

European Enlargement Country Profile – Czech Republic

The Czech Republic is the westernmost and most affluent of the former Warsaw Pact countries of Central Europe. The country came into being following the dissolution of the Czechoslovak Federation in 1993. The country's social and economic system has changed dramatically since 1993. Privatisation has transformed the country from a centrally planned into a free market economy. Geographically, the Czech Republic is literally in the centre of Europe with ready access to both Western and emerging Eastern markets. Some of the key industries within the Czech economy are the automotive sector, including components, engineering, architecture and construction and plastics.

Why do business with the Czech Republic?

- A western style democracy, a well-educated populace and a skilled workforce.
- Good rate of economic growth
- The Czech Republic is a member of the WTO and OECD
- A largely Anglophile population, in particular with the younger generation
- Has a central location at the heart of Europe, with good transport and infrastructure links to both Western and Eastern Europe. 70% of trade is now with the EU
- A highly educated workforce with strong engineering skills. IT and R&D spending per capita is the highest in Central and Eastern Europe (and higher than some EU countries)
- Low labour costs (average salary is £250 per month)
- The Czech Government offers an attractive package of incentives

Growth Sectors

- Automotive & Automotive Components
 - Czech Republic is the largest car producer in the region with Skoda the largest manufacturer
 - Several large bus manufacturers in market
 - Automotive market in continued growth
- Architecture & Construction
 - Many large infrastructure projects including sewage treatment plants, motorways, airports, industrial and commercial building
- Plastics
 - High demand in Czech Republic, particularly in automotive and electronics sectors
 - Plastics consumption in CEE expected to grow by 200% in next 10 years

Useful Websites

Czech news sites in English - <http://www.ceskenoviny.cz/news/> / <http://www.praquepost.com>
Facts on doing business in the Czech Republic - <http://www.arp.cz/Eng/business.htm>