

Czech Business Today

INVESTING IN CYBER SECURITY WILL SAVE COMPANIES BILLIONS OF EUROS. BUT BUSINESSES MUST HAVE THE CAPACITY TO DO IT

The European Union faces a growing risk of cyber threats. Poland, the Baltic and Nordic countries are most affected, but the whole of Europe is being targeted. In response to this threat, the European Commission has introduced two new pieces of legislation: the Cyber Solidarity Act and the Cyber Resilience Act, which aim to strengthen the EU's resilience to cyber threats.

The EU should be able to defend itself against cyber-attacks, as called for by the European Parliament and the Member States themselves. That is why in 2020, the European Commission presented its cyber strategy, focusing in particular on protecting the internal market and European economic operators. Jan Míča, digital leader of the European Commission Representation in the Czech Republic, described this at a discussion organised by the CEBRE office at the end of June.

Tomáš Minárik, Director of the International Cooperation and European Union Department of the National Office for Cyber and Information Security (NUCSIS), estimates that the resulting package of measures will be as massive as the GDPR.

"Every 11 seconds, there is a cyber-attack on the internal market of the European Union," Jan Míča said. The average hacker attack costs around half a million euros, he said.

Prevention is crucial, given the high cost of dealing with cyber-attacks. According to Tomáš Minárik, this should bring savings for the entire economy of 180 and 190 billion euros.

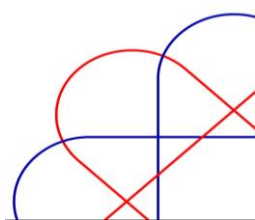
Companies themselves are aware of the need to invest in their protection and preventive measures, said Martina Chitu, deputy director of Deloitte's cyber security section. "We see a huge interest in advising companies on ensuring their cyber security," she described.

Within the Czech Republic, the preparedness of larger companies is usually better than that of smaller ones, Chitu pointed out. Most medium-sized companies are forced to hire external staff because they cannot cover cyber security with their financial and personnel capacities. However, it is smaller and medium-sized enterprises targeted by up to 40 per cent of all attacks, according to Astra company.

The two European acts on cybersecurity contain several exemptions to level the playing field for individual businesses and not to place the same demands on companies with a thousand or a dozen employees. The EU also offers financial support to enable smaller companies to secure themselves.

It is the case that companies are often not well-versed in European legislation and do not clearly understand the requirements they have to meet when doing business. However, this applies not only to cyber legislation but also to other European or national regulations. Enterprises are therefore calling for better information and assistance, for example, from the state.

Source: EURACTIV.cz



DIGITAL NOMADS AND WORKERS FROM INDONESIA - NEW ECONOMIC MIGRATION PROGRAMMES

The Czech government has approved two new economic migration programmes. One is aimed at a group of highly skilled IT workers - the so-called digital nomads - who will be able to apply for a residence permit in the Czech Republic. The second will allow 300 students from selected Indonesian polytechnics to work in the Czech Republic for two years.

"None of the existing economic migration programmes covers the group of so-called digital nomads, i.e. highly qualified workers who often work in the international environment only within the framework of certain projects, mainly in the IT sector," says Minister of Industry and Trade (MPO) Jozef Síkela,; "Among other things, we want to create an interesting environment for the operation and development of foreign technology teams in the Czech Republic, which is why we are coming up with a new programme that targets digital nomads."

It is common for a digital nomad to work

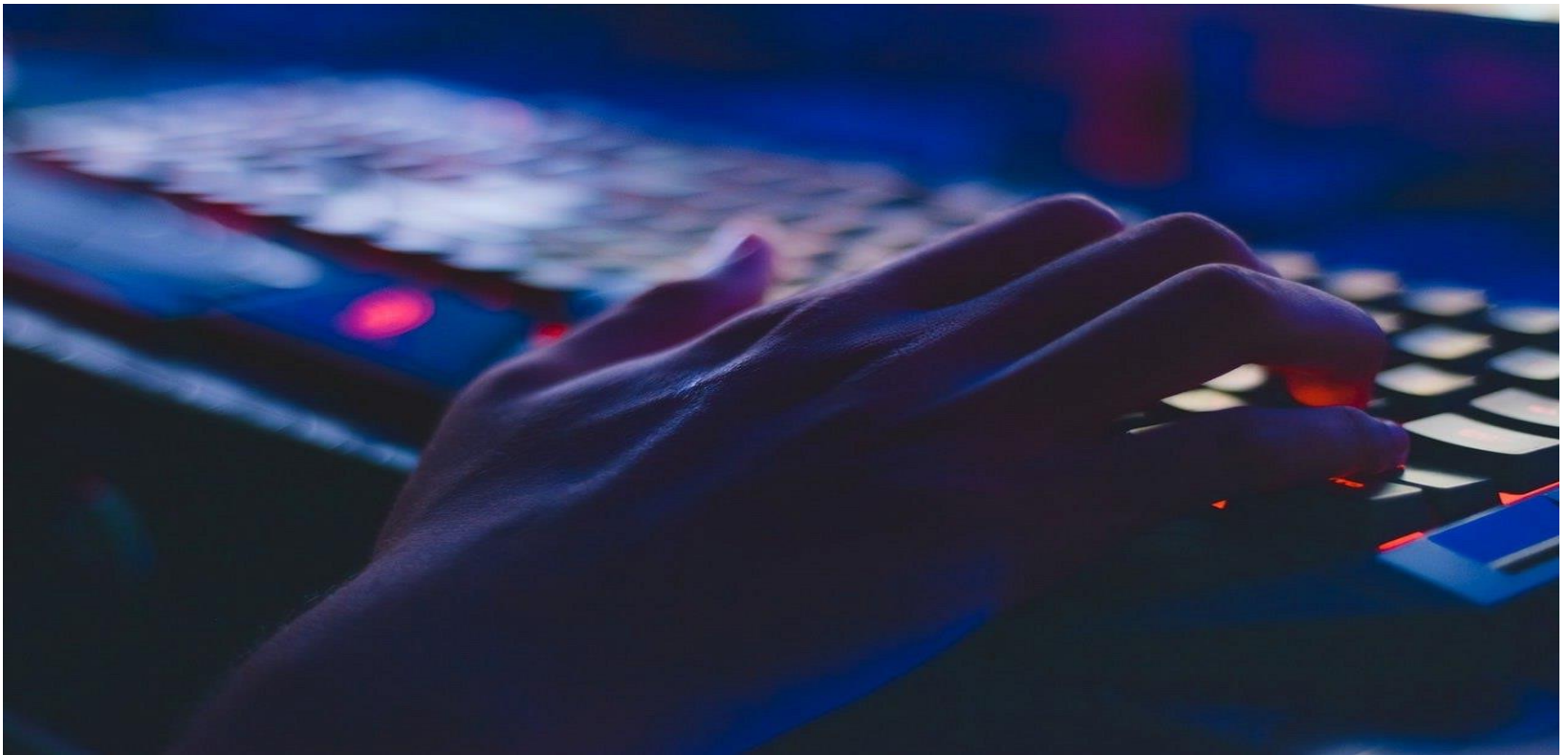
on multiple projects in different places around the world simultaneously. By the nature of their work, they cannot be in a classic employment relationship, both because of the uniqueness of the tasks entrusted to them and because of the potential conflicts of multiple employment relationships and the resulting responsibilities.

For the time being, the programme will be territorially limited to citizens of Australia, Japan, Canada, the Republic of Korea, New Zealand, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Taiwan. Participants and their family can apply for a residence permit abroad at the Czech Embassy. Applications will be processed within 45 days of submission.

The labour migration pilot project from Indonesia aims to support the industrial sector, which has been facing a shortage of workers in recent years.

The Indonesian workers will work for two years at Škoda Group as welders, locksmiths, operating mechanics or repairers, positions for which workers are highly scarce in the Czech industry. "The Indonesian government supported the pilot project. Indonesian graduates of secondary schools and apprenticeships will gain the necessary experience in the field, and the project will also contribute to deepening economic cooperation between the two countries," said Minister Síkela, adding: "We are also testing Indonesia as another possible source country for economic migration, and similar projects are being implemented by Indonesians elsewhere in Europe.,

Source: MPO.cz



CZECH COMPANIES WILL BE ABLE TO USE EXPORT INSURANCE TO UKRAINE

The Czech Government has approved the Capital Strengthening of EGAP (Export Guarantee and Insurance Company) for the purpose of insuring export credit risks to Ukraine. Czech business representatives have been calling for such a governmental initiative for a long time. For example, companies from our neighbouring countries, such as Poland, Germany and Slovakia, have had an export insurance programme to Ukraine since last year. The Confederation of Industry of the Czech Republic (SP CR) is therefore pleased that it has been approved and will be launched soon. However, SP CR expect it will be of great interest especially among small and medium-sized enterprises, as it cannot cover large orders with its volume. The maximum coverage for one contract will be EUR 3 million, but SP CR sees demand from companies for insurance in the order of ten times higher.

Radek Špicar, Vice President of the Confederation of Industry, considers the lower hundreds of millions to be an insufficient amount. "Czech companies want to take an active part in the reconstruction of Ukraine, and if they are to succeed, they need comparable conditions to those enjoyed by companies from Poland, Denmark and other EU countries.

The Czech Government does not yet realise the scale of this opportunity". Vice President Špicar described the amount released for export insurance to Ukraine as a pilot project. "The government should give clear and timely assurances to businesses that if the pilot proves successful, they can count on further funding so that its approach does not put them off."

The interest and involvement of Czech companies in Ukraine is also evident

from the participation in the business mission to Ukraine, which the Czech Confederation in cooperation with the Czech Chamber of Commerce, is organising these days. As the Director of the International Relations Section of the Confederation of Industry, Lukáš Martin, confirms, "Czech companies can succeed very well in international competition because they offer quality goods and services at competitive prices. However, if other countries offer better state support to exporters, their performance deteriorates. That is why SP CR are glad that the programme has been approved in cooperation with EGAP and with the support of the Ministry of Industry and Trade and the Ministry of Finance, and companies will be able to use it."

Source: SPCR.cz



NEWS

EGAP

On 24 July, the Export Insurance Agency (EGAP) started receiving applications for insurance of export credits financed through the newly established Ukraine Fund. The state has contributed CZK 239 million to the Ukraine Fund and another CZK 100 million to EGAP. The funds are intended to cover short-term cases with a maximum maturity of one year.

Source: egap.cz



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.

EESC: RAW MATERIAL ACT

The EU is currently dependent on imports for many raw materials (75% to 100% of supply) and is therefore exposed to vulnerabilities along supply chains and also to significant price volatility. According to the OECD Global Material Resources Outlook to 2060, the world's use of raw materials is projected to nearly double by 2060 and the use of metals is projected to grow the fastest, for both primary and secondary metals. At the same time, the EU produces less than 5% of world production of mineral RM. China alone provides around 75% of global production capacity of lithium-ion battery cells and hosts the world's top ten suppliers of photovoltaics (PV) equipment. In contrast, only about 3% of global production capacity of lithium-ion battery cells is in the EU.

On 16 March 2023, the Commission presented its proposal for a new regulation aiming to secure access to critical and strategic raw materials, along with a communication. While the regulation sets a regulatory framework to support the development of domestic capacities and strengthen the sustainability and circularity of the CRM supply chains in the EU, the communication proposes measures to support supply chains' diversification through new international mutually supportive partnerships.

The general objective of the CRMA is to address the lack of secure and sustainable access to critical raw materials for the EU by increasing EU industry's awareness and mitigation of risks in the global supply chain, increasing the EU value chain's capacity in the internal market, and reducing the environmental footprint of the EU's consumption. The initiative will help prevent the potential distortion of competition and fragmentation of the Single Market that is likely to result from such uncoordinated actions and maintain a level playing field for businesses within the EU.

THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE:

- welcomes the European Commission's ambition to prepare a coherent EU policy on critical and strategic raw materials and on the development of value chains in the extractive, refining and recycling industries, in line with the Green Deal objectives and all related legislation;
- calls upon the European Commission to ensure a comprehensive approach with coordinated EU policies to provide regulatory certainty for investments in exploration, extraction, processing, refining and recycling of raw materials their by-products and essential minerals, based on economic and technical feasibility, policy coherence and legal certainty for business operators in these sectors;
- calls for the coordination of RM policy with EU social policies and for the support of EU-wide capacity building in terms of skills for extractive industries, targeting the re-skilling and upskilling of the existing workforce, as well as the development of governance capacity in EU Member States' public administrations;
- recommends including other materials crucial for green tech/cleantech sectors in the critical and strategic raw materials lists, bearing in mind that such lists shall be regularly updated and based on a thorough, transparent and evidence-based assessment of criticality and/or strategic value, carried out in consultation with industry representatives and experts;
- calls upon the current and new European Commission to ensure access to competitive energy prices and targeted financing for EU extractive industries and recycling, while also ensuring that permitting and licensing procedures for new RM projects are simplified and shortened and any new reporting or auditing requirements for businesses are kept to the minimum necessary.



Source: Marie Zvolská, EESC Member of Employers' Group

FLASHNEWS

MINISTRY OF INDUSTRY AND TRADE SUPPORT MORE BROWNFIELD REDEVELOPMENT PROJECTS

The Ministry of Industry and Trade has announced a new call in the Regeneration of Brownfields for Business Use programme. A total of CZK 160 million is available for applicants, i.e. representatives of municipalities, towns and regions from all over the Czech Republic.

CHANGES FOR ENTREPRENEURS FROM 1 JULY 2023

In Czech Republic changes occur in the areas of plant health care, protection of employees in the event of employer insolvency, and weapons, ammunition and explosives.

CZECH COMPANIES WANT TO HELP UKRAINE WITH POST-WAR RECONSTRUCTION

Three business forums organised by the Czech Chamber of Commerce and the Confederation of Industry of the Czech Republic in Ukraine showed great interest of Czech and Ukrainian entrepreneurs in deepening the existing business cooperation, but also the possibility of creating completely new business relations between the two countries.