



# Czech Republic

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*Czechia, officially the Czech Republic, is a continental country in Central Europe, whereas in the geopolitical context, the UN lists it as a country in Eastern Europe. The Czech Republic is bordered by Poland to the north, Germany to the northwest and west, Austria to the south, and Slovakia to the east. It has an area of 78,866 km<sup>2</sup>. The capital and largest city is Prague (1.2 million inhabitants), an important tourist destination. The Czech Republic consists of the following historical territories: Czechia (Bohemia), Moravia and Czech Silesia. This trinity is displayed on the national coat of arms.*

*The Czech state was formed in the second half of the 9th century, when the first Czech duke, Borivoj I, from the Přemyslid dynasty was enthroned. In the 10th and 11th century, the country was consolidated, merged with Moravia and became a kingdom.*

*The Czech landscape is very diverse. A river basin is situated in the west of the Czech Republic, forming a plateau shaped like a rhombus surrounded by four connected highlands: the Giant Mountains (Krkonoše) in the northeastern Sudety region (where Mount Sněžka, the highest peak in the state (1,602 m), is situated), the Ore Mountains in the northwest, the Bohemian forest in the southwest and the Bohemian-Moravian Highlands in the southeast. It is traversed by the Labe and Vltava rivers.*

*The Charles University in Prague, founded in the 1340s (probably in 1348), was the first university in Central Europe and in all Slovenian countries. Some of its students and professors were: Jan Hus, Franz Kafka, Milan Kundera, Nikola Tesla, Albert Einstein, Ernst Mach, Tomáš Masaryk, Edvard Beneš.*

**Y**our Excellency, how do you feel about being in Belgrade? Can you tell us about your impressions of Serbia?

I became accustomed to my life in Belgrade very quickly, as did my whole family. Considering the similarities between our languages, our cultural and historical ties, the Czech minority and the Serbian hospitality, I dare to say that we feel at home here. I see Serbia as a country with enormous future potential. Due to its strategic position, the climate and geological conditions, the level of education, and, above all, the diligence of the population, this country is predestined for significant economic development in the near future. It is already evident that investors from all over the world consider Serbia a promising country for their investments.

How long have you held the position of ambassador in Serbia, and what was the course of your diplomatic career before you came to Serbia?

In July, it will be two years since we arrived in Belgrade. Before that, I held the position of Deputy Minister of Defense for four and a half years and I am a career diplomat. Except for a

short experience in the private sector, where I worked at an Italian ski pole manufacturing company after my studies, I spent my whole professional life in diplomacy. I started off with the diplomatic protocol and dedicated myself to the negotiation process before the Czech Republic joined the EU, as the Prague Sector Deputy Director, as well as the Head of the Trade Policy and Agriculture Unit of the Permanent Representation of the Czech Republic in Brussels. I also dealt with trade and economic issues in the framework of my position as Economic Counsellor at the Embassies in Rome and Zagreb, and for the duration of two missions I worked in Italy for a total of 9 years. Before I switched to the Ministry of Defense, I held the position of the Director of the Sector of Bilateral Economic Relations

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at the Ministry of Foreign Affairs, managing the Economic Counsellors at our Embassies all over the world. As you can see, I am an economy-oriented diplomat and I consider the development of economic relations one of the priorities of my activities in Serbia.

**What is the current diplomatic and economic cooperation between our two countries like, and what was it like in the past? What should be changed in order to improve the cooperation?**

The previous year can be rated successful in terms of the development of relations between the Czech Republic and the Republic of Serbia in every respect. A whole series of important official visits took place, above all, the Presi-

dent of the Czech Republic Miloš Zeman visited Serbia, accompanied by four ministers and a large delegation of businessmen. The president of the Republic of Serbia Aleksandar Vučić also visited Prague, where he met the heads of government of the Visegrád Group countries. There has also been a positive development of the economic relations. Mutual trading continued to grow rapidly on the part of Czech import and export, with a growth of more than ten percent. The Czech Republic made considerable investments into the Serbian economy. The readers will certainly not be surprised by the fact that the crisis caused by the coronavirus impeded this positive development, but I hope that the dynamics of the mutual cooperation can be reestablished.

**What is the current situation regarding the pandemic in the Czech Republic?**

The Czech government timely implemented relatively strict measures, due to which the epidemic could be contained at an acceptable level and the dramatic scenarios observed in some other countries could be avoided. Currently, the Czech Republic is in the process of controlled removal of the introduced measures and return to a more or less normal life, although some of the measures will probably have a long-term character. With the approach of the holiday season, the issue of foreign trips is currently gaining momentum, especially concerning the countries representing the Czechs' favorite destinations.

**How does the pandemic affect the European Union, given the former problems in the Bloc?**

The COVID-19 pandemic has undoubtedly affected the European Union in a negative way, as well as almost everything else in our lives.

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Many expected more from Brussels, but we must be aware that the member states retained the majority of responsibilities in the key areas for the battle against the pandemic. I believe that the EU reacted in an adequate manner and mobilized solidarity with affected states according to its possibilities, both within and outside the Union. With that I'm referring to Serbia receiving support in the fields



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of healthcare and economy. At the same time, the support granted to the sector of healthcare by the EU and its member states earlier contributed to the fact that the Serbian healthcare system excellently managed the crisis. However, the EU's main task emerges now when it will play an important role in the reestablishment of the European economy.

**What will the "day after" the pandemic look like?**

I am not really the right addressee for this question. A certain level of precaution will be maintained for a longer while, so we might not even be aware of the end of the pandemic. This will greatly depend on the availability of vaccines and medicines against this disease. Our task

will be to adapt to any difficult conditions and to find ways to fully fulfil our mission in the future.

**When it comes to investments, how do investors from the Czech Republic regard the Serbian market? How many Czech companies are currently operating in Serbia and what are the most important companies investing in our country?**

An important motive for investors is the economic situation of the respective country and the possibilities of its future development. Today, Serbia represents a very attractive country for foreign companies in this regard, thanks to its successful development. We highly appreciate the increasingly strong Serbian economy, amongst whose results I would emphasize the growth of the gross domestic product, the decreasing public debt (significantly below the Maastricht criteria), the positive budget balance, the low inflation and the fact that the Serbian Dinar is currently among the strongest European currencies. All this attracts foreign businessmen in the field of goods and service exchange, as well as in the field of investments.

In this context, I am pleased to point out that the range of investment activities of Czech companies is very wide and includes the food industry, construction projects, telecommunications, banking, healthcare, gourmet and automotive industry, machine industry and the film industry. Possibilities for new investments are also evident in other sectors.

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The interest of Czech businessmen is also displayed by the exceedingly numerous representation of the economic delegations organized by the Embassy of the Czech Republic in Belgrade last year. Among them, I would especially emphasize the delegation led by the Czech president Miloš Zeman in September 2019, who was accompanied by around sixty businessmen on the Czech side. In order for you to get the whole picture of the mutual interest for economic cooperation I will point out the total of 190 Serbian participants who applied for the business forum organized in the framework of this state and business visit at the highest level.

The interest of Czech businessmen in Serbia is also reflected in the great response to the online webinar organized by our Embassy for Czech businessmen this May, i.e. during the coronavirus epidemic, when all borders were closed and travel was impossible.

**What is the nature of the foreign trade cooperation between our countries and which industries in Serbia have the most potential? What does Serbia export to the Czech Republic, and what does it import from the Czech Republic?**

Regarding the structure of Czech export, machines and means of transport come first, constituting 51.9% of export to Serbia. In second place are market products with 16.7%, followed by mineral fuels with 12.1%, chemicals with 8.0% and industrial consumer goods with 5.3%. Groceries and agricultural products make a total of 2.2%.

I can further specify that the main product exported from the Czech Republic are passenger motor vehicles, i.e. mainly Škoda vehicles. I am very happy about the big share Czech automobiles are taking on the Serbian market. Other positions I would like to point out are electricity, telephone devices, insulated wires and cables, products made of real and

synthetic leather, coke and semi-coke, radio receivers, non-ferrous metal waste, electric devices, bars and rolled materials made of iron and steel, monitors, cardboard and concreting paper, electro-insulating detergents, industrial furnaces, polished and impregnated textile fabrics, liquid hydrocarbons etc.

Imports from Serbia are largely complementary, i.e. except for electricity, there are for example car seats, electrical appliances, flat-rolled products made of iron and steel, collagen hoses, copper sheets, insulated wires and cables, motors and generators with unidirectional and alternating current, domestic refrigerators and freezers, pneumatics, cardboard and concreting paper, pipes and hoses from hard plastic, cyclic hydrocarbon, polyethylene, organic detergents, aluminum and aluminum alloys.

**Can you tell us something about the relationship between Serbia and the Czech Republic in the fields of science, culture and education?**

The relationship between Serbia and the Czech Republic is strong in all fields, which is true for these fields as well. For decades, many young people from Serbia have opted to continue their education at one of the Czech universities. Consequently, there are outstanding representatives of various professions in many fields who completed their education in the Czech Republic. The most famous are, naturally, graduates of the Prague Film Academy, for example Emir Kusturica, Goran Marković, Goran Paskaljević and others, but it is important to emphasize that such representatives are present in all fields.

For years, scholarships for studying in the Czech Republic have been assigned by our Embassy. A large number of students chooses to study in the Czech Republic without a scholarship as well, as the education at Czech faculties is free of charge. The knowledge of the Czech language is, of course, a must, which is no problem for Serbian students. Due to the similarities between our languages, the mentality and culture, Serbian students feel at home in the Czech Republic and are integrated in their environments.

There is also continuous cooperation in the field of culture. Our Embassy endeavors to support this cooperation as much as possible. However, many artists and institutions



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cooperate directly without our assistance, which shows the strong connection between our two countries.

**How would you present your country as a tourist destination? Which characteristics and sights would you highlight?**

The first tourist attraction most people think of when they hear about the Czech Republic is Prague, followed by some of the many cultural relics listed by UNESCO. However, there is much more the Czech Republic has to offer. Tourists in the Czech Republic truly have so many options, starting from historic cities, to many fortresses, castles and palaces, sacral cultural relics, to numerous spas and beautiful nature. It can be said that the Czech Republic is a comprehensive tourist destination, where every visitor can find something according to his interests. The Czech Republic offers a full range of architectural styles, with gems from

the roman and gothic styles, to cubism and functionalism, including all styles in-between. Furthermore, the Czech Republic is a country of music, where, aside from numerous internationally renowned Czech festivals of classical music, festivals promoting other genres, for example Rock for People, are also well known. Our prominent brand is the film festival in Karlovy Vary, which is frequently visited by professionals from the Serbian film industry. Here, like everywhere in the world, the Czech beer enjoys great popularity, which makes the breweries another attractive place to visit. However, the wine originating in our country shows equally high quality, which leads to a developed wine tourism.

In short, the Czech Republic is a country able to satisfy tourists of all profiles, and our tourism professionals are committed to continuously widening and improving our country's offer. □

successfully completed the acquisition of the Serbian manufacturer of mineral water and non-alcoholic beverages Knjaz Miloš.

Moreover, there has been a great number of other investment projects and the range of Czech investments in Serbia is incredibly wide. I would, for example, note the pharmacy chain Dr. Max forming a significant part of the market not only in Belgrade, but also in several other large cities in Serbia. As examples from a completely different sector, I can name SEBRE, a company that has acquired a market share in Avala Film and UDI Resort (Urban Developers Investors), which became the owner of the Duga Paint and Lacquer Industry.

The latest investment has been signed on the first day after the termination of the state of emergency in Serbia. Namely, it is a greenfield investment of the Czech company SPEL that is planning to build a new production plant for traffic telemetry systems in the industrial zone in Bela Crkva.

**How would you characterize the cooperation with the government of Serbia and economic associations for the purpose of entrepreneurship development?**

There has been a distinct growing trend of goods exchange during the past years, a con-

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crete example of which is the almost three-fold increase of the total balance of goods exchange in 2010. The positive trend is evident in exports from the Czech Republic, and there is an interest in the import of Serbian goods as well. Concerning the structure, machines and means of transport prevail.

