

## **Czech Republic (SPCR) (last updated 4 May)**

### Overall approach and state of play

There are around 300.000 refugees from Ukraine in the Czech Republic particularly women with children (children make up one half). SPCR has created a website on Ukraine: <https://www.spcr.cz/ukrajina-aktuality>.

The conflict in Ukraine will affect the Czech economy through several channels. Immediate effects are felt in the areas of (1) migration, (2) trade distortions, (3) price shocks, (4) investments and credit exposures

It will be important for Czech society and the economy how well the newcomers will manage to integrate. The departure of Ukrainian workers still working in the Czech Republic back to their homeland has the opposite effect. These are mainly men returning in connection with the general mobilization in Ukraine. **Among the departures most affected economic sectors are construction and transport.**

### Coordination of joint social partner or social partner and government actions

SPCR is currently the main partner for the Government on the employers' side. SPCR is proactive in its activities, firstly out of solidarity and also because of the impact of the conflict on member companies. Activation of the Temporary Protection Directive has launched a rapid introduction and activation of support for the refugees.

The government approved a set of more comprehensive measures - the so-called lex specials Ukraine, prepared by the ministries of Labour, Education, Interior, Health (government bill on employment and social security measures in connection with the armed conflict in Ukraine caused by the invasion of Russian troops rapid involvement in the work process, involvement of children in children's groups, schools, child protection, social services, humanitarian aid and more).

Another tool is the declared state of emergency, which allows the government to respond flexibly to the evolving situation through crisis measures. Due to the high increase in the number of refugees, a crisis measure was taken to provide additional accommodation capacity in the regions, including so-called emergency accommodation.

Although about 370 thousand are registered at employment offices. vacancies, the structure of labor supply and demand can be expected to be an obstacle to the rapid integration of refugees. In about 74.7% of vacancies, employers demand applicants with primary or lower secondary education, and 72.8% are vacancies suitable for foreigners. Today, workers are already lacking in all sectors of the economy, employers are interested in building construction workers, forklift operators, assembly workers, production assistants or truck drivers, cleaners and masons. The highest demand for new employees is in Prague (91 thousand places) and in the Central Bohemian Region (67 thousand places).

### Company impact

SPCR member companies were from the beginning very active and provided support to their Ukrainian employees and their families in all directions in order to retain them for the future. They helped those who did not have military service to bring families to the Czech Republic and provide them with the necessary documents and benefits. With those who were mobilized, they individually agreed on their return (one option is unpaid leave). According to the SP survey of 15 March involving 124 industrial enterprises from all regions and sectors:

Almost two-thirds of companies are still assessing the specific impact the conflict has or will have on their business. However, a significant number of companies are aware that the situation needs to be addressed in the long-term and systematically. More than a third of the responding companies therefore want to invest in energy savings, one quarter in renewable energy sources and less than one fifth plan to increase labour productivity by using elements of digitisation or Industry 4.0.

Almost half of the companies surveyed would prefer the state to support long-term pro-growth measures such as investment in research and development or opening new export markets instead of short-term compensation measures. As a priority, companies would like the state to have already implemented some concrete measures to prevent energy and fuel price increases.