



Impact of the Enlargement on the Czech economy

Petr Dolejší

Permanent Representation of
the Czech Republic to the EU

Brussels, March 17, 2005



What we will talk about...

- General overview
- Major changes
- Competitive EU and Czech economy



General overview

- Long preparations
- Adoption of „acquis communautaire“
- Experience of traditional relations to the EU markets



Enlargement

- No dramatic changes after May 1, 2004
- Better to speak about the exploiting the potential
- Entry to the EEA
- Increasing the internal EU political influence in the future



Major changes

- Huge increase of foreign trade
- Simplified procedures for investors, exporters...
- The same conditions for external and internal subjects in EU 25



Single economic area creates opportunities and threats...

- Enlarged EU with huge potential growth in new Member States
- Exploiting the potential of internal market
- Delocalisation



We must compete...

- On national and EU level
- Challenges facing the EU economic policy – Kok report, „new and fresh“ Lisbon agenda
- Investing in future is crucial - R&D and education

Crucial role of R&D

Source: Eurostat	R&D Intensity, expenditure as % of GDP in 2003	Annual average growth rate in real terms (%) 1998-2003	R&D expenditure by business sector, as % of total (2002)
EU 25	1,93	4,0	55,4
CZ	1,35	6,4	53,7
HU	0,97	11,0	29,7
SK	0,57	-2,7	53,6
IE	1,12	4,8	67,2
PT	0,79	2,3	31,5



Czech contribution

- More spending on R&D – amendment to the Act on Tax revenues supporting the R&D
- Active support of FDI, namely for research and development projects (www.czechinvest.org)
- System of education more linked to the companies



Conclusions

- Enlargement creates new opportunities for the EU
- Business can only profit
- Stronger EU will support the expansion of EU companies worldwide
- CZ contributes actively



Thank you for your attention

- petr_dolejsi@mzv.cz
- petr.dolejsi@post.cz