

Czech Business Today

HOW THE MINISTRY OF INDUSTRY AND TRADE OF THE CZECH REPUBLIC SUPPORTS ENTREPRENEURS - BRIEF OVERVIEW

The Czech Ministry of Industry and Trade (MIT) is accepting applications for the third round of the Obchůdek 2021+ subsidy programme, which helps small shops in municipalities with up to 1,000 inhabitants or with up to 3,000 inhabitants. A region can receive up to CZK 3.8 million. Also, a shop that is the only one in a municipality can receive up to CZK 130,000. How does the programme help in practice? Find out on the MIT YouTube channel.

In the new call, MIT supports the digitisation and robotization of small and medium-sized enterprises, especially in rural areas. The purchase of new

equipment is eligible for support from 125 thousand to 1.07 million crowns. Participating in the Czech Republic Pays by Card project is also still possible. The report can be found at this link.

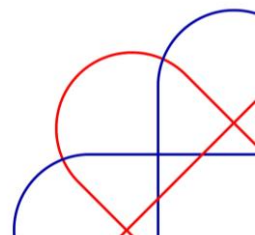
The Ministry has also launched a new and improved portal to make everyday life easier for entrepreneurs. It is available at www.rzp.cz. The website provides easy access to up-to-date information and the possibility to find out everything you need in one place without going into a physical office.

Their quarterly newsletter „Tak“ talks about Operational Programme Technology and Applications for

Competitiveness 2021-2027 (OP TAK) developments. It contains information, in particular, about new funding opportunities and MIT's intentions to support entrepreneurship, and also brings other news related to subsidy policy. On the Ministry's YouTube channel, you can listen to the podcast Entrepreneur!

To make it easy for entrepreneurs to navigate the support offered, MIT has prepared a customized search engine, www.podporapodniku.cz. They can also contact the national information line 1212 every weekday.

Source: mpo.cz



EU NEEDS TO STRENGTHEN ITS GLOBAL COMPETITIVENESS

Six industrial federations from Central and Eastern Europe (CEEI - Central and Eastern European Initiative) presented their „Recommendations for EU 2024-2029“. The document deal with challenges, brought about by recent crises including the Covid-19 pandemic and the Russian invasion to Ukraine.

The publication of joint priorities together with our regional partners adds to the other activities of the Confederation of Industry of the Czech Republic (SP ČR) ahead of elections to the European Parliament this June. With our partner organisations in Austria, Slovakia, Hungary, Slovenia and Croatia we agreed upon the need for a coordinated approach in favour of global competitiveness, open strategic autonomy, green and digital transitions, as well as the need for further development of highly skilled workforce. The manifesto calls for reducing the administrative burden, adding effective trade protection measures, strengthening competitiveness and addressing the issue of the lack of workforce through innovative education and re-skilling. The signatory federations commit themselves to supporting the rule of law and social dialogue to ensure prosperous economies and quality of life in Europe.

FOCUS ON TRADE POLICY AND THE MERCOSUR AGREEMENT

EU trade policy should be assertive and should complement the goals of its member states. As regards free trade agreements (FTAs), their provisions should aim at diversification of suppliers, at mutually beneficial partnerships with third countries and at balancing geopolitical aspects as well as economic interests.

When negotiating and implementing FTAs, it is necessary to give priority to crucial regions, such as the MERCOSUR, Chile, Mexico, Australia, India or ASEAN. It is also important that the FTAs balance EU's relations with the major economies, esp. with the US and China, in order to decrease trade costs and maintained the equilibrium in mutual relations.

SP ČR has been supporting new FTAs with key partners, which is in line with the position of the Czech Ministry of Industry and Trade. Amongst our foremost priorities for the current mandate is the agreement with MERCOSUR (meaning the Southern Common Market), including Argentina, Brazil, Paraguay and Uruguay. The goal of the agreement is to decrease tariffs and other barriers to trade, increase economic growth, security of jobs and prosperity in both markets. Meeting high standards in terms of labour market and environment protection forms another important component of the agreement.

The agreement with MERCOSUR would bring numerous benefits, such as the diversification of trade partnerships, decreasing dependencies on Russia and China as well as better access to raw materials with importance for sustainable technologies. As regards climate protection, the agreement puts emphasis on effective fulfilment of Paris Agreement targets and obliges the signatories to fight against illegal deforestation, and to support biodiversity.

These facts are in direct contradiction to common myths about allegedly negative effects of the FTA on climate and other standards. Based on the recent campaign of our partner federation

in Austria - the Industriellenvereinigung (IV) - which was focused on disproving incorrect pieces of information about the effects of the agreement, let's name at least a few misleading arguments such as „the agreement damages the climate“, „the agreement would flood our domestic market with cheap meat and soya“ and that „it exploits the workforce.“ In addition, the Czech Ministry of Industry and Trade compiled an assessment of the EU agreement with MERCOSUR on the impact to the Czech economy, specifically regarding strengthening our exports and labour market (the study available [here](#)).

The CEEI manifesto is being published while negotiations with MERCOSUR are facing serious hurdles based on protectionist attitude of several EU member states led by France. We hope that despite these obstacles, the agreement will be finalized and signed as soon as possible.

The complete text of the CEEI Recommendations for the EU 2024-29 is available [here](#).

Source: SPCR.cz

CEBRE CALENDAR

[24. 04. 2024 - DISCUSSION FORUM WITHIN THE PROJECT "ROAD SHOW - CZECH ENTREPRENEUR AS PART OF EUROPEAN BUSINESS - TODAY AND TOMORROW" in the Pilsen Region, Czech Republic](#)



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.

LET'S BLOCK THE CORPORATE DUE DILIGENCE DIRECTIVE

The Czech Chamber of Commerce (HK ČR) is calling on the Czech government to abstain from voting on the Corporate Sustainability Due Diligence Directive at a meeting of the Committee of Permanent Representatives of the European Union (COREPER I). The abstention is seen as a rejection of the proposal. The Czech Republic would thus have joined the ranks of Germany and Austria, which have already announced that they will abstain.

The directive, presented by the European Commission in 2022, sets out rules for the compliance obligations of large companies, their subsidiaries and business partners on their business's adverse environmental and human rights impacts.

It is intended to guide companies in identifying, assessing and addressing the issues. This will require companies to know their entire buyer-supplier chain

and to screen not only their direct but also their indirect suppliers, requiring them to demonstrate the carbon footprint of their entire product life cycle, from the initial sourcing of raw materials through distribution to disposal. At the same time, businesses will be held accountable not only for their employees but also for entire communities affected by the activities of the complete chain.

However, the mechanisms of the so-called Temporary Crisis Framework HK ČR does not like that the private sector is supposed to exercise control instead of the state administration. „Companies will not have the capacity to influence a complex supply chain that often spans several countries or continents. If the state administration cannot control and intervene in third countries, neither will businesses themselves,” believes Tomáš Prouza, who thinks the directive will be unworkable in practice and will only oblige businesses to „unnecessary paper exercises”.

Furthermore, HK ČR warns that the draft directive will require significant financial costs and further increase the excessive administrative burden on entrepreneurs. Companies will have to procure audits, reconfigure internal processes, and sometimes pull out of supplier relationships.

HK ČR calls for the directive to be rationalised after this year's European elections and also addressed the demand for a blocking minority to Minister Pavel Blažek in a letter at the end of January.

The proposal is not aimed at small and medium-sized enterprises, yet HK ČR is rightly concerned that several obligations in the supply chain will be transferred to small companies or lead to their exclusion from the chains.

Source: komora.cz



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The preparation of the Czech Presidency of the

After a strong recovery in 2022, the European economy has slowed due to high inflation and tighter financial conditions. Despite these challenges, it avoided a recession and continues to demonstrate resilience.

The expiration of the Stability and Growth Pact's general escape clause at the end of 2023 marks a significant post-pandemic economic shift. This clause aimed to support monetary policy, curb inflation and ensure fiscal sustainability, while allowing for vital investments and growth.

The EU has notably reduced reliance on Russian fossil fuels, leading to decreased natural gas prices, however they are still above pre-crisis levels. Efforts to enhance energy resilience include transitioning to clean energy and revamping the EU's electricity market.

The macroeconomic outlook presents significant risks that warrant careful monitoring. Despite avoiding a recession in 2023, and noting that the euro area GDP declined by 0.1 % in the third quarter of 2023, the projected growth rates of 0.6-1.7 % over 2023-2025 are modest. High inflation and tighter financing conditions, coupled with the erosion of purchasing power, could further dampen demand and growth prospects.

The European Central Bank (ECB) should closely monitor economic risks and carry out careful contingency planning to ensure credible inflation outlooks. The European Economic

and Social Committee advises the ECB to be prepared to adjust policies if the projected decline in inflation slows or reverses, or alternatively drifts too far below 2 %, thus advocating for clearer contingency planning.

The EESC calls for concrete engagement with national parliaments, regional and local authorities, civil society and social partners on reforms of the EU's macroeconomic governance framework. It stresses the importance of taking ownership of these reforms at national level through effective dialogue.

Acknowledging the diverse economic conditions and growth challenges of Member States, the EESC advocates for fiscal consolidation that takes into account each Member State's unique situation.

Source: Marie Zvolská, Member of Employers' Group



OVER 100,000 SOLAR POWER PLANTS CONNECTED IN THE CZECH REPUBLIC

More than 100,000 solar power plants have been connected in the Czech Republic since 2022 as part of the government's efforts to promote renewable energy. Thanks to new legislation, including simplification of permitting processes and financial support, there has been a rapid increase in the installation of solar power plants. New reforms in the energy sector, including the introduction of community energy, aim to strengthen renewable energy sources further and reduce negative environmental impacts.

CZECH BUSINESSMEN WENT ALL THE WAY TO THE UKRAINIAN FRONT. THEY ARE AMONG THE MOST ACTIVE IN EUROPE IN THE RECONSTRUCTION OF THE COUNTRY

Czech representatives of thirty companies, including companies from the healthcare, energy and transport sectors, took part in a trade mission to Ukraine with the government's Commissioner for Reconstruction. The aim was to strengthen business activities in the Ukrainian market and establish contacts with local partners.



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