

Czech Business Today



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REVIEW OF THE CZECH PRESIDENCY TO THE COUNCIL OF THE EUROPEAN UNION

MINISTRY OF INDUSTRY AND TRADE OF THE CZECH REPUBLIC

I am not afraid to speak of our Presidency as a success. We took it on at a very difficult time. Europe has barely recovered from the consequences of the covid pandemic, followed by Russian aggression against Ukraine and the ensuing energy war, says Minister of Industry and Trade Jozef Síkela. Europe handled the consequences of the Russian energy war better than we expected at the beginning. The Czech Republic and the Czech Presidency have played a major role in this respect.

We have managed to unite Europe to ensure a unified approach. In addition to the three planned Energy Council meetings, we convened five more extraordinary meetings, where our colleagues and we agreed, for example, on a coordinated reduction in gas and electricity consumption, simplification of permitting processes for the construction of renewable energy sources in the EU and joint EU gas purchases, which will help to push down the price of this

commodity. As a result, Europe is as prepared as it could be for winter, despite Russian efforts to the contrary. At the same time, negotiations continued during the Presidency on the less acute but no less important energy legislation in the Fit for 55 package, which will have far-reaching implications for European industry.

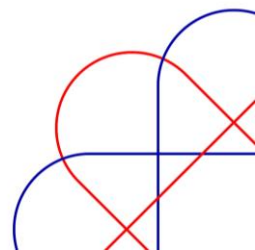
As underlined by the EU's RePowerEU strategy, diversification of suppliers is key to ensuring the EU's energy security. The resource-rich countries of the Gulf and North Africa, the United Arab Emirates, Qatar, and Algeria, among others, are of interest in this respect. All three countries are opening up to foreign investors, and the Czech Republic is also establishing closer relations with them. The Czech Presidency has given new impulse to the conclusion of further free trade agreements, and after four years under our leadership, the Member States have managed to agree on the Council conclusions on trade and sustainability.

We have also reached a consensus among Member States on an instrument against economic pressure. This will enable the EU to defend itself effectively in the future when third countries deliberately restrict trade for political reasons.

Furthermore, the Czech Presidency focused on the broader issue of European competitiveness. It reached an agreement on the so-called 'chip act' and, as the presiding country, we also highlighted the importance of the countries in the European neighbourhood as suppliers of certain strategic mineral resources. We are pleased that the European Commission has also taken up this topic and launched a public consultation for economic operators on this issue.

In the autumn, we began negotiating new rules for the functioning of the internal market during future crises. The uncoordinated closing of borders that we saw at the start of the covid pandemic cannot happen again. At the same time, we have long believed that the consistent removal of barriers to trade and business best serves the resilience of the internal market. In this regard, CZ PRES, together with the Commission, has made significant achievements within the Internal Market Enforcement Group SMET. The achievements of the internal market over the last 30 years and its future challenges were the subject of one of the most recent Presidency conferences, which took place on 8 December in Prague.

Source: Jozef Síkela, minister, MPO





The Czech presidency had its motto Europe as a task in tribute to the title of a speech made by Václav Havel in 1996 in Aachen calling for more responsibility for global ecological, social and economic challenges. From the very beginning of their presidency, Czechs showed that in extraordinary times, solutions can be found at EU level pretty quickly. In energy field, they broke the record many times. They managed to conclude the agreement on the rules of solidarity, gas price cap, energy savings, joint gas purchases, as well as on speeding up the permitting procedures for renewables and many other dossiers from Fit for 55 package.

The presidential team also managed to negotiate a number of proposals in the area of the digital agenda and the internal market with an emphasis on the best possible conditions for entrepreneurs. However, there are areas such as sustainable corporate governance and due diligence where the Czech Chamber of Commerce would welcome much longer discussion, as the proposal means an additional administrative burden for

entrepreneurs. It is precisely in this respect that the Chamber would expect a realistic view from the Swedish presidency, so that it truly reflects two of its four priorities, namely resilience, i.e. competition, and prosperity during green & energy transition. The Chamber relies on Swedes that these two priorities will be adhered to when negotiating partial proposals of the Green Deal and that the presidency does not forget that the "health" situation of companies is reflected in the "health" of their employees. Within the framework of the security priority of the Swedish presidency, there is no doubt that the Czech presidency is valued. It stood up to help Ukraine, and thanks to this, the Czech Republic belongs to the countries that help the war-torn country the most financially, humanitarily and materially, and in this it also inspires its European partners. The work of the Czech government was also highlighted by foreign media, including the Financial Times, which paid an unprecedented tribute to the Czech presidency and praised its work during such turbulent times.

In view of the 30th anniversary of the internal market, the Czech Chamber of Commerce expects the Swedish presidency to devote its time to obstacles and competitiveness in the single market. With regard to the crisis, this topic was somewhat neglected, while a single market is the engine of the economic integration of the EU and deserves more attention.

During the presidency, the Czech Chamber of Commerce organized 11 events in the Czech Republic and Brussels under the auspices of CZ PRES, and provided a discussion platform for approximately 600 guests and 80 interesting speakers. The representatives of the Chamber were invited to a discussion with representatives of the Council during CZ PRES and had the opportunity to allay the concerns of Czech businesses via Mr Dlouhý, the President of the Czech Chamber of Commerce, directly to European ministers. The Czech Chamber of Commerce firmly believes that this tradition will continue and that the priority on competitiveness will not remain on paper but becomes truly visible in EU policy-making.

Source: Alena Mastantuono, HK ČR



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.

CONFEDERATION OF INDUSTRY OF THE CZECH REPUBLIC

Even though the Czech Presidency of the European Union took place at a time when Europe was struggling with the energy crisis and the emerging recession after the Russian attack on Ukraine, our country managed its role at the head of the EU-27 very well. Many thanks to all those who worked for the Czech Republic during this period. Taking the helm of the EU in an unprecedented situation of war almost on its borders, negotiating alternative gas supplies at the European level, temporarily relaxing the rules on public aid, continuing the EU's proactive trade policy, reaching an agreement on the principle of solidarity between the Member States of the European Union, helping refugees from Ukraine and unanimously supporting Ukraine in its defensive war against Russia are all unforgettable results of the Czech Presidency. The Czech Republic has thus clearly corrected the impression of the previous Czech Presidency when we wanted to 'sweeten the pot' for Europe. Still, the fall of the government erased some of the successful negotiations.

However, the ruling five coalitions did not sufficiently present the results achieved in the European field to the Czech citizens. Its hesitant steps on the domestic political scene overshadowed them. An example of this is the extraordinary meetings of the Energy Council, which did produce results. Still, in the meantime, no help in energy prices for companies was obtained on domestic soil until the autumn.

However, the mechanisms of the so-called Temporary Crisis Framework could have been used by the government as early as the summer when the union warned of the unbearable rise in energy prices and possible solutions. We see another missed opportunity: the Czech Republic did not move closer to the euro area during our Presidency, and the changeover to the euro is still not in sight.

Thanks to the Czech Presidency, other longer-term European agendas, such as the Fit for 55 legislative package and other climate and energy legislation, digital technology issues, and an ambitious trade policy towards third countries, have also been advanced. However, there are, unfortunately, big "buts" here too. Despite the efforts of the Czech Presidency, not all concrete results on the green agenda are positive, even though they are a compromise between EU countries, and it cannot be expected that postponing them to the Swedish Presidency would bring better conditions for companies.

Another example of a "big but" is the crucial European legislation - the Artificial Intelligence Act. In the view of business representatives, academics, and world-renowned experts, the current draft Act has serious flaws that will severely limit AI uptake and practical use. Our concerns about the development of the AI Act are also shared by all major European business federations and

associations, which have endorsed the unified position of the European business confederation BusinessEurope. However, we are confident that under the Swedish Presidency, we will be able to negotiate a final regulatory text in trilogues that will not be so problematic for researchers, developers, and companies.

From a business perspective, the proposal on corporate sustainability in due diligence is also still problematic. The Czech Presidency has also seen progress in the area of trade policy, where, for example, the complicated negotiation of a free trade agreement with Chile has been completed, and significant progress has been made in the negotiation of a similar agreement with Australia.

Czech companies and employers also benefited from the exceptional year. As the Confederation of Industry of the Czech Republic, we have worked to ensure that the European Union remains business-friendly and creates a level and fair playing field for entrepreneurs from all Member States.

Despite the above-mentioned "beauty defects," on behalf of our members, we join the assessment of the top EU officials who evaluated the Czech Presidency as very active and successful. Many thanks to Czech Prime Minister Petr Fiala and all the teams involved, both at the Government Office and individual ministries, and especially at the Permanent Representation of the Czech Republic in Brussels.

Source: Dagmar Kuchtová, director general, SP CR



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CONFEDERATION OF EMPLOYERS' AND ENTREPRENEURS' ASSOCIATIONS OF THE CZECH REPUBLIC

"Last year the Czech presidency of the Council of Europe was another test of cohesion among EU Member States, as well as our society, government, ministries, employers and trade union organisations, citizens, and NGOs. It was a presidency determined by the consequences of the covid pandemic, but mainly by the war in Ukraine and the related economic and energy impacts on our whole society and, in turn, on the EU countries. The member organisations of the KZPS of the Czech Republic were kept informed of all activities and actively participated in them according to their sectoral focus and possibilities. The European conclusions and decisions have been

and are being reflected in increased cooperation not only between the governments of the member countries but all ministries and employers' and business organisations. It can be said that cooperation has gained momentum and improved. On the other hand, we would like to see a return to calmer, more normal waters after the years of pandemic and now war. Nevertheless, the Czech Republic has managed its task - the Presidency of the Council of Europe - very well and can be proud of it."

Source: Jan Wiesner, president, KZPS

FLASHNEWS

The Czech Republic has a new president, Petr Pavel. He is the fourth President of the Czech Republic.

The Czech economy contracted by 0.3 % in the last quarter of last year. Gross domestic product rose by 0.4 per cent year-on-year and the Czech economy grew by 2.5 per cent in 2022.

More than CZK 22 billion for the Czech Republic. The European Commission has approved the first payment request from the National Recovery Plan. The Czech Republic has successfully delivered a set of reforms and investments from the European Recovery and Resilience Facility aimed at boosting economic prosperity and quality of life. Once approved by the European Union (EU) Member States, the Czech Republic will receive over 22 billion crowns.

EESC

The preparation of the Czech Presidency of the Council of the EU has been significantly affected by the epidemic of covid, but also by Russia's attack on Ukraine and the war conflict that began in February 2022 and is still ongoing. The Presidency's priorities had to be based on the current situation and the overall atmosphere in Europe. The war in Ukraine was fundamental for deciding on the issues, and other priorities were based on it - energy security, defence and security, economic resilience, and also democratic values.

Among the main achievements of the Presidency, we should mention, for

example, the capping of energy prices, joint gas purchases, and the rules of mutual solidarity in case a country runs out of gas and needs help from others. Adopting the crisis pricing mechanism, which introduced a dynamic price cap on gas prices, and mitigating the impact of high energy prices on citizens and businesses were also crucial.

Furthermore, among the Presidency's achievements, we should also mention the adoption of three sanctions packages against Russia and the approval of financial support for Ukraine.

Source: Marie Zvolská, EESC

CEBRE CALENDAR

27. 02. 2023- Debate: "Green Deal Industrial Plan

8.-19. 03. 2023- Brussels Design Market



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