

PRESS RELEASE

Prague, 31 March 2020

The Tuesday of 31 March is a turning point when entrepreneurs will be deciding on whether additional employees in tourism will be dismissed. According to a survey commissioned by the Czech Association of Hotels and Restaurants, over 75% of hotels and restaurants were determined already in March to dismiss as many as 30% of their employees. Many of the redundancies have already been declared, and if the Czech Government wants to save at least some of these jobs, it has to decide on the terms of assistance immediately. With the present restrictions to our regular activities being prolonged and the effective government assistance lacking, many employers are being forced to work towards another wave of dismissals.

The Confederation of Commerce and Tourism of the Czech Republic (SOCCR CR), the Czech Association of Hotels and Restaurants (AHR CR), the Association of Mountain Resorts (AHS CR) and additional member organizations are demanding a clear decision from the Government today to amend the Antivirus program so that it can really help sustain the jobs. It makes no sense if entrepreneurs receive wage compensations from the state and have to return 34% of this assistance back to the state in social security and health insurance payments. This is what the current version of the program looks like, which, instead of the declared state support to compensate wages at 80%, represents only 45% after the deduction of the compulsory levies. Similarly, the current maximum wage threshold that the state should be compensating for (CZK 24,800) is very low and does not cover a large part of employees in the Czech Republic.

Tomáš Prouza, President of SOCCR ČR, observes: *“The Government has the elemental tools available to address the situation quickly and effectively. Little would have sufficed and tens of thousands of jobs could have been saved. So far, however, the prevailing impression is that the Government is focusing on minimizing the impacts on the state budget of the support paid out to entrepreneurs rather than on effectively helping entrepreneurs and their employees.”*

Václav Stárek, President of the AHR CR and Vice-President of SOCCR CR, hereto adds: *“We are talking about thousands of employees and their fates here, and also about the liquidation of*

scores of entrepreneurs in tourism. If the state fails to deliver on its promises, thousands more workers will end up at Labour Offices in the two weeks to come, resulting in much higher costs for the public finances than the required adjustments would have had."

Employers' associations and trade unions urge the Czech Government to take the necessary action promptly, clearly informing the entrepreneurs of how the Government is going to support them in these difficult times!

The most fundamental measure should be to amend the Antivirus program so that the wage compensations could include the mandatory levies and that the maximum wage reimbursement threshold could be increased to at least 1.5 times the average wage. We also call for swift and easy administration of the assistance so that the money can reach the employees within a maximum of five days.

That is why we specifically require:

- ***The state allowance should cover also the mandatory levies, not only gross wages (or these levies should be waived).***
- ***The limit should be increased to at least 1.5 times the average wage, so that the state could help sustain also the more sophisticated jobs, not just the assembly line-type ones.***
- ***The available Modes should be simplified to comprise just two:***
 - ***A - Forced closure/restriction of the operations and a quarantine***
 - ***B - Related economic difficulties***
- ***A simple application - its whole administration, including the money transfer to the recipient's account, within three days.***

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