

The Czech Republic: Our future is in innovation



by *Bořek Lizec*

The year 2019 marked the 30-year anniversary of the Velvet Revolution. To commemorate the peaceful fall of the Communist regime in Czechoslovakia seems to be particularly relevant here in Canada. Canada and Czech Canadians helped create our country in 1918 and save it during the Second World War. During the Cold War, Canada stood by our nation again, accepting countless Czech refugees. Many of them not only excelled in their professions and made a significant contribution to the development of Canada, but also formed one of the most important centres of Czech exile. Over the past several decades, they helped keep Czech democratic traditions alive. Of course, Czech-Canadian entrepreneurs played an important role in the effort. Tomáš Baťa Jr. is a prominent example of that. In the 1920s, the First Czechoslovak Republic ranked among the Top-10 most advanced economies in the world with the Baťa Shoe Company being one of the symbols of the country's economic success. Baťa Jr., the son of the shoe empire's founder, moved the company's global headquarters to Canada during the Second World War and kept running it from here during the Cold War.

In November 1989, we embarked on a journey the crowds in the streets called "Back to the West." Important milestones on that journey were the Czech Republic's entry into NATO 20 years ago and into the European Union 15 years ago. Over the past 30 years, the country and its economic structure have changed dramatically. As early as 1995, we rejoined the world's most developed countries in the OECD. Our economy has become strongly export-oriented and our companies once again operate globally. For several years,



Prague is the economic and academic centre of the country.

the Czech Republic has ranked among the most stable and also fastest growing economies in the EU.

Our science has a long and remarkable tradition. Cell theory, blood types and contact lenses were invented or discovered by Czechs. Today, Czech scientists are again changing lives around the globe. The most effective compound to treat HIV was formulated by Antonín Holý. In addition, the city of Prague has become one of the world's most popular destinations. Our country attracts not only tourists, but also investors and academics.

The Czech Republic has paid close attention to building upon its historically close ties with Canada in all areas, including business and investment. In 2018, the volume of Czech exports to Canada reached \$447.3 million, which was largely made up of machinery such as turbines, road rollers or backhoes, as well as electronics, electrical machinery and equipment, iron and steel products (mostly train rails) and rubber and plastic products. In the same year, Czech imports from Canada totalled \$485.5 million. These consisted mainly of aircraft and spare parts, machinery, electronics, electrical machinery and equipment, aluminum and pharmaceutical products. We are convinced that the 2017 Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU will continue to have a positive impact on our bilateral economic co-operation.

Building on its economic tradition, the Czech Republic has been one of the most industrialized countries of the EU, with engineering (mostly in the automotive industry), machinery, and iron and steel production as its key sectors. Czech-Canadian co-operation has great potential, particularly in civil aviation and space technologies; information and communication technologies, with a specific focus on artificial intelligence and cybersecurity; the automotive industry, mainly the development of autonomous vehicles and electric vehicles, with a focus on battery performance; the agriculture and food industry and the railway industry.

Canada's efforts to combat climate change also bring significant export opportunities for many innovative Czech companies that are significant international players in the field of clean technology.

The Czech Republic has placed strong emphasis on innovation. A new innovation strategy for 2019-2030 has been adopted and expanding international co-operation, including co-operation with Canada, has been an important goal. The Czech Republic is among the world leaders in a number of highly innovative fields, such as physics, nano-technology, artificial intelligence and chemistry. Czech-Canadian research co-operation can be co-financed by several Czech and EU instruments. This year, the Czech Technology Agency issued a joint call for applications with its counterparts in Quebec and Alberta. We will continue to work with Canadian partners to grow opportunities for both companies and research institutions.

The organization and support of trade and research missions, both from and to the Czech Republic, have been strong ambitions of our team in Canada, which includes not only our embassy, but also the consulate general in Toronto, CzechTrade Calgary and seven honorary consulates. We look forward to working with our Canadian partners, including investors.

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