

INVESTMENT OPPORTUNITIES

# Investment Climate in the Czech Republic

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## Foreword from the Minister of Industry & Trade

Dear Members of the Professional Community,

I am very pleased that the Czech Republic has recently made considerable advances in supporting investment and improving the business environment. The Czech Republic has been the leader in the Central European region in foreign direct investment inflow per capita since 1999. Foreign direct investment reached a record-breaking 8.963 billion Euro in 2002, which was the highest investment inflow in the history of the independent Czech Republic. This data is clear proof that the business environment has reached a high level and the Czech Republic is considered to be a region where investment projects can be successfully implemented.



Milan Urban,  
Minister of Industry and Trade

The comprehensive investment incentives scheme is one of the basic elements facilitating growth of the Czech economy. The Investment Incentives Act has clearly defined the framework and unambiguous rules for investment support. Its most recent amendment, called the Euro-amendment, regarding the approval procedure for granting incentives, was conceived upon agreement with the European Commission. After the accession of the Czech Republic to the European Union, the Investment Incentives Act has become one of the national state aid programs.

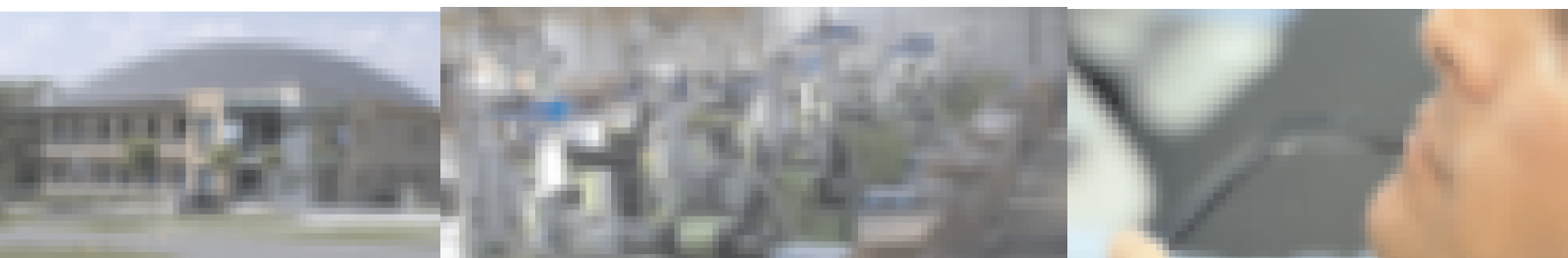
The investment incentives scheme also includes the Program to Support Industrial Zone Development, the Supplier Development Program and the Framework Program for Support of Technology Centres and Centres of Business Support Services. These programs are aimed at continual development of modern technologies and their orientation towards areas of strategic interest. As evidenced by the evaluation conducted, the investment incentives scheme has a substantial influence on the Czech economy by driving economic growth and facilitating the active employment policy.

To further upgrade the business climate a new Business Environment Development Council was established in February 2004. This council is an entirely new body of the Ministry of Industry & Trade and will be comprised of not only state officials but also representatives from the business community, employers, universities and other major institutions. The council aims at identifying the major business obstacles in the Czech Republic and suggests measures for eliminating them. By implementing the proposed measures the investment climate should become more attractive to both domestic and foreign companies and should increase the economic performance of the Czech Republic. The Ministry of Industry and Trade's aim is also to gain more and more investments into advanced technologies and business support services.

I believe, therefore, that the Czech Republic will enjoy a good reputation among investors as a safe and stable country to implement even the most daring projects by continuing to provide the best quality business facilities and conditions.

A handwritten signature in black ink, reading 'Milan Urban'.

Milan Urban, Minister of Industry and Trade



## Foreword from CzechInvest's CEO



Martin Jahn,  
Chief Executive officer

At the beginning of May the Czech Republic became a fully integrated part of the European economic zone. Comparative studies of the 10 accession countries clearly show that the Czech economy and Czech industry has a very good starting base as well as development and growth potential. For foreign investors this means a further guarantee and direction for developing the business environment in compliance with European economic and legislative standards.

CzechInvest, the Investment and Business Development Agency, is an agency of the Ministry of Industry & Trade whose services and development programmes contribute to attracting foreign investment and developing Czech companies. The Agency's mission is to support your investment activities to the highest level of competence not only through its information service and consultancy but also by linkage with structural funds of the European Union.

### Why invest in the Czech Republic?

**Investing in the Czech Republic has the following comparative advantages:**

- Strategic position in Central Europe, easy transport access
- Developed transport and telecommunications infrastructure
- Highly developed technical base
- Highly educated work force. Good access to technically educated university graduates
- High innovation potential of its people, suitable potential for R&D projects
- Positive approach of the Czech Government. Investment incentives have been regularly harmonized with EU legislation from the very beginning

### What we offer:

**Foremost we offer highly qualified and comprehensive service in these fields:**

- Assistance in implementing investment projects
- Procurement of investment incentives from the state
- Aftercare services for foreign investors already operating in the Czech Republic
- Reinvestment support
- Database of industrial properties
- Database of Czech suppliers
- Implementation of EU business support programmes

Whether you seek to better serve customers throughout Europe, significantly improve profitability, more effectively provide R&D support globally or, indeed, wish to more competitively source products and services, then this publication, which underlines the benefits the Czech Republic offers, is an excellent starting point. To fully quantify these benefits please contact the CzechInvest office nearest you. I am confident that you will experience why we live up to our reputation in terms of satisfying or surpassing customer expectations.

Martin Jahn, Chief Executive Officer

## Basic Data on the Czech Republic

“The Czech Republic is a rising star in the region due to its competitive infrastructure costs, stable business environment and particularly strong education system.”

Source: A.T. Kearney's 2004 Offshore Location Attractiveness Index

The Czech Republic is a fully-fledged parliamentary democracy, one of the most advanced transition economies and one of ten new members joining the European Union on 1 May 2004. Economic policy is consistent and predictable. The Czech Republic was the first CEE country to be admitted into the OECD. The country is a member of NATO and is fully integrated into other international organisations such as the WTO, IMF and EBRD. EU legislation has been adopted in preparation for EU accession. Commercial, accounting and bankruptcy laws are compatible with Western standards. The Czech koruna is fully convertible. All international transfers (e.g. profits and royalties) related to an investment can be carried out freely and without delay.

The Czech Republic has attracted a large amount of foreign direct investment (FDI) since 1990, making it the most successful transition country in terms of FDI per capita. Foreign direct investment in all sectors and from all countries is welcomed and there are no restrictions on the level of investment or ownership.

### Key information on the Czech Republic

Area	78,860 km
Population	10.2 million
Labour	5.1 million
Capital	Prague
Language	Czech
Major cities (population)	Prague (1,181,000), Brno (382,000), Ostrava (320,000), Plzeň (167,000), Olomouc (102,000), Ústí nad Labem (95,000), Liberec (99,000), Hradec Králové (98,000), Pardubice (91,000), České Budějovice (98,000)
Time zone	GMT +1, summer time GMT +2

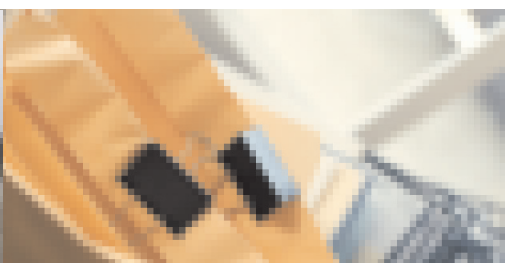
Source: Czech Statistical Office

### Indicators

Indicators	1997	1998	1999	2000	2001	2002	2003	2004	2005
GDP (constant prices 1995, %)	-0.8	-1.0	0.5	3.3	3.1	2.0	2.9 <sup>b)</sup>	2.8 <sup>c)</sup>	3.2 <sup>d)</sup>
Long term interest rates (governm. bonds, %)	10.53	12.12	7.57	6.77	6.35	4.94	4.2 <sup>b)</sup>	4.8 <sup>c)</sup>	5.0 <sup>d)</sup>
Trade balance (GDP, %)	-9.2	-4.6	-3.5	-6.1	-5.4	-3.1	-2.7 <sup>c)</sup>	-2.4 <sup>c)</sup>	-1.8 <sup>d)</sup>
Average inflation rate (%)	8.5	10.7	2.1	3.9	4.7	1.8	0.1 <sup>c)</sup>	3.1 <sup>c)</sup>	NA
Rate of unemployment (average, %)	4.29	6.04	8.54	9.02	8.54	9.16	9.9 <sup>b)</sup>	10.3 <sup>c)</sup>	10.4 <sup>d)</sup>

Prelim. <sup>a)</sup>  
 Estimate <sup>b)</sup>  
 Forecast <sup>c)</sup>  
 Outlook <sup>d)</sup>  
 NA = not available

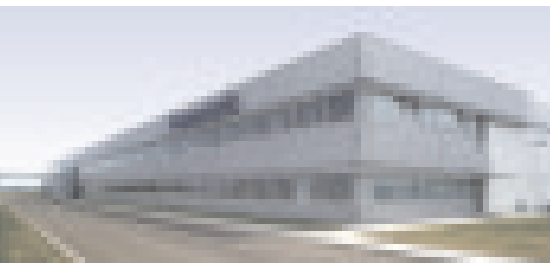
Source: Ministry of Finance, January 2004



## Major Investors in the Czech Republic

The change in the structure of foreign direct investment shows the new trend in the Czech Republic - demanding projects in the fields of research, development and shared services are rapidly increasing. New investors as well as those companies that formerly only came with a production programme are now transferring their higher added value development activities - technology centres or business support services centres.

Siemens - one of the major employers in the country - runs not only production facilities but also technology centre and shared service centre in the Czech Republic.



Major Investors in the Czech Republic

Sector	Investor	Country of origin
Technology Centers	Panasonic	Japan
	Honeywell	USA/Germany
	Mercedes Benz Engineering	Germany
	Rieter	Switzerland
	Valeo	France
Business Support Services	Rockwell	USA
	DHL	Germany
	Accenture	USA
	IBM	USA
	Exxon Mobil	USA
	Siemens	Germany
Electronics	Tesco	UK
	LG.Philips	The Netherlands/South Korea
	Panasonic	Japan
	Siemens	Germany
	Foxconn	Taiwan
	TYCO Electronics	USA
High Tech Engineering	Celestica	Canada
	ABB	Sweden and Switzerland
	Parker Hannifin	USA
	Ingersoll Rand	USA
	Siemens	Germany
	Honeywell	USA
Life Sciences & Healthcare	Daikin	Japan
	Baxter	USA
	Lonza	Switzerland
	Arrow	USA
	Mölnycke	Sweden
	Kimberly-Clark	USA
Automotive	Procter&Gamble	USA
	Volkswagen	Germany
	Toyota / PSA	Japan / France
	Robert Bosch	Germany
	Denso	Japan
	TRW Automotive	USA
	DaimlerChrysler	Germany/USA

Source: CzechInvest, 2004



# European Union Membership

The Czech Republic joined the EU on May 1, 2004. The EU countries represent some 70% of the total market for Czech-based manufacturers. Czech based firms are able to serve the world's most populated consumer market without any barriers and will benefit from all freedoms of the European common market.

## VAT

The new Act on Value Added Tax introduces a reduction in basic tax rates from 22 % to 19 %. The tax classifications of products and services will also change - many from the reduced five percent rate to nineteen percent.

## Corporate income tax

The amendment to the Income Tax Act came into force on January 1, 2004. Corporate income tax payers will pay the reduced rates of 28% in 2004, 26% in 2005 and 24% in 2006.

## Customs duty

Starting on the first day of EU membership, routine customs checks of the movement of goods across internal borders, i.e. the common border with other member states, are abolished. Since the Czech Republic will not have an external EU border, routine checks of the movement of goods across the state border for customs and tax purposes will be maintained only at the international airports in Prague (Ruzyně), Brno, Karlovy Vary and Ostrava. Goods will be freely transported across internal EU borders.

## VISA

### EU member countries

Free movement of people has been agreed between all current EU member countries plus Norway, Iceland, Liechtenstein and Switzerland. This means the possibility of working in all these countries without a visa or work permit. Regarding new EU member countries (including the Czech Republic), free movement of people can be limited in certain ways in the first years after EU accession.

As of now the Czech Republic is not going to impose any restrictions on free movement of people against any of the EU member countries. Starting May 1st, EU citizens are allowed to stay and work in the Czech Republic without visas and work permits. They are only required to register with the local Foreigners' Police.

### Non-EU countries

In principle, there are no significant changes in procedures for obtaining visas and work permits after EU accession.

# Investment Climate in the Czech Republic

## “Enjoy the country and make money”

Chris Garlic, Financial director of Logica CMG CEE about the Czech Republic

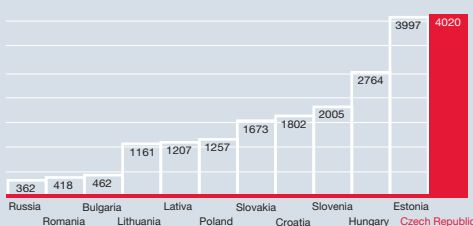
## Inflow of foreign direct investment

The Czech Republic is one of the most successful transition economies in attracting foreign direct investment. Over 99,000 Czech firms across all sectors are now supported by foreign capital. Since 1990 approx. USD 40 billion worth of foreign direct investment (FDI) has been recorded.

The introduction of investment incentives in 1998 has stimulated a massive inflow of FDI into greenfield and brownfield projects. Recent amendments to investment incentives legislation have further eased access to state support and the implementation procedure. In 2002 the Czech Republic attracted over USD 8.4 billion in FDI, the highest annual figure since the start of economic and political transformation.

## FDI Stock per capita as of 2003 - estimate

in EUR



Source: WIIW, Wiener Institut für internationale Wirtschaftsvergleiche, February 2004

Measured on a per-capita basis the Czech Republic has become by far the most successful country in attracting FDI in Central Europe in recent years. According to recent estimates, from 3 to 5 billion dollars on average should annually flow into our country up until the year 2010.

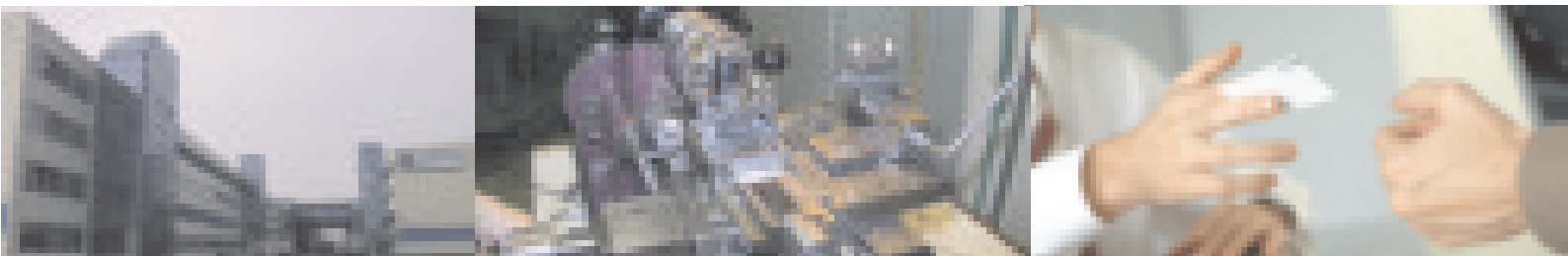
All state-owned companies fall under the control of the National Property Fund. There are still some strategic companies scheduled for privatisation. In most of these companies, the state owns a minority stake. These firms will only be sold via public tenders and public auctions.

## Performance of foreign companies in the Czech Republic

The Czech Republic hosts subsidiaries of over 1,600 foreign manufacturing companies of all sizes. Famous multinational companies such as ABB, Continental, Danone, Ford, Panasonic, Nestlé, LG.Philips, Phillip Morris, Procter & Gamble, Renault, Siemens, Tyco, Honeywell and Volkswagen have substantial manufacturing subsidiaries in the Czech Republic.

Foreign-backed manufacturers are now estimated to:

- represent 48% of total production
- produce 72% of all Czech manufactured exports
- directly employ 338,000 people in the Czech Republic

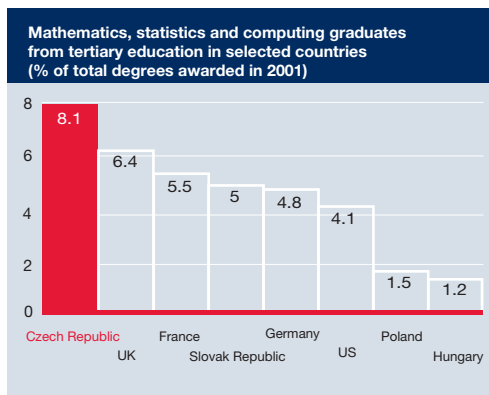




# Reasons to Invest in the Czech Republic

## Main reasons:

- stable economic performance
- highly skilled labour force
- high share of secondary and tertiary education within the population
- favourable labour costs and price stability
- codified system of investment incentives
- safe investment environment
- compact and high-quality infrastructure
- responsible attitude and approach by government
- mentality, culture and attitude close to western countries
- EU membership



Source: Education at a Glance, OECD Indicators, 2003

The structure of the FDI inflow in the Czech Republic has been substantially changing and the trend is expected to strengthen in the forthcoming years. The Czech Republic is experiencing the introduction of a new, very valuable type of economy, which is based not on the traditional processing of resources, but on the knowledge of the people.

## Central position in Europe and improving transport links

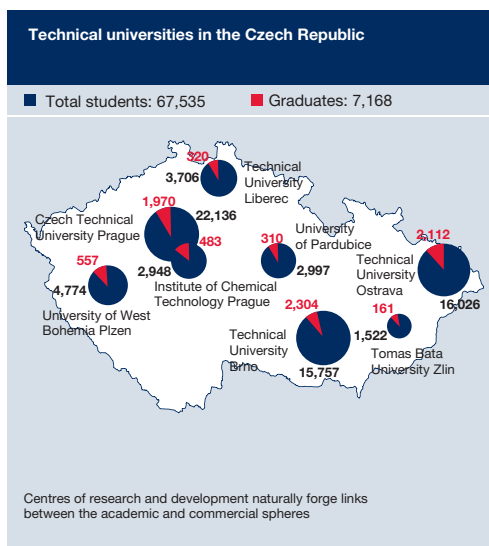
The Czech Republic has a strategic location in the centre of Europe with very good access to established western and emerging eastern markets. The highway network (55,427 km of first class road and highways), already the densest in Central and Eastern Europe, is planned to double by 2007 and several rail modernization projects are currently underway to link the Czech Republic with the pan-European network of high-speed trains (9,523 km of railways; higher density than the EU average).

## Well-educated, skilled and flexible workforce

The Czech Republic can provide manufacturers with impressive productivity levels and highly skilled labour. According to a 2001 OECD study, the percentage of students graduating in scientific and technical fields is one of the highest in the world. The availability of technically educated graduates at a fraction of the cost of western labour creates an outstanding environment for both manufacturing and R&D related companies. In the school year 2003/2004, there were approximately 68,000 technical orientated students.

## Proven Research & Development capabilities

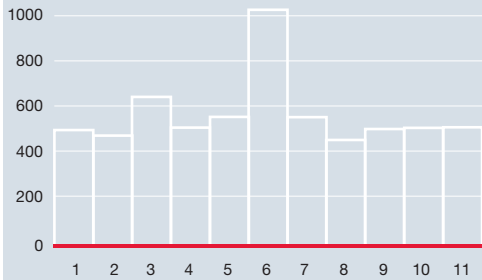
The Czech Republic spends more resources on Research & Development than many of its competitor countries. Many multinationals are running Czech R&D or design centres, including Panasonic, Honeywell, Mercedes-Benz, Motorola, Rockwell Automation, ThermoKing and Visteon. Czech scientists are behind some of the world's well-known discoveries and patents, such as soft contact lenses, the Nobel-prize-winning scientific method of polarography, and anti-HIV drugs (cidofovir (Vistide®) and tenofovir (Viread®)) to name but a few.



Source: Institute for Information on Education, 2003



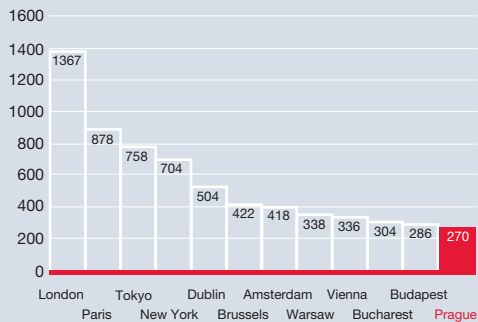
Average monthly wages in the Czech Republic in 2003



- 1 Mining and quarrying
- 2 Manufacturing
- 3 Electricity, gas and water
- 4 Construction
- 5 Transport, storage and communications
- 6 Financial intermediation
- 7 Real estate, renting and business activities
- 8 Education
- 9 Business sphere total
- 10 Non-business sphere total
- 11 Czech Republic Total

Source: Czech Statistical Office, 2004

Office space EUR sqm/year



Source: Cushman Wakefield Healey Baker, 2004

## Investment incentives and other business support measures

The Czech Republic offers investment incentives both to new incoming and already established investors, irrespective of their ownership. The investment incentives are offered for manufacturing and technology centres & business support services (see pg. 10).

## Well-developed domestic supply base

The Czech Republic has a long industrial heritage and a wide industrial base. Indeed, Czechoslovakia had the seventh-highest GDP in the world between the two world wars. Though much of that lead was lost during 1948-1989, the isolation of Czechoslovakia from the international markets during that period paradoxically ensured that the Czech Republic has maintained a wide industrial supply base.

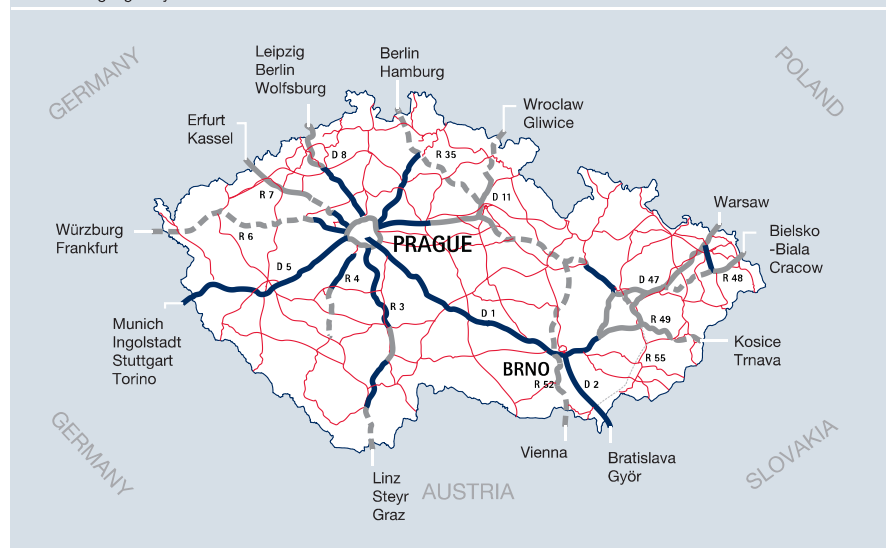
## Highly developed property market

Thanks to the continued interest of real estate investors the Czech Republic can offer a highly developed and dynamic real estate market. Office space is growing steadily while the availability of space for production facilities has been boosted by a major government programme designed to support the development of municipal industrial properties and zones.

## High-quality infrastructure

Infrastructure in the Czech Republic

Existing highways 2006 2011 Other roads



# CzechInvest's Services

**The main objective of CzechInvest, the Investment and Business Development Agency, is to advise and support existing and new entrepreneurs and foreign investors in the Czech Republic.**

CzechInvest, the Investment and Business Development Agency, 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 programmes. CzechInvest also promotes the Czech Republic abroad and acts as an intermediary between the EU and small and medium-sized enterprises in implementing structural funds in the Czech Republic.

CzechInvest is exclusively authorized to file applications for investment incentives at the competent governing bodies and prepares draft offers to grant investment incentives. Its task is also to provide potential investors current data and information on business climate, investment environment and investment opportunities in the Czech Republic.

## **CzechInvest's services**

**(All CzechInvest's services are free of charge)**

- Comprehensive services for investors
- Handling of investment incentives
- Business properties identification
- Supplier identification
- Aftercare services
- Business infrastructure development
- Access to structural funds

## Investment Incentives

### Statistics - Technology Centres

CzechInvest accepted 31 projects	
10 received a Decision	
Investment	2 568 mil. CZK (103 mil. USD)
Training and re-training	592 mil. CZK (24 mil. USD)
Newly created jobs	1 958
of which university graduates	1 394

Source: CzechInvest, 23rd April 2004

The Czech Republic offers both new and existing investors investment incentives and business support through several schemes.

The most attractive incentives package is the National Investment Incentives Scheme offered by the government to investors in manufacturing facilities and to business support services and technology centres.

Companies not eligible for any of the above can apply for other business support measures. These include support for SMEs, grants from local labour offices, tax relief, access to EU funds and regional aid.

### Statistics - Business Support Services

CzechInvest accepted 14 projects	
6 received a Decision	
Investment	6 863 mil. CZK (275 mil. USD)
Training and re-training	3 838 mil. CZK (154 mil. USD)
Newly created jobs	6 221
of which university graduates	3 550

Source: CzechInvest, 23rd April 2004

## Technology Centres and Business Support Services

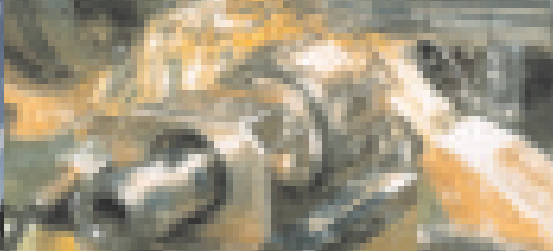
In order to strengthen the Czech Republic's position as an information and technology hub in the Central European region, the Czech government also supports investment into services and development activities (in particular customer contact centres, shared services centres, including the regional headquarters of multinational companies, software development centres, expert solution centres for information and telecommunication technologies and high-tech repair centres) as well as innovation activities (technology centres that are closely related to manufacturing).

On the basis of a Government Decree, the Framework Programme for Support of Technology Centres and Centres of Business Support Services offers the following incentives:

### Forms of support

Subsidy to business activity	up to 50% of eligible business expenses (wage or capital expenditure on tangible and intangible assets), paid during the period of maximum 10 years, up to the state aid ceiling
Subsidy for training and re-training	up to 35% (30 % in Prague) of special training costs and 60% (55% in Prague) of general training costs, paid during the period of maximum 3 (5) years, depending on the total number of new jobs created. The maximum training subsidy is 100,000 CZK (150,000 CZK) per employee, depending on the total number of new jobs created.





#### Eligibility criteria according to type of project

Type of project	technology centres	call-centres
	software development centres	high-tech repair centres
	expert solution centres	shared services centres
	regional headquarters	(except headquarters)
Minimum investment	CZK 15 mil. (approx. EUR 500 000)*	CZK 30 mil. (approx. EUR 500 000)*
Minimum number of newly created jobs	15	50
Amount recipient must finance with own resources	CZK 7.5 mil. (approx. EUR 250 000)	CZK 15 mil. (approx. EUR 500 000)
Linkage with production (relevant for technol. centres only)	The results of the technology centre should be materialized in production	

\* exchange rate used 1 EUR = 30CZK

## Manufacturing sector

The Investment Incentives Act is valid as of 1st May 2004 and offers both Czech and foreign investors who are introducing new production or expanding existing production the following incentives:

#### Statistics - Manufacturing

Investors have received	164 incentives
Total investment	240 556 mil. CZK (9 622 mil. USD)
Direct jobs created	50 173
Applications from further 69 firms are currently being processed	

Source: CzechInvest, 23rd April 2004

#### Forms of incentives

Tax incentive	Corporate tax relief for up to 10 years for new companies
	Partial tax relief for up to 10 years for existing companies
Job creation grants	Financial support for creation of new jobs
Training and retraining grants	Financial support for training and retraining of new employees
Site support	Provision of low-cost land and/or infrastructure

Manufacturing investors investing into new production or the expansion of the existing production a minimum of 200 million CZK (approx. EUR 6.7 mil) into long-term assets (for specified areas experiencing high unemployment the limit is reduced to 150 mil CZK (approx. EUR 5 mil) and 100 million CZK (approx. EUR 3.3 mil), and meeting further criteria listed in the Act (40% of total investment shall go into machinery, half of the minimum investment amounts covered by the equity of the investor, etc.) may currently apply for any or all of the above incentives.

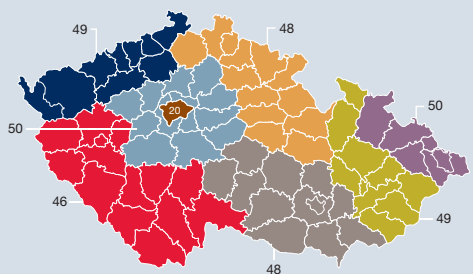
The Investment Incentives Act is continuously discussed with the European Commission and follows European rules on state aid. The actual aid available to each project is calculated as a percentage of the total value of the actual investment.

**CzechInvest is the sole body where the investor can apply for investment incentives.**

The total amount of investment incentives (with the exception of training and re-training) must not exceed 50% of the investment.

#### Max. ceiling of state aid 2002 – 2006 in %

North-west	South-west	Central Bohemia
South-east	Central Moravia	Moravia-Silesia
Prague	North-east	



## Supplier Development Programme

CzechInvest's Supplier development programme is designed to improve the links between Czech suppliers of components and services and foreign-backed manufacturers operating in the Czech Republic.

### The programme consists of:

- Collection and distribution of information about Czech component suppliers
- Meetings between individual foreign investors and potential Czech suppliers
- Upgrading selected Czech suppliers

The Twinning Programme focuses on suppliers for the automotive and aerospace industry, pharmaceuticals and medical equipment. It is expected that companies accepted for the upgrading process will either be active in key target sectors or supplying components and services that can be utilised across a wide range of sectors.

**E-mail: [suppliers@cezchinvest.org](mailto:suppliers@cezchinvest.org)**

## Business Properties and Industrial Zones

The growing inflow of foreign investment into the Czech Republic has increased the demand for well-developed and serviced industrial property. The Czech Government actively promotes industrial zone development. A database of industrial sites and buildings in the Czech Republic is available on our website [www.czechinvest.org](http://www.czechinvest.org). The programme for support of industrial zone development has four forms of support.

### Preparation of industrial zones

This support is to prepare companies for investment construction in manufacturing sectors & business support services/technology centres to enable the Czech Republic to withstand competition on the international FDI market.

### Regeneration of industrial zones

This support is to restructure Czech industry by replacing old manufacturing operations with new types of production with high added value and large export potential.





## Construction and reconstruction of production halls

Halls can be leased to modern manufacturing companies that create new manufacturing jobs, expand the number of available sites in the Czech Republic suitable for modern industrial production, and intensify support for industrial zones by using private sector capital.

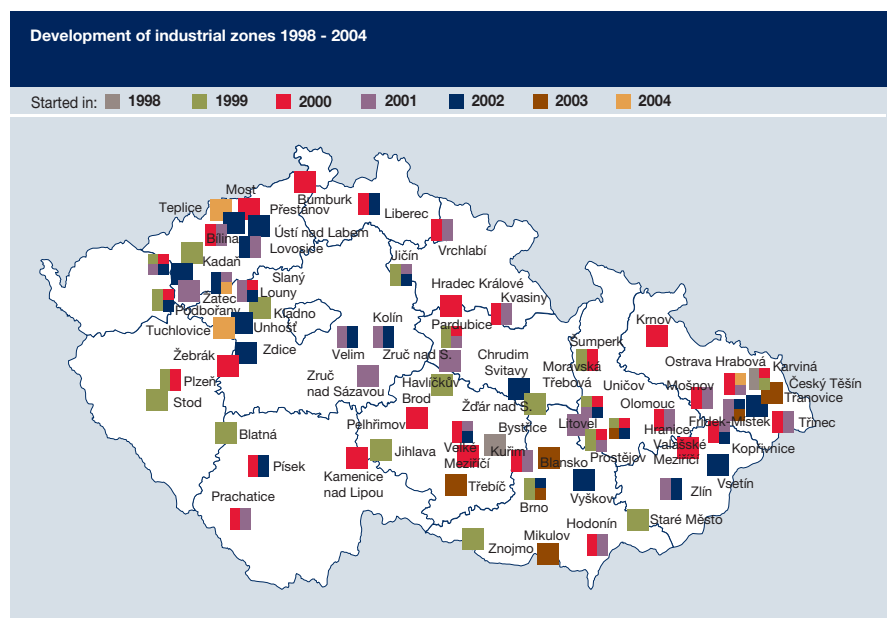
## Accreditation of industrial zones

By establishing qualifications and technical requirements to ensure professional management of industrial zones, their competitiveness and occupancy is increased. The result is a better use of state funds and the establishment of proper conditions for choosing a site when an investment plan is drafted.

## Support to industry and business

A new programme eligible for financing from the structural funds of the EU is focused on development of the country's business infrastructure. Support under this Programme will be available for land development and leasing of non-residential real estate.

**E-mail: [regiony@czechinvest.org](mailto:regiony@czechinvest.org)**





## EU Structural Funds and Phare

In connection with accession of the Czech Republic to the EU (May 1, 2004), the Czech Republic will have the possibility to draw from the Structural Funds of the EU. There are 5 operational programmes - Industry and Enterprise, Infrastructure, Rural Development & Multifunctional Agriculture, Human Resources Development and the Joint Regional Operational Programme. Within those programmes, SMEs and municipalities, institutions and many other organizations may ask for financial assistance for their projects from Structural Funds.

In addition, the CR is still allowed to draw financial resources from Phare 2003. This programme aims to support and develop SMEs together with introducing new technology into companies and production. The last call of Phare 2003 in the Czech Republic started on April 30, 2004.

**E-mail: [programy@czechinvest.org](mailto:programy@czechinvest.org)**

## Support to Small and Medium Size Enterprises

Most government programmes to support SMEs using funds from the state budget are offered through the Czech-Moravian Guarantee and Development Bank, which in this case is mostly loans or guarantees. The complete text of these individual programmes can be found at [www.cmzrb.cz](http://www.cmzrb.cz) and [www.mpo.cz](http://www.mpo.cz).

The amendment to the Act on Small and Medium - Sized Enterprises resulted in the merger of three agencies of the Ministry of Industry & Trade into one agency: CzechInvest - the Investment and Business Development Agency. Its mission, in addition to attracting foreign investment and improving the business environment, is to support and develop the SME sector in the Czech Republic. CzechInvest is the implementation agency of the programme financed from pre-structural and structural funds of the EU to support business and investment. CzechInvest operates in each region through its 13 regional offices and can thus offer close cooperation with businesses operating in the regions.

**E-mail: [programy@czechinvest.org](mailto:programy@czechinvest.org)**





# Testimonials from Successful Investors

## Global R&D strengths

“We have had no problem finding young designers with the skills required to do detailed design work for Mercedes-Benz.”

Ronald Fink, Director of Mercedes-Benz Engineering

“Ingersoll Rand's division of Thermo King has had very positive experience over the last ten years with the extremely talented technical R&D and engineering personnel and industrious workforce in the Czech Republic. This experience has led the way for the further large investment of various Ingersoll Rand sectors into the Czech Republic.”

Lowell Naley, Vice President Engineering of Thermo King International

## Attractive location for business support services

“We ultimately chose the Czech Republic for its availability of a skilled and flexible labour force, well established and reliable telecommunications networks, good air links as well as for the optimum incentives package offered by the Czech Government, which was mediated by Ministry of Industry and Trade.”

Stephen McGuckin, Global CIO of DHL

“In little more than two years, the Prague centre has blossomed into a high quality facility. We're delighted because it enables Accenture to provide its clients with the very best BPO (business process outsourcing) services.”

John Osbaldeston, Director of the Accenture's Prague facility

## Record-breaking service delivery

“This is a world record programme... we have 26 television factories in the world and this was the shortest construction period of any of them.”

Masafumi Omoto, former Executive Director, Matsushita Television Central Europe

“The new production facility in the Czech Republic will enable our company to shorten its supply lines and maintain the highest possible standards of logistics performance to its customers.”

Gerard J. Kleisterlee, CEO, Philips Components Division,

## Quality & reliability

“Quality and reliable delivery are the most important factors for us. We are extremely satisfied with the quality of our products from the Czech Republic.”

Jochen Reif, Head of Purchasing, Siemens Automobilová Technika

“We are pleased to be expanding our operations in Brno where FEI has had excellent success with our highly qualified team. The Brno area offers highly qualified personnel and support resources, including a quality supply chain, for both high-tech manufacturing and research and development, coupled with an attractive cost structure. We intend to continue ramping up our capabilities in Brno quickly as part of our commitment to attain higher efficiencies and cost reductions.”

Vahe' Sarkissian, Chairman, President and Chief Executive Officer of FEI Company

## Beneficial investment climate

“In addition to manufacturing proximity, the government incentive program for new technology centers was key to Honeywell's decision. We are very pleased with the support CzechInvest is providing.”

Dan Sheflin, Honeywell Vice President of Technology for Automation and Control Solutions.

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## Partnership to support foreign direct investment in the Czech Republic

A joint project of the Association for Foreign Investment - AFI and CzechInvest, intended for stable companies that offer highly competitive services and products, aimed at supporting a competitive investment climate in the Czech Republic and creating good awareness about the Czech Republic abroad.

#### Main Partners



#### Partners



#### Supporting Partners



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Ministry of Industry and Trade

CzechInvest, the Investment and Business Development Agency, is an agency of the Ministry of Industry & Trade of the Czech Republic.