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Dear readers,

Within the framework of European integration events, the close of 2008 and the start of 2009 undoubtedly belong to the Czech Republic and the start of its presidency over the Council of the EU.

A number of fundamental decisions can be expected, especially with regard to finding a way out of the crisis. These will be focused mainly on bringing the financial markets back to health and creating a more effective regulatory framework with regard to these markets (e.g., in the form of a revision to the directive on bank capital adequacy, a directive regulating insurance and investment funds, potentially dealing with issues pertaining to the activities of rating agencies, etc.). They will also be targeted at searching out effective instruments to mitigate the impacts of the decrease in the EU's economic activity (e.g., through the implementation of the European economic rescue plan in the form of feasible scenarios, using the flexibility of the Stability and Growth pact to the benefit of growth measures, and placing emphasis on promoting competitiveness) and involving the EU in a global discussion of the future financial architecture.

The break of the year also brought on an extraordinary historic and socio-economic event for Slovakia, which, on 1 January 2009, became the sixteenth member of the Eurozone. Possibly inspired by the Slovak example, through words spoken by Prime Minister Topolánek, even we have finally agreed to an action that, given Czech political conditions, requires a certain measure of courage: on the first day of November of this year we should find out the plausible timeframe for adopting the Euro in the Czech Republic.

In addition, the year 2009 brings several interesting anniversaries as well as significant events, which might have partial impact on the performance of the Czech presidency. Amongst these events, it is certainly impossible to forget mid-June and the elections to European Parliament. With regard to this year's anniversaries, we cannot forget mentioning the first decade of the successful functionality of the Euro as the common European currency. We must also remember that five years have passed since what will most likely go down in history as the most sizeable enlargement of the EU.

The start of the New Year presented our presidency with important foreign policy challenges as well, specifically the EU's active role in the newest escalating conflict in the Near East and pushing through an agreement between Russia and the Ukraine with regard to the deliveries of strategic raw materials, which also supply a significant portion of EU territory.

Česká spořitelna is the bank with the best EU know-how on our market and thus, on this occasion, we have started a special website that covers this extraordinary event: www.csas.cz/predsednictvi-eu. We wish you all the best in the New Year.

Petr Zahradník

The European Council agreed to provide Ireland with subsequent guarantees that the Lisbon Treaty will not impact those areas that concerned Irish voters most. At the stroke of midnight on New Year's Day, the Euro became the payment currency in Slovakia. Thus far it seems that, from the technical perspective, our neighbours to the east have handled this challenging monetary conversion successfully. The EU Summit approved the rough draft of a fiscal package that will support the EU's economies.

POLITICS

EU Summit Gives In to Ireland – Number of Commissioners Will Not Change

At the Brussels Summit, top representatives of the member states and governments conceded to Ireland and offered guarantees that **the Lisbon Treaty will not impact those areas** that concern Irish citizens the most.

After the negative results of last June's referendum, Ireland was to discuss the manner in which the ratification process will continue at the European Council. Research on the reasons behind the Irish "No" vote showed that the large majority of those who voted against the Lisbon Treaty were not pleased by the fact that **Ireland could lose its commissioner** once the new treaty was adopted.

According to the Treaty of Nice, which currently sets forth the provisions for EU functionality, the number of commissioners should decrease from 27 to 18 and this is confirmed by the Lisbon Treaty. This would mean that some states would lose their commissioner for the five-year European Commission term. **The countries should however alternate,** thus those states that would lose a commissioner during one term would have their own representative in the subsequent Commission.

The European Council ultimately accommodated Ireland's fears and in the final compromise states that "provided the Treaty of Lisbon enters into force, a decision will be taken … to the effect that **the Commission shall continue to include one national of each Member State".**

Some of the other arguments as to why the Irish voted against the Lisbon Treaty included fears that their **country would lose its sovereignty with regard to taxation,** family law, social policies and ethical issues. They were also concerned that, due to its provisions on security and defence, the Lisbon Treaty would also interfere with Ireland's traditional military neutrality.

The prime ministers and presidents thus agreed at the summit that all these issues "shall be addressed to the mutual satisfaction of Ireland and the other member states" by the Union and that Ireland will be provided with the **"necessary legal guarantees" to ensure that their concerns are heard.** They did however make the adoption of these guarantees conditional on the Irish government's efforts to ensure ratification of the Lisbon Treaty while the Barroso Commission is still in office, which is until 31 October 2009.

The Irish are experts at **adopting comparable European treaties only on the second try.** They refused the Treaty of Nice during the first referendum in 2001, only to adopt it one year later. It remains to be seen whether they will uphold this "tradition" in the case of the Lisbon Treaty as well.

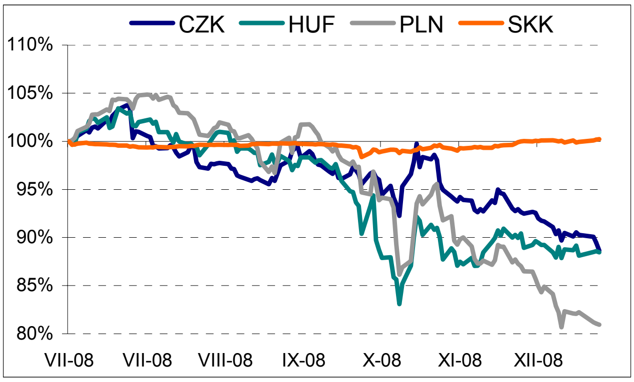
http://www.eu2008.fr/PFUE/lang/en/accueil/PFUE-12_2008/Conseil_europeen_11-12-2008_resultats

ECONOMY AND EURO

The Euro Becomes Slovakia's Currency

Slovakia became a member of the Eurozone on 1 January, just at the time that the euro is celebrating its tenth birthday. The common European currency first started being used for cash-free transaction on 1 January 1999. Euro banknotes and coins have been in circulation in the Economic and Monetary Union (EMU) members since January 2002 and they have been the sole currency in the EMU countries since March of that same year. Slovakia became the sixteenth member state of the Eurozone on 1 January 2009.

CEE currencies development against the Euro



Source: ECB, decline below 100% means depreciation

With Slovakia's entry to the Eurozone, the euro has become a part of the daily lives of almost 329 million of the EU's inhabitants. Joaquín Almunia, Commissioner for Economic and Monetary Affairs, added, "The euro has become a symbol of EU identity and is protecting us against the tremendous external shocks that we have had to cope with since the summer of 2007." From this perspective, **Slovakia could not have timed its entry to the Eurozone better**. During the period of instability resulting from the financial crisis, the country thus acquired a stable monetary anchor. Specifically due to the country's anticipated entry to the Eurozone, the Slovak currency was the only currency of the region that did not significantly weaken during the second half of the year as a result of the turbulence that occurred on the financial markets in relation to the re-evaluation of risk.

Thus far it seems that Slovakia **has successfully managed the demanding currency conversion** even from the technical perspective. According to information provided by the National Bank of Slovakia, "The conversion of all systems in the banking sector has been completed successfully and no non-standard situations have arisen as of yet." The automated teller machine network in Slovakia was fully functional and **capable of issuing euros just two short hours after midnight on New Year's Day.** The same applies to the country's payment terminal network. Up until 16 January, Slovaks can use both euros as well as Slovak crowns for making payments at stores; however, they will receive only euro banknotes and coins in return.

It seems that even the Czech government has been inspired by the Slovak example. Prime Minister Topolánek has stated that, on 1 November 2009, at which time the country's updated Convergence Program must be sent to Brussels, **the Czech Republic will announce the date of its entry to the Eurozone.**

http://www.euromena.sk/

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1

Summit Adopts Stimulus Package

The European Council has approved the rough draft of the plan the Commission has submitted for rescuing the European economy from the crisis, thus confirming the preliminary positive statement issued by the ministers of finance from the member states as part of the Council of the EU.

The crisis-afflicted European Union economy will thus **be supported by an injection of expenses from public budgets totalling EUR 200 billion** (1.5% of GDP), of which EUR 170 billion will be supplied from the resources of the individual member states and the remaining 30 billion through EU structural funds and European Investment Bank financial instruments.

Rather than a common assistance concept, this is more of a combination of various support measures that have already been adopted by some of the member states or the adoption of which is anticipated in the near future. This logic also incorporates the fact that **each member state will make an independent decision as to the specific method and the level** to which it will implement the measures specified in the package. Peer Steinbrück, Germany's Minister of Finance, specifically declared, "… we are not obliged to copy what all other countries are doing. We need to cooperate, but the way of acting can look different."

The measures explicitly mentioned in the package include higher unemployment support, investments in large infrastructure projects, temporary VAT decreases, **as well as investments in environment-friendly technology, education, research and innovation.**

According to Prime Minister Mirek Topolánek, the Czech Republic will focus **on support for exports and decreases in social insurance,** which should lead to lower workforce expenses.

Given the fact that these fiscal stimulation measures will lead to a **worsening status with regard to public finances,** the European Commission has already announced that it will interpret the rules set forth in the Stability and Growth Pact in a more relaxed manner.

http://www.ue2008.fr/PFUE/lang/en/accueil/PFUE-12_2008/reunion_du_conseil_affaires_economiques_et_financieres

http://www.eu2008.fr/PFUE/lang/en/accueil/PFUE-12_2008/Conseil_europeen_11-12-2008_resultats

FINANCE

European Parliament Wants to Expand Bank Guarantees

European Parliament has approved a proposal that would increase state bank account guarantees to up to EUR 100,000 from the current minimum threshold of EUR 20,000 not only for individuals **but for small and medium-sized enterprises and local authorities as well.** This guarantee will apply to all deposits in all member states, without regard as to whether they are in euros or in any other currency and should come into effect no later than the end of 2010.

It is not entirely certain whether the just-approved increase in guarantees will ultimately enter into force. Within the framework of the co-decision procedure, **the directive must still be approved by the Council.** In any case, as approved by the ministers of finance at the start of last October, the guarantees are being raised to EUR 50,000 starting in June 2009 and the co-liability amount for depositors will no longer be in effect.

The version of the directive approved by European Parliament differs from the original proposal primarily with regard to scope. MEPs added an addendum, which assigns the Commission the task of submitting a report on the "specific requirements for small and medium-sized enterprises and local authorities" by the end of next year and assessing the **expansion of the guarantee to include deposits made by these entities.**

European Parliament refused a compromise prepared by the member states for revising the Work Time Directive. The MEPs primarily disagreed with exceptions to a forty-eight hour work week. The EU reached an agreement with Canada on opening reciprocal aviation markets and investment opportunities. Montenegro submitted its application to join the European Union. After Croatia and Macedonia, it is the third country of the Western Balkans that has officially applied for EU membership.

Small and medium-sized enterprises (SMEs) in particular lobbied with the MEPs for **their inclusion in the system.** After Parliament listened to their concerns, SMEs are now focusing their attention on the ECOFIN configuration of the Council of the EU, on which the approval of the new legislation is dependent.

Another change as compared to the Commission's original proposal consists of a change in **the maximum period allowed for paying out deposits to savers.** While the Commission recommended decreasing this period from ninety days all the way down to three, the MEPs finally took a more conservative approach and approved a twenty-day timeframe.

State guarantees for bank deposits held by small depositors, i.e., natural persons, are unquestionable. However, the question still remains as to whether the state should also guarantee deposits made by small and medium-sized enterprises. Risk is a natural component of business activities and we therefore believe that this measure is not appropriate, as it will only **increase the moral hazards** taken by entrepreneurs. In addition, there is a danger that large and international companies will follow suit and also request comparable guarantees.

http://www.europarl.europa.eu/news/expert/infopress_page/042-44862-350-12-51-907-20081216IPR44861-15-12-2008-2008-false/default_en.htm

ENTERPRISE

Ministers Give Green Light to Small and Medium-Sized Enterprises

At the meeting held by the ministers of industry from the EU-27, approval was obtained for a **plan titled the Small Business Act, which supports small and medium-sized enterprises** (SMEs) and, together with the recently introduced fiscal stimulus package, is intended to help these companies out of the crisis.

The Small Business Act (SBA) should make financing business projects simpler for small and medium-sized companies and will decrease administrative burden in a manner whereby they can benefit fully from the opportunities available on European and international markets.

Furthermore, the ministers also voiced their support for a **marked decrease in the administrative burden** currently placed on activities performed by small and medium-sized enterprises. Yet again, a consensus was not reached on the issues related to a "European Private Company Statute", which would simplify the creation of SMEs and their subsequent operations across all of Europe. According to French Secretary of State for Small and Medium-Sized Enterprises Hervé Novelli however, tangible progress was made and there is a significant chance that it will be possible to successfully "bring it to a finish" during the Czech presidency.

Further discussions are also required with regard to the **"Community Patent"** project. This particular instrument, which SMEs have been requesting for a long time, would allow one single patent to be used in all if the Union's member states. According to Novelli, all preparations for this proposal are complete "technically"; however, it was not possible to overcome "political obstacles".

On the other hand, the ministers voiced clear **support for establishing "technology clusters"** that would provide small and medium-sized enterprises with the possibility of implementing their ideas in practice and carrying them through even at an international level.

The key measures for supporting the SME sector should be approved this spring.

http://www.ue2008.fr/PFUE/lang/en/accueil/PFUE-12_2008/PFUE-01.12.2008/conseil_competitivite__principaux_resultats

EMPLOYMENT AND SOCIAL AFFAIRS

European Parliament against Exceptions to 48-hour Work Week

European Parliament **has discarded the exceptions** that member states have negotiated **from the proposed Working Time Directive.** According to parliament members, the work week should not be longer than forty-eight hours.

The current version of the working time directive, which dates back to 1993, establishes that **employees cannot work more than an average of forty-eight hours** (whereby the average is calculated on the basis of any four months); however an extensive number of exceptions are applicable.

The European Court of Justice has already spoken out against the existing version of the directive in several judgements, and thus it is time for full innovation. The European Commission presented a proposed amendment of the directive in May 2004, but the member states **were not successful in reaching a compromise until this past June.**

According to it, employees would have to work no more than a maximum of forty-eight hours but, on the basis of

dialogues with social partners, it would be possible to agree on “flexible measures” under the condition that the employer agrees. The insertion of this addendum, which would allow **employees to work up to sixty-five hours a week**, was one of the key requests made by the British government.

European Parliament refused this compromise during the second reading, at which time it **requested that exceptions to working time be terminated within three years of the date the directive enters into force.** MEPs also refused the agreement made by the Council and Commission, according to which on-call time would not be included as working time unless national legal regulations or collective agreements concluded on the basis of national regulations specify otherwise. MEPs also confirmed their first request that ensued after the first reading, whereby on-call time (both active as well as inactive) is calculated as working time.

The European labour markets are handicapped by their inflexibility. The requirement put forth by European Parliament for removing the exceptions to the workweek will **in no way resolve this problem but will actually make it worse.** The directive is now headed to the conciliation committee, which is the last place where a compromise between European Parliament and the Council can be reached. If no consensus is found, the existing directive, including all exceptions, will remain in effect.

http://www.europarl.europa.eu/news/expert/infopress_page/048-44550-350-12-51-908-20081215IPR44549-15-12-2008-2008-true/default_en.htm

TRANSPORT AND ENERGY

Breakthrough in Negotiations with Canada on Liberalising Aviation

Antonio Tajani, the European Commission’s Vice-President for Transport, announced an important breakthrough in negotiations between the EU and Canada. The agreement is a key step **in opening mutual aviation markets and investment opportunities** as well as implementing a significant advantage for consumers, airlines and the economy overall. At the same time, it also supplements the partially open transatlantic aviation market, which came about as a result of the EU-USA Open Skies Agreement.

“The new agreement **makes the EU-Canada market one of the most open in the world** and is a milestone for EU-Canada relations. It will be key in further stimulating EU-Canada transatlantic trade. It is groundbreaking in the aviation world as the agreement includes all possible aspects of aviation, including investment. The agreement is an important sign in the current economic situation that the EU and Canada want to significantly expand their relations", said Vice-President Tajani.

All European airlines will **be able to operate direct flights to Canada from anywhere in Europe.** The Agreement removes all restrictions pertaining to routes, prices and number of weekly flights. Additional aviation rights will be liberalised gradually in conjunction with opening new investment opportunities. The final goal is to enable European entities to establish operations on the Canadian market and **invest freely in Canadian airlines** and vice versa.

Another point incorporated in the agreement is the obligation to provide mutual assistance for resolving joint **demands related to security and the environment.** Specific measures that are intended to improve consumer interests are also included.

The text of the agreement also includes strong mechanisms that guarantee that no **airline will be discriminated against from the perspective of access to aviation infrastructure** or state subsidies – something that is truly novel within the framework of international aviation.

The liberalisation of air transport between the EU and Canada will **introduce beneficial competition to this sector** and we thus consider it to be truly praiseworthy.

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1914

ENLARGEMENT

Montenegro Submits Application to Join Union

Montenegro’s Prime Minister Milo Djukanovic **formally submitted his country’s application to join the European Union** to French President Nicolas Sarkozy in Paris. Following Croatia and Macedonia, Montenegro is the third country of the Western Balkans that has officially applied for Union membership.

Members of European Parliament approved new strict “Euro VI” standards for hazardous emissions from heavy vehicles, which will come into effect in 2014. The Schengen border-free area has expanded to include a total of twenty-three member states. In December, Switzerland became the most recent country to join.

This country, which has only 620,000 inhabitants, was established in 2006 when it separated from Serbia. It is headed by Milo Djukanovic’s government, which set the country on a very pro-European course at the very beginning. **As early as in 2007, Montenegro signed a Stabilisation and Association Agreement** with the European Union, which is considered to be the first step towards a country’s membership in the EU.

At the current time, the European Union **is monitoring the progress that has been made with fulfilling the Copenhagen Criteria,** which each country must meet even prior to submitting an official application for membership in the Union. In the case of Montenegro, the country’s efforts with regard to establishing democratic institutions, its legal code and a market economy are being monitored.

According to the last evaluation report published by the Commission on 5 November 2008, the Union values **the advances that have been made with developing the legal code and strengthening the institutional infrastructure** which, as a new independent country, Montenegro needs desperately. The report also praises the progress that has been made towards developing a market economy and structural reforms. On the other hand, it reproaches the country for not battling corruption and organised crime sufficiently and for poor enforcement of the law.

When it comes to further expansion, we tend to be more pessimistic. **Croatia** has advanced the furthest and, **in our opinion, might expand the ranks of the EU by 2012.** The Czech Republic’s presidency will play an important role in this process, as it is one of the EU’s greatest advocates for the early acceptance of Croatia. We do not expect that the other states of the Western Balkans, including Montenegro, will accede to the European Union earlier than the end of the second decade. For the past several years the European Union has been more concerned with itself, whereby it is resolving the reform of its own internal institutional problems and further enlargement is not a priority at the current time. This does not even take into consideration the fact that, due to the unapproved Lisbon Treaty, the Union does not even have a sufficient legal framework to take this step.

http://ec.europa.eu/enlargement/potential-candidate-countries/montenegro/index_en.htm

EXTERNAL RELATIONS

EC Introduces Proposal for Eastern Partnership

The Commission presented a proposed version for an Eastern Partnership, which should help strengthen not only EU relations with its neighbours to the east but also their mutual relations. This Eastern Partnership is a new initiative within the framework of European Neighbourhood Policy and **applies to the following countries of the former Soviet Union:**

- Armenia
- Azerbaijan
- Georgia
- Moldavia
- Ukraine and
- Belarus (dependent on the democratisation of President Lukashenko’s regime).

The Eastern Partnership Initiative reflects the changes that have occurred in the region since the fall of communism. Successive enlargements of the Union have brought the countries of this particular region into close geographic proximity to the EU and they have also come closer to the EU even from the political and economic perspectives, primarily thanks to reforms that often resulted from the impetus provided by the European Neighbourhood Policy. It is in the EU’s lifelong interest that **this region becomes economically developed and politically stable.**

The Eastern Partnership provides the included countries with **the prospect of concluding association agreements of a new generation,** within the framework of which they will be able to integrate more within Union structures. The main new points of the initiative include:

- programmes to help improve the partners’ administrative capacity;
- integration into the EU economy in a manner that reflects the individual status of each country’s economy;
- support for mutual cooperation among the partners;
- the conclusion of “Mobility and Security Pacts”, which will enable easier travel to the EU and a more efficient battle against corruption;
- enhanced energy security; and
- the creation of four multilateral policy platforms (on democracy, good governance and stability; economic integration and convergence with EU policies; energy security; and contacts between people).

Within the framework of the Eastern Partnership, the Commission has promised to **increase the financial aid provided to these countries by EUR 350 million** from 2010 to 2013. The official start of the Eastern Partnership could take place as early as the informal EU summit that will be held in Prague this spring.

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1858

ENVIRONMENT

New Euro VI Standards for Heavy Vehicle Exhaust Emissions

European Parliament has voiced its support for a compromise proposal with the Council, which sets **stricter limits for harmful exhaust emissions from trucks, cargo vehicles and buses,** including substances that damage the ozone layer, such as nitrogen oxides and hydrocarbons. All new heavy cargo vehicles weighing more than 2,610 kilograms will have to comply with the adopted regulation and the new limits will replace those established within the framework of "Euro IV" (valid as of 11/2006) and "Euro V" (valid as of 10/2008).

Given the fact that the legislative process has been completed, the **new Euro VI regulation will enter into force** for all new heavy vehicles **as of 1 January 2014**, i.e., nine months earlier than originally proposed by the Commission. New types of vehicles will have to comply with the new standards one year sooner. The registration, sale and operation of vehicles that do not meet these standards will be forbidden. For this reason, the Commission should adopt appropriate technical regulations by 1 April 2010 in order to ensure that manufacturers have sufficient time to perform the required vehicle modifications.

The compromise text incorporates the Commission's proposal for stricter limits for certain pollutants **(CO, THC, NMHC, CH4, NOx, and NH3).** For example, the limit for nitrogen oxides (NOx) has been set at 400 mg/kWh (80% less as compared to Euro V) and the particle mass limit will be 10 mg/kWh (66% less as compared to Euro V).

In addition, these new limits represent one step forward towards global harmonisation, as similar limits apply in the USA.

Nevertheless, MEPs have requested the Commission to also **specify limits for nitrogen dioxide (NO2) if required.** If the Commission reaches the conclusion that it is appropriate to establish limits for additional substances, it will submit subsequent proposals to Parliament and the Council.

The approved standard also backs the Commission's proposal to incorporate measures associated with access to information on vehicle repairs. According to the MEPs, this would make it possible to ensure true competition on the vehicle repair and maintenance services market. They are similar to measures that already exist in the legislation pertaining to personal automobiles. **The member states will have the option of offering financial incentives,** which should speed up the introduction of vehicles complying with the established standards on the market.

http://www.europarl.europa.eu/news/expert/infopress_page/062-44607-350-12-51-910-20081216IPR44606-15-12-2008-2008-false/default_en.htm

JUSTICE AND HOME AFFAIRS

Switzerland Enters the Schengen Area

On Friday, 12 December, Switzerland joined the Schengen Area. Swiss citizens can thus now take advantage of the benefits that go along with the **elimination of border controls when travelling to 22 EU member states** (of the 27 EU countries, Ireland, Great Britain, Bulgaria, Romania and Cyprus are not participating in Schengen), Norway, and Iceland. At the same time, Switzerland also started participating in the Dublin System, which establishes the rules for granting asylum.

The elimination of border controls contributes towards the development of border regions, tourism and improved infrastructure. According to the Commission, controls at airports will be eliminated in March 2009 in accordance with the plan. On the basis of published information, **Liechtenstein might also join the Schengen Area by the end of next year.**

The last expansion of the Schengen Area took place on 21 December 2007, at which time **nine new member states, including the Czech Republic, joined.** According to the Czech Minister of the Interior, Schengen implementation has been mainly positive and fears of decreased security and migration problems were not confirmed.

The work of the Alien Police changed in a radical manner after the Czech Republic's entry to the Schengen Area. Now their activities are focused on **illegal immigrants and workers in larger towns and cities.** The police have nothing but positive reactions to the Czech Republic's participation in the Schengen Information System (SIS), which has already helped detain 500 wanted criminals.

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1955

Cross-Border Collection of Fines to Be More Efficient

European Parliament has approved a proposed directive that would make it possible to identify a foreign driver who commits a traffic offence and levy the **same fine that applies to a local driver.** There is no comparable system in existence at this time.

One of the instruments implemented in the battle against the negative impacts of the financial crisis consists of a six-month extension of the deadline to use funds from the EU's structural funds. The Czech Republic will take advantage of this opportunity and the subsidies allocated for 2004 to 2006 can be used up through June 2009.

The legislative proposal **covers an entire range of offences,** such as not wearing a seatbelt, driving under the influence of alcohol and failing to stop at a red light.

The proposal introduces an **electronic system that would make it possible to exchange information on traffic offences between individual member states.** The networks that will be established for this purpose will make it possible to identify any vehicle that commits an offence. In order to identify them, the appropriate authorities in the country where the offence took place will send the registered vehicle holder notification of the offence, which will include the specifics of the offence, the amount of the fine that must be paid and possible payment methods. In relation to this, the MEPs stress the importance of complying with requirements for security and protecting personal data.

As far as control activities relating to road traffic safety are concerned, the member states should **harmonise their methods in order to ensure that comparable procedures exist throughout the entire EU.** Each notification of an offence should contain at least the name of the authority responsible of collecting the fine and appropriate information on the offence. It should also specify the amount of the fine, the most appropriate manner for paying the fine, the date by which the fine must be paid, the ability to file an appeal against the fine, and the procedures to be followed in the event of a dispute or appeal.

Two years after the directive enters into force, the Commission will submit a report on its implementation. On the basis of the conclusions, **a decision will be made as to whether it should be expanded** to include additional traffic offences.

It is only logical that, in an environment that allows the free movement of persons, there must be **rules and regulations in place for punishing hazardous drivers from other member states.** On the other hand, it is positive that the directive does not go too far and doesn't attempt to harmonise the fines that are levied for the same traffic offences.

http://www.europarl.europa.eu/news/expert/infopress_page/062-44860-350-12-51-910-20081216IPR44859-15-12-2008-2008-false/default_en.htm

REGIONAL POLICY

Deadline for Using EU Funds Extended by Six Months

The Ministry for Regional Development plans on taking advantage of the offer made by the European Commission, which **extends the possibility of collecting payment for operational programme expenses** from the previous programme period (2004 to 2006) for an additional six months. The European Commission offered this option to member states on 3 December 2008. It decided to take this step in an effort aimed at helping entrepreneurial entities, the non-profit sector and economies in general overcome the negative impacts of the current financial crisis. According to the original "N+2" rule that was in effect, all subsidies for projects supported during the 2004-2006 programme period had to be paid out as of 31 December 2008.

This decision does not apply to the current programme period (2007-2013), because, according the current rules, subsidies from the structural funds can be paid out up through 2015.

According to Petr Břinčil**,** the Director of the European Funds Publicity Department**, "**We anticipate that only a few percent of the allocations for 2004-2006 will remain unused at the end of this year. This amount, which is at approximately CZK 800 million, might be lower thanks to the exception that has been offered. The majority of Czech operational programmes from the preceding period have joined in on the application for extending the final date. For the most part, **the funds will be used to complete the administrative processing for projects,** but, theoretically, they can be applied to accepting new applications for support as well.

The exceptional **extension for the use of subsidies does not require any legislative changes,** as the valid version of Council Regulation No. 1260/1999, on the general provisions for structural funds, allows for this possibility.

http://www.mmr.cz/lhuta-pro-cerpani-z-fondu-eu-2004-2006-prodlouzena-o-pul-roku

Drawing of the operational programmes for 2004-2006 as of 30 November 2008

OP/SPD	Allocation mil. €	Unused funds mil. €	Unused funds %
JROP	454,3	60,1	13 %
HRDOP	318,8	113,8	36 %
IEOP	260,9	72,7	28 %
IOP	246,4	47,1	19 %
RDMAOP	173,9	27,1	16 %
Objective 1	1 454,3	320,7	22 %
SPD 2	71,3	17,3	24 %
SPD 3	58,8	13,2	22 %
Objective 2+3	130,1	30,6	23 %
Total	**1 584,4**	**357,2**	**23 %**

Source: www.strukturalni-fondy.cz

Within the framework of self-regulation, the European Banking Committee has agreed on new rules that simplify the process for changing bank accounts. Based on Eurostat statistics, almost 30% of EU citizens use internet banking. At 14%, this number is significantly less in the Czech Republic. European Parliament approved a new directive that is intended to remove existing obstacles on the internal defence technology market.

1 DECEMBER

Antitrust: preliminary report on pharmaceutical sector inquiry highlights cost of pharma companies' delaying tactics: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1829

Accounting systems for small enterprises - Recommendations and good practices: http://ec.europa.eu/enterprise/entrepreneurship/craft/accounting/accounting_en.htm

2 DECEMBER

Competitiveness Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/intm/104428.pdf

Eurogroup and Ecofin Meetings: http://ec.europa.eu/economy_finance/thematic_articles/article13516_en.htm

Banking: Commission welcomes new industry rules on account switching: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1841

The European Commission presents an action plan to better combat VAT fraud: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1846

3 DECEMBER

Nearly 30% of individuals use internet banking 60% of households have internet access:

http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/08/169

Usage of Internet banking in % of all individuals, 2008

Finland	72%	Malta	25%
Netherlands	69%	Slovakia	24%
Sweden	65%	Slovenia	21%
Denmark	61%	Spain	20%
Estonia	55%	Poland	17%
Luxembourg	48%	CR	14%
France	40%	Portugal	14%
Latvia	39%	Italy	13%
Germany	38%	Hungary	13%
UK	38%	Cyprus	11%
Austria	34%	Greece	5%
EU-27	29%	Romania	2%
Ireland	28%	Bulgaria	1%
Lithuania	27%		

Source: Eurostat, year 2008, data for Belgium not available

http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2008/PGE_CAT_PREREL_YEAR_2008_MONTH_12/4-02122008-EN-BP.PDF

How the EU institutions responded to the European Ombudsman's recommendations in 2007: http://www.ombudsman.europa.eu/followup/en/default.htm

EU and Egypt sign agreement on Energy: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1854

4 DECEMBER

Agriculture and Fisheries Council Meeting:

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/agricult/104467.pdf

Greenhouse gases should be cut 80% by 2050, Climate Committee: http://www.europarl.europa.eu/news/public/story_page/064-43310-336-12-49-911-20081201STO43286-2008-01-12-2008/default_en.htm

Eu in the world: Enlargement: Serbia joined EU competitiveness and innovation programme: http://www.europa.org.yu/code/navigate.php?Id=683

5 DECEMBER

Environment Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/envir/104510.pdf

State aid: Overview of national rescue measures and guarantee schemes: http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/766&format=HTML&aged=0&language=EN&guiLanguage=en

Commission proposes new rights for bus and maritime passengers: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1886

8 DECEMBER

Economic and Financial Affairs Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/104530.pdf

Statistics: A quarter of children aged less than three in formal childcare: http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2008/PGE_CAT_PREREL_YEAR_2008_MONTH_12/3-05122008-EN-AP.PDF

9 DECEMBER

Fifth Meeting of the Stabilisation and Association Council between the EU and the Former Yugoslav Republic of Macedonia:

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/er/104574.pdf

General Affairs and External Relations Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/gena/104587.pdf

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/gena/104585.pdf

10 DECEMBER

Human rights remain key to EU-China trade relations: http://www.europarl.europa.eu/news/public/story_page/026-43921-343-12-50-903-20081204STO43793-2008-08-12-2008/default_en.htm

Transport, Telecommunications and Energy Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/trans/104603.pdf

Statistics: Almost two thirds of enterprises in the EU27 had a website in 2008: http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2008/PGE_CAT_PREREL_YEAR_2008_MONTH_12/4-09122008-EN-AP.PDF

11 DECEMBER

Free movement and residence rights of EU citizens and their families: the Commission assesses application by Member States: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1922

Commission adopts Communication on food prices: http://ec.europa.eu/economy_finance/thematic_articles/article13524_en.htm

EU and Israel sign civil aviation agreement: http://ec.europa.eu/transport/air_portal/international/pillars/common_aviation_area/israel_en.htm

12 DECEMBER

Commission to recover € 528.5 million of CAP expenditure from the Member States: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1949

Three agricultural product names registered: http://ec.europa.eu/agriculture/newsroom/en/321.htm

EU and Norway reach agreement on fishing possibilities for 2009: http://ec.europa.eu/fisheries/press_corner/press_releases/2008/com08_92_en.htm

15 DECEMBER

MEPs and Council Presidency reach deal on final details of climate package: http://www.europarl.europa.eu/news/expert/infopress_page/064-44461-343-12-50-911-20081213IPR44460-08-12-2008-2008-false/default_en.htm

Promotion of EU agricultural products outside the EU: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1960

Ombudsman criticises age discrimination by the Commission: http://www.ombudsman.europa.eu/release/en/2008-12-15.htm

16 DECEMBER

European emergency number 112 now works in all EU Member States: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1968

WTO confirms China's breach of trade law in car parts case: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1976

Commission takes steps to promote patient safety in Europe: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1973

17 DECEMBER

Employment, Social Policy, Health and Consumer Affairs Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/lsa/104797.pdf

Strategic plans for European co-operation on education and training: http://ec.europa.eu/education/news/news1108_en.htm

Improved Globalisation Fund will help more European workers: http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=432&furtherNews=yes

18 DECEMBER

Barriers removed from EU market for defence equipment: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1981

Commission welcomes final adoption of Europe's climate and energy package: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1998

"The Single Market: our most valuable asset": http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/2000

19 DECEMBER

Agriculture and Fisheries Council Meeting: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/fr/agricult/104918.pdf

MEPs adopt toy safety directive ahead of festive season: http://www.europarl.europa.eu/news/expert/infopress_page/063-45132-350-12-51-911-20081217IPR45123-15-12-2008-2008-true/default_en.htm

EU Budget 2009: gearing up for economic recovery: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/2008

After receiving a consenting opinion from the leaders of the member states at the European Council in Brussels, in December and by an overwhelming majority, European Parliament approved a key package of legislative measures that are designed to achieve a 20% reduction in greenhouse gases, a 20% share for renewable energy sources and a 20% improvement in energy efficiency – all by 2020. Overall, the proposed legislation is considered to be an acceptable compromise.

PARLIAMENT CONFIRMS CLIMATE AND ENERGY PACKAGE

After eleven months of legislative tasks, the European Parliament has voiced its support for a climate and energy package by an overwhelming majority. The package provides a guarantee that the EU will achieve three goals in this area by 2020, specifically:

- decrease greenhouse gas emissions by 20%;
- improve energy efficiency by 20%; and
- attain a 20% share for renewable energy sources.

On the basis of discussions with the French presidency, Parliament reached an informal agreement during the first reading of this legislative package, which comprises four directives, one regulation and one decision.

Revision of the Emission Trading System (ETS) for greenhouse gases

The third phase of the project will take place between 2013 and 2020, whereby greenhouse gas emissions should be decreased from 2005 levels by 21%. During the first and second phases of ETS implementation (2005-2012), the majority of permits were provided to the relevant companies free of charge. The revised directive will establish the auction sales of these permits starting in 2013. However, there will be a number of exceptions to this rule.

Within the electric energy production sector, the full sale of permits through auctions will be implemented in 2013. Under certain conditions, new member states will be able to take advantage of an interim period, whereby in 2013 they will purchase only 30% of their permits through auctioning and will receive the remainder free of charge. This share will gradually be increased and reach 100% in 2020.

As far as the manufacturing sector is concerned, the sale of permits will be implemented in a gradual manner. In 2013, 80% of permits will be distributed free of charge. In 2020, the amount will be 30% and starting in 2027 the sale of permits through auctioning will have been fully implemented. In the case of energy-demanding industries up to 100% of permits can be requested free of charge up until 2020.

Effort sharing to decrease greenhouse gas emissions

The effort sharing decision binds the member states to adopt measures required to decrease the emission of greenhouse gases that originate from sources outside the ETS framework (road and water transport, buildings, services, agriculture, and small industrial enterprises). The objective is to decrease these emissions by 10% during the 2013 to 2020 timeframe, which should contribute towards the global 20% goal.

Carbon Capture and Storage (CCS)

Parliament also accepted the directive on carbon capture and storage. With the goal of decreasing CO_2 emissions, industrial enterprises and electric power plants will be able to use this new technology for capturing and safely storing carbon. 300 million ETS permits will be provided to a wide range of CCS projects throughout the EU.

Renewable energy sources

The new directive on using energy from renewable sources establishes mandatory national goals, which the member states should attain through supporting and using renewable energy sources in three areas electricity, heating and cooling; and transport.

They should also ensure that by 2020 the share of renewable energy sources in the EU will be at 20%. Based on an agreement, by 2020 at least 10% of total consumption in the transport sector should consist of renewable energy (biofuels, electricity, and hydrogen). In the CR, renewable energy sources made up 6.1% of the total and this level should be increased to 13% by 2020.

CO_2 emissions from cars

The regulation sets the maximum CO_2 emission amount for new personal vehicles registered in the EU. According to the approved proposal, the average CO_2 emissions for new automobiles should be decreased to 120g CO_2/km by 2012. By improving the technology used for manufacturing engines, a goal of 130g CO_2/km can be achieved and an additional 10% decrease should result through using other technical improvements. The text of the regulation defines long-term goals for average emissions, which, by 2020, should not exceed 95g CO_2/km.

Automobile manufacturers should attain the established goals gradually. They must ensure emissions of 130g CO_2/km for 65% of their production volume by 2012. This level should increase to 75% in 2013, 80% in 2014 and, by 2015, it should apply to all of their production volume.

This area is also covered by another standard that was approved. The new directive on monitoring greenhouse gas emissions from fuels (road transport and interstate water transport) obligates fuel suppliers to decrease the emission of greenhouse gases from extraction, transport and distribution, processing and burning of fuels (e.g.; fossil fuels, biofuels, electricity and hydrogen) by 6%.

http://www.europarl.europa.eu/news/expert/infopress_page/064-44858-350-12-51-911-20081216IPR44857-15-12-2008-2008-false/default_en.htm

Information service

After the Christmas holiday season, the most various meetings and summits of key European institutions started off in full swing at the very start of January. It is specifically thanks to the Czech Republic's presidency that a significant portion of these events will take place on our territory. The meeting of European Commission members with Czech government ministers at the start of January is worth mentioning. This will be followed by the gala start of the Czech presidency, including an evening at the National Theatre.

Meeting of the key EU institutions

8.1.2009	**Prague, Czech Republic**
- Informal Ministerial Meeting of the General Affairs Council	
8.-9.1.2009	**Prague, Czech Republic**
- Informal Meeting of Political Directors	
12.-15.1.2009	**Strasbourg, France**
- EP Plenary Session	
15.-16.1.2009	**Prague, Czech Republic**
- Informal Meeting of Directors General for European Affairs	
15.-16.1.2009	**Prague, Czech Republic**
- Informal Meeting of Ministers for Justice and Home Affairs	
19.1.2009	**Prague, Czech Republic**
- Eurogroup Meeting	
19.-20.1.2009	**Brussels, Belgium**
- Agriculture and Fisheries Council	
20.1.2009	**Brussels, Belgium**
- Economic and Financial Affairs Council (ECOFIN)	
22.-24.1.2009	**Luhačovice, Czech Republic**
- Informal Meeting of Ministers for Employment and Social Affairs	
26.-27.1.2009	**Brussels, Belgium**
- General Affairs and External Relations Council (GAERC)	
29.-30.1.2009	**Prague, Czech Republic**
- Informal Meeting of EU Development Ministers	

Public consultation on EU legislation

Topic of the consultation	Organiser	Deadline
Regulation of Hedge Funds	DG MARKT	31.1.2009
Alternative Dispute Resolution (ADR) in the area of financial services	DG MARKT	27.2.2009
Green Paper on Territorial Cohesion	DG REGIO	28.2.2009
Control structures in audit firms and consequences on the audit market	DG MARKT	28.2.2009

On the first day of this year, the Czech Republic became the country that will preside over the Council of the European Union – the key EU decision-making body and institution – for a period of six months. The presidential term is six months and the member states hold this office on a principle based on equality and a rotation basis. The broadest questions related to the presidency are the main topic of the January issue of the EU News Monthly Journal. You'll find more information on the special web pages

THE CZECH REPUBLIC AND PRESIDENCY OF THE COUNCIL OF THE EU

As of the first day of this year, the Czech Republic will become – for the first time in its history and for a period of six months – the country presiding over the council of the European Union, which is the EU's key decision-making body and institution. The presidential term is six months and the member states hold this office following a principle of equality and rotation.

This is not only a formality, but one of the most important mechanisms that member states can use to influence the form that the EU takes and its operations. The Czech Republic will be somewhat of a moderator and negotiator with regard to the applicable European agenda, which provides both a unique challenge as well as an opportunity. Holding this office can lift us politically, economically and even socially in the eyes of our Union partners quite significantly.

The significance and importance of our presidency are increased primarily as a result of unfavourable external conditions. Based on a number of indicators, the current financial crisis is the worst event of its kind since the European Communities were established in 1958. According to the majority of estimates, it will not be until 2009 that the full negative impact is reflected in the real economy. Efforts to minimise the consequences of the crisis on the EU's economic activity and the lives of its citizens, as well as the implementation of systematic measures that will ensure avoiding similar developments in the future, will be the main topics of European politics over the course of the Czech Republic's presidency. Our politicians and diplomats will decidedly not be suffering from lack of work.

WHAT IS THE PRESIDENCY OF THE EU?

The presidency refers to the fact that one member state presides over the key EU decision-making body: the Council of the European Union.

How should one comprehend the term "Council of the EU"? It is appropriate to start from the perspective that the EU is not a national state, but rather an integrated group of sovereign independent states, who voluntarily transfer a portion of their supreme national authority to the institutions of the EU, the key of which just happens to be the Council of the EU when it comes to making final decisions (as compared to national states, where this role is generally held by parliament).

The Council of the EU is the main – and essentially only – EU institution that has final decision-making authority, which respects the opinions of the individual national states.

The Council **consists of representatives from the governments of the member states** – ministers who act and vote (make decisions) on the EU's laws and legislative system. In spite of the fact that institutionally there is only one Council and that, in principle, it has one general title, its **composition is variable**. Since 2002, it has been meeting in nine different configurations, dependent upon the topic of the agenda being discussed.

If, at Council of the EU level, a meeting comprises the foreign ministers of the member states, the Council is referred to as the **General Affairs and External Relations Council** and deals with important political issues. For the purpose of discussing materially specialised issues, the Council of the EU comprises the applicable ministers (or their alternates). If, as is extraordinarily current at this time, the Council of the EU meets on financial and monetary matters the Council is called the ECOFIN (Economic and Financial Affairs) Council. Other possible configurations of the Council are as follows:

- Justice and Home Affairs Council (JHA);
- Employment, Social Policy, Health and Consumer Affairs Council (EPSCO);
- Competitiveness;
- Transport, Telecommunications and Energy;
- Agriculture and Fisheries;
- Environment; and
- Education, Youth and Culture (EYC).

For the purposes of discussing materially specialised issues, the Council meets as often as necessary in order to resolve the matter at hand.

It is interesting to note – and experience from the preceding period has essentially confirmed – that in certain situations an obvious conflict of interests can arise amongst the individual members of the Council. As individual national ministers, they are responsible to their respective national governments and national parliaments. As members of the Council however, they are also responsible for primary community legislation and policies, which resolve material issues at Union-wide level and are binding, final and irrevocable once adopted. As some situations have shown, a satisfactory solution at individual national state level might

not concur with the solution for that same problem at Union level. Stated otherwise, at one given time, there is the need to resolve two different problems – one is acute from the national perspective and the other from the perspective of the Community. The members of the Council – who are at the same time ministers of individual national governments – are often faced with making a critical decision as to which problem should be given priority.

The Council's jurisdiction includes the adoption of the most binding legal regulations of Union legislation – **directives** and **regulations**.

The Council's decisions are prepared by a structure that consists of approximately 250 **working groups and committees**, which include delegates from individual member states. The most significant of these committees can be specifically listed from the perspective of the overall agenda of the presidency. They include, amongst others, the Economic and Financial Committee, the Political and Security Committee (which monitors the international situation with regard to foreign policy and common security and also ensures political monitoring and strategic operations management for crisis resolution); and the Coordination Committee (which ensures police and judicial cooperation in criminal matters).

The rotation principle for the presidency is currently accompanied by the institute of **team presidency**, which consists of a trio of successively presiding member states. Our team presidency is shared with France and Sweden. The trio of Spain, Belgium and Hungary will follow once our team's terms are finished. The purpose of the team presidency is to maintain continuity for the performance of the presidential function and its coordination. The countries that form the team presidency conclude an agreement on a strategic programme document, which represents the framework for the operational performance of the presidency from the perspective of the topics that will be addressed by the presidency.

Starting in 1975, there have been regular institutionalised meetings held between the heads of state and governments of the member states of the EU, foreign ministers, and the president and vice-president of the European Commission, which is referred to as the **European Council**. Thus, in reality, the European Council is an expanded Council of the EU at the highest possible level of its composition. The practical and frequently widely used term "European Council" dates back to 1987. These top level meetings take place at least twice yearly. If more than two top meetings of the European Council take place over the course of a year, they are in the form of extraordinary or crisis summits, at which topics of utmost importance are discussed. The European Council has thus *de facto* become the Union's highest political body.

The presidency over the council of the EU changes every six months. The sequence of the states to hold the office has been established up to 2020.

The Presidency's Functions and Tasks

The primary task of the member state that presides over the Council of the EU for a period of six months is to convene, lead and manage the operating agenda in the widest scope possible, as predefined for the Council on the basis of a decision made by its representatives – the ministers of the individual member states responsible for the area that is being discussed (or, as applicable, at the highest level of the heads of state and governments in the form of the European Council). At Council meetings, the presiding country strives to create generally acceptable compromises with the goal of finding a solution to the problem under discussion.

The highest representatives of the presiding country also represent the European Union and act in its name when dealing with third countries and international organizations. They also represent the Council of the EU during contact and meetings with other EU institutions, primarily European Parliament and the European Commission.

In addition to these formal functions, which ensue from the EU's primary law, a number of informal events also take place within the framework of the presidency. The implementation of the accompanying expert discussion, convention and conference programme is another function performed by the presiding country. By successfully handling these activities, a country proves its professional competence to lead and manage this programme, organise it both on its native soil as well as on the soil of European institutions and, at the same time, the ability to draw attention to itself as a capable organiser and innovative, thoughtful and creative member of the EU.

The Significance and Priorities of the Presidency

At the start of their terms, the presiding member states submit their programme priorities, which they would like to put through in the European Union over the course of their presidency, to the Council of the EU and to European Parliament. As a rule, these priorities are a combination of current needs and problems that the European Union is facing during the relevant period and which the presiding country considers to be important.

In addition to each presiding state's own six-month programme, there is also the "presidential trio programme",

the contents of which is the defining framework for the three successively presiding countries for the full eighteen-month period. The purpose behind the team presidency is to maintain the continuity of the performance of the presidential function and its coordination. The Czech Republic is a part of the presidential trio that includes the preceding France and the subsequent Sweden.

PREVIOUS AND FUTURE PRESIDENCIES

On the basis of a decision made by the Council of the EU, at the current time the sequence of presiding countries has been defined up through the first half of 2020.

Future presidencies of the Council of the EU

Period	Member State	Period	Member state
2H 2009	Sweden	1H 2015	Latvia
1H 2010	Spain	2H 2015	Luxemburg
2H 2010	Belgium	1H 2016	Netherlands
1H 2011	Hungary	2H 2016	Slovakia
2H 2011	Poland	1H 2017	Malta
1H 2012	Denmark	2H 2017	UK
2H 2012	Cyprus	1H 2018	Estonia
1H 2013	Ireland	2H 2018	Bulgaria
2H 2013	Lithuania	1H 2019	Austria
1H 2014	Greece	2H 2019	Romania
2H 2014	Italy	1H 2020	Finland

Previous presidencies of the Council of the EU

Period	Member State	Period	Member State
1H 1958	Belgium	2H 1983	Greece
2H 1958	Germany	1H 1984	France
1H 1959	France	2H 1984	Ireland
2H 1959	Italy	1H 1985	Italy
1H 1960	Luxembourg	2H 1985	Luxembourg
2H 1960	Netherlands	1H 1986	Netherlands
1H 1961	Belgium	2H 1986	UK
2H 1961	Germany	1H 1987	Belgium
1H 1962	France	2H 1987	Denmark
2H 1962	Italy	1H 1988	Germany
1H 1963	Luxembourg	2H 1988	Greece
2H 1963	Netherlands	1H 1989	Spain
1H 1964	Belgium	2H 1989	France
2H 1964	Germany	1H 1990	Ireland
1H 1965	France	2H 1990	Italy
2H 1965	Italy	1H 1991	Luxembourg
1H 1966	Luxembourg	2H 1991	Netherlands
2H 1966	Netherlands	1H 1992	Portugal
1H 1967	Belgium	2H 1992	UK
2H 1967	Germany	1H 1993	Denmark
1H 1968	France	2H 1993	Belgium
2H 1968	Italy	1H 1994	Greece
1H 1969	Luxembourg	2H 1994	Germany
2H 1969	Netherlands	1H 1995	France
1H 1970	Belgium	2H 1995	Spain
2H 1970	Germany	1H 1996	Italy
1H 1971	France	2H 1996	Ireland
2H 1971	Italy	1H 1997	Netherlands
1H 1972	Luxembourg	2H 1997	Luxembourg
2H 1972	Netherlands	1H 1998	UK
1H 1973	Belgium	1H 1998	Austria
2H 1973	Denmark	1H 1999	Germany
1H 1974	Germany	2H 1999	Finland
2H 1974	France	1H 2000	Portugal
1H 1975	Ireland	2H 2000	France
2H 1975	Italy	1H 2001	Sweden
1H 1976	Luxembourg	2H 2001	Belgium
2H 1976	Netherlands	1H 2002	Spain
1H 1977	UK	2H 2002	Denmark
2H 1977	Belgium	1H 2003	Greece
1H 1978	Denmark	2H 2003	Italy
2H 1978	Germany	1H 2004	Ireland
1H 1979	France	2H 2004	Netherlands
2H 1979	Ireland	1H 2005	Luxembourg
1H 1980	Italy	2H 2005	UK
2H 1980	Luxembourg	1H 2006	Austria
1H 1981	Netherlands	2H 2006	Finland
2H 1981	UK	1H 2007	Germany
1H 1982	Belgium	2H 2007	Portugal
2H 1982	Denmark	1H 2008	Slovenia
1H 1983	Germany	2H 2008	France

Priorities of Individual Presidencies Since 01

Period and State	Priorities
2H 2008 France	• climate and energy – sustainable development and energy • migration issues – European Immigration and Asylum Pact • security and defence – improving Europe's defence potential • revision and future of Common Agric. Policy

1H 2008 **Slovenia**	• Lisbon Treaty – the EU's new institutional framework • Lisbon Strategy – growth and employment • energy policies and climate change • improved relations with the Western Balkan
2H 2007 **Portugal**	• Europe's future • Lisbon Strategy – growth and employment • integrated maritime policy
1H 2007 **Germany**	• Treaty on the European Constitution • the dynamics of economy and social responsibility • energy policies • Europe's social dimension • justice and internal security • common border and security policy and improving external relations
2H 2006 **Finland**	• increased competitiveness • suppressing climate change • area of freedom, security and justice • Europe's future • financial perspective for 2007-2013
1H 2006 **Austria**	• creating jobs and ensuring European growth • gender equality • sustainable use of natural resources • economic performance • freedom, security and justice • foreign policy • education and culture • returning confidence in European integration to EU citizens • creating a specific European social model
2H 2005 **UK**	• Europe's role in the world • economic and social policy reforms • security and stability • the future of EU financing
1H 2005 **Luxembourg**	• mid-term evaluation of the Lisbon Strategy • revisions to the Stability and Growth Pact • financial perspective for 2007-2013 • economic and social issues and the internal market • agriculture and fisheries – food safety • sustainable development • external relations • justice and internal affairs
2H 2004 **Netherlands**	• attaining success from enlargement • strengthening the European economy and reducing administrative burdens • area of freedom, security and justice
	(Tampere II) • future financial and budget structure: Agenda 2007 • the EU's role in the world: effective, coherent and participatory foreign policy
1H 2004 **Ireland**	• successful enlargement of the EU with 10 new member states • the Lisbon Strategy and economic growth • the Union as an area of freedom, security and justice • EU participation in resolving global security and peace-related issues
2H 2003 **Italy**	• intergovernmental conference (approval of the text for the Constitutional Treaty for Europe) • general agenda; institutional affairs • European security and defence policy
1H 2003 **Greece**	• completion of the enlargement process • speeding up the implementation of the Lisbon Strategy • immigration and asylum policy • Europe's future – results of the Convention negotiations • external relations; the new Europe as the engine for international peacetime cooperation
2H 2002 **Denmark**	• EU enlargement; "from Copenhagen to Copenhagen" • freedom, security and justice • sustainable development • food purity and safety • global responsibility
1H 2002 **Spain**	• the battle against terrorism in the area of freedom, security and justice • successful implementation of the euro as the common currency • impetus for the Lisbon process at the European Council Summit in Barcelona • external relations: more of Europe in the world • debate on Europe's future
2H 2001 **Belgium**	• deepening the debate on Europe's future • improving work quality, fight against poverty and for equal opportunity • creating an European area of freedom, security and justice • supporting permanent sustainable development and improving the standard of living • European Union enlargement and strengthening the EU's external relations

	• Supporting permanent sustainable economic growth and common economic policy
1H 2001 **Sweden**	• preparing the EU for upcoming enlargement • full employment, economic growth and social cohesion • the environment and sustainable development

THE CZECH PRESIDENCY OF THE EU

The Czech Republic will hold the presidential office over the Council of the EU during the first half of 2009, at which time it is most likely that the negative impacts of the financial crisis on the real economy will be at their peak. It is also for this reason that great importance is being placed on the Czech presidency, although they are accompanied by doubts as to whether we will be able to manage the burden of responsibility.

EU2009.CZ

Official Priorities of the Czech Presidency

The main priority goals that the Czech presidency would like to implement are reflected in the presidential motto of "Europe without Barriers". Through this motto, the Czech Republic is declaring that it wants to focus on the still-existing barriers that prevent the effective completion of a common internal market.

The list of specific topics and areas that the Czech Republic would like to push through in the EU during its presidency are concentrated in three primary areas:

a) **A Competitive Europe** – In a world where the level of global competition is ever increasing, the EU must strengthen its competitiveness. The main tasks that fall under this priority are:

- fulfilling the Lisbon Strategy;
- actual implementation of the rules for the internal market and its four economic freedoms;
- reforming the common EU budget;
- allowing legal immigration to the EU, especially with regard to qualified workers;
- liberalising global trade policies;
- completing the trans-European transport networks; and
- starting off the Galileo European satellite navigation system;

b) **Energy and climate change** – The Czech Republic is aware that the most sensitive point of European competitiveness – now and in the mid-term future – is energy and the closely linked environmental and climate change issues. The main tasks that fall under this priority are:

- discussing the Strategic Energy Overview that is currently being prepared;
- ensuring the EU's energy security;
- negotiating the post-Kyoto plan for decreasing greenhouse gas emissions;
- completing negotiations on the final version of the EU's climate and energy package;
- increasing energy efficiency; and
- creating a true internal energy market;

c) **An open and secure Europe** – If the EU is to meet the expectations of its citizens, it must not only be open but also secure. The main tasks that fall under this priority are:

- strengthening the eastern dimension of European Neighbourhood Policy – improving relations with the Ukraine, supporting the democratisation and stabilisation processes in Georgia, Moldavia, Armenia, and Azerbaijan;
- developing relations with Russia on the basis of an equal partnership;
- supporting the speedy accession of Croatia to the EU;
- strengthening trans-Atlantic ties.

Primary Topics of the Czech Presidency

The official priorities of the Czech presidency are directed at the actual problems faced by the European Union, which are however not entirely new and their resolution might more likely be in the longer-term timeframe. It thus seems almost certain that, thanks to the current economic situation, the primary topic of the Czech presidency will be resolving the existing financial crisis, eliminating its consequences and preventing similar crises in the future. Specifically, this will consist primarily of tasks related to the proposed measures initiated over the course of the French presidency during the second half of 2008. The most significant of these include:

- putting the European Commission's fiscal stimulus package into practice;
- negotiating and promoting a new directive on bank capital adequacy; and
- negotiating and approving a new directive on regulating the activities of rating agencies.

The Organisational Dimension of the Czech Presidency

One of the prerequisites for handling the presidency of the Council of the EU successfully is a high level of quality with regard to organisational, logistic, financial, personnel and media arrangements for all meetings, especially those that take place in Brussels, but for those that are held in the Czech Republic as well. Holding and performing the presidential function thus places extraordinary demands on the entire state administration of the presiding country.

The unit responsible for the auspicious course of the presidency consists of Deputy Prime Minister for European Affairs Alexandr Vondra and his team. The following two vice-deputies play key roles:

- Jana Hendrichová, who is in charge of ensuring the organisational side of the presidency; and
- Marek Mora, who is responsible for the contextual component of the presidency.

Several hundreds of events will take place in the Czech Republic within the framework of the presidency. These can be separated into several groups:

a) **Informal meetings of the Council of the EU** – meetings held by the ministers from the member states of the EU on individual topics, which always involve sizeable groups. Up to 300 delegates and 400 journalists can arrive at one Council meeting. During the Czech presidency, 14 such Council meetings will be held on our territory, of which five will be in Prague and the remaining 5 in other regions;

b) **Meetings and conferences at lower political levels** – this consists of approximately 160-180 various conferences, work meetings and other similar events that will take place in the Czech Republic and which are associated with holding the presidency of the Council of the EU; and

c) **Accompanying events** – there are hundreds of various cultural social and educational events organised by the public and private sectors in the form of conferences, conventions, festivals, exhibits, round table discussions, etc.

CONCLUSION

Many a reader might now be asking an entirely legitimate and justifiable question, specifically: To what purpose is the Czech Republic actually holding the presidential role over the Council of the EU? Various answers can be offered in reply to such a clearly phrased question.

The first reply is a formal answer, which might state that the above-described procedure exists in the EU. Within the framework of its presidency, the member state strives to be somewhat of a moderator, but also a negotiator, in relation to the applicable European agenda. It is beneficial if the presiding country is equipped with a sufficient number of professionally and linguistically competent individuals, who prove their abilities within the most varied negotiating fora. It is beneficial if a stalemate situation occurs and the competency of these individuals comes to light and they are able to offer a feasible solution that will lead to the desired goal. At the same time, it is also beneficial when the persons representing the presiding country are gifted with a talent for reaching a consensual opinion, are able to reconcile seemingly irreconcilable standpoints held by individual sides or have the ability to hear out various opinions and bring them to a final reconciliation.

Other answers might be focused at the situation that is, so to speak, "concealed under the lid" of the presidential function. The contextual programme of each presidency is, in its own way, the result of the Council's agenda and the Union's actual or strategic requirements. At the same time it is true that situations can arise suddenly and change the programme in a radical manner. The Czech Republic's presidency might actually turn out to be a practical example of the latter. It is quite reasonable to believe that the economic and financial crisis might become the dominant contextual topic of the Czech presidency – the identification of its causes and primarily a proposal for a way out of it. If the Czech Republic actively contributes towards the process of creating a new financial architecture, its mission is sure to be evaluated much more positively.

The statistical window in a tabular form shows important macroeconomic indicators from all member states and the EU as a whole. It includes economic performance indicators (per capita GDP as compared to the EU average, GDP growth, unemployment rate), external economic stability indicators (current account to GDP), fiscal stability indicators (public budget to GDP, public debt to GDP), and pricing indicators (annual inflation based on HICP, base price level).

Key macroeconomic indicators

	GDP growth y-on-y			Current account to GDP*			Unemployment rate			Inflation y-on-y average		
in %	2005	2006	2007	2005	2006	2007	IX.08	X.08	XI.08	IX.08	X.08	XI.08
Belgium	1.7%	2.8%	2.7%	3.0%	3.3%	3.3%	7.2%	7.0%	7.0%	5.5%	4.8%	3.2%
Bulgaria	6.2%	6.3%	6.2%	-11.5%	-16.3%	-22.0%	5.2%	5.1%	5.1%	11.4%	11.2%	8.8%
CR	6.4%	6.4%	5.8%	-2.3%	-3.1%	-2.4%	4.3%	4.4%	4.5%	6.4%	5.7%	4.1%
Denmark	2.5%	3.9%	1.8%	4.4%	2.6%	1.1%	3.5%	3.8%	4.1%	4.5%	3.8%	2.8%
Germany	0.8%	2.9%	2.5%	4.7%	5.2%	6.9%	7.2%	7.1%	7.1%	3.0%	2.5%	1.4%
Estonia	10.2%	11.2%	7.1%	-10.1%	-15.7%	-15.7%	7.0%	7.7%	8.3%	10.8%	10.1%	8.5%
Ireland	6.0%	5.7%	5.3%	-3.5%	-4.2%	-5.0%	6.9%	7.4%	7.9%	3.2%	2.7%	2.1%
Greece	3.8%	4.2%	4.0%	-13.4%	-14.4%	-16.2%	7.5%	na	na	4.7%	4.0%	3.0%
Spain	3.6%	3.9%	3.8%	-7.5%	-8.8%	-10.0%	12.1%	12.8%	13.4%	4.6%	3.6%	2.4%
France	1.7%	2.0%	1.9%	-1.7%	-2.2%	-2.6%	7.8%	7.8%	7.9%	3.3%	3.0%	1.9%
Italy	0.6%	1.8%	1.5%	-1.2%	-2.0%	-1.7%	6.7%	na	na	3.9%	3.6%	2.7%
Cyprus	3.9%	4.0%	4.4%	-5.9%	-5.9%	-7.3%	3.8%	3.9%	3.9%	5.0%	4.8%	3.1%
Latvia	10.6%	11.9%	10.2%	-12.5%	-22.5%	-22.9%	7.7%	8.2%	9.0%	14.7%	13.7%	11.6%
Lithuania	7.9%	7.7%	8.8%	-7.2%	-10.5%	-13.8%	6.2%	6.3%	7.0%	11.3%	10.7%	9.2%
Luxembourg	5.0%	6.1%	5.2%	10.9%	10.3%	9.1%	4.5%	4.6%	4.6%	4.8%	3.9%	2.0%
Hungary	4.1%	3.9%	1.3%	-6.8%	-6.5%	-5.0%	7.9%	8.0%	8.3%	5.6%	5.1%	4.1%
Malta	3.4%	3.4%	3.8%	-8.8%	-8.3%	-5.5%	5.6%	5.7%	5.8%	4.9%	5.7%	4.9%
Netherlands	1.5%	3.0%	3.5%	7.1%	7.6%	8.4%	2.7%	2.7%	2.7%	2.8%	2.5%	1.9%
Austria	2.0%	3.3%	3.4%	3.0%	3.5%	4.7%	3.8%	3.8%	3.8%	3.7%	3.0%	2.3%
Poland	3.6%	6.2%	6.5%	-1.6%	-3.1%	-3.7%	6.6%	6.5%	6.5%	4.1%	4.0%	3.6%
Portugal	0.9%	1.3%	1.9%	-9.8%	-9.8%	-9.8%	7.8%	7.8%	7.8%	3.2%	2.5%	1.4%
Romania	4.2%	7.9%	6.0%	-8.9%	-10.4%	-13.9%	5.8%	na	na	7.3%	7.4%	6.8%
Slovenia	4.1%	5.7%	6.1%	-2.0%	-2.8%	-4.8%	4.2%	4.3%	4.3%	5.6%	4.8%	2.9%
Slovakia	6.6%	8.5%	10.4%	-8.5%	-7.7%	-5.4%	9.0%	9.0%	9.1%	4.5%	4.2%	3.9%
Finland	2.8%	4.9%	4.4%	3.9%	4.9%	4.4%	6.4%	6.4%	6.4%	4.7%	4.4%	3.5%
Sweden	3.3%	4.1%	2.6%	6.1%	8.5%	6.5%	6.4%	6.7%	7.0%	4.2%	3.4%	2.4%
UK	1.8%	2.9%	3.1%	-2.5%	-3.9%	-4.2%	5.9%	na	na	5.2%	4.5%	4.1%
EU	1.9%	3.0%	2.9%	-0.4%	-0.9%	-0.9%	7.0%	7.1%	7.2%	4.2%	3.7%	2.8%

	Public budget to GDP*			Public debt to GDP			GDP per capita to Ø EU			Price level to Ø EU		
in %	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
Belgium	-2.3	0.3	-0.2	92.1	88.2	84.9	121.0	119.6	118.1	106.0	106.2	105.4
Bulgaria	1.8	3.0	3.4	29.2	22.7	18.2	35.3	36.7	38.1	43.1	44.8	46.0
CR	-3.6	-2.7	-1.6	29.7	29.4	28.7	76.5	78.5	82.0	58.4	61.5	62.6
Denmark	5.0	4.8	4.4	36.4	30.4	26.0	126.5	125.6	122.8	139.6	139.2	136.9
Germany	-3.4	-1.6	0.0	67.8	67.6	65.0	115.0	114.0	113.2	103.7	103.3	103.2
Estonia	1.8	3.4	2.8	4.5	4.2	3.4	62.8	68.3	72.1	64.6	66.5	71.3
Ireland	1.6	3.0	0.3	27.4	25.1	25.4	143.6	145.3	146.3	124.8	124.9	126.0
Greece	-5.1	-2.6	-2.8	98.0	95.3	94.5	96.1	97.2	97.9	88.4	89.1	88.6
Spain	1.0	1.8	2.2	43.0	39.7	36.2	102.9	104.8	106.9	92.0	93.3	93.0
France	-2.9	-2.4	-2.7	66.4	63.6	64.2	112.3	111.8	111.3	107.4	107.3	106.7
Italy	-4.2	-3.4	-1.9	105.8	106.5	104.0	105.1	103.2	101.4	104.0	104.1	102.9
Cyprus	-2.4	-1.2	3.3	69.1	64.8	59.8	92.5	91.8	92.7	89.7	90.1	87.7
Latvia	-0.4	-0.2	0.0	12.4	10.7	9.7	49.9	53.6	58.0	57.1	60.6	65.0
Lithuania	-0.5	-0.5	-1.2	18.6	18.2	17.3	53.1	56.1	60.3	55.1	56.6	59.7
Luxembourg	-0.1	1.3	2.9	6.1	6.6	6.8	264.0	278.9	276.4	102.7	103.2	105.1
Hungary	-7.8	-9.2	-5.5	61.6	65.6	66.0	64.1	64.9	63.5	63.5	60.0	65.7
Malta	-3.0	-2.5	-1.8	70.4	64.2	62.6	77.4	76.9	77.1	73.1	73.4	73.2
Netherlands	-0.3	0.5	0.4	52.3	47.9	45.4	131.0	130.4	130.9	104.5	103.9	103.1
Austria	-1.5	-1.5	-0.5	63.5	61.8	59.1	128.7	127.4	128.2	101.9	101.2	100.0
Poland	-4.3	-3.8	-2.0	47.1	47.6	45.2	51.2	52.4	53.6	61.3	62.1	63.4
Portugal	-6.1	-3.9	-2.6	63.6	64.7	63.6	75.4	74.4	74.7	85.3	85.7	84.6
Romania	-1.2	-2.2	-2.5	15.8	12.4	13.0	35.4	38.8	40.7	54.3	57.0	64.7
Slovenia	-1.5	-1.2	-0.1	27.5	27.2	24.1	86.8	87.7	88.8	75.8	75.3	76.9
Slovakia	-2.8	-3.6	-2.2	34.2	30.4	29.4	60.5	63.6	68.6	55.8	58.3	63.0
Finland	2.9	4.1	5.3	41.3	39.2	35.4	115.1	116.8	116.2	123.3	121.7	121.4
Sweden	2.2	2.3	3.5	50.9	45.9	40.6	123.6	124.4	126.2	117.9	117.5	116.4
UK	-3.4	-2.6	-2.9	42.1	43.1	43.8	119.1	117.8	115.9	110.2	110.8	112.3
EU	-2.5	-1.4	-0.9	62.6	61.3	58.7	100.0	100.0	100.0	100.0	100.0	100.0

*Source: Eurostat, *) net balance, GDP per capita according to PPP*