

**OF THE COUNCIL
OF THE EUROPEAN
UNION**

**CZECH
PRESIDENCY**

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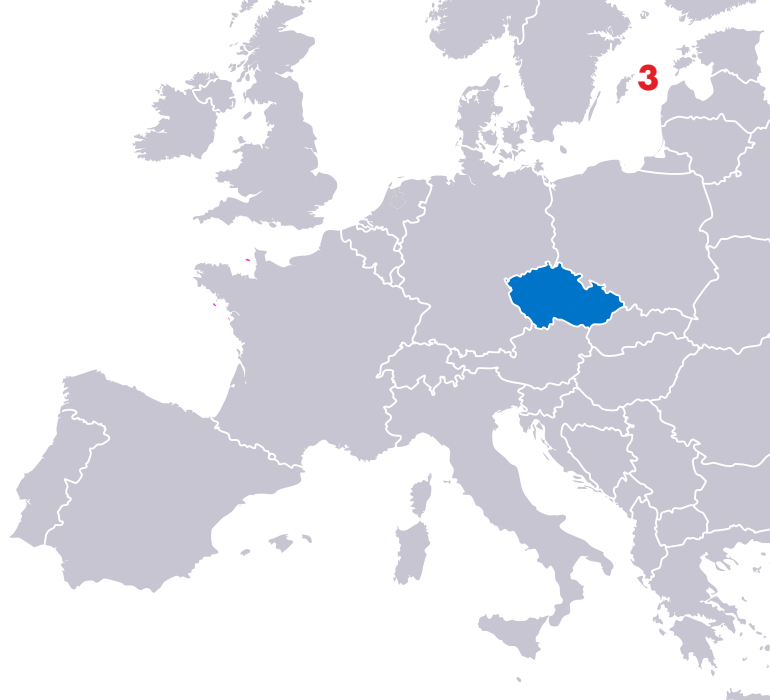
ERSTE LESUNG

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01

Context of the Czech EU Council Presidency



On 1 July 2022, the Czech Republic assumed the presidency of the Council of the European Union for the second time. Prague faces multiples issues: While the consequences of Russia's aggression against Ukraine will continue to dominate the agenda, the EU needs to mitigate the consequences of increasingly evident stagflation, seek independence from Russian energy imports, and brace against an expected rise of COVID-19 numbers in the fall.

An early end to the war in Ukraine seems unlikely. Many EU member states and the US are ramping up their arms exports and financial aid; Prague too will participate in a NATO ring exchange of heavy weapons. Strengthening European defense capabilities in the cyber domain is also high on the agenda. Here, Prague plans to support the Strategic Compass and develop a toolbox against hybrid threats. The invitation of the Ukrainian president to the European Council summit will meanwhile be rather symbolic.

At the very least, the current Czech domestic political constellation is likely to favor the implementation of the Council Presidency program, since the previous Eurocritical government was voted out of office last year. Nevertheless, the conservative-liberal coalition of Prime Minister Petr Fiala will have to bridge

ideological hurdles. Next year's presidential election looms and Fiala's predecessor Andrej Babiš is considered a possible successor to the incumbent Miloš Zeman. A successfully managed Council presidency could give pro-European forces a boost at home as well.

Prague's diplomatic skills in Brussels are likely to be a decisive factor in the success of the Council Presidency. After the interim rift between the Visegrád Group (Poland, Czech Republic, Hungary, Slovakia) over their different approaches to Russia, the Czech government likely has more avenues open than in the past. The war in Ukraine, for example, saw many Czechs rethink their previous opposition to joint European distribution of refugees. While Czech politics is more likely to find allies in the north and west in terms of economic and financial policy, it traditionally approaches other issues, such as interest rate policy or energy supplies, more like its southern and eastern neighbors.

An immediate unopposed positioning of Prague in EU politics therefore seems unlikely, even against the backdrop of the EU Council presidency. On the other hand, a more resolute and determined Czech stance in these times could certainly provide new impetus for regional and European policy beyond 2022.

If you want to know more about our German perspective on politics, have a look at our weekly bit **"In a Krautshell"**.



DEMOGRAPHICS

POPULATION¹

10 697 858 (2020)

LIFE EXPECTANCY²

77.4 years (average)

  80.6 years

  74.3 years
BIRTH RATE³

1.7 children/woman


 OFFICIAL LANGUAGE⁴
CZECH
MINORITY LANGUAGES⁵

German, Moravian Croatian, Polish, Romani, Slovak

RELIGIONS⁶

39.8% ATHEIST 39.2% ROMAN CATHOLIC

4.6% PROTESTANT / 3% ORTHODOX /

13.4% UNDECIDED

ECONOMY

GDP

€239.0
BILLIONANNUAL GDP (2021)⁷
 + 3.3%
GDP GROWTH (2021)⁸

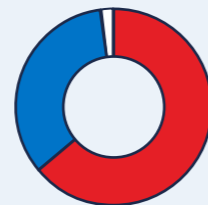
€ 22 340

GDP PER CAPITA
(2021)⁹TRADE¹⁰Kč 341.8
BILLION CZK

EXPORTS (04/2022)

Kč 370.3
BILLION CZK

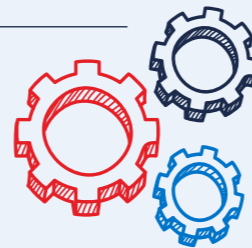
IMPORTS (04/2022)

MAIN TRADING PARTNERS¹¹GERMANY, SLOVAKIA,
POLAND, FRANCE,
UNITED KINGDOMECONOMIC SECTORS BY REVENUE¹²
(2020)

- Services (58.31%)
- Industry (30.76%)
- Agriculture (1.92%)

MAIN INDUSTRIAL SECTORS¹³

Chemical industry and engineering, food processing, metallurgical industry; most important: automobile industry

UNEMPLOYMENT RATE¹⁴

2.9% (20–64 year olds) (2021)

POLITICAL SYSTEM



PARLIAMENTARY DEMOCRACY

The Czech Republic is a parliamentary democracy.

The Prime Minister, **Petr Fiala**, is the head of government and appointed by the President, **Miloš Zeman**, the head of state and commander-in-chief of the armed forces, who is directly elected for a five-year term.¹⁵

The **President** has the right to veto all bills passed by Parliament. He further appoints all government members, based on the Prime Minister's recommendations. Before the government is installed, it must win a vote of confidence in the Chamber of Deputies. Once confirmed, the **government** coordinates the activities of the ministries and central bodies of state administration. Additionally, it has the exclusive legislative initiative of the state budget.¹⁶

The Parliament is **bicameral** and consists of the **Chamber of Deputies** and the **Senate**. The Chamber of Deputies comprises 200 deputies who are elected on the basis of proportional representation for a term of four years. It can be dissolved by the president in cases outlined in the constitution. The Senate comprises 81 senators elected in individual electoral districts for six-year terms using a majority system.¹⁷

MAIN POLITICAL PARTIES¹⁸

Governing Coalition:

- Občanská demokratická strana (ODS)
- Křesťanská a demokratická unie – Československá strana lidová (KDU-ČSL)
- Tradice-Odpovědnost-Prosperita (TOP 09)
- Starostové a nezávislí (STAN, liberal conservative)
- Česká pirátská strana (Piráti, pro-European)

Opposition or not in Parliament:

- ANO (populist, economic liberalism)
- Svoboda a přímá demokracie Tomio Okamura (SPD, right-wing, Eurosceptic)
- Česká strana sociálně demokratická (ČSSD, social democrats)
- Komunistická strana Čech a Moravy (KSČM, communist)

HISTORY¹⁹

- 1914–1918 ● World War I
- 1918 ● Independence of Czechoslovakia (28 Oct. 1918)
- 1938 ● German occupation of Czech lands
- 1945 ● Soviet arrival in Czechoslovakia
- 1948 ● Communist staged coup
- 1968 ● Prague Spring and August occupation
- 1989 ● "Velvet Revolution": Communism collapses in Czechoslovakia
- 1993 ● Separation of the Czech Republic and Slovakia
- 1999 ● Czech Republic joins NATO
- 2004 ● Czech Republic joins EU

CULTURE & SCIENCE

The Czech Republic has **the most castles** of all countries in Europe (over **2000** in total).

Czechs have **the highest beer consumption** per capita in the world.²⁰



Jan Janský, a Czech neurologist, was the first to classify human blood into the four blood groups, paving the way for **modern blood donations and typing**.

Czech, the official language of the Czech Republic, has been classified by scientists as one of the most difficult languages in the world.²¹

All footnotes are included on the last page of this #THEÜBERSICHT



03

Priorities of the Presidency

In December 2021, the General Affairs Council approved a trio presidency program of the French, Czech and Swedish governments in order to coordinate these countries' policy priorities at the head of the Council. The war in Ukraine has forced a re-evaluation of these priorities. Ukraine, energy security, defense and cyber security, economic and democratic resilience will be the defining focus of Prague's turn at the rotating helm of the Council of the EU.

Europe
as a Task:

Rethink
Rebuild
Repower

Ukraine

Given the war's overriding importance to all of Europe, the focus on Ukraine is hardly surprising. In its policy paper, the Czech government named "creating the conditions for the security and prosperity of the EU" its overall priority and announced coordinated EU-wide efforts to achieve this objective. Concrete proposals will include the reallocation of EU funds towards member states welcoming refugees, as well as "reaching a consensus" on awarding EU candidate status to Ukraine (this occurred on 23 June, one week before the Czech Presidency launched). Success will depend in large part on the Czech Republic's ability to effectively coordinate EU diplomacy for the next six months.

Energy Security

Resulting from its close link to the war in Ukraine and its overarching impact, energy security receives separate attention. The Czech Presidency calls for an end to reliance on Russian fossil fuels, warning that the "EU cannot be vitally dependent on countries that directly threaten its security". Significantly, the Czech government also calls for prioritizing energy stability over the energy transition. It proposes an acceleration of the REPowerEU program, a plan unveiled in March 2022 to promote EU energy sovereignty, as well as measures to regulate gas reserves, such as encouraging voluntary joint purchases to increase the EU's negotiating weight. Efforts to fill up EU gas storage before the onset of winter should finally be accompanied by measures to "reduce the negative social and economic impact of high energy prices."

Defense and Cyber Security

The Czech Presidency's efforts in defense and cyber security will center on the EU's military strategy for 2030, the Strategic Compass, which calls for an EU rapid deployment force of up to 5,000 troops along with increased defense spending and cooperation with like-minded countries and strategic partners. The Czech government specifically supports implementation of the Hybrid Toolbox, a range of voluntary instruments to counter threats such as disinformation, foreign interference and cyberspace disruptions. It also calls for investment in an EU space-based communication system.

Economic Resilience

"The EU must drastically reduce its dependence on hostile or unstable regimes". Under this headline, the Czech Presidency will seek closer trade relations with democratic partners while promoting EU competitiveness in strategic technologies through increased domestic capacities. The latter priority focuses specifically on the European Chips Act, a Commission proposal to boost chip production in the EU. Interestingly, the Czech policy paper includes semiconductors in its list of critical supplies, along with food, medicines and raw materials. In terms of transatlantic trade relations, the upcoming Presidency will promote EU-US cooperation on supply chain resilience through the EU-US Trade and Technology Council (TCC).

Democratic Resilience

Last but not least, democratic resilience – especially in the digital sphere – will be a key priority for the incoming Czech Presidency. According to its current policy paper, "The Presidency will work to ensure that fundamental rights and freedoms are respected in the digital environment and will press for global standards to build on the so-called human-centric approach." Efforts which focus specifically on AI, where the Presidency sees an EU first-mover advantage, are to be exploited as an opportunity to set global standards. Finally, the Presidency advocates transparency measures to prevent the misuse of cryptocurrency in the EU.



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Program of the Czech Presidency

General Affairs

The Czech Presidency “considers EU enlargement to be a crucial strategic instrument of the European Union for maintaining peace, stability and prosperity in Europe”. It will support the further EU integration of Ukraine, Moldova, Georgia, and the Western Balkan countries as well as the European perspective of the Eastern Partnership countries (Armenia, Azerbaijan, Georgia, Moldova and Ukraine). The Czech Presidency will further focus on strengthening the EU’s resilience to hybrid and cyber threats by continuing discussions on the Joint Cyber Unit and the implementation of the EU Cybersecurity Strategy. Additionally, the operationalization of the EU Hybrid Toolkit will be prioritized. Concerning the rule of law, the Czech Presidency will support the implementation of the European Democracy Action Plan and discussions on an EU electoral law reform initiated by the European Parliament. Finally, the Presidency will further discuss the implementation of the results of the Conference on the Future of Europe. For the Czech Presidency, cohesion policy is key to strengthening the EU’s economic and social convergence. The main objective here will be the discussion of the cohesion policy after 2027.



agreements and EU strategies – such as the Strategy for Cooperation in the Indo-Pacific. The Czech Presidency also encourages active EU development cooperation, additionally, a common commercial policy aimed at WTO reform, deepened EU-US relations and trade and security issues such as foreign investment. Finally, the Presidency argues that the EU should engage in defense policies aimed at the implementation of the EU Strategic Compass.

Economic and Financial Affairs

The Czech Presidency’s main task in the ECOFIN (Economic and Financial Affairs Council) is to negotiate the EU budget for 2023. In this context, it will also discuss the possibilities of introducing “new EU own resources”. Regarding Russia’s aggression in Ukraine, the goal will be to take immediate measures to respond to the economic impact and establish the Ukraine Reconstruction Facility as a framework for long-term recovery. The Presidency wants to support the implementation of the Recovery and Resiliency Facility as well as update the National Recovery and Resilience Plans while taking the REPowerEU Plan into account. A common EU approach on Basel III will be the key task in the banking sector. During the time of the Presidency, a customs union reform based on the interim evaluation of the Union customs code will be proposed. Regarding the capital market, the Czech Presidency plans a revision of the rules for the financial instruments market in the Markets in Financial Instruments Regulation (MiFIR). It will also support the climate and digital transformation through negotiations on the Carbon Border Adjustment Mechanism (CBAM) and the EU Green Bond Standard (EUGBS).



Foreign Affairs

The Czech Presidency aims to “promote a united and effective Union” through a values-based foreign policy. Pillars are to include a further deepening of relations with the US and other third countries with shared common values, development cooperation, a common commercial policy, and defense. The strategy is to “address systemic challenges in external relations” with a geographical focus on Eastern Europe (especially Ukraine), the Western Balkans, the Indo-Pacific, and the Sahel. On the issue of Ukraine, the Czech Presidency advocates continued EU efforts to defend the country’s sovereignty and territorial integrity, among other things through increased supplies of weapons and military equipment. Czech policymakers will also “contribute to setting a new EU strategy towards Russia.” In other areas of the world, the Presidency advocates for stronger engagement with local and international players in the implementation of international

Justice and Home Affairs

The Czech Presidency supports a common response to Russia’s aggression against Ukraine, seeks to initiate further sanctions against that country and to launch investigations of war crimes. The war’s implications on security and migration will also be reflected upon. Emphasis will be on reforming the overall EU migration system in cooperation with third countries, especially



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with the focus on reducing the risk of human trafficking. The Presidency wants to strengthen the cooperation with the Eastern Partnership countries and the Western Balkans. Working towards a secure functioning and enlargement of the Schengen area, the primary focus will be on the interoperability of the information system. Furthermore, the protection of vulnerable people across the EU will be increased. This includes the fight against child sexual abuse, the protection of children on the internet, as well as a revision of the regulation on the European Monitoring Center for Drugs and Drug Addiction. In addition, the Presidency wants to focus on the Counter-Terrorism Agenda for the EU and increase the resilience of critical infrastructure.

Agriculture and Fisheries

The Presidency will prioritize the impact of Russia's aggression against Ukraine on food security and seek to further improve sustainability in agriculture. This should be achieved through rules for sustainable food production, the common fisheries policy and fishing quotas, nature and soil conservation, veterinary issues, and trade issues. Among other things, the Czech Presidency plans to discuss the draft regulation on the sustainable use of pesticides and monitor the implementation of the new EU Forestry Strategy 2030. Moreover, it will seek to develop and revise European and international agreements on fishing in EU and third country waters through the adoption of Council conclusions on strategic principles for more sustainable and competitive aquaculture as well. The Presidency plans to further focus on ingredient labeling in alcoholic beverages, harmonization of rules for new labeling on food packaging, revision of shelf life and expiration date labeling, expansion of country-of-origin labeling, and nutritional profiling.



Competitiveness

According to the Czech Presidency, the current environment reveals long-term vulnerabilities in the EU economy. It will therefore focus on strengthening economic resilience and competitiveness by focusing on supply chains, securing

strategic raw materials, parts and products for European companies and customers. A key legislative proposal in this area is the European Chips Act, which aims to ensure stable supply in the semiconductor sector. In the internal market, it is crucial for the Presidency to implement measures based on the EC Communication on better implementation of internal market legislation. In addition, the Single Market Emergency Instrument (SMEI) and the Ecodesign Regulation will be advanced by supporting SMEs, e.g. through the protection of intellectual property. The Presidency also calls for stronger support for the space and tourism industries. Finally, open access to data should enable science to advance economic stability and prosperity through transfer effects.

Transport, Telecommunications and Energy

For the transport sector, a main goal of the Czech Presidency will be the reduction of emissions and transport digitization. It aims to enhance European connectivity and promote infrastructure development, especially through railways. Concerning digital topics, the creation of a sustainable digital ecosystem based on open strategic autonomy and cooperation with third countries and the promotion of European telecommunications resilience are priorities. There are plans to conclude an agreement on the EU's digital targets for 2030 and to establish a cooperation mechanism for a successful digital transition process. On energy, the Presidency wants to reduce the EU's reliance on Russian fossil fuels and strengthen energy security. Therefore, it promotes the use of nuclear energy and low-emission hydrogen. Greenhouse emissions should be cut and decarbonization promoted for the Fit for 55 package.

Employment, Social Policy, Health and Consumer Affairs

The Czech Presidency intends to put a special focus on implementing the European Pillar of Social Rights, "aimed at ensuring continued upward convergence, social justice, intergenerational solidarity and cohesion in the EU." As with many other issues, the ongoing war in Ukraine plays an important role in shaping priorities in terms of employment,



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social policy, health, and consumer affairs. For instance, the Presidency seeks to address the unprecedented wave of refugees fleeing from Ukraine and coordinate a framework to ensure their “swift and effective integration”. A further concern is the current and expected rise in energy costs due to the war’s economic fall-out. The Czech Presidency regards the EU-wide risk of increased energy poverty as “one of the key challenges of social cohesion”, especially among the elderly and single-parent households. In terms of health policy, the Presidency will focus on four overriding areas: oncology, availability of and access to medicines, vaccination, and global health.

Environment

In terms of environmental policy, the Czech Presidency will be involved in several multilateral events, including the November 2022 United Nations Climate Change Conference (COP27) in Egypt, where it will coordinate the EU’s position. On a policy level, the top priority will be to achieve “maximum progress” in negotiations on the Fit for 55 legislative package aimed at a 55 percent cut in EU greenhouse gas emissions by 2030. This would include legislative proposals on a broad range of topics from emissions trading over land use and mobility to buildings and infrastructure. The Presidency will also link negotiations for Fit for 55 to the REPowerEU Plan, a policy aimed at reducing the EU’s dependence on fossil fuel imports from Russia in the wake of Putin’s invasion of Ukraine. Referencing the EU Soil Strategy of November 2021, the Czech Government plans to highlight the issue of climate change adaptation. Further coordination efforts will include the EU’s transition to a circular economy, biodiversity, and a revision of air quality legislation.



pandemic will be reflected horizontally across agendas, with the aim of improving intergenerational dialogue and solidarity. The Presidency will address the implementation of the 9th Cycle of the EU Youth Dialogue and support the organization of a “conference on the legacy of the European Year of Youth”. The issue of sustainable and accessible sport infrastructure will be pursued and a Work Plan for Culture 2023–2026 drawn up. Moreover, the Presidency will launch a discussion on the Media Freedom Act and focus on the cooperation of media regulatory authorities as well as the possible use of self-regulatory mechanisms. Creativity as the basis for competitiveness and development of youth in culture will be a key theme.

Education

In the field of education, the Czech Presidency will focus on well-being in digital education and discuss the Council Recommendation on Pathways to School Success. The European Year of Youth 2022, the international political situation and the consequences of the



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Who is Who?*

EUROPEAN COUNCIL

Chair



**CHARLES
MICHEL**

President of the
European Council

CZ Representative



**PETR
FIALA**

Prime Minister of the
Czech Republic

FAC

Chair



**JOSEP BORELL
FONTELLES**

High Representative
for Foreign Affairs and
Security Policy

CZ Representative



**JAN
LIPAVSKÝ**

Minister for Europe
and Foreign Affairs

Pirate Party

Council Configurations

FAC	Foreign Affairs
COREPER	Committee of Permanent Representatives
COMPET	Competitiveness
EPSCO	Employment, Social Policy, Health and Consumer Affairs
EYCS	Education, Youth, Culture and Sport
JHA	Justice and Home Affairs
AGRIFISH	Agriculture and Fisheries
ECOFIN	Economic and Financial Affairs
ENVI	Environment
GAC	General Affairs
TTE	Transport, Telecommunications and Energy

Parties











	PIRATE PARTY
	ODS
	TOP 09
	STAN
	KDU-ČSL

*Czech government in office until October 2025



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Who is Who?*

FAC		COREPER	COMPET	
Trade	Defense	Ambassador	Internal Market/ Industry	Research/Space
				
STAN	ODS		STAN	TOP 09
JOZEF SÍKELA	JANA ČERNOCHOVÁ	EDITA HRDÁ	JOZEF SÍKELA	HELENA LANGŠÁDLOVÁ
Minister of Industry and Trade	Minister of Defense	Permanent Representative of the CZ to the EU	Minister of Industry and Trade	Minister for Science, Research and Innovation
EPSCO			EYCS	
Employment and Social Policy	Consumer Protection	Health	Education, Youth and Sport	Culture
				
KDU-ČSL		TOP 09	STAN	ODS
MARIAN JUREČKA	SILVANA JIROTKOVÁ	VLASTIMIL VÁLEK	VLADIMÍR BALÁŠ	MARTIN BAXA
Deputy Prime Minister and Minister of Labor and Social Affairs	Deputy Minister for Consumer Protection	Deputy Prime Minister and Minister of Health	Minister for Education, Youth and Sports	Minister of Culture

*Czech government in office until October 2025



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Who is Who?*

JHA		AGRIFISH	ECOFIN		
Justice	Home Affairs				
					
ODS	STAN	KDU-ČSL	ODS		
PAVEL BLAŽEK	VÍT RAKUŠAN	ZDENĚK NEKULA	ZBYNĚK STANJURA		
Minister of Justice	1st Deputy Prime Minister and Minister of the Interior	Minister of Agriculture	Minister of Finance		

ENVI	GAC	TTE		
		Transport	Tele-communications	Energy
				
KDU-ČSL	STAN	ODS	Pirate Party	STAN
ANNA HUBÁČKOVÁ	MIKULÁŠ BEK	MARTIN KUPKA	IVAN BARTOŠ	JOZEF SÍKELA
Minister for the Environment	Minister of State for European Affairs	Minister of Transport	Deputy Prime Minister for Digitalization and Minister of Regional Development	Minister of Industry and Trade

*Czech government in office until October 2025



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Further Information

OFFICIAL WEBSITE OF THE COUNCIL PRESIDENCY

<https://czech-presidency.consilium.europa.eu/en/>

Euractiv | 30 June 2022:

[Czechs take over EU presidency braced for 'bad weather'](#)

Politico | 23 June 2022:

[POLITICO's Guide to the Czech EU Presidency](#)

Euronews | 1 July 2022:

[Czech EU presidency will be 'honest broker' on rule of law concerns, says Commissioner](#)

Politico | 23 June 2022:

[A wonk's guide to the Czech EU presidency policy agenda](#)

Euractiv | 22 June 2022:

[Czech Presidency sets out path for AI Act discussions](#)

SOURCES

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⁴ <https://www.worldatlas.com/articles/what-languages-are-spoken-in-the-czech-republic.html>

⁵ https://search.coe.int/cm/Pages/result_details.aspx?ObjectId=0900001680948771

⁶ https://www.mzv.cz/copenhagen/en/briefly_about_the_czech_republic/facts_and_figures/index.html

⁷ <https://thebanks.eu/countries/Czech-Republic/economy>

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¹⁹ <https://localhistories.org/a-timeline-of-czech-republic-2/>

<https://www.expats.cz/czech-news/article/important-milestones-in-the-history-of-czechoslovakia>

²⁰ <https://www.czechuniversities.com/article/20-interesting-facts-about-the-czech-republic>

²¹ <https://wonderfulwanderings.com/facts-about-czech-republic/>



ERSTE LESUNG

UNDERSTANDING POLITICS
ENVISIONING THE FUTURE
ANALYSIS, STRATEGY,
POSITIONING