

New Incentives to Invest in Czech Research and Development

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CzechInvest – Your Gateway to the Czech Republic

- agency of the Ministry of Industry and Trade
- established in 1992
- contributes to attracting foreign investment and developing domestic companies through its services and development programmes
- exclusively authorised to file applications for investment incentives with governing bodies and to prepare draft offers to grant investment incentives
- provides potential investors with current data and information on the business climate, investment environment and investment opportunities in the Czech Republic

All of CzechInvest's services are free of charge.



CzechInvest – Our Services to Investors

- complete information assistance
- tailored visits
- handling of investment incentives
- access to EU Structural Funds
- identification of commercial properties
- business infrastructure development
- search for potential suppliers and joint-venture/acquisition partners
- liaising with governmental bodies
- linking of investors with universities
- care for existing investors





Support from EU Structural Funds

Operational Programme Enterprise and Innovation

- 2007-2013
- financed from EU Structural Funds (85%) and the national budget (15%)
- support for business projects in the manufacturing industry and related services
- 15 aid programmes



Operational Programme Enterprise and Innovation

- the following programmes are focused on support for research and development:

Potential	Prosperity	Cooperation
<ul style="list-style-type: none">• 1,102 submitted full applications• 557 approved projects• in the total amount of EUR 323.5 mil.	<ul style="list-style-type: none">• 164 submitted full applications• 75 approved projects• in the total amount of EUR 313.1 mil.	<ul style="list-style-type: none">• 126 submitted full applications• 76 approved projects• in the total amount of EUR 57.3 mil.

- **22%** of all OPEI funding disbursed to date has gone to support R&D



Operational Programme Enterprise and Innovation for Competitiveness

- successor of the Operational Programme Enterprise and Innovation 2007-2013
- focus
 - **priority axis 1**
Business development based on support for research, development and innovation
 - priority axis 2
Development of infrastructure and services supporting business in the knowledge economy and internationalisation of business
 - priority axis 3
Sustainable energy management and development of innovations in the energy sector
 - priority axis 4
Development of high-speed internet access and information and communication technologies
- October 2013 – submission of the full version of the Operational Programme to the Government of the Czech Republic for discussion

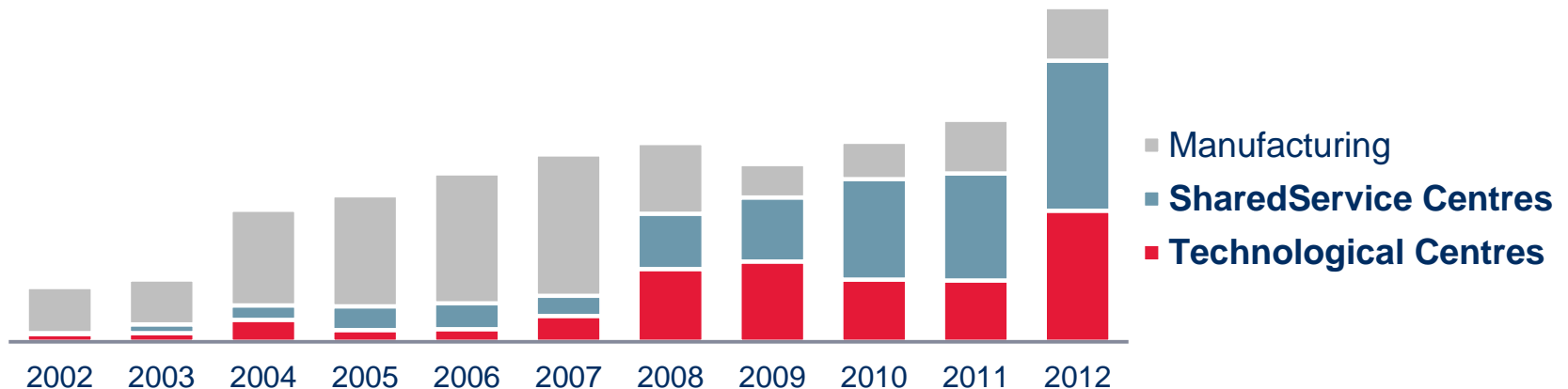




Investment Support

Investment in Research and Development

- research and development – a key area for the future development of the Czech Republic's economy
- the number of investments in research and development is increasing annually



Why invest in research and development in the Czech Republic?

- the country's skilled workforce is a key factor



Overview of the Main R&D Investors

Company	Sector	Company	Section
AMI Semiconductors	microelectronics	Motorola Freescale	microelectronics
Behr	automotive industry	On Semiconductors	microelectronics
Bosch	automotive industry	Ricardo	parts for engines
Continental Teves	automotive industry	Rieter	automotive industry, precision engineering
Ericsson	electronics	Rockwell Automation	precision engineering
Flextronics	microelectronics	Roper Industries	precision engineering
Honeywell	electronics	Siemens	automotive industry
IMI	precision engineering	Silicon & Soft Systems	microelectronics
Indet Safety Systems	automotive industry	ST Microelectronics	microelectronics
Ingersoll Rand	precision engineering	TRW	automotive industry
Kostal	automotive industry	Tyco	fire protection systems
Latecoere	aircraft components	Valeo	automotive industry
Mercedes Benz	automotive industry	Visteon	automotive industry



Investment Incentives

- an amendment to the Act on Investment Incentives came into force on 12 July 2012
- besides investors starting or expanding production in the manufacturing industry, **technology centres and shared services centres** can also newly receive investment incentives in the Czech Republic thanks to the amendment
 - income-tax relief for a period of ten years (previously five years)
 - possibility to receive tangible aid for job creation, training and retraining
 - investment incentive in the form of transfer of land and related infrastructure for a favourable price
- institution of **strategic investment event** – tangible aid for capital investments in the amount of up to 5% of costs
 - valid for the manufacturing industry and technology centres



Amendment to the Act on Investment Incentives

- changes under consideration for the R&D area (technology centres and shared services centres)
 - reduction of the number of required newly created jobs in such centres
 - introduction of the possibility of support for data centres and personnel-intensive call centres
 - replacement of corporate income-tax relief with reduction of payroll taxes from total wages for ten years
 - introduction of tangible aid for training and retraining of new employees in the amount of 25% of eligible costs in all regions of the Czech Republic
 - provision of tangible aid for new jobs up to the amount of EUR 11,500 in the most disadvantaged regions of the Czech Republic and in special economic zones
 - introduction of a property-tax exemption for a period of ten years for investments implemented in special economic zones



CzechInvest – Other Projects

CzechAccelerator 2011-2014

- development of small and medium-sized Czech technology firms (start-up) in foreign markets
- business incubators in the United States, Switzerland, Israel and Singapore

Internal projects

- technical education
- consulting for venture capital (start-up)
- assistance within the context of the supplier database (e.g. certification in the aviation industry)
- creative industry
- more intensive promotion of university-based research (aimed at investors)



Concept of Investment Support, 2014-2020

Investment lifecycle



Areas of support

- economic environment
- financial support
- legislative and permit processes
- human resources
- infrastructure
- partnership
- access to foreign markets

Thank you for your attention.

Please contact us!
www.czechinvest.org



Investment and Business Development Agency

State contributory organisation established in 1992

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