

Czech Company and Entrepreneur of the Year 2010

Czech economic daily Hospodářské noviny announced results of the competition Company of the Year and Entrepreneur of the Year on 2nd December 2010 in Prague. The competition is organised on an annual basis and is dedicated to Czech SMEs and entrepreneurs. The best company of the Year is 5M s. r. o. from Kunín specialised in the area of the development and manufacture of composite and sandwich materials. Mr. Jiří Bláha, baker and confectioner, was awarded Entrepreneur of the Year.

Czechs still without euro

Czech National Bank (CNB) and Czech Ministry of Finance stated "it is not possible to conclude that the conditions to set a date for Euro adoption and entry into ERM II in 2011 were created". The statement was published in annual "Evaluation of the Maastricht convergence criteria and the degree of economic alignment with the euro area" issued by the MoF and CNB.

Czech Republic and India want to double their bilateral trade

Czech Republic and India concluded their bilateral negotiations in intergovernmental committee for economic cooperation in New Delhi in India. Both partners wish to double their bilateral trade (to USD 2 billion). In the first 9 months of 2010, Czech export to India has increased by 38 % y-o-y. At the end of 2010, it is to reach the historical level at USD 800 million.

New National Centre for Transformation of Social Services

In November 2010, the National Centre for Transformation of Social Services was launched. It aims to change the concept of social residencies and respond on a more individual basis to the needs of its users (e.g. inclusion into the labour market). The project is co-financed by the European Social Fund.

Water supply and wastewater treatment in the EU external aid programmes

Sectorial seminars represent a great opportunity for companies to get familiar with EU programmes focusing on development and external aid provided to third countries. Moreover, it is an ideal way to find suitable business partners for future cooperation among companies from different Member states. On November 24th, CEBRE and CzechTrade in cooperation with Czech, Swedish and German Permanent representations to the EU organised a

sectorial seminar on Water supply and wastewater treatment in the EU external aid programmes. More than 200 participating companies from all over Europe operating either as consultants in the water supply and wastewater treatment area or companies active in this field had a possibility to get to know latest news concerning external aid of the EU dedicated to water supply sector and wastewater treatment sector.

ENTERPRISE EXPERIENCE PROGRAMME

Two questions to Mr. Pavlíček, owner of hosting company Step Trutnov



What are the benefits of the EEP to your company?

The fact that our region and the business organisations and structures, in which we operate, have contacts with

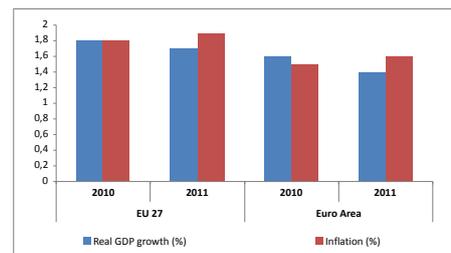
a particular official from the European Commission is a benefit for us. We appreciated the information about the use and future of Structural funds and we hope the EU money will be better distributed under the new programme period 2014-2020.

What would you recommend to other hosting entrepreneurs?

Get informed in details about the EU funding after 2013, ask clarifications and give your feedback to the EU and public administration as well as to your business representatives!

BUSINESS ECONOMIC FORECAST 2011

Both EUROCHAMBRES Economic Survey 2011 and BUSINESSEUROPE's Economic Outlook for 2011 indicate that businesses are confident that the worst is behind and the economic situation will improve next year. Economic activity has been gradually strengthening, even more than expected throughout 2010. The recovery is mainly pushed by strong exports and driving industrial production. Moreover, the labour market is stabilising more quickly than expected. (see more on page 2)



www.businesseurope.eu

STABILITY, CREDIBILITY OF THE EURO IS THE BIGGEST PRIORITY!

Leaders of European businesses, presidents of 40 member federations in 34 countries gathering in BUSINESSEUROPE discussed the importance of stability and credibility of the euro, the need to focus more on growth and to strengthen the international dimension of European economy at their Council of Presidents in Brussels on 3rd December 2010. Through a letter of BUSINESSEUROPE's president Juergen Thumann,

European businesses call upon the European Council to reaffirm a strong leadership on European level that will acknowledge that short term efforts to restore stability and alleviate tensions on sovereign debt and financial markets should not be the only focus. The priority is to restore confidence in Europe's medium-term prospects and better governed and more competitive Europe. To face the challenges of the euro, appropriate actions have to

be designed to support smart consolidation and growth-enhancing reform efforts in all Member States, restore well-functioning, stable and resilient financial markets and ensure lasting discipline and cohesion between countries sharing the euro. Furthermore, it is more than needed to restore trust in EU's growth prospects in medium-term as well as the competitiveness of economies of its Member States. (see more on page 2)

TALKING ABOUT...

...ENTERPRISE EXPERIENCE PROGRAMME

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In the week from 22 to 26 November 2010, Andrei Bunis, EU official of DG Enterprise and Industry, visited the Czech Republic to find out obstacles faced daily by Czech SMEs. Mr. Bunis then participated in the European Commission's Enterprise Experience Programme, which is designed for EU officials to obtain information from the real environment to be further used to improve the European legislation and initiatives. Mr. Bunis met with business representatives at national and local level, with Enterprise Europe Network, and spent three days in Step Trutnov, a company that produces biomass boilers and pressure vessels. Size of SMEs limits their access to finance and their capacity to deal administrative burden. "Unnecessary administrative burden arises from both European and national level", indicated business representatives during the meetings. By 2010, the Czechs should have succeeded to reduce

the administrative burden by 17% compared with 20% foreseen. Many measures were implemented such as the simplification and acceleration of granting business licenses, facilitating business start-ups and the introduction of the log books fee. However, many businesses do not feel the reduction of red tape. It is still hard to find out information on directives implemented into the Czech legal system so that businesses could prepare for new legislation. Businesses also complain about information available on EU funding, doing business in the EU and European legislation. There is a lot of information but their sources are not well coordinated and companies, especially SMEs, are disoriented. In this respect, it would be helpful to improve the coordination in the individual information portals and networks managed by the European Commission (Enterprise Europe Network, Europe Direct, SOLVIT, European Consumer Centres, Your Europe website, etc.).

BUSINESSEUROPE: COUNCIL OF PRESIDENTS

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Competitiveness of our companies will more and more depend on access to third markets, access to finance and access to raw materials. Therefore, the EU has to promote competitive implementation of new capital rules for banks at the global level, progress in the Doha trade negotiations in the WTO and keep on in the fight against protectionism and focus on strengthened partnership for energy and raw materials. With timely and appropriate political decisions, today's recovery can be sustained.



Council of presidents met Prince Philippe and Princess Mathilde on Dec. 2, 2010

BUSINESS ECONOMIC FORECAST 2011

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The anticipations on GDP growth in the EU has been adapted by BUSINESSEUROPE from 1.1% to 1.8% in 2010 and 1.7% in 2011 compared with the EC forecast expecting GDP grow by 0.75% in 2010 and 1.5% in 2011. The recovery has been particularly evident in Germany, Sweden, Poland and Finland. On the other hand, Greece, Romania, Latvia, Spain and Ireland have suffered from negative growth. Nevertheless, it is essential to keep working on progress, mainly by introducing reforms that would reduce public debt and by focusing on public deficits of member countries and improvements in product, labour and capital markets. The potential lies in labour market where it is estimated that 600,000 new jobs

will be created in 2011. However, in 2011, many temporary anti-crisis measures will come to an end, and national governments will be obliged to implement the austerity measures foreseen in the framework of the new European economic governance. Access to finance remains the most important problem for companies. Expectations for the Czech Republic are even more favourable than average expectations for the whole EU, according to the Economic Outlook 2011. Estimations in the GDP growth have attained 1.6% in 2010 and 2.3% in 2011. However, the inflation rate is also expected to grow from 1.6% in 2010 to 2.5% in 2011. Trend in business climate is expected to be positive for industry while trend in profitability will probably be negative for services.

ENERGIZING EUROPE:

Prague European Energy Forum 2010: Strategies for the near future

Held in the premises of the Czech Ministry of Foreign Affairs, the fourth Czech European Energy Forum was organised at the beginning of December 2010. Traditionally, the Prague forum focuses on several energy topics and this event was not an exception. High level panellists discussed issues of Energy security at the end of the first decade of the third millennium in the first panel discussion, targeting mainly the crucial importance of self-sufficiency in electricity production and diversification of hydrocarbon supplies, encompassing the priorities of upcoming Hungarian presidency of the Council of the EU. Energy infrastructures in the EU and in the Czech Republic were the focus in the second panel discussion, revealing both the projects that are being implemented and the strategic infrastructure needs. Finally in the last section, panellists strived to present and underline perspectives and impasses of new energy sources, including strategies for their implementation. The Prague European Energy Forum 2010 offered an ideal opportunity for meeting of stakeholders, policy makers and energy experts, whereby cultivated ground before February 2011 – the moment when the EU summit will discuss the future of Europe's energy.



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More information on the PEEF 2010 is available at www.energyforum.cz

Jiri Horak
CEZ Group

AVAILABLE
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Wishing You a Merry Christmas
and Happy New Year 2011!
CEBRE Team



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