

Czech Republic

1. Covid-19 Pandemic and National Recovery and Resilience Plans

Question 1	Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan?	Dissatisfied
Question 2	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Satisfied
Question 3	How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
Question 4	How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes)	Fair
Question 5	How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market)	Fair
Question 6	To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy?	To some extent
Question 7	To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy?	To a small extent
Question 8	More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis?	GDP in 2025 expected to be 1 % lower than what would have been the case without the pandemic

2. Assessment of Country Specific recommendations 2020-2021 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Ensure the resilience of the health system, strengthen the availability of health workers, primary care and the integration of care, and deployment of e-health services.	Important	Unsatisfactory	
CSR 2	Support employment through active labour market policies, the provision of skills, including digital skills, and access to digital learning.	Important	Mixed	



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Support small and medium-sized enterprises by making greater use of financial instruments to ensure liquidity support, reducing the administrative burden and improving e-government. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on high-capacity digital infrastructure and technologies, clean and efficient production and use of energy, and sustainable transport infrastructure, including in the coal regions. Ensure access to finance for innovative firms and improve public-private cooperation in research and development.	Important	Unsatisfactory	

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

Taxation and Public Finances	No progress
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

There is a new government in the Czech Republic with some reform goals. We do not await any significant changes in tax system. We anticipate some improvements for MSP and general conditions for business (promise to realise some improvements to ease payment of taxes). On labour market there are still significant shortages, this area requires intensive reform effort to make this area more flexible. We see necessity to increase innovation effort, Czech Rep. needs development in this area (the same in area of improvement of skills). Now there is no lack of finance resources for business in spite of increase of basic interest rate. Based on our survey Czech companies do not suffer from financial instability.

4. Reform priorities for 2022

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Consolidation of public expenditures	Basic condition for stability of czech economy	Yes
Priority 2	Labour market mismatch and labour mobility	Czech gov must solve shortages on labour market, Czech bussiness feel lack of labour force	No
Priority 3	R&D and Innovation	It is necessary to bring some improvements in area implementation of RandD	Yes
Priority 4	Public sector efficiency	Efficiency of public sector is decreasing and it has negative influence on overall efficiency of the Czech economy	Yes
Priority 5	Sector specific regulation (telecom, energy)	Energy regulation is facing big changes (green deal, taxonomy), there are some threats for some sectors (based on structure of the Czech economy)	No