

the **fleet sheet's final word**

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Caps on, caps off



One of the biggest achievements of the "public-private partnership" between government and business was the introduction of caps on social-security and health tax. The caps erased a big competitive disadvantage and enhanced the attractiveness of Prague and Brno as headquarters for companies involved in hi-tech, research & development and other sectors with high value-added. Without so much as a courtesy call for informing business leaders of its plans, the government of Mirek Topolánek is now talking about completely abolishing the caps. There are also reports that the change would be retroactive to Jan. 1, which would raise questions about the constitutionality of the decision. Abolishing the caps might be a good populist move, but it would destroy considerable goodwill among business leaders. Businesses would grudgingly accept an increase in the cap from four times average wages to six for a limited period, but a complete abolition would send the wrong message to investors when they are needed most.



PRAGUE
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COMENIUS
Pan European Society

KEYNOTE SPEAKERS:

Mr. Mirek Topolánek
Prime Minister of the Czech Republic

Ms. Christine Lagarde
French Minister of Finance

Mr. Zdeněk Tůma
Governor of the Czech National Bank

Mr. Charles L. Evans
Governor of the Federal Reserve Bank of Chicago

Mr. Grigori A. Marchenko
Governor of the National Bank of Kazakhstan

Mr. Pier Carlo Padoa-Schioppa
Deputy Secretary General, OECD

Mr. Alexandr Vondra
Deputy Prime Minister for European Affairs of the Czech Republic



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