

Czechia

1. EU Competitiveness

Question 1	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly worse
Question 2	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Increased slightly
Question 3	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
Question 4	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	<ul style="list-style-type: none"> • Regulatory Environment • Energy prices • Environmental policies

2. National Recovery and Resilience Plans

Question 8	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Dissatisfied
Question 9	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
Question 10	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 6.0 %. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position. Take measures to ensure the long-term fiscal sustainability of public finances, including the sustainability of the pension system.	Important	Mixed	The government has decided to end compensation to energy, but it does not conceptually address energy prices so far. There is a reduction in the deficit of public finances, but conceptual measures are also mostly missing.
CSR 2	Accelerate the implementation of its recovery and resilience plan, also by ensuring adequate administrative capacity, and swiftly finalise the addendum, including the REPowerEU chapter, with a view to rapidly starting the implementation thereof. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Important	Mixed	---

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Strengthen the provision of social and affordable housing, including by adopting a specific legislative framework, improving coordination between different public bodies, and incentivising the construction of new housing units as well as the refurbishment of existing ones.	?	?	
CSR 4	Reduce reliance on fossil fuels. Increase the deployment of renewables with additional investments in electricity grids and direct deployment of renewable capacity. Streamline permitting procedures for renewables and make the grid fit to accommodate access to renewables through additional reforms, removing restrictions for small-scale renewables and setting up a one-stop shop, boosting grid flexibility and creating conducive conditions for energy communities. Increase the energy efficiency of district heating systems and of the building stock by incentivising deep renovations and renewable heat sources, easing administrative access to subsidies for both households and industry, and building capacity and improving skills in public authorities. Promote the uptake of zero-emission vehicles and boost the availability of high-capacity charging and refuelling infrastructure through new reforms to create enabling conditions for and remove existing barriers to the deployment of vehicles and infrastructure. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.	Important	Mixed	Partial progress is being made. The issue of energy prices, which are high in international comparison and reduce the competitiveness of our companies, is especially important for the Czech Republic.

4. Reform Progress in your Member State in 2023

How would you assess reform progress in 2023, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	Mixed
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 2024 Reform Barometer?

The government sought to reduce the deficit of public finances, but it was not always a conceptual measure. The deficit was reduced only partially and it was at the expense of a higher bureaucratic burden. In the area of innovation, there was only a slight effort to make tax deductions more attractive, however, the allocation of funds to applied industrial research was reduced.

5. Reform priorities for 2024

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	R&D and Innovation	Increase support for industrial applied research, make tax deductions for research and development more attractive.	no
Priority 2	ICT	Regulatory breathing space - give companies space to adapt to regulation adopted in previous years in order to support European digital innovation and global competitiveness.	no
Priority 3	Sector specific regulation (telecom, energy)	A conceptual solution to high energy prices	no
Priority 4	Active labour market policies	Reducing the administrative burden when hiring foreign workers.	yes
Priority 5	Public sector efficiency	Improving the function of the public sector, reducing the bureaucratic burden.	no
