

CzechInvest

Investment and business development agency



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2021

www.czechinvest.org

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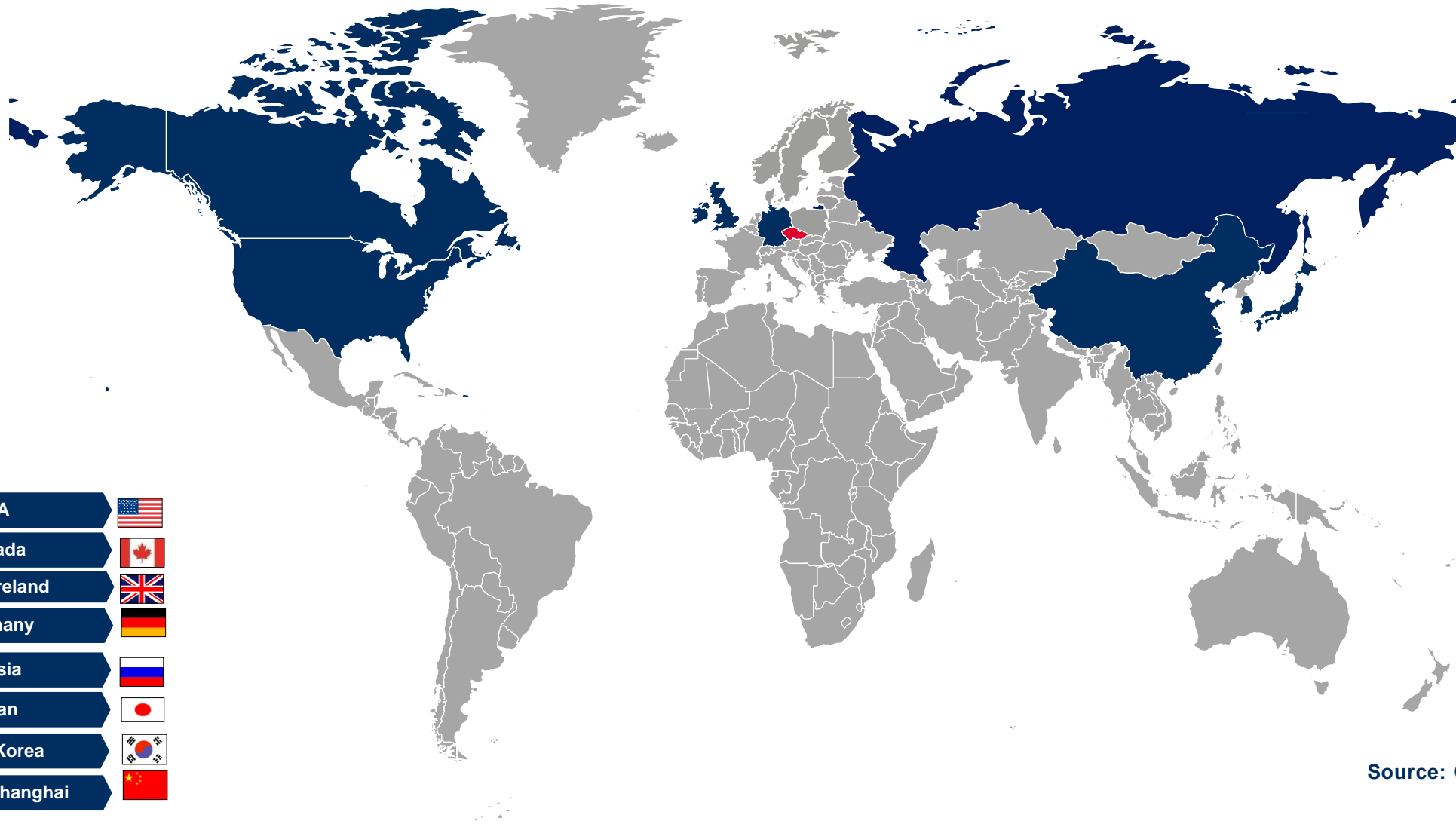
CzechInvest, is an agency of the Ministry of Industry and Trade. Established in 1992, the agency contributes to attracting foreign investment and developing domestic companies through its services and development programs.

Our Mission is to

- to **support** foreign direct investment
- to **develop** local companies
- to **implement** business-development programs
- to **improve** the business environment



CzechInvest worldwide



- USA 
- Canada 
- UK & Ireland 
- Germany 
- Russia 
- Japan 
- South Korea 
- China – Shanghai 

Source: CzechInvest, 2020



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Our services for potential investors

- Business intelligence
- Consultancy on available financial support for investment projects (investment incentives)
- Identification of green/brownfield sites, production facilities and offices
- Tailor-made visits to the Czech Republic
- Identification of potential acquisition, joint-venture and supply partners
- Aftercare services
- Liaison with government bodies



All CzechInvest's services are free of charge as part of the Czech government's business support measures

Source: CzechInvest, 2020



Investment Incentives - Supported activities



MANUFACTURING INDUSTRY

Production



TECHNOLOGY CENTRES

R&D centres



BUSINESS SUPPORT SERVICES CENTRES

- shared service centres
- SW development centres
- high-tech repair centres
- data centres

Source: Act on Investment Incentives No. 72/2000 Coll., 2019

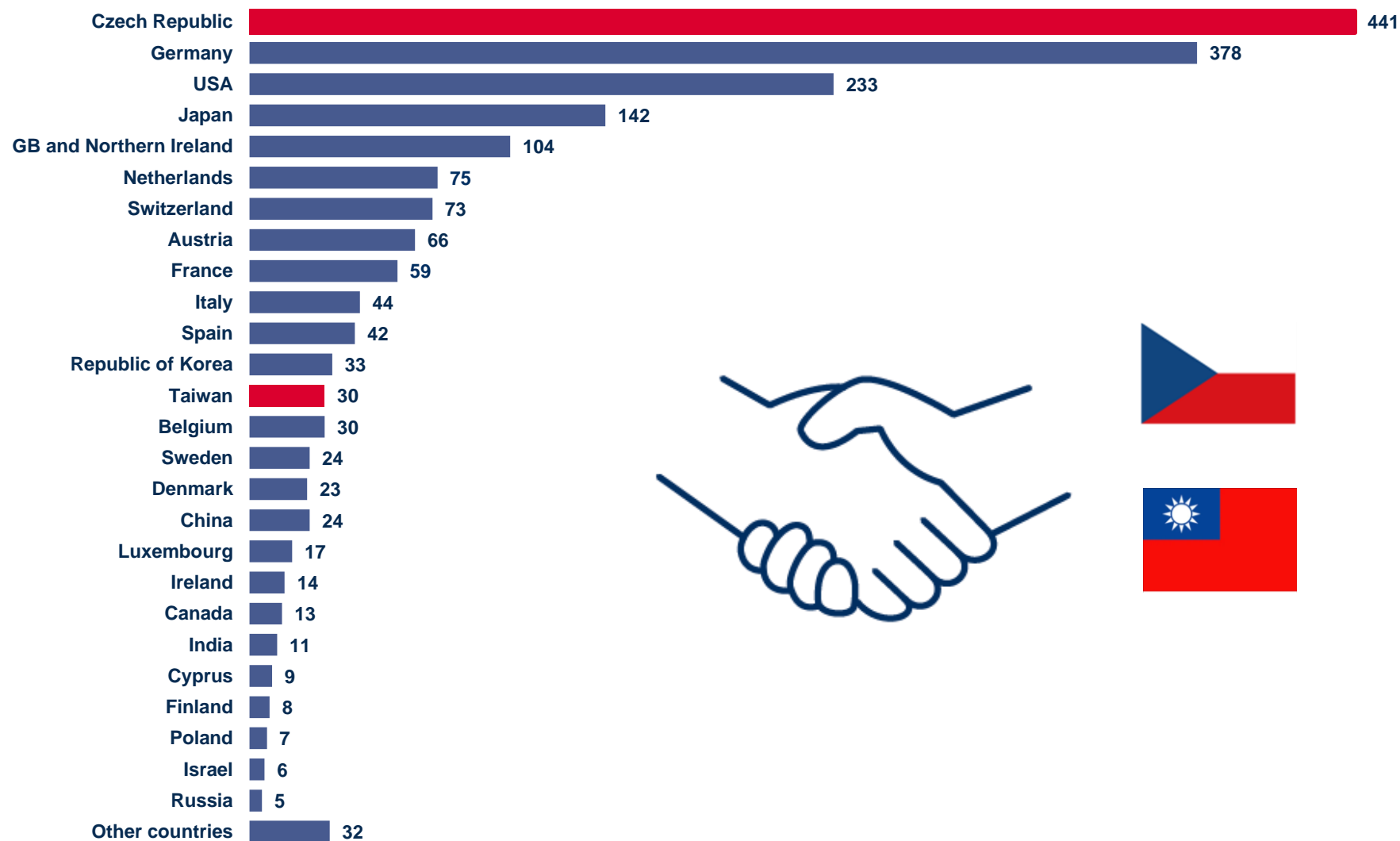
FDI from Taiwan to the Czech Republic



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Number of direct investment projects mediated by CzechInvest

According to country of origin



Source: CzechInvest, 2021



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FDI from Taiwan to the Czech Republic

Top 10 companies according to capex and jobs created

Company	Capex (\$ m)	Capex (€ m)	Jobs
Foxconn	688.40	615.35	10,745
BenQ	145.70	127.46	1,446
High Tech Computer (HTC)	18.50	18.55	179
Inventec	48.60	46.28	582
Wistron NeWeb Corporation	54.10	47.33	723
Acer	7.40	6.47	60
ASUSTek	24.00	21.00	1,000
Comtrend	5.20	4.55	44
First International Computer (FIC)	10.50	9.19	58
Gemtek	1.1	0.96	150

Source: fDi Markets, 2020

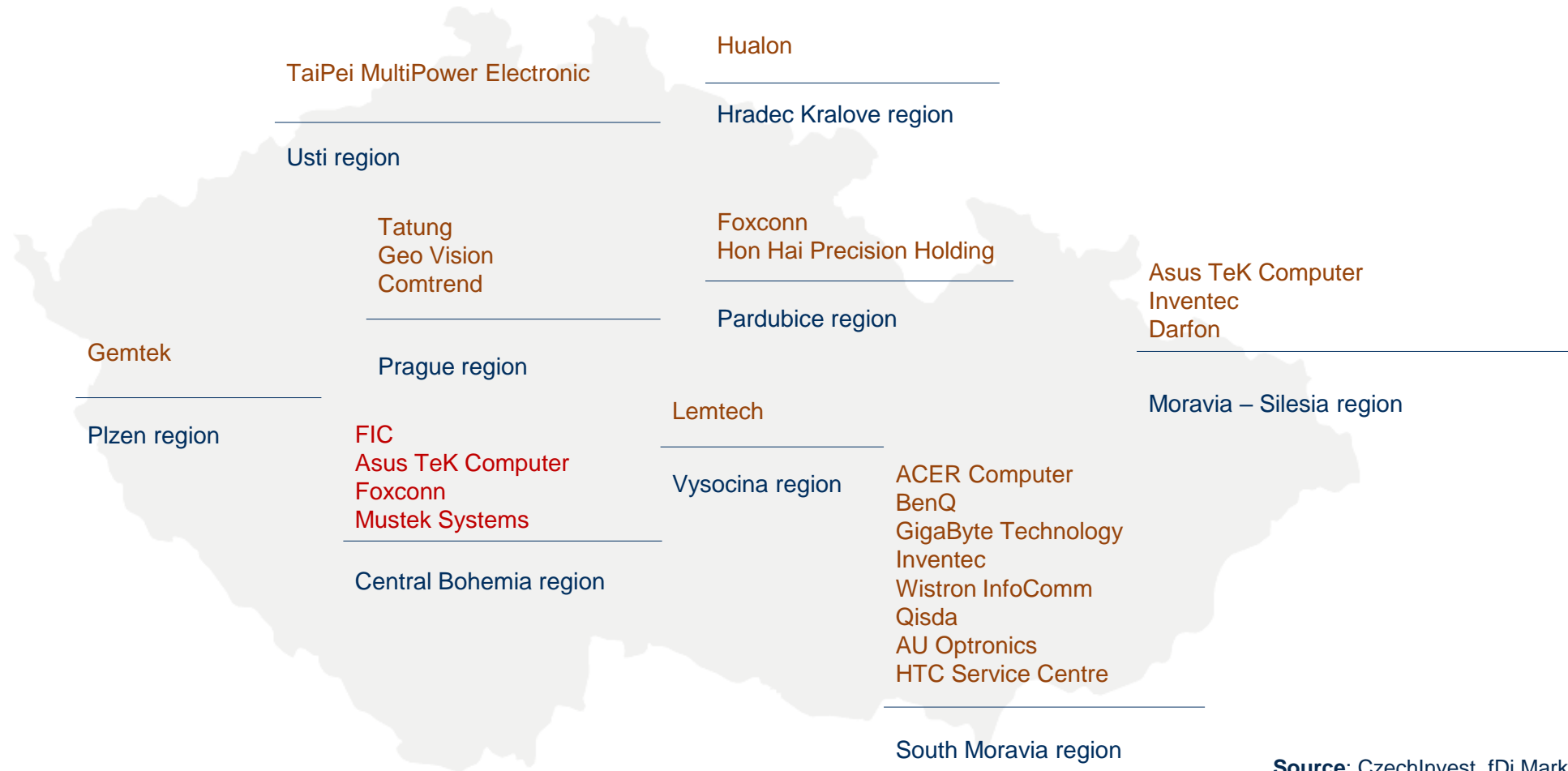


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A logo featuring a stylized blue and red circular symbol above the text "CZECHINVEST".

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Selected Taiwanese investors in the Czech Republic



Source: CzechInvest, fDi Markets, 2021



FDI from Taiwan to the Czech Republic

FDI by sector

Sector	Projects	Capex (\$ m)	Capex (€ m)	Jobs
Electronic Components	16	550.30	493.57	10,388
Business Machines & Equipment	9	422.91	378.77	5,008
Communications	7	121.30	108.39	542
Consumer Electronics	4	136.70	122.33	1,387
Total (2003 – 2020)	36	1,230.17	1,102.13	17,325

Source: fDi Markets, 2021



The Czech Republic

The Country for the Future



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Czech Republic

The heart of Europe

- Area: 78,870 km²
- Capital city: Prague
- Population: 10.6 million
- Labour force: 5.4 million
- Language: Czech
- Currency: Czech crown (CZK)
- Political system: Parliamentary democracy
- Administrative division: 8 regions NUTS 2
14 regions NUTS 3
- Member of organization: EU, NATO, IMF, WB,
WTO, OECD, OSCE



Source: Czech Statistical Office, 2020



Investment risk rating 2020

Czech Republic – the island of stability in Europe

Czech Republic compared to world

Country	Standard & Poor's	Moody's analytics	Fitch
Germany	AAA	Aaa	AAA
United States	AA+	Aaa	AAA
United Kingdom	AA	Aa3	AA-
Korea	AA	Aa2	AA-
Czech Republic	AA-	Aa3	AA-
Japan	A+	A1	A

Czech Republic compared to CEE

Country	Standard & Poor's	Moody's analytics	Fitch
Czech Republic	AA-	Aa3	AA-
Slovak Republic	A+	A2	A
Poland	A-	A2	A-
Hungary	BBB	Baa3	BBB
Bulgaria	BBB	Baa1	BBB
Romania	BBB-	Baa3	BBB-

Source: Czech National Bank, 5.2.2021

Note: Foreign Currency Long Term Sovereign Debt Ratings



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Working Abroad Index

2nd best country for expats

Rank 2019	Country
1	Vietnam
2	Czechia
3	Luxembourg
4	Germany
5	Netherlands
6	Norway
7	Estonia
8	Taiwan
9	Panama
10	Israel



Source: Expat Insider, InterNations, 2021
Note: 36 countries included in the ranking



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Czech Republic – Global Peace Index

8th safest country in the world

Rank 2020	Country	Score
1	Iceland	1.078
2	New Zealand	1.198
3	Portugal	1.247
4	Austria	1.275
5	Denmark	1.283
...
8	Czech Republic	1.337
10	Switzerland	1.366
24	Hungary	1.559
25	Slovak Republic	1.568
29	Poland	1.657



III.

Electronics & Semiconductor Industry in the Czech Republic



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Electrical Engineering and Electronics Sector in the Czech Republic



15,000

electro companies



150,000

people employed in the sector



508

billion CZK in revenues



2nd

biggest industry

Source: CzechInvest, 2020



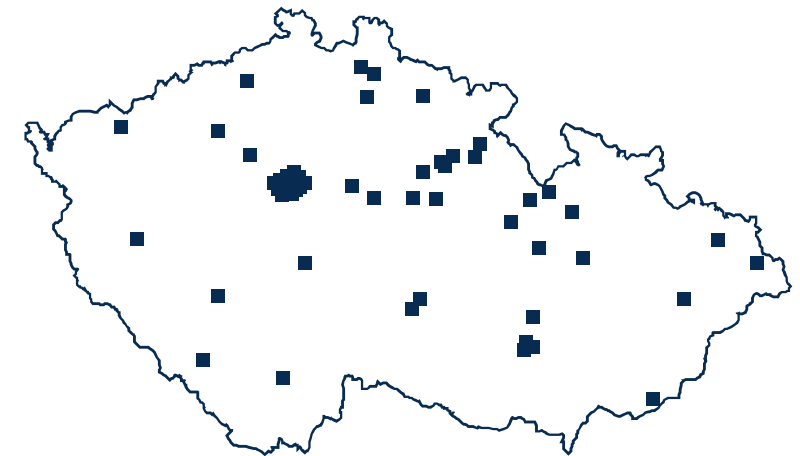
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Long History

Tesla:

- Was a state-owned monopoly between 1946 – 1989
- Factories were evenly distributed all around the Czech Republic
- Had over 30 000 employees at its peak
- Made and sold a wide range of products (transistors, radio receivers, TV sets, military radars)
- Created several successful and unique products (Tamara radar)



Source: CzechInvest, 2021



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Semiconductor industry

- Traditional semiconductor companies dating back to the 1960's
- Concentrated in Prague, Brno and Roznov
- The largest individual IC design groups in the CEE region
- Have a strong connection to Tesla Roznov



ON Semiconductor®

Source: CzechInvest, 2021



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The largest foreign investors



Source: CzechInvest, 2021

Conditions for the development of the sector in the Czech Republic (education, research and development)

- **Good climate** (economic stability, safe and secure environment, non-discrimination, protection of property rights, good global competitiveness index ratings)
- 5 major Czech technical universities:
 - University of West Bohemia**
 - Czech Technical University**
 - Technical University of Liberec**
 - Brno University of Technology**
 - Technical University of Ostrava**
- 2 major national agencies:
 - Technology Agency of the CR**
 - Grant Agency of the CR**

Source: CzechInvest, 2021



Conditions for the development of the sector in the Czech Republic (education, research and development)

- Technology institutions and parks:
 - Central European Institute of Technology**
 - Science and Technology Park in Olomouc**
 - Czech Technology Park in Brno**
 - The ELI Beamlines research center**
 - New Technologies for Information Society**
 - IT4Innovations national supercomputing center**
- **The Czech Institute of Informatics, Robotics and Cybernetics in Prague**
- Focus on Hi-tech projects/technology – projects with a high added value

Source: CzechInvest, 2021



AI in the Czech Republic

- **500+ AI researchers**, one of the largest concentrations of AI experts in the world
- Quality education
 - Excellent computing and mathematics skills
 - AI research, centers for robotics/AI/ML
- **200+ companies in AI / Big Data / IoT / IIoT**
- **80+ AI companies & start ups**
- AI R&D centers of global companies
- Two main AI hubs: Prague (capital city), Brno (second largest city)
 - Concentration of international and Czech IT companies
 - Almost 30,000 students in ICT study programs



Academic Robotics and AI research in the Czech Republic

- **7 universities** and **2 institutes of Academy of Sciences**
- **1000 researchers** and **460 Ph.D. students** organized in **25 research labs**
- Total funding: **\$ 45M per year**
- Areas of strong expertise:
 - Machine learning, data mining
 - Autonomous robotics
 - Machine perception
 - Industrial applications of AI
 - Natural language processing, speech understanding
 - Formal methods and reasoning



T · Systems

Source: Prof. Vladimír Mařík, CIIRC CTU Prague, 2019; CzechInvest 2020



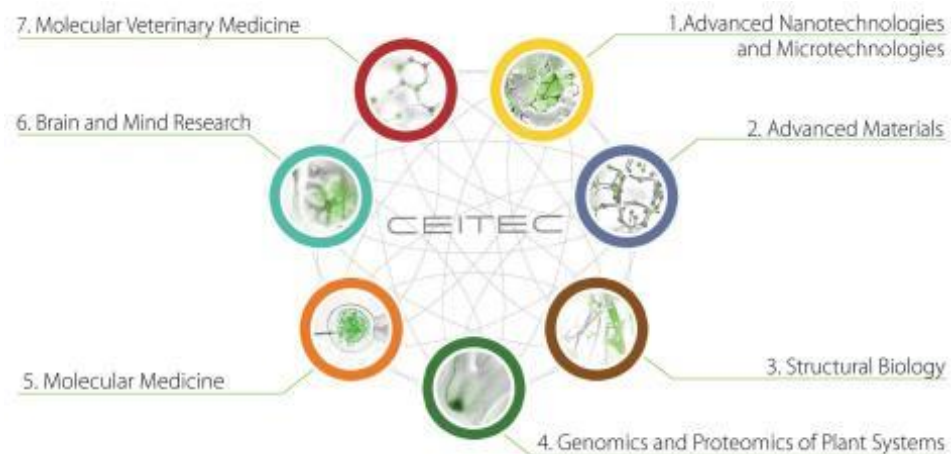
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CEITEC - Brno



- Multidiscipline science center
- Established 2011 by 6 important universities and research institutions of Brno
- 7 research programmes & **52** research groups
- **25,000** m² of laboratories in **9** core facilities
- New facility open from September 2016



Source: CzechInvest, 2021



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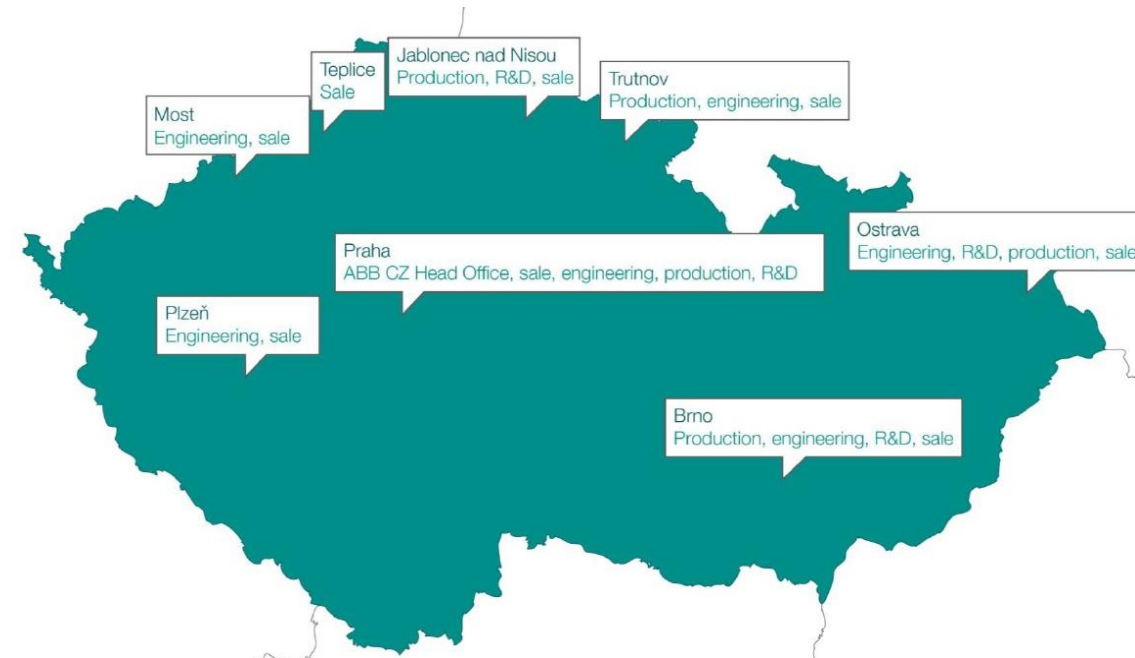
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ABB in the Czech Republic

ABB the difference maker



- **ABB Group**
 - Headquarters in Zurich, Switzerland
 - About 132,000 employees in around 100 countries
 - Revenues: ca. 34 billion USD
- **8 facilities in the Czech Republic**
 - Head office
 - MFG Factories
 - R&D Centers
 - Employs more than **3700** people



Source: ABB, 2021



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ABB in the Czech Republic

Selection of activities in the Czech Republic



- **Electrification products**
 - Medium and low voltage switchgear and instrument transformers and sensors
 - Wiring accessories
 - Power conversion – power and vehicle infrastructure, solar inverters
- **Robotics and motion**
 - Industrial robots and software
 - Drives
 - Training
- **Industrial automation**
 - Programmable Logic Controllers (PLC), Distributed Control Systems (DCS) and drives
 - SW applications, automation SW, IT systems and security
 - Mechanical design and supply chain management
 - Project support & bid proposals for the whole Europe
- **Power grids**
 - Power products high voltage
 - Automation and control networks
 - High power semiconductor devices



Source: ABB, 2018



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Reasons to invest in the Czech Republic

- Great and stable investment environment
- Proximity to markets
- Strong supplier base
- Highly educated and skilled workforce
- Reliable infrastructure
- One of the European AI hubs
- Attractive living environment



Thank you for your attention

Tereza Horska Matulova & Robert Keil



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