



SEPTEMBER 26, 2013, PRAGUE

## MEMORANDUM

PIE members share a vision of the Czech Republic being a modern Western society in which digital technologies are the drivers of economic development. A society that places emphasis on education focused on the acquisition of practical skills, especially the ability to work with information, technology, computer literacy, and creativity. Any way forward is impossible without a healthy business environment, the ability to constantly innovate and being involved in the mainstream of the global economy. As a tool for the global exchange of information, knowledge and goods, the Internet can serve as the motor of Czech economy. As the generator of Czech exports, it provides even the smallest businesses with the chance to succeed in the global marketplace. E-commerce shatters the existing physical barriers and thus has an enormous potential – something the state should bear in mind. Internet payments, marketing, advanced methods of service, social networking, e-government – all are prerequisites for success in an Internet economy.

The Internet and connected services contribute globally to economic development and employment; this is not different in the Czech Republic. According to a study conducted by the Boston Consulting Group ([www.zemeinternetova.cz](http://www.zemeinternetova.cz)), in 2009 the Internet's contribution to Czech GDP was 3.6%, which was more than the contribution of the agriculture or banking sectors. The unquestionable advantage of this segment is that even a small country such as the Czech Republic can achieve great success and become competitive on the global market.

The potential for further development of the Internet economy is enormous; however, it needs to be used accurately. If the market regulation is not set up properly, or any of the sub-sectors are supported excessively at the expense of others, it can lead to recession. At the same time, it is not too difficult to make a mistake in such a dynamic field as the Internet and ICT. The complex legislation affecting the technical parameters of payments, startup support, personal data protection and the digitalization of government introduces a plethora of risks. No matter how genuine the intention might be, the wrong setting or a legislative mistake can have negative consequences – not only for the Internet economy, but for the Czech Republic as such.

Similarly, apart from quality legislation, it is also necessary to build an environment of trust and healthy competition. Too often cooperation between the academia and companies is nothing more than a tired cliché that is rarely carried out functionally. Without efficient cooperation, one can hardly achieve sufficient development of innovations and thus any economic growth. PIE constitutes a platform to bring together the best practices from different industry branches while aspiring to a better, more creative and successful entrepreneurial environment.

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