INVESTMENT OPPORTUNITIES

The Czech EE/Electronics Industry
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www.czechinvest.org
CzechInvest – Your One-Stop Shop for the Czech Republic

Introduction
Since its establishment by the Ministry of Industry and Trade in 1992, CzechInvest has successfully mediated over 1,400 investment projects. Our experienced and devoted staff will be pleased to provide you with the necessary advice and assistance to ensure the success of your next project in the Czech Republic. All of our services are provided free of charge.

One-Stop Shop for Investors
- Comprehensive services for investors
- Full information assistance
- Tailor-made visits to the Czech Republic
- Handling of investment incentives
- Access to structural funds
- Business properties identification
- Supplier and joint-venture partner identification
- Liaise with government bodies
- Aftercare services

CzechInvest’s – Prestigious Awards
- Best Website among All Investment Promotion Agencies 2009, World Bank
- European Inward Investment Team of the Year 2009, Business Destinations
- Best Practices in Promotion Award 2004, World Investment Forum
- Best Advertisement by an Investment Promotion Agency (third place) 2003, WAIPA
- Best Investment Promotion Agency in the EU Accession Countries of the Year 2002
- European Investment Promotion Agency of the Year 2001
- European Investment Promotion Agency of the Year 2000

Reasons to Invest

The Czech Republic has attracted a large amount of foreign direct investment (FDI) since 1990, making it one of the most successful transition countries in terms of FDI per capita. As an early reformer in east-central Europe, the Czech Republic led the way in the early 1990s in adopting far-reaching stabilisation, liberalisation and privatisation programmes. The introduction of investment incentives in 1998 stimulated a massive inflow of foreign direct investment in greenfield and brownfield projects. The Czech Republic’s accession to the European Union in 2004 further boosted investment. Over 138,000 Czech firms across all sectors are now supported by foreign capital. According to the Czech National Bank, the total amount of EUR 69.6 billion worth of FDI has been recorded since 1993.

Last year’s inflow of FDI totaled more than USD 6 billion. The most important investors are Germany, the Netherlands, Austria, Japan, and the United States. A significant portion of FDI inflows into the Czech Republic has been concentrated in the services sector. Manufacturing has been the second-largest beneficiary, especially transport equipment (particularly automotive and related components), chemicals, metal products and electrical and optical equipment. More investment is now being directed towards more high-technology sectors and research and development.

Reasons to Locate Your Investment Project in the Czech Republic
- Location in the very heart of Europe – only a two-hour flight to most European cities
- Long tradition of electronics manufacturing
- World-class EE/electronics-related academic and institutional framework
- Highly educated and skilled workforce, abundance of technical-university graduates
- High innovation potential of the country’s people, great potential for R&D projects
- Close links between industry, universities and business associations
- Excellent business climate conducive to growth
- Strong presence of large international electronics companies
- Well-established market and export position
- Significant cost advantages
- Czech electronics companies and universities looking for cooperation

One of the Most Attractive Countries for Investors

In the current period of economic recession and rising competition between countries and regions in the area of international investments, when many locations are becoming too expensive or saturated, the Czech Republic has achieved a position as one of the world’s most attractive destinations for foreign direct investment. According to the 2009 Ernst & Young European Attractiveness Survey, Central and Eastern Europe is considered “the most attractive business location” for the next three years, ahead of China, India, Russia and Western Europe. The Czech Republic has maintained its stable position and remains a leader in the CEE region. In addition, the Economist Intelligence Unit predicts that the total inflow of foreign direct investment per capita to the Czech Republic will be the highest in the region by 2011.
The Proud History of the Czech Electronics Industry

**Tesla Conglomerate**

Tesla’s history in the Czech Republic dates back to 7 March 1946. The Tesla trademark originated as a contraction of the words technika slaboproudá (weak-current technology) and today is registered in more than 100 countries around the world.

Under the communist regime Tesla operated as a state-owned monopoly producing televisions, broadcasting equipment and radio receivers, as well as light bulbs and electronic components. From its beginning, Tesla had a very promising future ahead of itself. The company managed to consolidate production of electronic components, thus creating the basis for subsequent production of final products. The company was eventually restructured and production was divided among individual factories.

Tesla’s production sparked great interest and in its initial years of operation the company kept pace with global development. The first 5kW television transmitter was delivered in 1953 in Prague together with components and subsequent installation of the first antenna system. Production of measuring instruments for broadcast transmitters began in 1948, followed by television transmitters in 1954.

Tesla played the primary role in the gradual construction of the radio broadcasting network and television broadcast centres not only in the former Czechoslovakia, but also in other member countries of the Council for Mutual Economic Assistance (CMEA). For example, in the former Soviet Union there are currently more than 1,500 functioning Tesla transmitters ensuring roughly 60% of the region’s radio and television broadcasting. Tesla also sold its products to aligned developing nations at that time (Egypt, Algeria, Yemen and Syria).

Despite the negative attitude of the Ministry of Heavy Industry toward production of transistors, in 1958 the company began producing transistor radio receivers and introduced other innovations into production. Printed circuits, plastic, ferrite and other materials came into use. Even though the company endeavoured to keep pace with the world standard in research and development, there was not any interest in innovation where production was concerned. This naturally led to a failure to keep up with the West and development thus faltered.

Similarly, a negative attitude also affected the development of integrated circuits. In order to demonstrate the advantages of integrated circuits, Tesla Rožnov had to initiate production of the IN70 radio receiver, in which the circuits were useful as mf and rf amplifiers.

Despite lagging behind the world standard, in the 1960s and ‘70s Tesla maintained its very good reputation in the CMEA countries and among so-called aligned countries. As mentioned previously, consumer electronics was only one area in which Tesla was involved.

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**Did you know?**

That the famous Tamara radar, able to locate even the invisible stealth fighters was produced by Tesla Pardubice company? The “passive” radar Tamara based on purely receiving RF signals rather than emit-and-receive them and thus very hard to be detected represented a state-of-the-art technology unique on the global level. The successor of Tesla the ERA company currently manufactures the new generation of these radars called VERA even for civil purposes.
Tesla Brno and Metra Blansko were leading manufacturers of measuring instruments, producing devices for medical facilities as well as analogue-computer technology.

In the 1980s Tesla Rožnov commenced production of colour television displays, for which it had acquired a license from Toshiba. This was followed in the early 1990s by establishment of cooperation with Philips in the production of CD players. Subsequently, however, manufacturing of consumer electronics was completely discontinued. Individual factories began to gradually shut down during the process of privatization or at some time thereafter. Among other things, this led to the ill-considered liquidation of special cleanrooms that were used for the development and production of semiconductor components.

According to materials issued by the Federal Ministry of the Electrical Engineering Industry in 1983, the weak-current technology sector was represented by four concern-type production-economic units: Tesla – Investment Electronics, Prague concern; Tesla – Measuring and Laboratory Instruments, Brno concern; Tesla – Electrical Engineering Components, Rožnov concern; Tesla – Consumer Electronics, Bratislava concern. The research and development base was represented by Tesla – Research Institute for Communications Technology A.S. Popova in Prague, and development of commercial and technical services was ensured by Tesla Eltos, sector enterprise, Prague.

At its peak, the state-owned Tesla employed 30,000 people. Even though the company lost contact with development in the rest of the world due to the political situation at that time, Tesla’s 45-year existence fostered effective cooperation among Czechoslovak engineers and electronics technicians, thus creating a sufficient technological basis for the inflow of foreign investments to the electronics sector.

**Milestones of the Czech Electronics Industry**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1880</td>
<td>Design of the first “Piette Krizik” arc lamp by Dr. Ing. Frantisek Krizik</td>
</tr>
<tr>
<td>1896</td>
<td>First tramway in the Austro-Hungarian Empire operated in Prague</td>
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<tr>
<td>1903</td>
<td>First electric trams in the Austro-Hungarian Empire</td>
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<tr>
<td>1907</td>
<td>Launch of production at Tesla (Company operated formerly under name of Elektra)</td>
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<tr>
<td>1912</td>
<td>First medium-wave radio transmitter produced. Several years later, the first short-wave transmitter, operating on 59 m waves, was installed</td>
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<tr>
<td>1921</td>
<td>Functional prototype of electron microscope developed</td>
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<tr>
<td>1932</td>
<td>First television transmitter with 5-kW power output including antenna system installed in Prague, as well as the first radio-relay equipment, connecting the television studio with the transmitter</td>
</tr>
<tr>
<td>1950</td>
<td>First integrated circuits manufactured in Czechoslovakia</td>
</tr>
<tr>
<td>1953</td>
<td>First television transmitter with 5-kW power output including antenna system installed in Prague, as well as the first radio-relay equipment, connecting the television studio with the transmitter</td>
</tr>
<tr>
<td>1955</td>
<td>Passive radar system “Tamara” developed</td>
</tr>
<tr>
<td>1960</td>
<td>The Czechoslovak EE/electronics industry is the most highly developed in Central and Eastern Europe</td>
</tr>
</tbody>
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Note: Accident posters of former Czechoslovakian Electrical Alliance
The Czech EE/Electronics Industry

A modern electronics hub built on tradition

More than anything else the Czech EE/electronics sector is based on its long tradition and the extensive skills of its employees. Production of EE/electronics products has been linked to Czech (or, previously, Czechoslovak) industry since the beginning of the 20th century. During that times the Czech brands became well-known especially around Europe and even during the hard time under the communist regime and consequent limited access to the new know-how and technologies Czech (or actually Czechoslovakian at that time) companies managed to achieve significant success in the field of R&D and manufacturing and achieved a dominant position in the former eastern block. Czech companies, such as the Tesla conglomerate, developed and manufactured a wide variety of EE/electronics products ranging from electric motors and consumer electronics to semiconductor technology even before the arrival of foreign investors at the end of the millennium.

The modern history of the Czech electronics industry is extremely rich due to successful restructuring of the majority of manufacturing foundations, the increase of work productivity and the quality of production. The nationwide tradition of the sector, together with the Czech Republic’s solid education system and strategic location, has attracted numerous foreign electronics companies which evenly cover the entire country.

The growth of the Czech EE/electronics sector since the 1990s was based on the growth of both export and domestic consumption. The consumer-goods sector has grown rapidly, particularly due to the boom in the FPD industry and the presence of well-known manufacturers like Panasonic and Tatung followed by other consumer electronics companies such as Bang & Olufsen. The sharp growth of the automotive sector in the Czech Republic and neighbouring countries has also attracted a number of automotive electronics suppliers, including Siemens, Bosch, Tyco and Kostal. FEI, ABB and ON Semiconductor offer good examples of how local know-how in specific fields can be used in high-tech manufacturing as well as R&D activities.

The Czech EE/electronics industry has more than 160,000 employees and created an output of over 17.2 bln. Euro in sales as of 2008 most of which is exported especially to other countries of the European Union which the Czech Republic joined in 2004. For the four year running, the trade balance of the Czech electronics industry is in surplus.

The dynamic growth of the electronics industry and great references from investors prove the Czech Republic’s status as a renowned investment destination. CzechInvest, the Investment and Business Development Agency of the Czech Republic, is ready to provide potential investors with comprehensive support during the entire investment decision-making and implementation process in order to reduce the burden on their management resources, especially in matters such as location selection, information support, matchmaking, supplier identification and so on.

Czech and Moravian Electrical and Electronics Association (EIA)

EIA is a union of entrepreneurs and employers associating the most significant domestic producers and suppliers of the electrical-engineering and electronics industries as well as of the information technology sector. Its members include both domestic branches of large international corporations as well as small and medium-size enterprises under local ownership with domestic capital. The proportion of EIA in the overall electronics production in the Czech Republic has long been approximately 70%.

For more information visit www.electroindustry.cz

Basic facts of the Electronics Industry

- More than 1,200 companies
- EUR 17.2 billion in sales
- 163,000 employees
- 14.6% of Czech manufacturing industry output

Note: Exchange rate EUR 1 = CZK 27.142 (H1 2009)
Source: Czech Statistical Office, 2009
The Czech Republic possesses one of the most advanced transport networks in Central and Eastern Europe. The country’s geographical position in the very centre of Europe makes it a natural crossroads for major transit corridors. Prague is only a two-hour flight from most other European capitals.

There are four main international airports – in Prague, Brno, Ostrava and Karlovy Vary. Prague Ruzyne Airport is the Czech Republic’s biggest international airport, handling around 250 flights a day and approximately fifty carriers operating direct routes. In 2008 over 12 million passengers used the airport, making Prague one of Europe’s busiest airports and the most frequently used airport within the CEE region. Low-cost airlines also benefit from Prague’s location in the centre of Europe. These companies now connect Prague with 13 other European cities. For example, 16 flights a day depart for London alone.

Brno-Turany international Airport offers regular flights to London, Barcelona, Prague and Moscow. The airport cleared over 500,000 passengers in 2008, which was almost three times more than in 2004. Leos Janacek Airport (formerly Ostrava-Mosnov International Airport) is growing quickly, with daily flights to Prague, Moscow and Vienna, with other European destinations rapidly being added. The airport served more than 350,000 people in 2008. The airport’s runway can handle the world’s largest cargo and passenger aircraft. Karlovy Vary International Airport offers regularly scheduled flights to Prague, Moscow and St. Petersburg.

With density of 0.70 km of roads and motorways per one square kilometre, the Czech Republic ranks among the leading European countries in terms of transport infrastructure. Additional large development projects involving motorways and roads are underway.

In 2020, the Czech Republic should have about 700 kilometres of high-speed rail lines with trains travelling at speeds exceeding 250 kilometres per hour. The Pendolino train currently is the country’s fastest, with a maximum speed of 230 km/h, connecting Prague with Brno, Ołomouc and Ostrava. The significance of the Czech Republic as a transit hub currently is the country’s fastest, with a maximum speed of 230 km/h, connecting Prague with Brno, Ołomouc and Ostrava. The significance of the Czech Republic as a transit hub is increasing quickly. In 2008, the Czech Republic should have about 700 kilometres of high-speed rail lines in the EU15 and the new members in Central and Eastern Europe.

The Czech Republic offers a solid background for the electronics industry not only in terms of the investment climate, infrastructure and competitive costs. The country’s high standard of technical education with one of the world’s largest proportions of graduates in technical fields, along with extensive R&D experience in the EE/electronics sectors, has resulted in a broad pool of researchers, convincing numerous companies not only to establish their manufacturing operations in the Czech Republic but also to utilise the local R&D potential.

The support for R&D activities administered by CzechInvest has also contributed to the growing number of electronics technology centres in the Czech Republic.
One of the most successful investment stories in the Czech Republic began in 1996 when Matsushita Electric Works broke ground in the town of Plzen, West Bohemia, for its Panasonic TV factory, one of the first large greenfield investment projects in the Czech Republic. Having started with the production of CRT televisions, the Panasonic plant in Plzen switched to the advanced LCD and PDP technologies in 2004. More than 5,000 employees produce approx. one million televisions there a year. In 1999 manufacturing activities were supplemented with a research and development department that utilises local expertise fuelled by the neighbouring University of West Bohemia. Apart from the Plzen TV plant, Matsushita also runs a 900-strong facility in the city of Pardubice, manufacturing car audio systems, and electronic-relay production in the town of Plana in West Bohemia.

Laird Technologies
This leading producer of Electromagnetic-interference (EMI) shielding materials and thermal interface products operates a manufacturing facility with approx. 300 employees in Liberec. The production programme includes a full range of Laird Technologies products such as beryllium copper fingerstock, fabric over foams, EMI microwave absorber products and a full range of printed circuit board shields, shielded windows, custom metal stampings and ventilation grilles.

IPS Alpha
A joint venture of electronics giants Hitachi, Matsushita and Toshiba which was established at the Triangle industrial zone in 2005 to utilise the synergies and know-how of the above-mentioned companies. The factory produces LCD modules for flat panel televisions. The total investment amounted to USD 120 million and the factory currently employs nearly 600 people.

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Foxconn CZ
In 2000 the world’s biggest EMS company, Hon Hai Precision Industry Co. (Foxconn), invested over USD 60 million in a brownfield facility of the former HTT Tesla in the town of Pardubice in the eastern part of the Czech Republic. In 2008 Foxconn opened a second facility in Kutna Hora. More than 5,000 employees of Foxconn CZ will produce final systems for well-known customers like HP, Cisco and others, thus making Foxconn CZ the number-two exporter in the Czech Republic.

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Vishay
Vishay, one of the world’s largest manufacturers of discrete semiconductors and passive electronic components, has operated in the Czech Republic since 1991. The company has five facilities located in West and South Bohemia, where it employs a total of 1,750 workers. In the Czech Republic, Vishay produces passive electronic components, mainly resistors and capacitors, which are then delivered to important customers in the company’s automotive, consumer-electronics, military, aerospace and medical sectors.

Made in the Czech Republic
Selected Electronics Investments
Honeywell

Honeywell chose the Czech Republic for its first R&D facility outside the United States in 1993 when it founded its Prague laboratory, which currently employs 80 engineers and consists of two departments working in the fields of process control and optimization and data-centric technology. The laboratory closely cooperates with its partner in the US and at the Czech Technical University in Prague. In 2003 the company established Honeywell Technology Solutions, Czech Republic (formerly also known as IDC – Integrated Design Centre and GDC – Global Design Centre), as an integral corporate arm of Honeywell’s International Inc., providing research, development and engineering support to Honeywell businesses. With its world-class engineering talent (over 700 engineers) and state-of-the-art infrastructure, the centre offers product development & support, and research & IT support to cross-company operations in the areas of aerospace, automation and transportation. Close cooperation with the University of Technology (FIT) and Masaryk University in Brno is essential. The Honeywell Turbo Technologies Engineering Centre has been operating in Brno since 2006.

It is focused on integrated engineering and research services for development and validation of the next generation of turbochargers for both commercial and passenger vehicles and applications for customers around the world.

Bang & Olufsen

This Danish company, whose name has become a worldwide synonym for high-quality consumer electronics, joined the town of Kopřivnice in North Moravia from among 40 sites in three countries for its first expansion outside Denmark in early 2004. The company’s Czech branch currently employs 220 people in its brand-new facility, which is set to become the new production plant for unique audio systems, speakers and telephones phones of the Bang & Olufsen brand. The company has also set up an R&D facility which closely cooperates with the local Technical University in Ostrava.

Olympus

Olympus, the world’s leading manufacturer of medical equipment, and medical science and cameras, decided in 2003 to locate a new business support services investment in the town of Prerov in the Olomouc region. The high-tech repair centre, which focuses on repair of photographic equipment, was opened in 2004 and brought the region up to 150 new high-skilled jobs. The centre covers not only the Czech Republic, but also a part of the EU and several other countries. With its newly opened repair centre in Prerov, the company has set up an R&D centre, which focuses on repairing medical endoscopes. The company has continued and helped to maintain and broaden the long tradition of the Czech optic sector. The availability of qualified staff from the former Meopta Company has been the major advantage of Prerov and the reason why Olympus decided to locate the centre there.

Alps Electric

This Japanese producer of more than 60,000 products and 36,000 employees around the world has been present in the Czech Republic since 1995 and runs a 900-strong facility in Boskovice, South Moravia. Its production portfolio includes modulators, inverter clocks (including Teens printing), sealing and digital TV tuners and low-noise-electronics. In 2004 Alps Electric established an R&D centre where it conducts research of digital and analogue TV tuners, satellite antenna converters and thermal-printer modules.

Acer

Acer has been operating in the Czech Republic since 1990, when it opened a sales office here. Due to the rapidly growing sales of its products throughout Eastern Europe, the company decided to open a new repair centre that would cover the entire region. Thanks primarily to the availability and quality of potential employees, good transport infrastructure and low operating costs, Acer decided in 2004 to locate its repair centre in Brno. Today the Brno service centre employs roughly 120 people and daily performs hundreds of repairs of Acer products for customers in the Czech Republic, Slovakia, Poland, Hungary, Austria and various other countries. Acer is considering an expansion of its area of operation and an increase of capacity.
Czech Centres of Excellence
Electron Microscopy

The history of electron microscopy in the Czech Republic dates back to the 1950s. The former Czechoslovakia was among the first four countries in the world to build an electron microscope. Tesla Brno and the Institute of Scientific Instruments (ISI), a part of the Czech Academy of Sciences, were among the pioneers of this field in Europe, developing and manufacturing unique transmission, emission and scanning electron microscopes.

After the political changes of 1989, the emerging business opportunities and the fall of the Tesla conglomerate, including its Brno branch, convinced the highly qualified engineers of Tesla Brno and some of the researchers at ISI to establish commercial enterprises, thus establishing another milestone in the history of Czech electron microscopy and making the city of Brno one of the centres of this high-tech field on the European and, perhaps, the world level, comparable to Cambridge in the UK, for example.

The Institute of Scientific Instruments, Czech Academy of Sciences

Research at the Institute of Scientific Instruments is divided among several departments. The key focus of today’s Department of Electron Optics is microscopy with low- and very-low-energy electrons and its applications in materials and biomedical sciences in cooperation with local companies like Tescan and FEI. The Department of Magnetic Resonance and Bioinformatics focuses on the development of methodology and instrumentation for NMR spectrometers and tomographs. This department also conducts research in the field of cryogenics and successfully cooperates with the Mayo Clinic in Rochester, Minnesota, in non-invasive measurement and processing of complex sets of biosignals in the human body. The Department of Coherence Optics conducts research in the field of coherent lasers and interferometers and optical micro-manipulation techniques, developing “optical tweezers” that allow handling of nano- and micro-objects using focused laser beams.

FEI Company

FEI Company is a global technology and applications leader, delivering electron and ion-beam imaging solutions for 3D characterisation, analysis and modification with resolutions down to below the 0.1 nanometer level. FEI has been building up its branch in Brno gradually since 1993. With roughly 300 employees, the facility is currently the company’s second largest manufacturing and development centre. More than 70 people work in R&D. The Brno factory delivers a full range of instruments, from entry-level devices to the Magellan scanning electron microscope, which represents the cutting edge of the industry. The product portfolio of FEI Czech Republic includes scanning electron microscopes, transmission electron microscopes and dual beams. The Brno operation is the fastest growing factory within FEI Company.

Tescan

Tescan is a Czech private company founded by a group of former Tesla Brno employees in 1991 and currently focuses on development, manufacturing and sales of scanning electron microscopes and related devices as well as other instrumentation utilising charge particle optics (such as FIBs). Tescan has over 100 mainly highly qualified and skilled employees, more than half of whom have a university degree, ten with Ph.D. degrees. The R&D section employs 25 persons and is divided into four groups: Physics, Mechanical Design (precision mechanics), Electronics Hardware and Software. Close cooperation with Czech and European universities and research institutions is another strength of the company. Tescan has modern laboratories and a well-equipped manufacturing plant including cleanrooms for assembly of UHV set-ups and tuning of complete UHV instruments. Tescan products are well received around the world, their main markets being the European Union, Korea, the United States, China, Russia and India.
With a long tradition dating back to the beginning of the 20th century, Czech radio engineering enjoys worldwide renown. As is typical for the EE/electronics industry as a whole, the radio engineering sector in the Czech Republic has been greatly influenced by the activities of the former Tesla conglomerate. The Tesla subsidiary in the town of Pardubice contributed to the establishment of the region’s radio-engineering hub. Tesla Pardubice became well-known throughout the world for its state-of-the-art Ramona and Tamara passive radars, which were the most important export items of Czechoslovak foreign trade up to 1989. In the 1990s, a number of Tesla Pardubice employees founded several radio engineering-related companies including ERA, which took over the know-how of the Tamara system and is continuing to develop it. Czech engineers have thus maintained their position among the world’s top players in surveillance systems and radio engineering.

ERA

ERA is clearly the world leader in next-generation technologies for aircraft tracking and identification for air traffic control and military applications with more than 130 customers all over the world. For the world’s air traffic control organisations, ERA technologies are used to maintain safe aircraft operation on runways, during approach and departure, and during the en-route phase across entire countries. For military customers, the VERA passive radar technology is the latest generation of the widespread and famous TAMARA technology developed during the Cold War. ERA was founded in 1994 by former employees of Tesla Pardubice and now employs around 220 people in its ISO 9002 accredited facility, half of whom are qualified engineers. Now part of US-based SPA International, ERA’s tradition, experience and resources ensure that the Czech Republic has a leading role in a world “Beyond Radar”.

Eldis

Eldis provides comprehensive solutions for the challenging requirements of customers in the air traffic control and air defence area. The company’s activities cover problem analysis, implementation studies, design control, circuits and software development. The product range includes fully solid-state primary (PSR) and secondary (MSSR) surveillance radars with mode S and precision approach radar (PAR) for military and civil purposes, equipment for air traffic control centres and ergonomic consoles, tables and instrument cabinets.

Andrew

Andrew, a US-based global designer, manufacturer and supplier of communications equipment, services, and systems, entered the Czech Republic in 2003. It currently runs two production facilities and four warehouse sites in the Brno and Modrice areas. The company’s Czech subsidiary closely cooperates with the EMEA product design centre in Scotland and manufactures telecommunications equipment – cabling systems and connectors for wireless transmission lines, ground microwave antennas for fixed telecommunications networks, and broadband wireless and base station antennas. Its clients include top telecommunications companies such as Ericsson, Elektroskandia, NEC, Nokia, Stratex and Vodafone.

T–CZ

T–CZ is another example of Tesla followers which primarily focuses on the branches of radiocommunication and radiolocation technology. The company develops and produces surveillance radar systems, radio sets for both civil and military use as well as radio communication systems for various sectors like transportation or civil engineering. It also develops and manufactures passive microwave parts for frequency bands up to 40 GHz or antennas for numerous applications.
Czech Centres of Excellence
Semiconductors

You could hardly find a country in the CEE region with a more extensive tradition in the semiconductor industry. Semiconductor manufacturing in the Czech Republic dates back to the beginning of the 1950s.

During the second half of the 20th century the Czechoslovakia was one of the dominant countries in the Eastern Bloc, especially in the field of power semiconductors, where the major player was the Prague-based company ŽKD Polovodice. Another centre of the semiconductor industry was the town of Rožnov in the Moravia-Silesia region, which was the seat of Tesla Rožnov, a subsidiary of the state-owned Tesla conglomerate employing 8,500 people at the beginning of the 1990s. In this “Czech Silicon Valley” semiconductor manufacturing and design has been conducted since the beginning of the 1950s.

The political changes at the beginning of the 1990s and the transition to a market economy had a significant impact on the Czech semiconductor industry, prompting a significant restructuring. Nevertheless, the local know-how together with the inflow of renowned foreign companies helped the industry to maintain its position within the CEE region.

Department of Microelectronics, Czech Technical University in Prague

The Department of Microelectronics was established in January 1977. In recent years more than 1,000 students have graduated in the field of microelectronics. The department hosts several research groups which conduct R&D activities in various fields of microelectronics. The Electron Device Group (EDG) is focused on design, simulation and characterisation of semiconductor devices within two principal research areas: quantum and power electronics. The Microsystems Group conducts design of analogue and digital integrated circuits as well as design and application of micro-systems with strong emphasis on temperature and pressure sensors, while the Optoelectronics Group studies waveguide structure and components for optical and optoelectronic Ics. The department cooperates for example with Motorola, ABB semiconductors, AG, CADENCE and ASICentrum.

Did you know?

- That the first ICs produced in Czechoslovakia were manufactured in 1967?
- That the Czech Republic hosts the biggest individual IC design group in the CEE region (excluding Russia)?
- That Sony and Microsoft use ICs manufactured in the Czech Republic for their Playstation 2 and Xbox game consoles?

*"The students and engineers in the Czech Republic have a good background in analogue technology.”*
Carlo Bozotti
CEO, STMicroelectronics

*"The Czech Republic has provided us with a location where we’ve built product development and design capabilities that drive our key programmes for advanced analogue and power-management devices. These are the product areas that will determine the future of our company.”*
Bill George
Senior Vice President of Manufacturing and Technology, ON Semiconductor
ON Semiconductor

The history of the ON Semiconductor fab located in the town of Rožnov dates back to the 1960s and has a strong connection to Tesla Rožnov, which conducted semiconductor R&D and manufacturing in Rožnov until the beginning of the 1990s. Motorola acquired Tesla Sezam (IC manufacturing) and Tesla Terosil (wafer production), the successors of Tesla in the 1990s and later united them under the ON Semiconductor brand. Currently more than 880 employees manufacture prime polished and epitaxial silicon wafers of 100-150 mm in diameter and a wide variety of analogue and bipolar integrated circuits (ICs). The application fields of ICs manufactured by ON Semiconductor in the Czech Republic include amplifiers, comparators, switching power supplies, voltage (stabilisers) regulators, timing circuits, voltage controllers and many more. Sony and Microsoft are among the prominent customers of the Czech ON Semiconductor plant, which delivers voltage (stabilisers) regulators for their game consoles. Apart from IC manufacturing in the Czech Republic, ON Semiconductor also operates two New Product Development Centres, one in Rožnov and the other in Brno. Both centres currently employ roughly 200 highly qualified engineers who develop analogue and mixed-signal integrated circuits. Other collocated teams develop simulation libraries and design tools and collaborate on the development of the company’s global software projects.

STMicroelectronics

This leading European chipmaker has been thriving in the Czech Republic since 2003, when it opened its design centre in downtown Prague. In only a few years it has grown into the biggest individual IC design group in the CEE region. Engineers at ST Prague develop analogue and mixed-signal ICs for a variety of application sectors, such as the automotive industry, consumer electronics and telecommunications, for well-known clients like NOKIA and Siemens VDO. STMicroelectronics’ Prague facility covers the entire chip-design process including testing and application support.

ASICentrum

ASICentrum is a great example of how Czech tradition and expertise brought business success in a high-tech field. Founded in 1992 by former employees of the Tesla VUST Microelectronics Division, it has grown into a highly respected IC design company with more than 45 R&D engineers. The acquisition of the company by EM Microelectronic, a Swiss company of the Swatch group, in 2001 enhanced its expertise in the design of ultra-low-power/low-voltage integrated circuits. Thanks to this, ASICentrum is now deeply involved in the design and development of complex mixed-mode chips mainly in the following areas: RFID, ultra-low-power/low-voltage microcontrollers, smart cards, monitoring LCD drivers and sensor interface circuits.

S3

S3’s activities in Prague date back to 1998 and the 30-strong engineering team currently designs IC products based on leading-edge processes down to 65nm for major semiconductor manufacturers and fabless semiconductor clients. The team has a significant number of senior professionals with capabilities covering the full design chain for complex mixed-signal SoCs and extensive experience in a range of EDA (Electronic Design Automation) environments.
Despite the relatively short history of the robotics field, the Czech Republic can boast extensive knowledge and experience relating to applications and development of industrial robots across all sectors. By 1990 approximately 7,000 robots and mechanical manipulators had been installed in various industrial applications in the then Czechoslovakia. Following the political changes and restructuring of the economy in the early 1990s, this field was positively influenced by favourable development in the automotive sector. The inflow of investments in new production capacities, 46% of which had been realised in the automotive sector by 2006, spurred interest in technically demanding manufacturing applications. The hitherto continual growth of industrial production is reflected in the operations of companies involved in delivering robotics applications and automation. Taken together on a global scale, rapidly innovating carmakers and their suppliers comprise the biggest customer of firms providing robotised workplaces and automated solutions. Four out of ten robotic installations are found in carmakers or their Tier 1 suppliers. The situation in the Czech Republic reflects this global trend.

Department of Cybernetics, Czech Technical University in Prague

The Department of Cybernetics at the Czech Technical University in Prague focuses its research activities on developing smart, intelligent systems exploring the latest achievements in artificial intelligence. It was recognised as an EU Centre of Excellence in 2000. The department consists of two research laboratories: the Gerstner Laboratory for Intelligent Decision Making and the Centre for Machine Perception. Both of these labs have gained a strong international reputation. The department has signed direct long-term research contracts with, for example, Rockwell Automation, Robert Bosch, Denso, Grundfos and Vitatron Medical in the field of system diagnostics; with Toyota, Samsung, Honeywell, Boeing, Hitachi and Texas instruments in the field of computer vision; and with Gedas-VW, Behr and Cadence in the field of dynamic production planning and scheduling. The department played a key role in setting up the Rockwell Automation Research Centre in Prague.

Rockwell Automation

Cooperation between Rockwell Automation and the Department of Cybernetics at the Czech Technical University has been ongoing since 1991 and in 1993 gave rise to an independent laboratory employing roughly fifty graduates of various academic facilities who develop new, creative solutions under the leadership of Professor Vladimír Mařík. In 2001 Rockwell Automation bought the systems-integration division of the Czech company Spel, thereby acquiring for its team a group of more than seventy highly skilled employees with extensive experience in solutions involving complex projects and turnkey deliveries in the area of automation.

ABB Robotics European Arc Welding Centre

In 2007 ABB Robotics, one of the world’s leading manufacturers in the area of robotics, opened its new European Arc Welding Centre in Ostrava, which is the result of cooperation between the robotics divisions of ABB and Kocks. The centre focuses on development, production and delivery of standardised welding cells for customers throughout Europe. With an initial plan for 100 cells, the company ranked among the largest European players in this field. The combination of Kocks’ long experience in manufacturing welding cells and ABB’s extensive knowledge in the area of robotics and applications for welding made the newly established unit a highly competitive player in the European market.
Czech Centres of Excellence
Heavy-Current Electrical Engineering

Electrical machines and instruments have long occupied a stable position in the structure of the Czech electrical-engineering industry, whereas the main products have traditionally include electric motors, generators and transformers, electric distribution and switching devices, cables and insulated wire. The inflow of foreign direct investments to the automotive industry has significantly contributed to the fact that the production of electrical equipment for carmakers is closely connected with the above-mentioned commodities. Thanks to the capital equipment of foreign companies owning large manufacturing entities, necessary modernisations of technologies were undertaken, as was improvement of the organisation of production and the establishment of new trade connections. Technical products and services that meet the world standard are found mainly on the markets of the European Union and the foreign trade balance of this sector has long been favourable. More than half of the workers in the electrical-engineering industry in the Czech Republic are employed by companies operating in the area of heavy-current electrical engineering.

Schneider-Electric

Schneider-Electric’s manufacturing facility in the South Bohemian town of Písek is among the company’s biggest operations in Europe, with a staff of 610, making it the dominant employer in the region. Schneider Electric began operating in the Czech Republic in 1993, when the state-owned firm Elektropřístroj Písek was privatised. In 1998 the company decided to invest CZK 580 million in the construction of a new factory focused on the assembly of electromechanical instruments. In the course of 2002 it further expanded and transferred production to the Czech Republic from Ireland. The original focus of production exclusively for Czech customers gradually changed. The company’s Telemecanique brand contributed to 18% year-on-year growth in exports of its products in 2006.

Moeller

Moeller provides another example of well-considered placement of operations in the Czech Republic, where the company is diversifying its activities to include production of instruments and a branch responsible for trade with the countries of Eastern Europe and the former Soviet Union. The company’s manufacturing plant in Suchdol nad Lužnicí produces small residential circuit breakers, residual current circuit breakers and residential distribution boards. The Suchdol plant is also responsible for development of new products. The plant covering 50,000 m² was built in 2001 at a total investment cost of CZK 650 million. With its 1,169 employees the company ranks among the most significant employers in the South Bohemia region.

Siemens

With 14,000 workers, Siemens is one of the biggest employers in the Czech Republic. A considerable number of these employees work at the company’s Siemens Electric Machines factory in Orlov near Brno and its Siemens Electromotors facilities in Mohelnice and Frenštát, which produce low-voltage asynchronous electric motors.
Find the Talent You Need in the Czech Republic

The Czech Republic offers high-level technical education at several technical universities evenly distributed around the country. The country has around 80,000 university students majoring in technical or science-related fields. Roughly 17,000 graduates enter the workforce every year and the number of technical graduates increases by hundreds each year. Apart from universities, the Czech educational system features other sources of qualified labour, including specialised four-year secondary schools whose students graduate with the near equivalent of a university bachelor’s degree.

### Technical education

**Students and graduates at Czech technical universities (academic year 2008/2009)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Students</th>
<th>Graduates</th>
<th>PhD students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Czech Republic</td>
<td>79,152</td>
<td>6,020</td>
<td>3,010</td>
</tr>
<tr>
<td>Prague</td>
<td>15,877</td>
<td>6,160</td>
<td>2,910</td>
</tr>
<tr>
<td>South Bohemia</td>
<td>13,471</td>
<td>3,490</td>
<td>927</td>
</tr>
<tr>
<td>Pilsen</td>
<td>10,940</td>
<td>2,945</td>
<td>942</td>
</tr>
<tr>
<td>Liberec</td>
<td>6,433</td>
<td>1,550</td>
<td>437</td>
</tr>
<tr>
<td>Hradec Kralove</td>
<td>6,636</td>
<td>1,658</td>
<td>488</td>
</tr>
<tr>
<td>Pardubice</td>
<td>4,030</td>
<td>1,160</td>
<td>343</td>
</tr>
<tr>
<td>South Moravia</td>
<td>6,433</td>
<td>1,257</td>
<td>394</td>
</tr>
<tr>
<td>Olomouc</td>
<td>8,554</td>
<td>2,101</td>
<td>695</td>
</tr>
<tr>
<td>Zlin</td>
<td>5,450</td>
<td>1,350</td>
<td>322</td>
</tr>
<tr>
<td>South Moravia</td>
<td>4,597</td>
<td>1,137</td>
<td>335</td>
</tr>
<tr>
<td>Olomouc</td>
<td>6,943</td>
<td>1,794</td>
<td>457</td>
</tr>
<tr>
<td>Zlin</td>
<td>3,673</td>
<td>1,044</td>
<td>312</td>
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<td>6,020</td>
<td>3,010</td>
</tr>
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</table>

**Note:** According to educational programmes chosen by CzechInvest

**Source:** Institute for Information on Education, 2009

**Students and graduates at Secondary specialised schools and Vocational Training Centres in technical sciences (academic year 2008/2009)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Students</th>
<th>Graduates</th>
<th>PhD students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Czech Republic</td>
<td>66,537</td>
<td>14,198</td>
<td>5,962</td>
</tr>
<tr>
<td>Prague</td>
<td>19,750</td>
<td>4,739</td>
<td>1,782</td>
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<td>South Bohemia</td>
<td>620</td>
<td>123</td>
<td>123</td>
</tr>
<tr>
<td>Pilsen</td>
<td>4,597</td>
<td>874</td>
<td>60</td>
</tr>
<tr>
<td>Liberec</td>
<td>6,943</td>
<td>1,503</td>
<td>137</td>
</tr>
<tr>
<td>Hradec Kralove</td>
<td>7,498</td>
<td>1,794</td>
<td>457</td>
</tr>
<tr>
<td>Pardubice</td>
<td>6,943</td>
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**Note:** According to educational programmes chosen by CzechInvest

**Source:** Institute for Information on Education, 2009
Labour Market

Labour cost per hour in 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Private sector</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>35.10</td>
<td>35.90</td>
</tr>
<tr>
<td>Denmark</td>
<td>36.59</td>
<td>34.80</td>
</tr>
<tr>
<td>Sweden</td>
<td>29.90</td>
<td>34.70</td>
</tr>
<tr>
<td>Germany</td>
<td>25.90</td>
<td>33.80</td>
</tr>
<tr>
<td>France</td>
<td>22.79</td>
<td>32.40</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>9.70</td>
<td>8.80</td>
</tr>
<tr>
<td>Hungary</td>
<td>6.39</td>
<td>7.58</td>
</tr>
<tr>
<td>Slovenia</td>
<td>7.39</td>
<td>7.29</td>
</tr>
<tr>
<td>Poland</td>
<td>6.60</td>
<td>7.80</td>
</tr>
</tbody>
</table>

Wages in the Electronics Sector

Source: Eurostat, 2009

Total labour costs* include employee’s insurance contributions (34%). Average Exchange Rate 1 EUR=27.142 CZK (H1 2009)

Source: Trexima 2009

Business Legislation

Entrepreneurs may carry out business activities in the Czech Republic through establishing various and flexible forms of corporate, non-corporate and EEC specific legal entities governed by the Czech law or as individuals in their own name on the basis of a valid trade license.

Any type of foreign legal entity may also relocate its seat to the Czech Republic and remain under the internal governance law and shareholder liability law with conditions, of its formation, or alternatively, establish a branch in the Czech Republic. Additionally, foreign companies may establish mergers, joint ventures, associations, or wholly owned subsidiaries in the Czech Republic.

Such business entities may employ either Czech citizens or foreign citizens, subject to registration and other requirements, and visas, residency and green card systems are available for key foreign employees.

In addition to the choice of investment corporate, non-corporate and EEC specific entities, investors enjoy the advantages of an advanced (judicial and non-judicial) legal and dispute resolution system, and trust protection and the umbrella of EU protective regulations.
The Czech Republic possesses one of the most advanced transport networks in Central and Eastern Europe. The country’s geographical position in the very centre of Europe makes it a natural crossroads for major transit corridors. Prague is only a two-hour flight from most other European capitals.

There are four main international airports – in Prague, Brno, Ostrava and Karlovy Vary. Prague Ruzyně Airport is the Czech Republic’s biggest international airport, handling around 250 flights a day and approximately fifty carriers operating direct routes. In 2008 over 12 million passengers used the airport, making Prague one of Europe’s busiest airports and the most frequently used airport within the CEE region. Low-cost airlines also benefit from Prague’s location in the centre of Europe. These companies now connect Prague with 13 other European cities. For example, 16 flights a day depart for London alone.

Brno-Turany international Airport offers regular flights to London, Barcelona, Prague and Moscow. The airport cleared over 500,000 passengers in 2008, which was almost three times more than in 2004. Leos Janáček Airport (formerly Ostrava-Mosnov International Airport) is growing quickly, with daily flights to Prague, Moscow and Vienna, with other European destinations rapidly being added. The airport served more than 350,000 people in 2008. The airport’s runway can handle the world’s largest cargo and passenger aircraft. Karlovy Vary International Airport offers regularly scheduled flights to Prague, Moscow and St. Petersburg.

With density of 0.70 km of roads and motorways per one square kilometre, the Czech Republic ranks among the leading European countries in terms of transport infrastructure. Additional large development projects involving motorways and roads are underway.

In 2020, the Czech Republic should have about 700 kilometres of high-speed rail lines underway.

The quality of air-transport infrastructure encourages business development in the Czech Republic.
Make a date with Czech firms and leave the legwork to us

Do you want to have a look at the production facilities of your potential suppliers or joint-venture partners? The Czech Republic is a small country, which gives it certain advantages: over the course of a few days, you can visit dozens of firms in every corner of the country and thus find out which companies will make the most suitable partners.

CzechInvest’s project managers will organise visits exactly according to your requirements. Do you have a list of firms that you would like to check out at first hand? We will contact them for you and prepare the itinerary of your business trip. Are you not sure which firms in the Czech Republic could become your partners? That doesn’t matter, as we will seek them out according to your specifications in our internal database of suppliers.

Please contact us at suppliers@czechinvest.org

Information can cost you a fortune. Our Electronics and electrical engineering database offers it free of charge

CzechInvest’s fundamental tool for seeking out suitable business partners is comprised of its sector databases of Czech companies. The electronics and electrical-engineering database contains over 1000 high-quality records with a broad scope of information on Czech suppliers interested in long-term cooperation with foreign partners. The databases are regularly updated and supplemented according to the demands of foreign companies.

http://electro.czechinvest.org

On our website, you will find an on-line database that is a freely accessible, simplified version of our own internal database. Through filtering by sector, technology, products, region, company name and by full text, the database enables fast and simple searching for suitable suppliers and partners in the Czech Republic.

The databases represent a complete summary of information on Czech firms in electronics-related sectors in a user-friendly, graphically vivid environment enabling detailed searching. The sector databases are also available on CD.

Business Properties Services

Department of business properties was established to cooperate with foreign investors to identify the perfect location meeting the investor’s requirements and needs. Assisting in gaining financial support from public resources, provision on Real Estate market information, organization of sites visits, arranging of contacts with property owners, state bodies and local authorities are among the services offered by Business Properties department. Industrial zone, manufacturing site, brownfield, or office space, whatever your requirement would be, the department’s comprehensive Real Estate database will help you identify your ideal business property.
Business Development Support

Investment Incentives and Other Business Support Measures

The Czech Republic offers both new and existing investors support covering up to 60% of costs associated with investment projects in manufacturing, technology centres and business support services. Aid is provided in all regions, with the exception of Prague.

Manufacturing Sector

Aid for manufacturing projects is provided pursuant to the Act on Investment Incentives and consists in the following incentives:

<table>
<thead>
<tr>
<th>Forms of incentives</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax incentive</td>
<td>Full corporate tax relief for up to five years for new companies</td>
</tr>
<tr>
<td>Job-creation grants</td>
<td>Financial support for creation of new jobs in selected regions</td>
</tr>
<tr>
<td>Training and retraining grants</td>
<td>Financial support for training and retraining of new employees in selected regions</td>
</tr>
</tbody>
</table>

Eligibility criteria

- Minimum investment: EUR 2 – 4 mil. depending on the region’s unemployment rate
- Half of the minimum investment must be financed by the equity of the investor
- 40% of total investment must go into machinery
- Machinery must be new
- No works may be started prior the issuance of Confirmation of Project Registration at CzechInvest
- The project must be implemented in the Czech Republic outside the territory of Capital City of Prague.

Technology Centres

In order to strengthen the Czech Republic’s position as a technology hub in Central Europe, the Czech government supports investments in development activities. Technology centres are defined as centres engaged in research, development and innovation of high-tech products and technologies if there is an expectation that the output of such centres will be transferred and used in production. Aid for technology centres is provided via the Potential Programme.

<table>
<thead>
<tr>
<th>Form of support</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash subsidy</td>
<td>Up to EUR 4 – 8 mil. (depending on region)</td>
</tr>
<tr>
<td>60% of the costs of long-term tangible and intangible assets</td>
<td></td>
</tr>
</tbody>
</table>
Business Support Services

In order to strengthen the Czech Republic’s position as an information hub in Central Europe, the Czech government supports investments in business support services centres. These are defined as centres engaged in selected activities with close ties to information technologies and a distinct international focus. ICT development and implementation centres, high-tech repair centres and shared-services centres are supported via the ICT and Business Support Services Programme.

<table>
<thead>
<tr>
<th>Form of support</th>
<th>Cash subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to EUR 4 - 6 mil. (depending on region)</td>
<td>Up to 60% of two years’ wages or 60% of the costs of long-term tangible and intangible assets.</td>
</tr>
</tbody>
</table>

Eligibility criteria

- Minimum investment: EUR 115/mil/38/mil/Large/Medium/Small enterprise
- Min. number of newly created jobs:
  - ICT Development and Implementation Centre: 10/5/3 (Large/Medium/Small enterprise)
  - High-tech Repair Centre: 25/15/5 (Large/Medium/Small enterprise)
  - Shared Services Centre: 40/20/10 (Large/Medium/Small enterprise)
- The project must be implemented in the Czech Republic outside the territory of Capital City of Prague.

Statistics – ICT and Business Support Services

| Source: ICT and Business Support Services Programme, Call I |

*Used exchange rate CZK/EUR 26
CzechInvest – Your One-Stop Shop for the Czech Republic

Introduction
Since its establishment by the Ministry of Industry and Trade in 1992, CzechInvest has successfully mediated over 1,400 investment projects. Our experienced and devoted staff will be pleased to provide you with the necessary advice and assistance to ensure the success of your next project in the Czech Republic. All of our services are provided free of charge.

One-Stop Shop for Investors
- Comprehensive services for investors
- Full information assistance
- Tailor-made visits to the Czech Republic
- Handling of investment incentives
- Access to structural funds
- Business properties identification
- Supplier and joint-venture partner identification
- Liaise with government bodies
- Aftercare services

CzechInvest’s – Prestigious Awards
- Best Website among All Investment Promotion Agencies 2009, World Bank
- European Inward Investment Team of the Year 2009, Business Destinations
- Best Practices in Promotion Award 2004, World Investment Forum
- Best Advertisement by an Investment Promotion Agency (third place) 2003, WAIPA
- Best Investment Promotion Agency in the EU Accession Countries of the Year 2002
- European Investment Promotion Agency of the Year 2001
- European Investment Promotion Agency of the Year 2000

Reasons to Invest
The Czech Republic has attracted a large amount of foreign direct investment (FDI) since 1990, making it one of the most successful transition countries in terms of FDI per capita. As an early reformer in east-central Europe, the Czech Republic led the way in the early 1990s in adopting far-reaching stabilisation, liberalisation and privatisation programmes. The introduction of investment incentives in 1998 stimulated a massive inflow of foreign direct investment in greenfield and brownfield projects. The Czech Republic’s accession to the European Union in 2004 further boosted investment. Over 138,000 Czech firms across all sectors are now supported by foreign capital. According to the Czech National Bank, the total amount of EUR 69.6 billion worth of FDI has been recorded since 1993.

Last year’s inflow of FDI totaled more than USD 6 billion. The most important investors are Germany, the Netherlands, Austria, Japan, and the United States. A significant portion of FDI inflows into the Czech Republic has been concentrated in the services sector. Manufacturing has been the second-largest beneficiary, especially transport equipment (particularly automotive and related components), chemicals, metal products and electrical and optical equipment. More investment is now being directed towards more high-technology sectors and research and development.

Reasons to Locate Your Investment Project in the Czech Republic
- location in the very heart of Europe only a two-hour flight to most European cities
- long tradition of electronics manufacturing
- world-class EE/electronics-related academic and institutional framework
- highly educated and skilled workforce, abundance of technical-university graduates
- high innovation potential of the country’s people, great potential for R&D projects
- close links between industry, universities and business associations
- excellent business climate conducive to growth
- strong presence of large international electronics companies
- well-established market and export position
- significant cost advantages
- Czech electronics companies and universities looking for cooperation

One of the Most Attractive Countries for Investors
In the current period of economic recession and rising competition between countries and regions in the area of international investments, when many locations are becoming too expensive or saturated, the Czech Republic has achieved a position as one of the world’s most attractive destinations for foreign direct investment. According to the 2009 Ernst & Young European Attractiveness Survey, Central and Eastern Europe is considered “the most attractive business location” for the next three years, ahead of China, India, Russia and Western Europe. The Czech Republic has maintained its stable position and remains a leader in the CEE region. In addition, the Economist Intelligence Unit predicts that the total inflow of foreign direct investment per capita to the Czech Republic will be the highest in the region by 2011.
Partnership to Support Foreign Direct Investment

The Partnership to Support Foreign Direct Investment in the Czech Republic is a joint project of the Association for Foreign Investment and CzechInvest. Through their participation in the Partnership, companies display an active interest in the development of the Czech investment environment and the Czech Republic’s competitiveness in the field of foreign investment, whereas one of the main objectives of the project is to create an effective environment for communication between foreign investors, the state administration and Czech companies. Within the Partnership, a number of prestigious events are organised every year, including the celebratory announcement of the Investor of the Year, Business Property of the Year and Business Project of the Year awards, as well as a range of significant joint activities of the AFI and CzechInvest. The Partnership to Support Foreign Direct Investment is open to all stable companies on the Czech market.

The AFI’s primary purpose is to make the entry of new investors into the Czech Republic as fast and easy as possible. Consultants from the AFI’s ranks are experts in the areas of legal and advisory services, consulting, engineering, project management and other services. Throughout its nearly fifteen years in existence, the AFI has assisted its members in hundreds of successful projects. Thanks to their experience, the AFI’s members are the ideal bridge between local conditions and the expectations of foreign investors.

Jan Bobek, Steering Committee Chairman, Association for Foreign Investment

www.afi.cz
CzechInvest Investment and Business Development Agency is a government organization under the Czech Ministry of Industry and Trade.