



EUROPEAN COMMISSION

*Brussels, 1.10.2018
C(2018) 5312 final*

Dear Chair,

The Commission would like to thank the Poslanecká sněmovna for its Opinion on the 2018 Country Report for the Czech Republic {SWD(2018)202 final}.

The Commission welcomes the attention that the Poslanecká sněmovna dedicates to the discussion on the European Semester in general. The Country Report for the Czech Republic was prepared in a dialogue with the Czech Republic to provide a scrutiny of challenges and opportunities for the Czech economy. Shared understanding of those challenges is a necessary precondition for successful implementation of the reforms that will make the Single Market stronger and European economies more resilient and competitive, ultimately benefitting the Czech and European citizens. The consensus building around the Country Report analysis and ensuing recommendations is at the heart of the policy coordination process and thus of the utmost importance for its success. The Commission thus appreciates that the efficient and frank cooperation with the Czech Republic, including with the Members of the Czech Parliament, allows it to find such a common understanding.

According to the Commission's analysis, there are several key structural challenges that could limit the future growth of the Czech Republic. These include the projected level of future age-related public expenditure, weaknesses in public procurement practices or incomplete implementation of anti-corruption measures. Investment in infrastructure is still hampered by slow permit procedures. While the Czech economy is shifting towards more knowledge-intensive activities, several bottlenecks for a well-performing research and innovation system are remaining. The Czech schools could also deliver more inclusive education and the situation of teachers could be improved. Finally, yet importantly, in a situation of close to full employment, the potential of women, the low-skilled and disabled people for the labour market could be utilised better. All of the above are also reflected in this year's recommendations for the Czech Republic as published by the Commission on 23 May 2018.

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With the economic conditions improving across the board in Europe, the Czech Republic as one of the best performers is in exceptionally good position to introduce and implement reforms to address remaining challenges and ensure sustainable growth also in the future. The Commission appreciates the commitment of the Poslanecká sněmovna to the structural reforms and is ready to continue working with the Czech Republic on their delivery, including by providing technical assistance through the Structural Reform Support Service, in line with Commission's proposed Regulation on the Reform Support Programme of 31 May 2018.

The Commission looks forward to continuing the political dialogue with the Poslanecká sněmovna in the future.

Yours faithfully,

Member of the Commission