

The Czech Republic is in the process of enacting new environmental laws to comply with European Union (EU) legislation. The environmental protection policies adopted and implemented in 1995 have already brought tangible results, significantly reducing emissions and

Environmental sector

The Czech Republic

improving air and water quality. These policies largely relate to improving the effectiveness of regulatory instruments, through the use of incentives and increased investment.

The Czech Republic currently applies its Environmental Impact Assessment (EIA) system to a broad range of projects. Emissions and discharges from polluting enterprises must now satisfy national standards. A strong Czech Environmental Inspection program has been implemented to improve and enforce compliance with national laws. Educating the public is a key aspect of the program: economic and environmental data are now easily accessible, environmental reports are published regularly, and application of international environmental standards is increasing.

Large environmental investments approved in the mid-1990s have been directed primarily toward reducing air and water pollution, and cleaning up contaminated soils. Expenditures for environmental protection, financed mostly by the private sector, have risen steadily, reaching 3% of GDP today. Controlling emissions from power stations is a priority. New requirements related to EU legislation suggest that the overall level of environmental expenditure is not likely to decrease in the near future.

Although progress during the transition period has been remarkable, there are still areas of concern. Foreign

companies, either individual or in partnership, which offer expertise and new technologies to solve environmental problems are welcome.

Water

Effluent discharges, particularly from larger municipal and industrial sources,

have been significantly reduced between 1990 and 1997: 54% in suspended solids, 77% in oil substances and a 87% reduction in acidity or alkalinity. Despite these achievements, Czech water quality remains poor. Pollution — nutrients and microbial contamination — continues to plague water reservoirs and small rivers and creeks. A large number of measuring stations continue to use groundwater quality standards that are below the norm.

Waste

The Czech Republic faces a number of problems in the field of waste management:

- mining operations, manufacturing, industry, and utilities produce and accumulate large quantities of waste, with a high proportion of hazardous waste;
- land fill sites are the primary waste disposal systems;
- waste is seldom reused as a source of secondary raw materials and energy;
- many sites remain contaminated by previous industrial and military activities.

There has been a dramatic reduction in the number of inappropriately operated waste disposal facilities (landfills and incineration plants) over the last few years. A "cleaner production" program has encouraged companies to improve efficiencies in

production and to generate less waste. A new Waste Management Act came into effect on January 1, 1998, replacing inadequate legislation. The Act follows principles and approaches adopted in EU waste regulations.

However, recycling and utilization technologies for secondary raw materials remain inadequate, as is the capacity of the recycling industry. Land filling remains the most commonly used waste disposal method, including hazardous waste, for the simple reason that landfill fees are too low to encourage the use of more environmentally sound waste management techniques. Existing incineration capacity, though small, is not fully utilized.

Opportunities

Over the next ten years, the market for environment-related products and services in the Central European region will expand dramatically. As well, national legislation and the demands of the European Union — a precondition of future membership of the EU — will ensure that environment spending in these countries will rapidly rise. Opportunities will become available in waste-water treatment, waste management, recycling techniques, and utilization and recycling technologies for secondary raw materials.

Ideal location

The Czech Republic is well situated to serve Central Europe's fast-growing markets and to satisfy investors' demands for high-quality and cost-effective services.

Skill, quality, productivity

The Czech Republic has a very skilled, and relatively low-cost, workforce. Academic researchers have successfully collaborated with Czech firms, benefiting from the strong technical and design skills offered by the Czech workforce and the stimulation they apply to even small companies. Many of these are owned by former academic researchers as a means to perform their own groundbreaking research.

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