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Evaluating the Outcomes of Commissioners Hearings for Czech Businesses

As the European Commission embarks on its new mandate, the hearings of Commissioner-designates have offered critical insights into whether the pressing calls of Czech businesses will be addressed. These calls, rooted in the challenges of navigating a competitive global market, cantered on streamlining regulations, reducing energy costs, advancing digital transformation, and ensuring open trade relations.

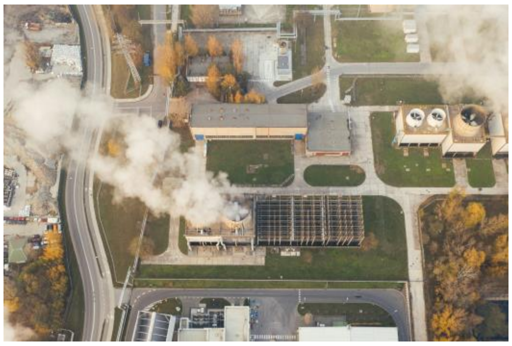
The hearings highlighted a renewed focus on these issues. Maroš Šefčovič, proposed for Trade and Economic Security, prioritized finalizing trade agreements and addressing dependencies in critical supply chains. His commitment to reducing administrative barriers aligns with Czech businesses' long-standing demand for a streamlined internal market and improved cross-border operations.

On the trade front, Czech businesses had called for diversified trade agreements to reduce dependency risks and improve global market access. Šefčovič's emphasis on deepening relations with fast-growing markets could open new opportunities for Czech exporters, especially SMEs.

Energy costs, a major concern for Czech industry, featured prominently in the agenda of Dan Jørgensen, Commissioner-designate for Energy and Housing. His focus on energy security, renewable energy investments, and decarbonization acknowledged the EU's cost disparity with global competitors. Czech businesses will be watching closely to see if these measures deliver the pragmatic energy infrastructure enhancements they urgently need, including support for nuclear energy.

Stéphane Séjourné, the nominee for Executive Vice President for Prosperity and Industrial Strategy, presented his vision for the European Competitiveness Fund, designed as a “one-stop shop” to support science and technology-based companies through research, development, and scaling up. This initiative promises to simplify access to EU resources and foster innovation, although questions remain about its structure and funding. His portfolio also includes introducing a Clean Industrial Deal and reforms to support SMEs and traditional industries in the green transition.

Digital transformation and innovation, vital for Czech firms' competitiveness, were key themes in Ekaterina Zaharieva's portfolio on Startups, Research, and Innovation. Proposals for an EU Innovation Act and more accessible funding for SMEs reflected calls for policies to foster technological advancement and provide the capital needed for modernization.



Defense also emerged as a critical topic during the hearings. Andrius Kubilius, Commissioner-designate for Defense and Space, emphasized the urgent need to address Europe's defense challenges, from underfunding and fragmented markets to the rise of strategic competitors like China and Russia. Kubilius called for the creation of a true European Defense Union to complement NATO efforts, stressing the importance of boosting defense production, supporting cross-border procurement, and ensuring the EU plays a significant role in the “space revolution.” For Czech businesses in the defense and aerospace sectors, these plans could open new opportunities in an increasingly unified European market.

The hearings also showed an encouraging commitment to deregulation, with a unified call to reduce the administrative burdens hampering EU businesses. While this signals progress, its success will depend on tangible implementation and cooperation across member states.

For Czech businesses, these hearings represent a step forward in addressing their key concerns. The upcoming actions of the new Commission will determine whether these commitments translate into a more resilient, competitive, and open EU economy that champions the needs of its industries.

Sources CEBRE

The Budapest Declaration: What It Means for Czech Businesses and Their Role in a Stronger EU

The Budapest Declaration, adopted on November 8, 2024, signals the EU's commitment to economic resilience, digital and green transformation. A key focus of the Declaration is deepening the Single Market, a priority for Czech businesses that rely on seamless cross-border operations. The upcoming strategy to further integrate the market, due by June 2025, aims to remove barriers and foster growth.

For SMEs and startups, the proposed Savings and Investments Union and progress on the Capital Markets Union by 2026 should offer more accessible capital markets, enabling Czech companies to scale up and invest in new technologies. The emphasis on equity investment is expected to benefit sectors critical to the Czech economy.

The Declaration's call for industrial renewal and decarbonization is particularly relevant to Czech businesses, many of which are focused on energy-intensive industries. The EU's industrial strategy will likely support traditional industries during the green transition, while simplifying regulatory burdens—a long-standing request from Czech business leaders—could improve the operating environment for SMEs.

Energy sovereignty is another priority. For Czech companies dealing with high energy costs, the EU's plans for a more integrated energy market and affordable clean energy may offer relief. Similarly, the Declaration's emphasis on workforce development aims to address labour market challenges, which have been a concern for Czech businesses. Finally, the focus on trade and agriculture could provide stability for Czech exporters and farmers, offering a framework for competitive and sustainable growth in these sectors.

Overall, while the Budapest Declaration outlines a vision for a more competitive EU, its success will depend on effective implementation and active engagement from Czech businesses. These initiatives may provide significant benefits if they align with the country's economic priorities.

Source: European Council

FLASHNEWS

Comprehensive Energy Balance of the Czech Republic (2010–2022)

The Czech Ministry of Industry and Trade's Department of Analysis and Data Support has published the Comprehensive Energy Balance of the State for 2010–2022, adhering to Eurostat methodology. Based on data from the Ministry and the Czech Statistical Office, the report supports the development of the National Energy and Climate Plan and other government needs by ensuring maximum data clarity and consistency. The publication includes simplified annual energy balances, time series from 2012–2022 by fuel type and usage, and comparisons of Europe 2020–2030 indicators. An interactive data annex enables detailed parameter-based analyses and recalculations. *Source: Ministry of Industry and Trade of the Czech Republic*

Global Awareness Campaign Targets Lithium-Ion Battery Safety

The OECD has launched awareness campaign on consumer product safety, focusing on lithium-ion batteries. The campaign aims to address safety issues uniformly on a global scale. 23 countries, Consumer International, and various economic actors and online marketplace providers have joined the initiative. The campaign, unveiled at the OECD Ministerial Committee on Consumer Policy on October 8–9, 2024, will run until January 31, 2025. *Source: Ministry of Industry and Trade of the Czech Republic*

WHAT GLOBAL GATEWAY PORTFOLIO MEANS FOR CZECH BUSINESSES

Jozef Síkela, the Czech Commissioner-designate for International Partnerships, recently faced a three-hour confirmation hearing before the European Parliament, where he outlined his vision for leading the EU's Global Gateway initiative. This ambitious €300 billion strategy seeks to bolster global infrastructure and development in sectors like energy, digitalization, transport, health, and education. It aims to create sustainable partnerships reflecting EU values while countering the influence of undemocratic global actors.

Síkela identified key priorities for his portfolio, focusing on regions such as Africa, Latin America, and Central Asia. He emphasized the need for ethical and transparent engagement, ensuring EU-funded projects address local challenges while fostering long-term economic and social stability. A significant goal is to enhance transparency and oversight, with regular reporting and close collaboration with Parliament to ensure accountability and adherence to human rights standards. Additionally, Síkela highlighted the EU's commitment to the Sustainable Development Goals (SDGs), particularly poverty reduction, social equity, and education.

While the Global Gateway presents immense opportunities, the portfolio also comes with challenges, particularly for businesses. Czech companies should align with the initiative's stringent requirements for sustainability and ethical standards. The success of the portfolio hinges on its ability to foster genuine partnerships, efficiently manage resources, and attract private investment to maximize the impact of EU funding.

For Czech businesses, the Global Gateway offers both opportunities and obstacles. Industries with strengths in renewable energy, transport infrastructure, and digital technology are well-positioned to benefit, especially in regions where EU-backed projects are expected to flourish. However, success will require adapting to EU standards, proactive engagement with the initiative, and public sector support to manage the complexities of international collaboration.

Síkela's leadership could open new markets and trade routes for Czech businesses, particularly in developing regions that need sustainable solutions. Yet the portfolio's true test will be balancing the EU's lofty goals with the practical challenges of implementation, ensuring that projects bring tangible benefits to partner regions and participating industries alike.

Source: CEBRE, photo © European Union 2024 - Source : EP

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Czech Republic secures CZK 41 billion from the EU for modernization

The European Commission has reviewed the Czech Republic's latest request for funding under the Recovery and Resilience Facility (RRF), granting a positive preliminary assessment of 63 milestones and targets, with partial fulfillment noted for two. Pending approval by EU member states, the Czech Republic is set to receive over CZK 37 billion in grants and CZK 4 billion in loans. These funds will support critical reforms in energy transition, education, healthcare, and innovation, alongside infrastructure projects like railway modernization, new university campuses, and community care systems. Some payments are temporarily withheld, pending legislative progress on energy and care reforms. Final approval is expected by year-end, with remaining funds likely in 2025.

Source: Ministry of Industry and Trade of the Czech Republic

EU Trade Ministers Focus on U.S. Relations, Mercosur Deal, and WTO Reform

The EU-U.S. trade relationship, ongoing trade negotiations, and WTO reform were key topics at the Foreign Affairs Council meeting of trade ministers held in Brussels, led by Czech State Secretary Vladimír Mana. Discussions emphasized the role of trade agreements in boosting EU competitiveness and resilience, with focus on negotiations with Mercosur, Indonesia, India, and Gulf states. Mana highlighted the importance of the Mercosur deal for its economic and geopolitical benefits. Ministers also stressed the significance of transatlantic cooperation post-U.S. elections, calling for strengthened ties through the Trade and Technology Council. Over lunch, they addressed WTO reform, underscoring the need for updated multilateral trade rules to meet modern challenges.

Source: Ministry of Industry and Trade of the Czech Republic

MINISTRY OF INDUSTRY AND TRADE OF THE CZECH REPUBLIC
CzechTrade
CONFEDERATION OF INDUSTRY OF THE CZECH REPUBLIC
CZECH CHAMBER OF COMMERCE
KZPS KONFEDERACE ZAMĚSTNAVATELSKÝCH A PODNIKATELSKÝCH SVAZŮ 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.

EESC CORNER:
The EU Should Take Inspiration from the Czech Model in Tackling Bureaucracy

The European Union has long struggled with bureaucracy, which burdens businesses across the continent. Many entrepreneurs consistently cite regulatory changes as one of the most significant administrative burdens. With each new legislative adjustment, companies must familiarize themselves with new rules, understand their obligations, and adapt their operations and technology accordingly. This often requires new investments and diverts attention away from true innovation and competitiveness. Furthermore, more and more businesses are hiring additional staff or paying consultants to manage the filing of various reports and data submissions to authorities, rather than focusing on growth. This represents the bureaucratic load - time and money that could be better spent on advancing business operations.

Entrepreneurs highlight that a major issue is the repeated demand for the same information in different forms. The lack of clarity on how these details are used only adds to their frustration. Some argue that if authorities had to pay for the data they collect, they might think more carefully about the efficiency of their information-gathering processes, saving businesses unnecessary costs.

When the European Commission prepares new proposals, it usually includes an analysis of their projected impact, often downplaying the consequences and claiming they will be marginal. However, in practice, the cumulative effect of multiple regulations simultaneously hitting a business is often overlooked. Entrepreneurs are left unsure whether a new regulation is the “last straw” that will break the camel’s back, particularly when they lack a holistic view of how various regulations impact them.

While the EU touts high levels of investment in research and development, its competitiveness on the global stage is at risk. In 2021, European companies spent 270 billion EUR less on research and development than their American counterparts. This gap is alarming and reflects how bureaucracy in Europe is increasingly discouraging innovation and weakening the region's ability to compete with global rivals.

Statistics show that between 2008 and 2021, over 30% of European “unicorns” (startups valued at over a billion dollars) moved their headquarters outside the EU. The reasons include not only market fragmentation and limited access to capital, but also burdensome bureaucracy. A recent European Investment Bank survey found that 61% of respondents saw EU regulations as a barrier to long-term investments.

Given this context, the question arises: how can regulation be improved to reduce the administrative burden on businesses? The EU could take inspiration from the Czech model, which has focused on simplifying legislation in recent years. Six years ago, the Czech Chamber of Commerce proposed that lawmakers include obligation tables alongside legal texts to help businesses navigate complex regulations. This summary should clearly outline the obligations, deadlines, and periodicity, saving time and money on legal services.

In order to tackle bureaucracy effectively, the Czech Chamber of Commerce created an innovative app that provides entrepreneurs with a daily overview of their obligations and how to fulfil them. The app is tailored to specific industries and company sizes, allowing businesses to access real-time information on regulatory compliance. This approach could serve as a model for the EU, as it helps both companies and regulators avoid duplications and contradictions in rules.

With today's available digital tools and AI technology, there is an opportunity to adopt a new regulatory approach that simplifies and clarifies administrative processes. The Czech model shows that bureaucracy can be reduced without compromising the effectiveness of regulation. European institutions should consider this approach, especially in light of the upcoming EU leadership cycle. Entrepreneurs in the EU need support that enables them to focus on innovation and competitiveness, not on paperwork.

Source: Alena Mastantuono, Member of the EESC