ten million tonnes of renewable hydrogen in the EU. From 2030 to 2050 renewable hydrogen technologies should reach maturity and be deployed on a large scale across all hard-to-decarbonise sectors. Hydrogen should pave the way to the decarbonisation of the EU economy. The strategy highlights that it is not only about the energy system, but that “the whole industry can benefit from hydrogen”. At the same time, it is important to synchronise the demand and supply and ensure that there is an appropriate infrastructure. If nobody wants to use it, those who invested in its production will have no customers. The reasons for hydrogen deployment and its costs were the subject of a CEBRE online debate organised with partners on 13th October. In line with the EU strategy, the Czech Republic is preparing its own national Hydrogen strategy and Mr Mervart, who is responsible for drafting the text, said at the debate that “the Czech Hydrogen strategy should grasp hydrogen as the fuel of the future, because it is ecological, highly efficient and is able to be stored”. However, he stressed that the input costs for its production will be very high at the beginning, that is why the “support to hydrogen”

was included in the national Fund for recovery. The national Hydrogen strategy should be linked to other sectoral strategies in order to ensure efficient cooperation mechanisms. And last but not least, Mr Mervart added that “it should look for areas / sectors where the use of hydrogen will be the most effective.” Hydrogen production makes more sense in countries with high solar intensity. Unfortunately, the Czech Republic is not such a country, but Czechia has an industrial tradition, and the upgrading of gas infrastructures offers a great opportunity. “If we are able to supply these components, we will be able to supply them everywhere. Industry has a tradition in mechanical engineering and should take this opportunity”, highlighted MEP Mikuláš Peksa (CZ, Greens/EFA). “We should export valves and import hydrogen”, explained Peksa. Aleš Doucek from the Czech Hydrogen Technology Platform (HYTEP) agreed with starting the shift of energy and mobility from fossil fuels to green fuels. However, he considers the idea to import hydrogen to the Czech Republic from abroad as awkward. Doucek explained that the cost of hydrogen transportation would increase its final price. In the debate with participants, it has been stressed that it would make more sense to start to deploy hydrogen in small areas that would serve as pilots. Pilot projects in regions could reveal how to make the most of this opportunity.

MEP CORNER



“Renewable resources have made a significant technological leap in the past years. They used to be very expensive, but today they pay off. For example, in own electricity production, the return on investment is 5-8 years. If we all switch to RES, it will have a positive impact on the price!”

Mikuláš Peksa,
Member of the Committee on Industry, Research and Energy, European Parliament

News FLASH

>NEW COVID SUPPORT PROGRAMMES

The Czech government presented new support programmes to help sectors hit the most by the COVID-19 crisis. They focus on the cultural sector (CZK 750 mil.), sport sector (CZK 500 mil.) and bus drivers (CZK 1 bn.). Apart from that, a successful Rent programme will continue with an additional CZK 1.2 bn. to support retail businesses by covering half of the costs of their rentals.

>CZECHIA SUPPORTS 55% CLIMATE TARGET

After changing the initial critical approach, the Czech government supported the goal of reducing CO₂ emissions by 55% by 2030. However, the goal should be set for the EU as a whole, should take specific conditions of each Member State into consideration, should be accompanied by clear and detailed rules and, most importantly, by instruments that will allow EU Member States to increase their ambitions in this area.

>HUGE ENVIRONMENTAL POTENTIAL IN BUILDING RENOVATION

The recent publication of the Renovation Wave Strategy by the European Commission could have a significant impact on the Czech Republic vis-à-vis the climate targets. According to the Director of the alliance Chance for Buildings, Petr Holub, up to three quarters of the energy efficiency and more than half of the emissions reduction goals could be achieved through building renovation.



EU-MERCOSUR TRADE DEAL – TOO GOOD TO FAIL

It has been over a year since the EU and Mercosur reached a political agreement on a trade deal between the two, which is part of a broader Association Agreement. Originally, the agreement should have been forwarded to the Council and the European Parliament for their approval by the end of the year; however, the European Commission informed that the process will most probably be delayed and the ratification won't happen in 2020. While the Commission claimed the delay is caused by lengthy legal scrubbing and the translation processes, the situation is more complex and questions related to sustainability are without doubt behind the postponement of the ratification schedule. However, Executive Vice-President of the Commission Valdis Dombrovskis, who recently acquired the trade portfolio, mentioned during his hearing in the European Parliament that the Commission does not intend to re-open negotiations with Mercosur. At the same time, he ensured MEPs that the Commission needs to address the concerns related to deforestation in Brazil raised by various stakeholders. Furthermore, he mentioned that he's aware that under current circumstances, the agreement would pass neither the European Parliament nor the Council. Therefore, the Commission will aim for further engagement from Mercosur countries not only on deforestation, but also on the Paris Agreement commitments. The European business community has been a strong



supporter of the trade deal. It is the first one of its kind for Mercosur and it would be the biggest trade agreement in the world with respect to tariff savings. Apart from that, it would be a huge stimulus for European companies, would open new markets for them and would give them a significant advantage over companies from other parts of the world. It is especially important in the current global trade environment which is characterised by the continuous rise of protectionist and restrictive measures. Given the size of the agreement, it would be a strong signal for the whole world that the EU stands behind an open world trade environment. On the other hand, the business community understands that

the concerns raised by various stakeholders over sustainability issues are serious ones and need to be taken care of. Therefore, European businesses call on the European Commission to engage with partners from Mercosur countries and find a compromise solution that would address concerns over sustainability issues in a manner that would enable the deal to be ratified. In this context, EU business organizations welcome the fact that the Commission recently approached its counterparts from Mercosur countries to negotiate additional text on climate and deforestation, and hope that an agreement in this area, that would give a green light to the whole trade agreement, could be reached soon.

TO BE OR NOT TO BE DISCONNECTED! IS IT A QUESTION?

With its report currently under the consideration of the Committee for employment and social affairs (EMPL), the European Parliament has refreshed the debate on a worker's right to disconnect from the digital tools, including ICT for work purposes. The EMPL's report recommends that the European Commission introduce a directive to avoid an „ever-connected“ or „always on“ culture which can have a detrimental effect workers' fundamental rights, fair working conditions, limitation of working time and work-time balance as well as health and safety at work. The report calls on the Commission to evaluate and address the risk of not protecting the right to disconnect. Employers acknowledge this workers' right, but they are not convinced that the report proposing an EU

directive is going in the right direction. Use of digital tools/devices brings benefits for employers and workers, including increased productivity, improved quality of products and services, more possibilities to organise work in a flexible way and to work autonomously, which can help to better balance work and private life. Such an approach is detrimental to the autonomy and flexibility desired by most workers, who may, for different reasons, choose to work at different times. If this is simply a choice to better balance work or private life, for example, a right to disconnect will in fact hamper this desired flexibility. Legislation already exists at both EU and national level setting out rules on working and rest time and protecting the health and safety of workers at the workplace. These rules are adequate, making specific legislation

on disconnecting unnecessary. There has been much debate about the different national approaches to a 'right to disconnect', however, when looking more closely at the various examples, in most cases it is in fact not a right for workers to disconnect. What is much more common is an obligation to establish a dialogue, consultation or negotiation between the employer and employees or their representatives on issues related to connection and disconnection. The substance of what should be part of the dialogue/negotiation is strictly regulated by the national governments.



Vladimíra Drbalová,
former EESC Member



CEBRE CALENDAR:

- 9 – 11th November – Online meeting with Czech exporters

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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.