

# Czech Business Today

## Collaborative Blueprint for the Future – Ensuring the EU Automotive Industry Remains Competitive

The Czech Ministry of Transport, in collaboration with Italy, Austria, Bulgaria, Poland, Slovakia, and Romania, has presented a blueprint to ensure the EU automotive industry remains competitive while advancing decarbonization goals. Introduced at the recent EU Competitiveness Council, the proposal urges the European Commission to re-evaluate the feasibility of the 2035 ban on sales of new fossil fuel-powered vehicles. This target, while central to the EU's climate ambitions, has raised concerns over its practicality given current technological and market dynamics. Additionally, the group has called for a postponement of the 2025 fleet emissions limits. Under the existing rules, automakers face steep penalties if their fleets exceed stringent CO<sub>2</sub> thresholds by January 1, 2025. Proponents argue that delaying this deadline would prevent job losses and factory closures, particularly in regions where electrification infrastructure and consumer adoption of electric vehicles are lagging.

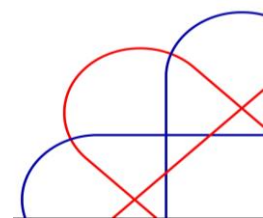
Automakers have welcomed the discussion, emphasizing the importance of creating a regulatory environment that balances ambition with pragmatism. Industry representatives have highlighted the need for policies that enable Europe to remain a leader in the transition to zero-emission transport, while also acknowledging the economic pressures facing manufacturers.

The initiative has drawn a mixed response from EU Member States. Several countries have voiced their support, recognizing the importance of ensuring that the automotive sector remains globally competitive. Others, however, have resisted calls for delays, arguing that any deviation from the established timeline could undermine the EU's climate commitments. Some nations have proposed compromises, such as offering more flexible mechanisms for enforcing penalties without entirely postponing the targets.

The timing of the proposal has added to the controversy. With the 2025 deadline fast approaching, critics have pointed out that the call for a delay might be perceived as a reactionary move rather than a proactive strategy. Nonetheless, the initiative has brought the issue of regulatory predictability to the forefront, sparking discussions about how the EU can best balance industrial competitiveness with environmental objectives.

While opinions diverge, the proposal has undoubtedly succeeded in elevating the conversation to the highest levels of EU policymaking. The debate underscores the complex interplay between climate policy, economic resilience, and technological innovation that defines the future of the automotive industry. As discussions continue, the coming weeks will be crucial in determining whether the EU can chart a course that ensures both environmental progress and industrial strength.

Source: [Denik.cz](https://denik.cz)



# The Competitiveness Compass: Czech Business Potential in the EC's Strategic Framework

## FLASHNEWS

The European Commission, led by Ursula von der Leyen, has unveiled an ambitious vision to enhance the EU's competitiveness through innovation, decarbonization, and economic security. Central to this strategy are flagship initiatives such as the upcoming "Clean Industrial Deal" or a White Paper on European Defence, which aim to position Europe as a global leader in sustainable and secure industries. For Czech businesses, these programs open doors to new opportunities within the single market, particularly in sectors transitioning toward greener and more innovative solutions.

However, the path to realizing these opportunities is fraught with challenges. The EU continues to grapple with regulatory fragmentation, which hampers cross-border expansion, and a sluggish scaling process for startups, which limits their potential to grow into global players. Moreover, Europe's dependency on external suppliers for critical resources adds a layer of vulnerability that the framework must address. Czech companies, especially in manufacturing and energy-intensive sectors, face additional hurdles such as navigating fluctuating energy costs and competing for limited private investment capital.

Despite these obstacles, the Czech Republic is well-positioned to leverage its industrial expertise and growing innovation ecosystem to align with the EU's strategic priorities. By actively participating in the Clean Industrial Deal and engaging with the European Commission's efforts to streamline regulations, Czech businesses can benefit from reduced administrative burdens and enhanced market access. Additionally, investments in local research and development, coupled with a focus on diversifying supply chains, can help mitigate risks tied to resource dependency.

As the EU takes its first steps to implement this comprehensive framework, the onus will be on Member States like the Czech Republic to seize these opportunities and advocate for fairer energy pricing, targeted financial support, and a more unified regulatory environment. The success of the Competitiveness Compass lies not only in its vision but in its ability to address systemic barriers and empower businesses to thrive in an increasingly competitive global landscape.

*Source: [European Commission](#),*

*Photo: [European Council](#)*

100 days of electricity sharing in the Czech Republic: thousands of sharing groups and a steady increase in the number of interested parties

The number of electricity-sharing groups in the Czech Republic surpassed 5,000 in November, with most operating under the "active customer" model, according to the Energy Data Center (EDC). Total registrations exceeded 13,000, and nearly 750 MWh of electricity has been shared since late August. Over 11,700 participants have completed the process, with 6,098 production and 8,278 consumption points actively exchanging electricity. Minister of Industry and Trade Lukáš Vlček highlighted energy sharing as a step toward modernizing Czech energy, boosting self-sufficiency, and reducing costs for households and businesses.

*Source: [Ministry of Industry and Trade of the 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.

## EU Deforestation Rules Postponed

## FLASHNEWS

The European Union has granted businesses an additional year to comply with its landmark deforestation regulation, offering much-needed relief as companies navigate the complex requirements of the new rules. Initially set for enforcement in December 2024, the regulation's application date has been pushed to December 2025 for large operators, while small and micro-enterprises now have until June 2026 to align their practices. The delay was confirmed through a provisional agreement between the Council and the European Parliament, which still requires formal adoption.

The deforestation regulation, in force since June 2023, aims to minimize the EU's contribution to global deforestation by banning the sale of products linked to deforested land. Commodities such as coffee, cocoa, soy, palm oil, and wood are at the centre of the policy, requiring operators to ensure these products are deforestation-free before entering the EU market. Although the postponement does not alter the substance of the rules, it provides critical time for businesses to adapt their supply chains, implement due diligence systems, and embrace sustainable sourcing practices. For Czech companies, the extension is a strategic opportunity.

The EU's forthcoming Information System and risk classification tools, expected six months before the new enforcement date, will be vital for compliance. By proactively aligning their operations now, businesses can reduce the risk of non-compliance and potential exclusion from the EU market. The extra year also allows companies to streamline their reporting mechanisms, identify sustainable suppliers, and build transparency across their value chains—steps that will not only meet regulatory requirements but also enhance their competitiveness in an increasingly environmentally conscious marketplace.

Despite the reprieve, the urgency to prepare remains. The regulation's delay highlights the challenges of implementing such a comprehensive policy but underscores the EU's commitment to combating deforestation and promoting global environmental responsibility. Companies failing to act now risk being left behind, as the regulation represents a broader shift in market expectations and consumer demand for sustainable products. As the Council and European Parliament move toward formalizing the postponement, businesses should view this delay not as an invitation to relax but as a chance to double down on preparations.

*Source: [European Council](#)*



### 2023 Foreign Investment Screening Report

The Czech Ministry of Industry and Trade has released its 2023 annual report on foreign investment screening, reviewing 488 EU notifications and 28 domestic cases. While no transactions were prohibited, one investor withdrew, and some reviews are ongoing. The screening mechanism safeguards critical sectors like energy, telecommunications, and defense, while ensuring transparency for investors. The majority of foreign investors were based in the USA and Taiwan, with sectors such as electronics, IT, healthcare, and automotive most involved. Collaboration with various ministries, intelligence services, and EU partners strengthens national and economic security, aligning with the 2023 Czech Security Strategy.

*Source: [Ministry of Industry and Trade of the Czech Republic](#)*

### EU-Mercosur Trade Deal

A Game-Changer for Czech Exporters "The EU has reached an agreement with Mercosur (Argentina, Brazil, Paraguay, Uruguay) to establish the largest free trade bloc, reducing tariffs and creating opportunities for Czech exporters. The deal, pending ratification, will open access to a market of 300 million people, boosting exports in high-value sectors like automotive, engineering, and IT while saving Czech businesses an estimated CZK 2.19 billion annually in tariffs. With its sustainability commitments and strategic importance, the agreement is poised to strengthen economic ties and diversify trade routes for Czech industry.

*Source: [Ministry of Industry and Trade of the Czech Republic](#)*

# EESC CORNER: The EU Enlargement: Opportunities, Challenges, and the Path Forward

The future enlargement of the EU is a crucial topic that deserves our attention as well as proper preparation. That is why it is high on the agenda of the European Economic and Social Committee, which adopted an own-initiative opinion on the potential challenges for the European Single Market arising from the future enlargement of the Union at its last plenary session in December.

In its opinion, the EESC believes that the EU enlargement is a success story and welcomes the dynamics, needed also in the context of the current exceptional geopolitical circumstances and growing challenges. In addition to its geostrategic importance, enlargement also means new business opportunities for European companies, a larger market for businesses and consumers, as well as better access to critical raw materials and thus a more resilient Europe.

At the same time, the opinion points to the importance of the EU Single Market and the missed opportunities due to its incompleteness. Therefore, it brings a sense of urgency and the need for rapid reforms, as not only the candidate states must prepare for membership.

Before their accession, the EU must also do its homework and, among others, introduce the necessary regulatory changes. Among other things, the EESC also points to the lessons learnt from previous enlargements and urges the European Commission and candidate countries to consider and manage the impacts of enlargement in order to avoid creating the dynamic of winners and losers. For further information about the opinion, please visit the EESC website.

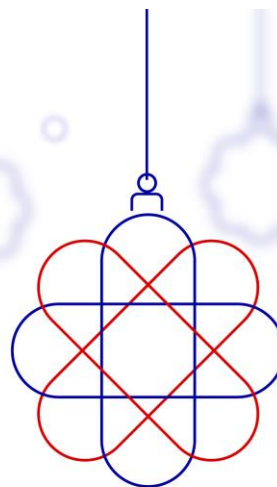
I had the pleasure of being part of the study group tasked with working on the opinion. I pointed to geopolitical events that have created new momentum around the EU's enlargement policy and its role in contributing to the stability and prosperity of our continent. Among other things, I emphasized that accession should be a merit-based process with strict conditionality. In addition, accession requires the ownership of both the candidate countries and the EU, as well as support for candidate countries. Moreover, a successful enlargement policy depends on concrete steps to deepen the EU Single Market, which must be our priority.

Jana Hartman Radová, Permanent Delegate to BusinessEurope



Děkujeme za skvělou spolupráci v tomto roce a přejeme úspěšný vstup do nového roku

Thank you for the great cooperation this year and we wish you a successful start to the new year



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