

**Adam Wrobel**

# **Business climate in Czechia**

**06.09.2023**

**[www.czechinvest.org](http://www.czechinvest.org)**



I.

# Czechia

## Macroeconomic overview

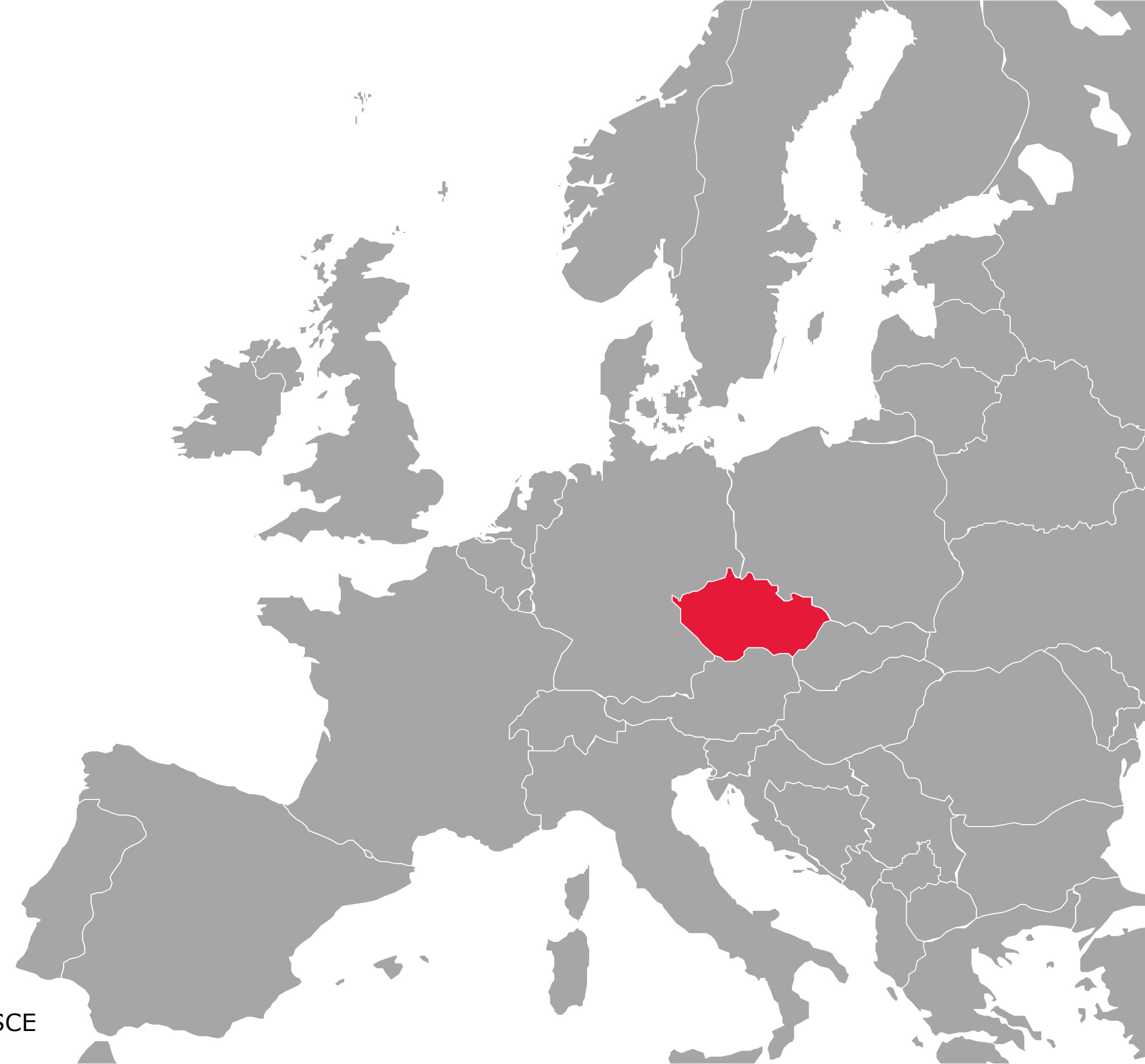


Drive for  
success

# Czechia

The heart of Europe

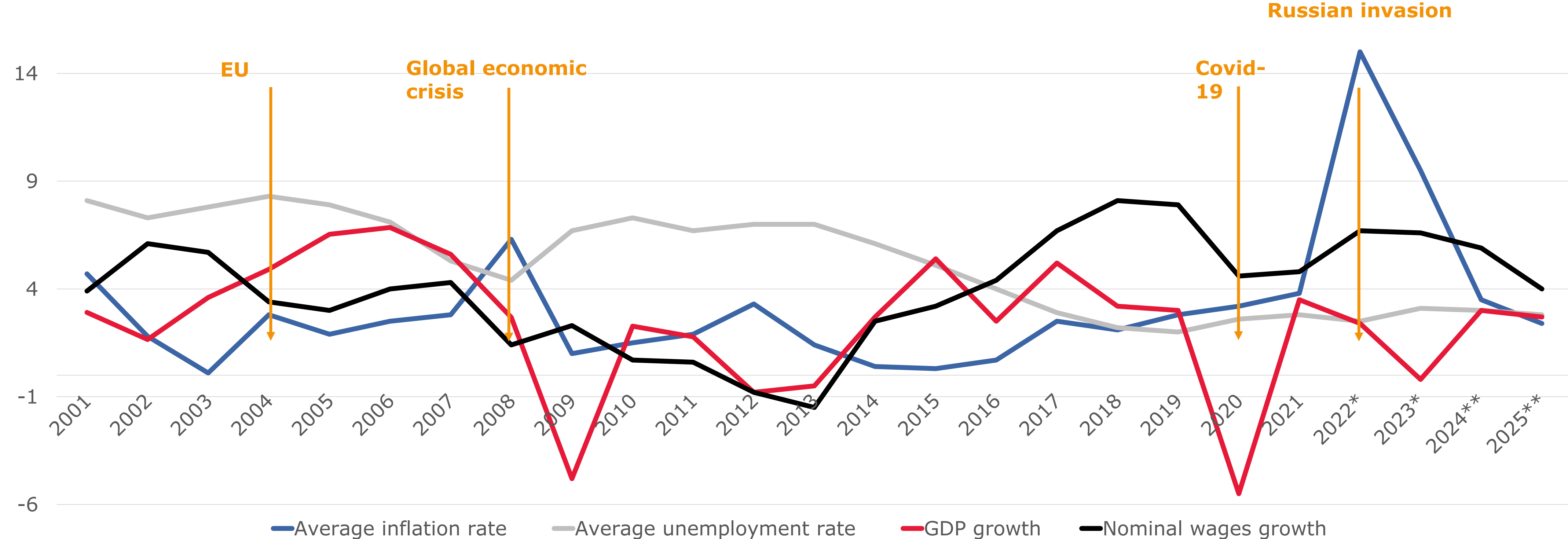
<b>Area:</b>	78,870 km <sup>2</sup>
<b>Capital city:</b>	Prague
<b>Population:</b>	10.53 million
<b>Labour force:</b>	5.27 million
<b>Language:</b>	Czech
<b>Currency:</b>	Czech crown (CZK)
<b>Political system:</b>	Parliamentary democracy
<b>Administrative division:</b>	8 regions NUTS 2 14 regions NUTS 3
<b>Member of organization:</b>	EU, NATO, IMF, WB, WTO, OECD, OSCE



Source: Czech Statistical Office, 2022

# Basic economic indicators

2001 - 2025



Source: Czech Statistical Office, Macroeconomic forecast of Ministry of Finance, 2023

Note: \* Forecast, \*\* Outlook



# Investment risk rating 2022

Czech Republic – the island of stability in Europe

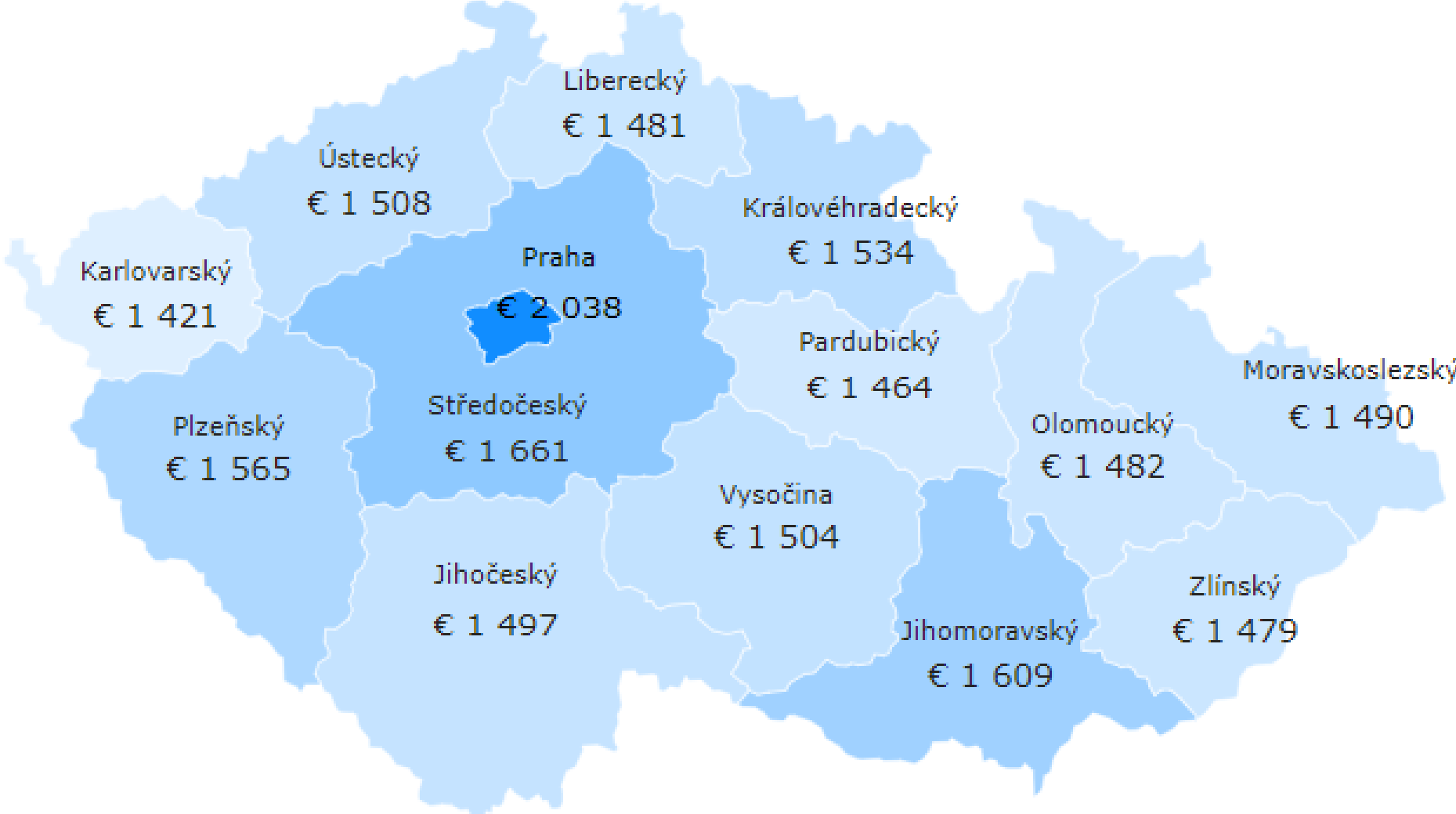
Country	Moody's analytics	Standard & Poor's	Fitch Ratings
Czech Republic	Aa3	AA-	AA-
Slovak Republic	A2	A+	A
Poland	A2	A-	A-
Bulgaria	Baa1	BBB	BBB
Hungary	Baa2	BBB	BBB
Romania	Baa3	BBB-	BBB-



**Source:** Czech National Bank, 5.8..2022  
**Note:** Foreign Currency Long Term Sovereign Debt Ratings

# Average gross monthly wage in Czech regions

2022, in EUR

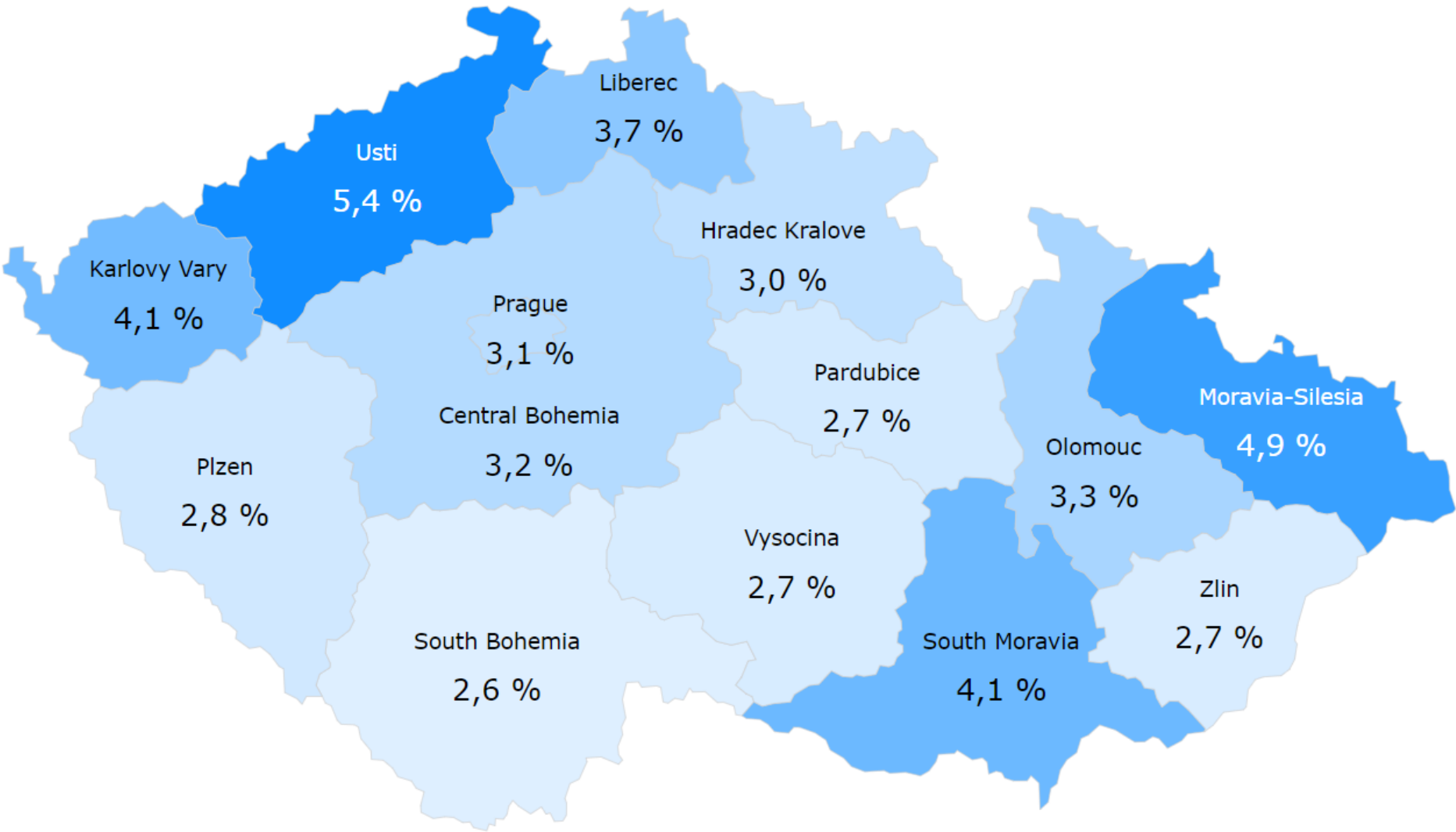


**1,641 EUR**

Czechia average

# Unemployment rate in Czech regions

June 2023



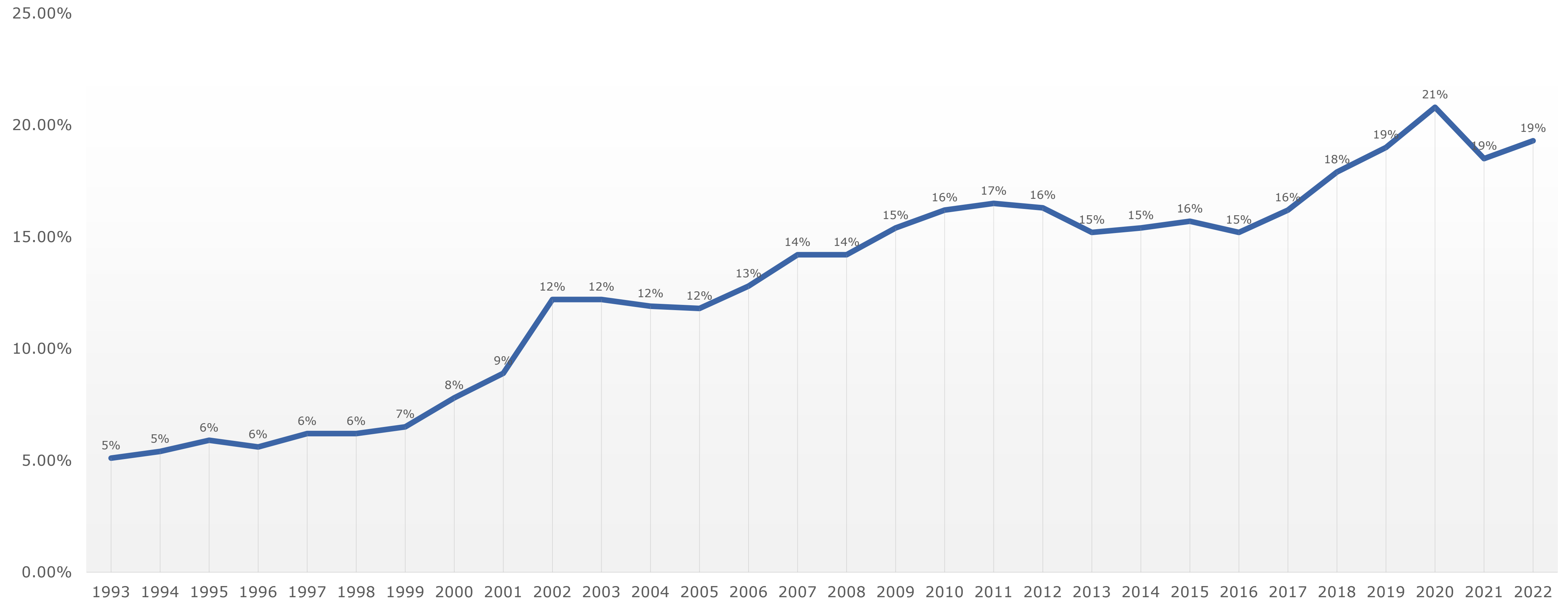
**3.5%**

Czechia average

**Source:** Czech Statistical Office, 2022  
**Note:** average exchange rate 1 EUR = 25.4 CZK (Q4 2021 average, Czech National Bank)

# Export of High-Tech Products

## % of Total Export



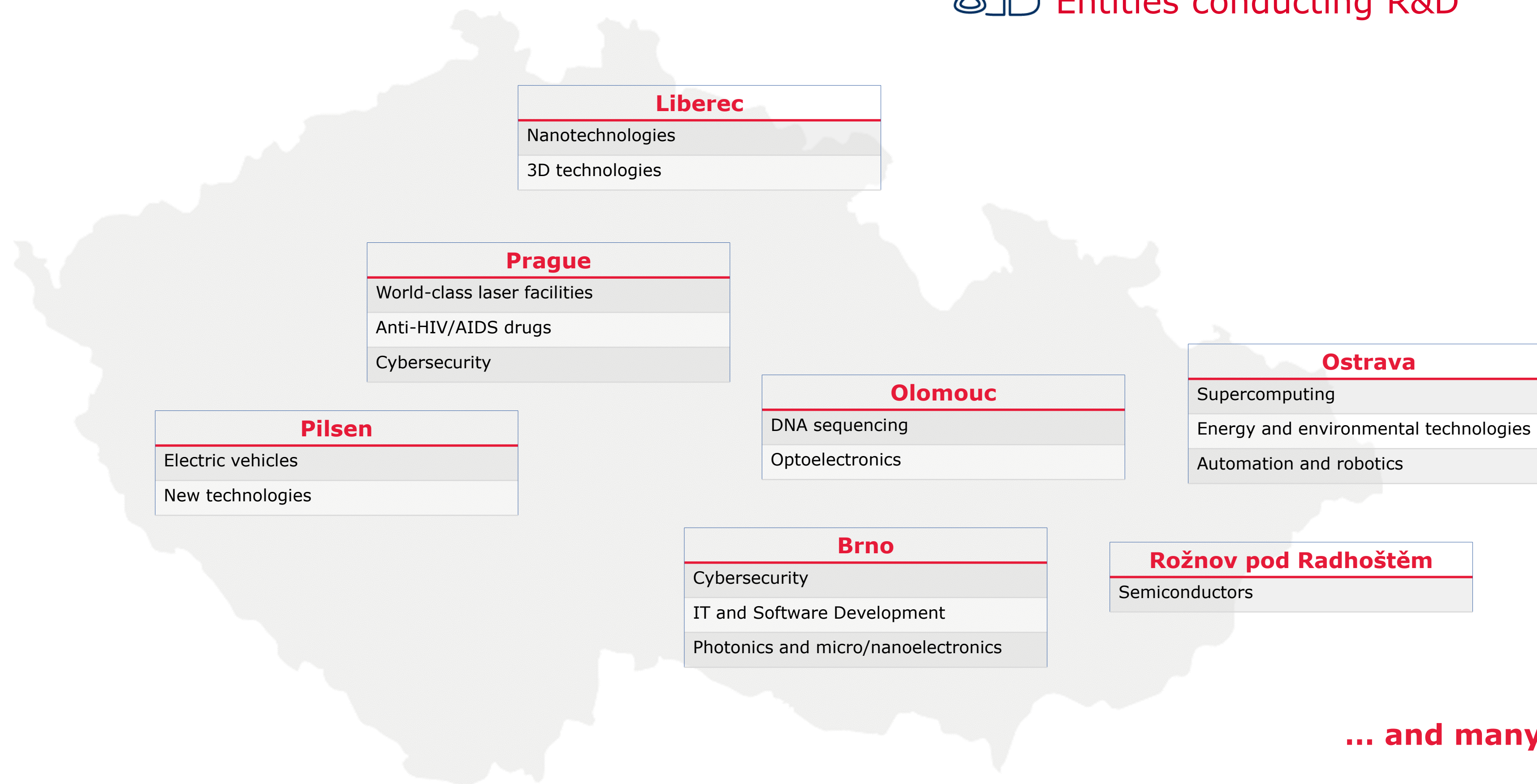
Source: Czech Statistical Office, 2023

# Czech strenghts in R&D



**3 000**

Entities conducting R&D



... and many more



# Semiconductor industry potential in Czechia

Electrical Engineering and Electronics Sector in Czechia



**15 000**

Companies



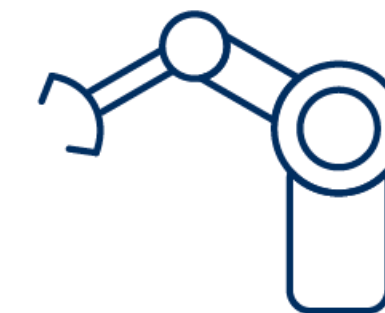
**19.67**

Bil. EUR revenues



**150 000**

Employees

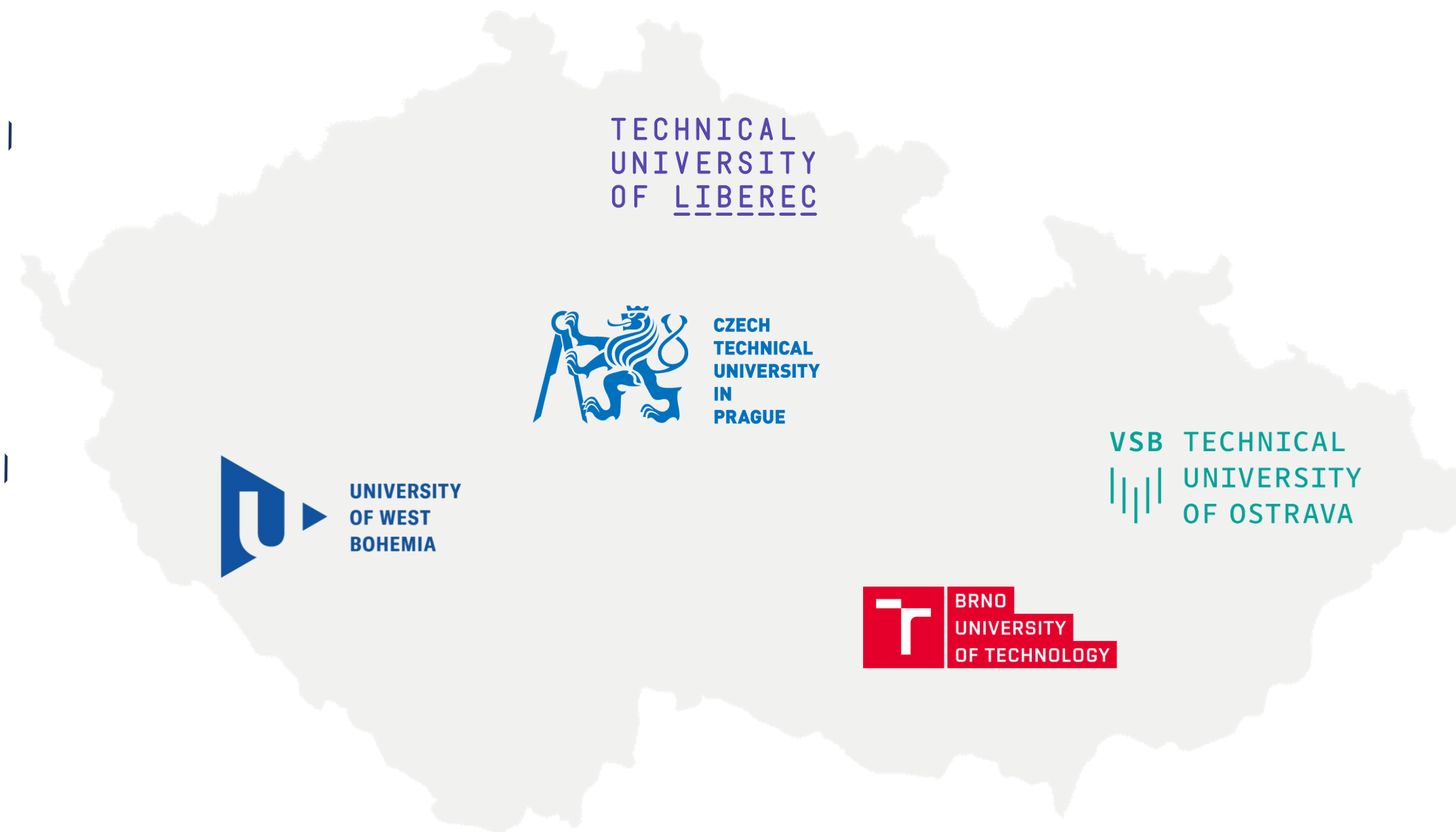


**2<sup>nd</sup>**

Biggest industry

# Technical education in Czechia

- ▶ Long-lasting tradition with modern facilities and close industry ties, providing a robust base of students with a strong foundation for innovation



**5**

Major technical universities

**60 481**

Students in technical fields

**12 068**

Graduates in technical fields

**29%**

Of students have technical education

Source: Ministry of Education, Youth and Sport, 2023



# Selected Taiwanese companies in Czechia



**II.**

# **Investment Incentives** in Czechia

# 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

# Types of investment incentives



**CORPORATE INCOME TAX  
RELIEF**  
up to 10 years



**JOB CREATION GRANTS**  
up to  
approx. 7,700 EUR per one job



**TRAINING AND RETRAINING  
GRANTS**  
up to 50% of training costs



**CASH GRANTS**  
on capital investment  
up to 20% of eligible costs

**New possibilities brought by the new EU  
Temporary Crisis and Transition Framework**

# Forms of support

## Technology Agency of the Czech Republic

- ▶ Period 2020-2027 TREND programme
- ▶ Allocated amount: EUR 620 million
- ▶ The project focus on the following areas:
  - Production technologies (advanced production technologies, advanced materials, nanotechnologies, industrial biotechnologies)
  - Digital technologies (micro and nanoelectronics, photonics, artificial intelligence)
  - Cyber technologies (security and connectivity)

## Operational Program Technologies and Application for Competitiveness (OP TAC)

- ▶ Operational Program for the period 2021–2027. The program follows up OP EIC (MIT)
- ▶ Allocated amount: EUR 3.2 billion
- ▶ The grants are for small and medium-sized enterprises but in selected priority activities a large enterprise can also apply
- ▶ It is possible to get subsidy everywhere in Czechia except Prague
- ▶ Areas: Research, development and innovation, digitization and digital infrastructure, business development, smart and sustainable energy and the circular economy

## Operational Program Just Transition Fund

- ▶ Program for the period 2021–2027
- ▶ Allocated amount: EUR 1.64 billion
- ▶ This program is only for three regions in Czechia: Karlovy Vary, Ústí and Moravia-Silesia
- ▶ The aim of the support is to enable regions to address the social, economic and environmental impacts of the transition from the coal mining industry.
- ▶ Areas: R&D, digitalisation, green energy, new land use, retraining



**III.**

# CzechInvest

## Introduction





Investment and business development agency

Business and Investment Development Agency 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

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



**30 years of  
CzechInvest**  
1992–2022

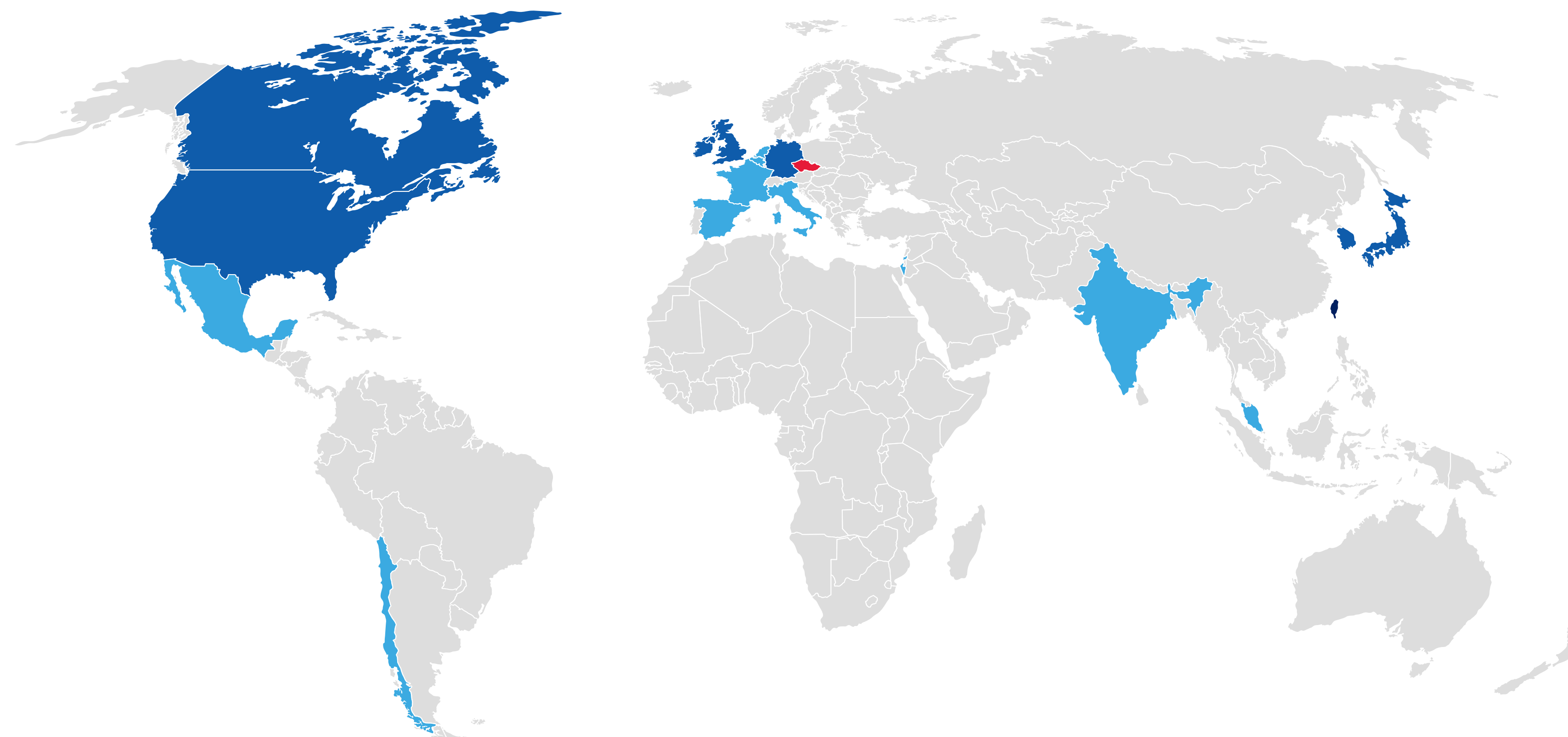
17

Source: CzechInvest, 2021

# CzechInvest

## Worldwide network

USA – San Francisco	
USA – New York	
Canada – Toronto	
VB & Irsko – London	
D-A-CH – Düsseldorf	  
Japan – Tokyo	
South Korea – Seoul	
Taiwan – Taipei City	
Italy – Milano	
Netherlands – Rotterdam	
Spain – Madrid	
France – Paris	
Izrael – Tel Aviv, Jerusalem	
India – Bengaluru	
Singapore – Singapore	
Chile – Santiago de Chile	
Mexico – Mexico City	



CzechInvest  
Together with the Czech Centre of MFA  
Together with CzechTrade

Source: CzechInvest, 2023

# CzechInvest

Regional offices



## CzechInvest

- ▶ 13 Regional offices
- ▶ 30 years experience and deep knowledge of the business opportunities and excellent ties in the regions

Source: CzechInvest, 2021



# Taiwanese investment projects mediated by CzechInvest

1993–2022



**33**

Approved projects



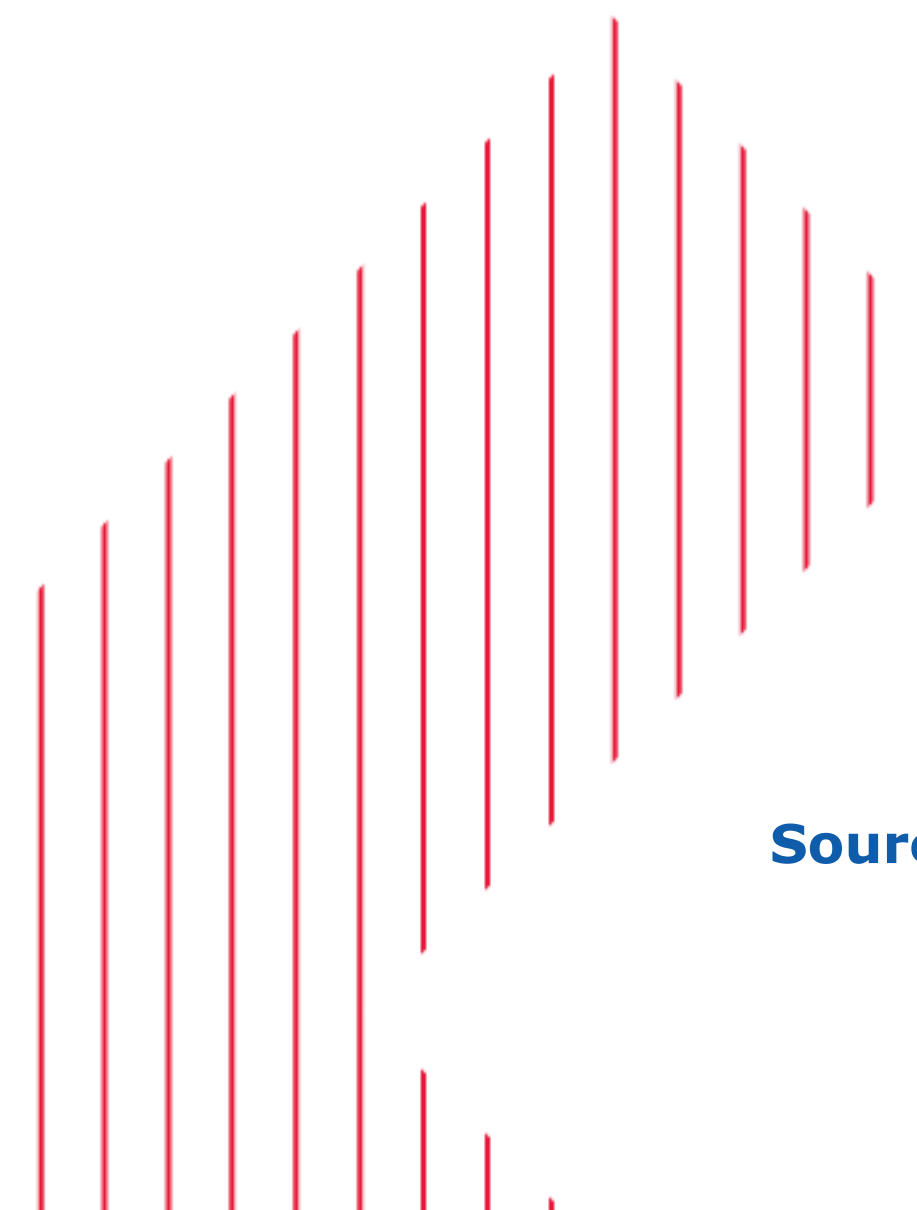
**24 386**

Number of new jobs



**897 (USD million)**

Expected total investment amount



# Investment opportunities

## Creative Industries

- Architecture and Public Space
- Design
- Non-Tech CCI
- Gaming
- Virtual and Augmented Reality
- Visualization

## HealthTech

- Medical Devices
- Pharmaceuticals
- Biotechnologies
- Digital technologies in healthcare
- Advanced materials in healthcare
- Healthcare research, development, services

## Mobility

- Autonomous driving
- Smart logistics & manufacturing
- Clean mobility
- Public transport
- Railway vehicles
- Mobility as a service
- Connectivity & digitalization

## AI and Digital

- AI
- Big Data
- Blockchain
- Digital connection and IoT
- Network security
- SW and HW development
- Data security and cloud services

## EcoTech

- Batteries and renewable energy sources
- Smart distribution networks
- Lightweight materials
- Industrial chemistry
- Technological reduction of pollution
- Sustainable industrial technology
- Sustainable food systems

## Space

- Remote sensing
- Satellite navigation
- Space security
- Microgravity and space exploration
- Advanced research in telecommunications systems
- Upstream

## Aerospace and Defense

- 5G networks
- Aircraft components and avionics
- Radar systems
- UAV/UAS (Unmanned Aerial Vehicle and Unmanned Aircraft Systems)
- Defence-related R&D
- Aircraft dev. and manufacturing
- Dev. and manufacturing of engines and auxiliary power units (APUs)

## Advanced Industrial Technologies

- Advanced machines
- Nanotechnology
- Advanced materials
- Robotics
- Innovative manufacturing technologies
- Micro and nanoelectronics
- Automation and digitalization



**IV.**

# **CzechInvest**

**Core services for investors and innovators**

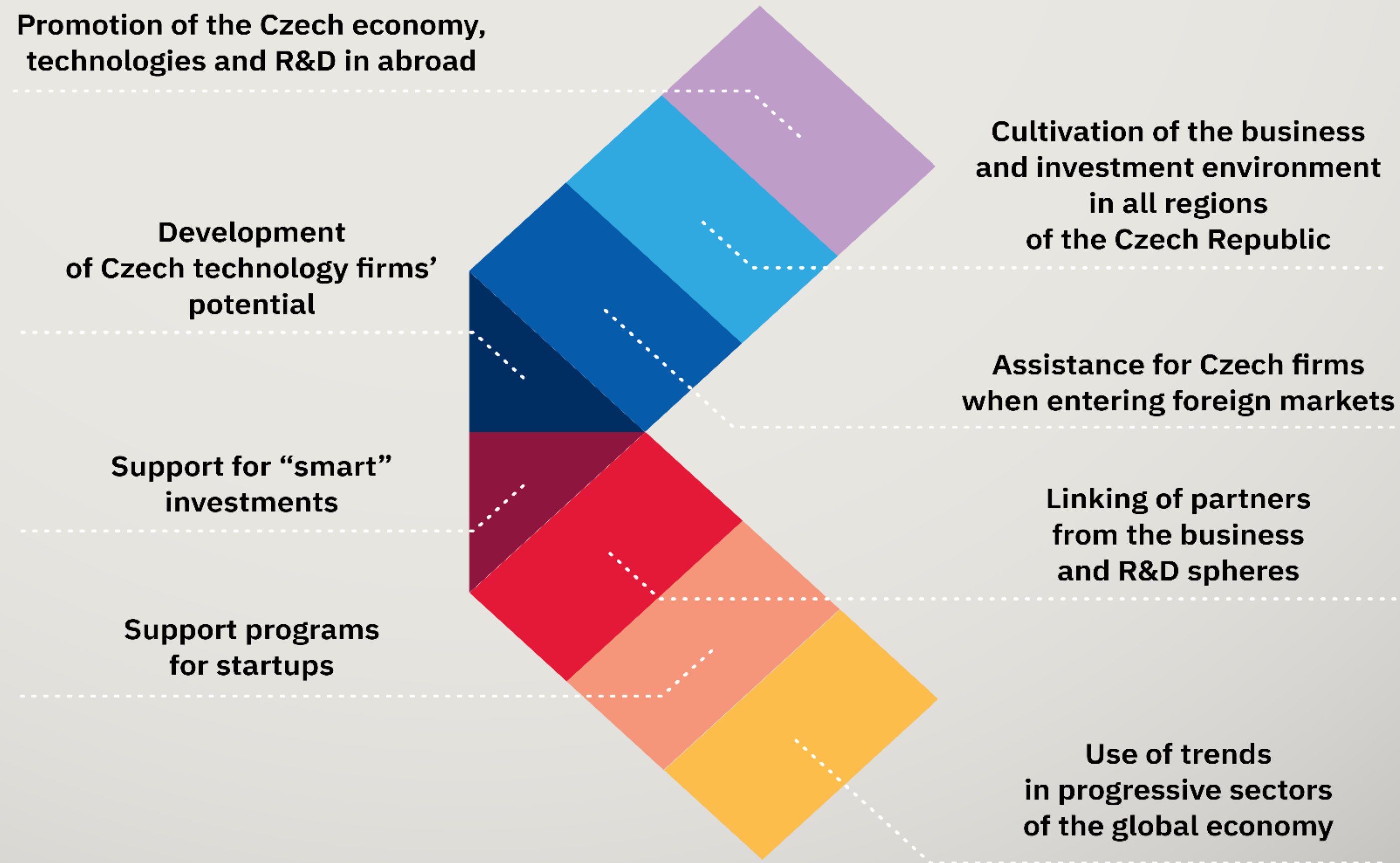
# CzechInvest and Startups

- ▶ Helping startups since **2011**
- ▶ Over **324** instances of project participation
- ▶ Sending **5** startups abroad each month on average
- ▶ **24 %** of startups received investments totalling more than CZK 1,877 million



Source: CzechInvest, 2023

## CzechInvest's activities and services



# What is Technology Incubation?

The aim of the program is to find and **support 250 innovative technology startups** and develop the **startup ecosystem** in the Czech Republic in progressive sectors.

## What it means:

- Systematic tailored assistance for innovative technology start-ups
- Individual approach to each applicant
- Pre-incubation option: support for potential applicants or help with the preparation of the application, including those interested in starting their own company
- Supporting the creation of corporate and academic spinoffs
- Cooperation with innovation centres across the Czech Republic
- Opportunities for collaboration and partnership within thematic hubs for established companies, academia and the public sector

TECHNOLOGY  
INCUBATION

CZECHINVEST



# Technology Incubation

## Supported technologies and sectors

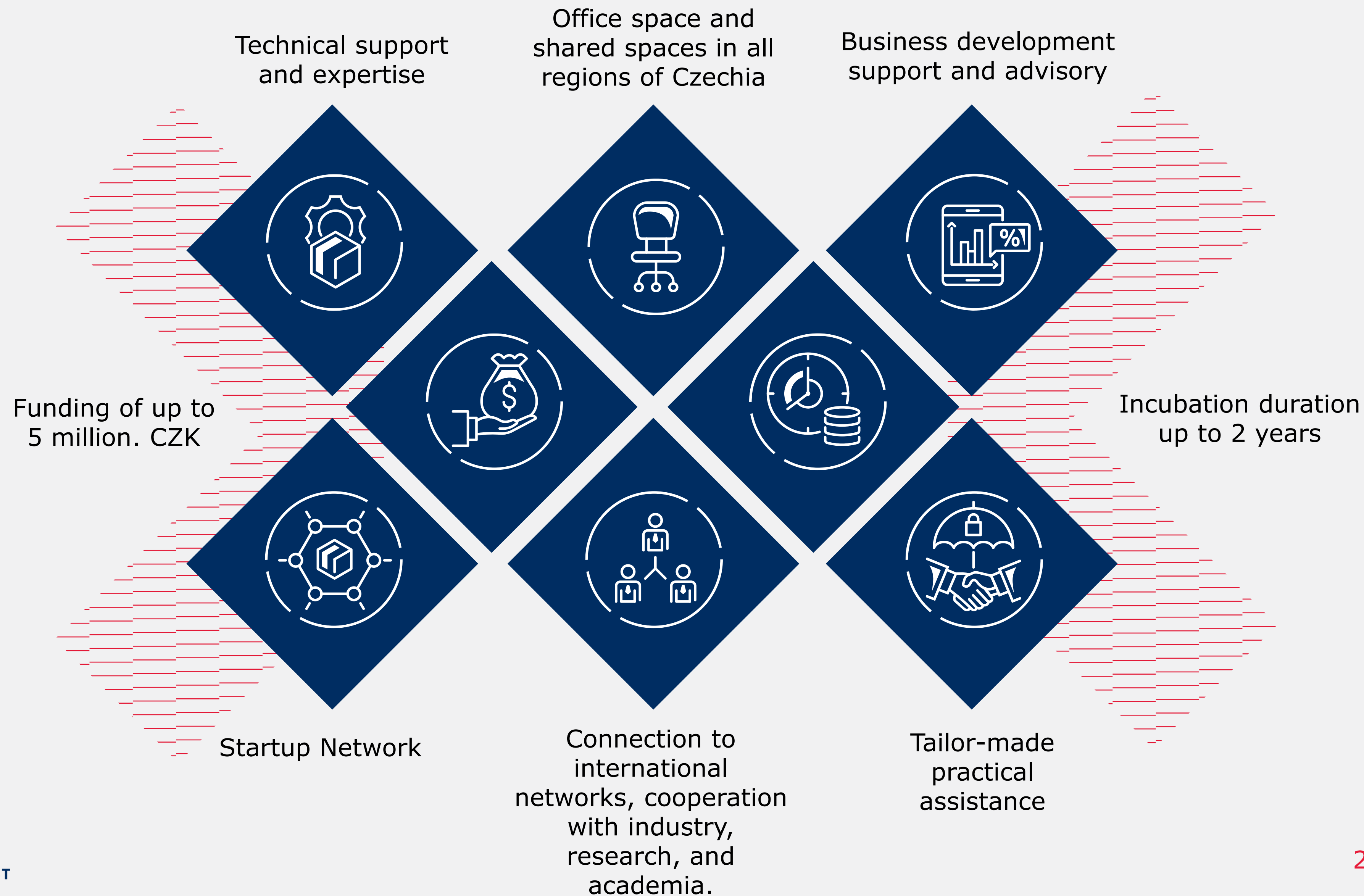
- ▶ MOBILITY INNOVATION HUB
- ▶ AI HUB
- ▶ ECO TECH HUB
- ▶ CREATIVE BIC

coming soon:

- ▶ SPACE HUB
- ▶ TECH4LIFE HUB
- ▶ ADVANCED TECH & MATERIALS



# What do we offer?



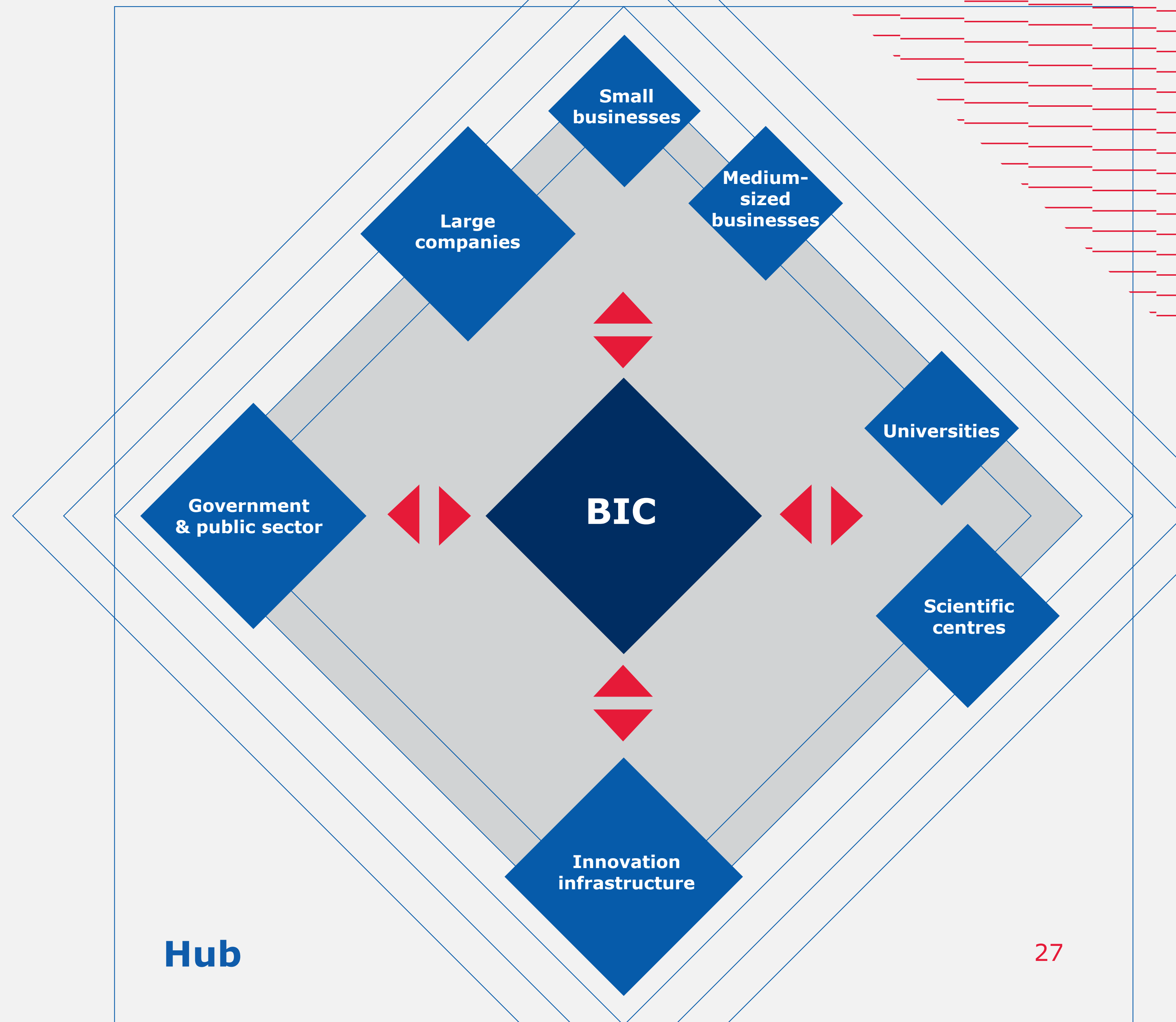
# Hubs and BICs

## More than incubation

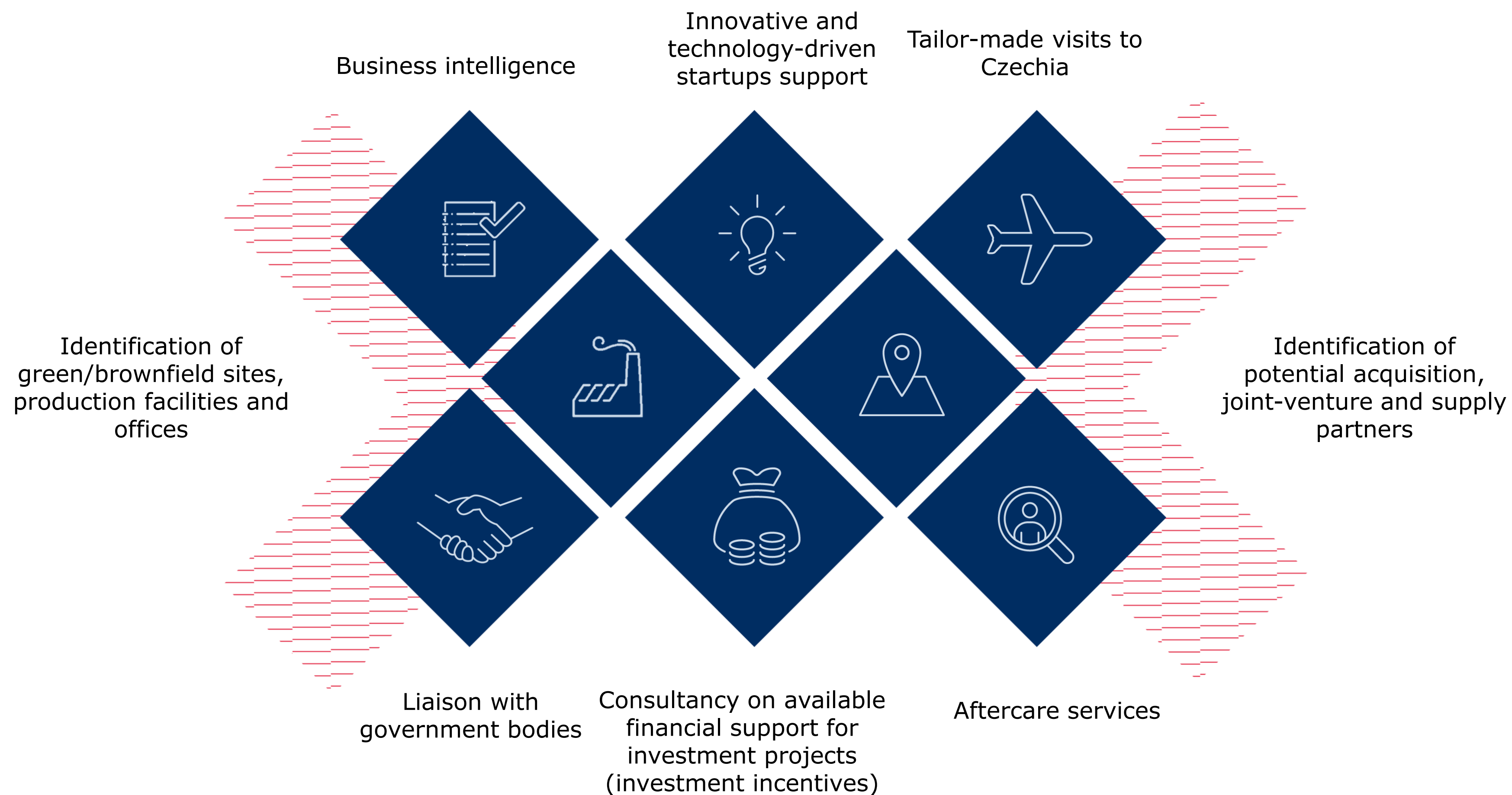
**BIC** = incubation and related services

**Hub** = networking and cooperation

- Cooperation
- Large companies
- Academia
- Government
- Expertise
- Internationalization
- Incoming delegations
- Legislation
- Development the business environment



# Our services for potential investors



# Business localization department services



Administration of the database of business properties, which is one of the most extensive of its kind in the Czech Republic, and administration of the **National Database of Brownfields**



Mapping and **identification of suitable locations** for the implementation of investment projects in individual regions of the Czech Republic based on the parameters of a specific project



Preparation of **real estate offers** for investors and organization of **site visits**

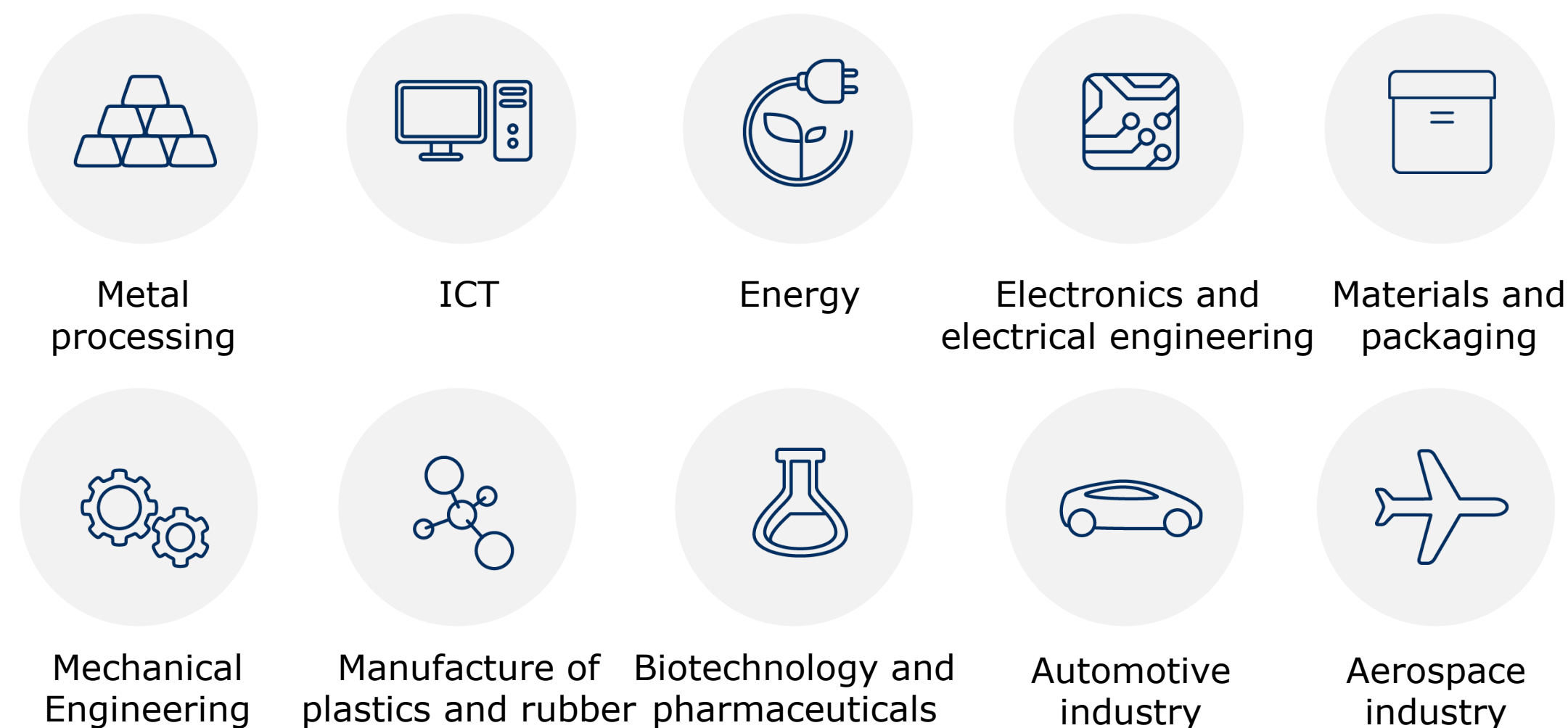


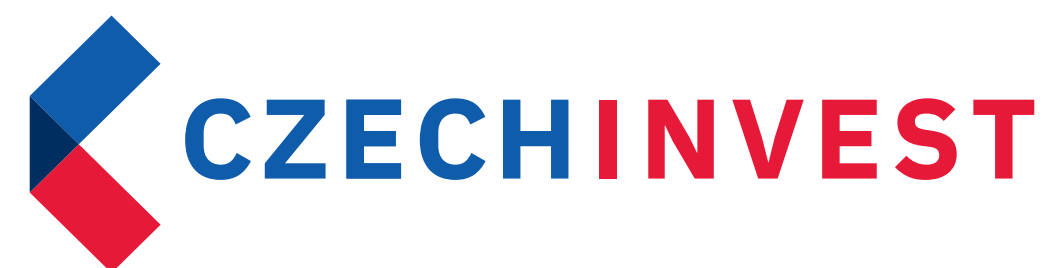
Obtaining relevant information on the business real estate market and providing consultations



# Sourcing department

- ▶ Supporting Czech suppliers
- ▶ Developing supply chains
- ▶ Supplier database with more than **3,600 potential suppliers**
- ▶ Generating Market Screens, an overview and **identification of potential suppliers** for companies
- ▶ Supplier Days





# Thank you!

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