



# MED

MODERN ECONOMIC DIPLOMACY

SPECIAL  
EDITION

## HONORARY CONSULS MEET IN PRAGUE



### FOREIGN POLICY:

3P of Czech honorary consuls:  
protect, promote and present  
Page 2



### INTERNATIONAL RELATIONS:

Expatriate bridge  
with the Czech Republic  
Page 8



### FINANCE:

OECD risk rating  
with a Czech touch  
Page 20



Ministerstvo zahraničních věcí  
České republiky

# CZECH BUSINESS NIGHT

*Meeting with  
Honorary Consuls*

20th June 2019  
at the National Museum in Prague

Special thanks to our partners:

General Partner **PENTA**

Platinum Partners



Golden Partners



Silver Partners



Catering Partners



Special acknowledgement



NÁRODNÍ  
MUZEUM

# CONTENT

- 2 › 3P of Czech honorary consuls:  
protect, promote and present

---

- 3 › Expanding the network?  
Yes, our objective is clear!

---

- 4-5 › Distant and close encounters

---

- 6 › Embassy cooperation  
with the honorary consul  
general in Kathmandu

---

- 7 › Milan Kantor – recollection

---

- 8 › Expatriate bridge with  
the Czech Republic

---

- 9 › A quarter century of honourable  
service to the Czech state

---

- 10 › The future of Czech abroad –  
Czech schools without borders

---

- 11 › The Czech diaspora – partner  
of the maternal state

---

- 12-13 › Public diplomacy – diplomacy  
of the modern digital era

---

- 14-15 › A new trend in Czech diplomacy:  
Connecting economy and  
development

---

- 16 › Innovation strategy goes live

---

- 17 › New Czech brands build on the  
traditional ones

---

- 18-19 › Development Aid: Mobilization  
of private resources

---

- 20-21 › Rating with a Czech touch

---

- 22-23 › World trade and Czech export:  
The threat of the domino effect

---

- 24 › The strengths of our country  
from the business perspective



Photo: Vojtěch Vík

Dear readers, dear honorary consuls,

The network of honorary consuls worldwide is an integral part of the Czech Republic's foreign service. They promote the good name of our country abroad, helping to develop mutual relationships with the country in which they operate. Many honorary consuls are our fellow countrymen who have decided to dedicate their time and often invest their finances to selflessly help our country.

Thirty years ago, the Velvet Revolution brought a fundamental change in the view of Czechs abroad. Today, people are no longer leaving our country never to return. On the contrary, many expatriates return home richer with experience.

In recent years, higher mobility of young people has also been reflected in an increase in the number of Czech children abroad. Also, an interesting trend can be seen, especially in the US, where grandparents accompany their grandchildren to Czech schools to rediscover their roots together. We intend to focus in particular on supporting teaching Czech language to these children so that they do not lose contact with our country. And who knows, one day, they may become respectable personalities willing to help their parents' and grandparents' homeland.

For many years, we have been organising a worldwide meeting of honorary consuls of the Czech Republic in the Czernin Palace. It is my pleasant duty to welcome them again this year in the editorial of this special English edition, dedicated above all to them. I consider our compatriots abroad to be an underappreciated treasure in the Czech Republic, therefore it is an honour to see so many who are willing to help. Thank you all!

**TOMÁŠ PETŘÍČEK**  
Minister of Foreign Affairs <<

# 3P of Czech Honorary Consuls: PROTECT, PROMOTE AND PRESENT

» Ancient Greece did not give to the world only democracy, philosophy, medicine or Olympics, but honorary consuls as well. Even if designated by different expression, proxenoi are a real archetype of today's honorary consuls.

The proxenos was a citizen of the host polity, usually wealthy merchant who had socio-economic ties with another city and who helped its citizens when they were in trouble in his own city. The proxeny decrees amounting to letters of patent and resolutions of appreciation were issued to those citizens by the hosting state for service as proxenoi. And they provided the service at their own expenses, in return for honorary titles from the state. Indeed, astonishing similarities after centuries.

The modern Czech honorary consuls' history is much shorter. On 21 July 1990 the government authorized with its decree No 436 the minister of foreign affairs to take decisions on the designation of honorary consulates and to nominate their officers. Since then the network of Czech honorary consulates became vast – nowadays there are more than 210 honorary consulates in the whole world, some others will be opened soon.

Since the honorary consuls bear the expenses for the performance of the activities of the consulates headed by them, the system resembles what is being called in the modern economy as Private Public Partnership or simply "3P". However the abbreviation could be also understood as standing for the three main pillars of the honorary councils' activities: namely to Protect, to Promote and to Present.

The first pillar, consular protection provided to Czech citizens in need or similar difficult situation, belongs definitely to the main tasks of any honorary consul and in the same time to the most demanding one. Even if in the complex cases the consular section of the professional representative office is habit-



Photo: Antonín Nádvořník

ually involved, the role of the honorary consuls is irreplaceable, especially in states, where the Czech Republic is not permanently represented. Moreover, the first pillar includes also some other activities offering to Czech nationals settled in a foreign country a basic consular service, like legalization of documents or assistance in the process of issuance of passports.

The second pillar designated by the verb "to promote" stands for the support of economic relations between the destinations covered by the honorary consulate and the Czech economic providers. Recently the importance of that part of the honorary consuls' function increases with the emphasis on economic diplomacy. The effective cooperation between honorary consuls on one hand and the economic sections of professional embassies and consulates general on the other shows practical results with the profit not only for the Czech economic entities but

for the local providers in the particular countries as well.

Last but not least, the honorary consuls shall present the Czech Republic and its people to public in their respective countries. That role of honorary consuls, sometimes unjustly underestimated, shall serve not only to raise awareness about the Czech culture and society, but also increase the attractiveness of the Czech Republic as a tourist destination.

The honorary consular officer is not entitled to any salary or wage for his or her work. However, not to be entitled to any salary or wage does not mean not to be appreciated. Just on the contrary, the Czech Republic is well aware of the irreplaceable place of honorary consuls in the Czech diplomatic service and highly values the contribution of all of them.

**MARTIN SMOLEK, Deputy Minister  
for Legal and Consular Affairs** <<

# EXPANDING THE NETWORK? YES, OUR OBJECTIVE IS CLEAR!

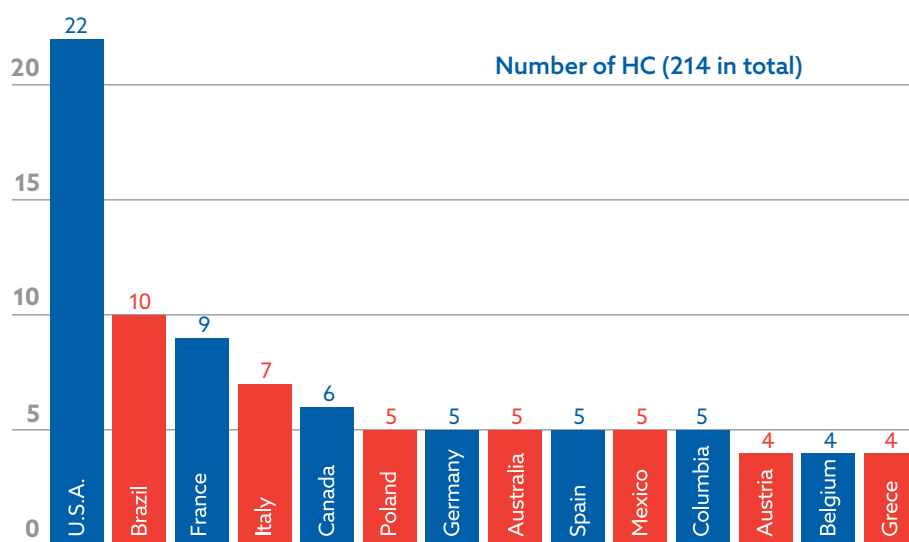


At this time, Czech diplomacy has an extensive and operational network of honorary consulates at its disposal. Honorary consuls and their work are extremely beneficial for the Czech Foreign Service. They are an instrument for developing bilateral relations, the role of which is growing under globalisation. Their ability to help Czech citizens abroad and develop economic diplomacy is indispensable.

In the beginning, the network of consular offices headed by honorary consular officials of the Czech Republic played a pivotal role in helping Czech citizens who experienced problems during their travels. Expansion of the network means that increasing demands are being placed on the honorary consuls. In the 1990s, honorary consuls were expected to provide consular services or representation and cooperation in the field of culture; in the new millennium, they were increasingly expected to be involved in economic diplomacy and in developing business relations.

to strengthen the economic relations between both countries. For this reason, the number of honorary consuls is growing in countries such as France, the Netherlands, Finland and Italy, i.e., in developed parts of Europe where we do not have a large Czech community and where Czech tourists do not anticipate difficulties of the kind that may arise when travelling to very distant and often very adventurous destinations. Moreover, in Western Europe, our representative offices are highly efficient, travelling is simple for our citizens, passports and visas are unnecessary for them, and exotic diseases or

cused consuls while trying to cover very remote destinations where we have no representative offices. Such destinations are popular among Czech tourists, and the likelihood of their needing the assistance of an honorary consul is relatively high. Zanzibar, Panama, Mauritius and Madagascar are examples of such destinations. Crises and unforeseeable events that are becoming ever more common in today's turbulent world must also be considered. The selfless work of the honorary consuls is at such moments irreplaceable and crucial. In short, Czech diplomacy strives to ensure that work on building the network of honorary consulates is as effective and balanced as possible.



Source: MFA

In the last three years, there has been a significant increase in the number of new, dynamic and economically focused honorary consuls with an eminent interest not only in helping Czech citizens who encounter difficulties abroad, but primarily in helping

unusual customs and traditions are not the subject of concern.

Thus, at this time, a substantial shift is taking place in Czech diplomacy in relation to honorary consuls. We are striving to acquire capable, economically fo-

At this time, Czech diplomacy has an extensive and functional network of honorary consulates at its disposal. It is clear, however, that all qualitative and quantitative aspects have not been exhausted. For example, the Austrian network of honorary consulates comprises more than 300 offices. At this time, the Slovak Foreign Service has 185 honorary consuls around the world and it assumes an increase in their number to 205 by the end of the year.

We wish to adapt the network of honorary consulates, which we have been building for more than 25 years, to the needs and interests of the Czech Republic abroad. We hope that with the assistance of the honorary consuls, we will be able to help Czech citizens abroad and make their life easier.

**KATEŘINA VOVKOVÁ, Head of Unit,  
Consular Department of the Ministry  
of Foreign Affairs <<**

# DISTANT AND CLOSE ENCOUNTERS

“An active life is a genuine life. If you have to do something, do it with enthusiasm. If you can do something yourself, don't expect it to be done by someone else, and don't put anything off for no reason. If you can help someone, do it with utmost joy.” As if the words of Jan Amos Comenius were a motto for many honorary consuls. The Czech Republic appreciates its honorary consuls and the occasions to thank them for their work are meetings: global, regional, and individual.

Honorary consuls are an important part of the Czech Foreign Service with a substantial contribution towards ensuring the execution of Foreign Service. The scope of activities also includes creating conditions for the multi-development of relations between the Czech Republic and the country where they are based, including the promotion of economic diplomacy, education as well as cultural and scientific affairs.

In countries such as Australia, Canada, United States, Italy, France and Spain, where the Czech Republic has more honorary consuls, regional meetings have gradually begun to take place. The embassy or general consulate of the Czech Republic in the respective country is in charge of organising them. The meetings provide opportunity for exchange of experiences, discussion on common topics and sharing opinions.

## In almost every state or province

Regular meetings of honorary consuls in the US date from 2004. In the first years, these meetings were held at the Embassy in Washington. Later, they began to be organised at the general consulates as well. In recent years, the honorary consuls are involved as well in organising the meetings. In 2016, the meeting was held at the National Czech & Slovak Museum and Library in Cedar Rapids, Iowa, and in 2018 at the Florida International University in Miami.

Regular meetings are relevant for mutual exchange of information. The motivational and social aspect is of equal importance. “First and foremost, the honorary

*consuls are our friends. We are well aware they work for free and on an entirely voluntary basis. Our embassy will therefore always try to make sure their work is as pleasant as possible under these conditions. Not only our office, but also the Czech Republic should be a second home to our honorary consuls, whom we thank for their outstanding work to promote the good name of the Czech Republic across the American continent,”* says Hynek Kmoníček, Ambassador of the Czech Republic in Washington.

Honorary consuls are informed about future projects and activities, where they are usually also involved. Every honorary consul is essentially an expert in their state or group of states, and their assistance is invaluable in organising events in the respective region. This is not the case just for the US.

The first meeting of honorary consuls of the Czech Republic in Canada took place at the National Club in Toronto in 2018. As the goal of the Embassy in Ottawa is to open an honorary consulate in every province, the meetings will be of growing importance. With the help of the honorary consuls the Czech Republic can deepen economic ties and strengthen the relationship between provinces and the Czech Republic.

## A classical music start

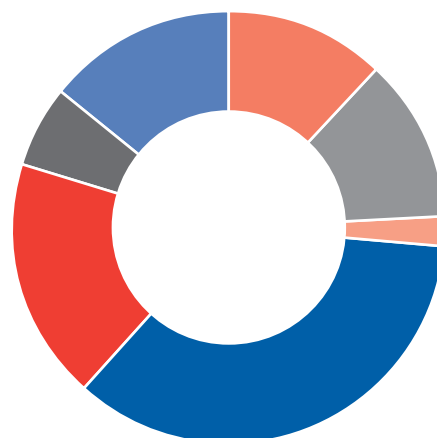
The first meeting of honorary consuls of the Czech Republic in Australia and New Zealand took place in 2012 with the participation of the Czech Philharmonic, which was on tour in Melbourne at that time. There may have no longer been any world-class music to accom-

pany the meetings in the years that followed, but the atmosphere continued to be pleasant and productive.

“The main topic of discussion at the meetings involves the consular affairs. The other purpose of the annual meetings is to share new knowledge and information about Czech legislation, common European policies and the practical aspects of the consular activities. The possibilities of economic cooperation, involvement of representatives of Czech companies at trade fairs and visits of the representatives of Czech ministries in the region are also under discussion,” says Hana Flanderová, Consul General in Sydney.

Regional meetings need not only involve the honorary consuls of one

Number of HC (214 in total)



Africa	26	Latin America	39
Asia	26	Middle East	13
Australia & New Zealand	5	North America	30
Europe	75		

Source: MFA



>> Meeting of honorary consuls of the Czech Republic in Miami.

Photo: Ivo Svoboda

country, but can also be an opportunity to bring together honorary consuls from several countries in the region. The last meeting of honorary consuls of the Czech Republic from Mexico and other Central American countries took place in 2018. *"Experience and interactions are extensive and mutually enriching. Due to local distances and the specific nature of each region, honorary consuls provide extremely valuable support. They are also indispensable in relaying economic, political and security information."* According to Consul Tereza Nedorostková: *"They also assist in delivering documents to Czech citizens living a great distance from the embassy."*

### European gatherings

Madrid, Paris and Rome: the capital cities of countries visited by large numbers of Czech tourists; centres of culture and sport with a rich history; and meeting places for honorary consuls of the Czech Republic. Ambassadors, consuls, diplomats focusing on economic diplomacy and cultural relations and representatives of state agencies with representative offices in the countries concerned, i.e., Czech Centres, CzechTrade and CzechTourism, all meet with the honorary consuls.

Between 2002 and 2006, meetings with the honorary consuls of the Czech Republic in Italy were ad hoc. They were first held in Florence, Naples and Palermo. As the number of honorary consulates grew, the meetings became a regular occurrence in Rome. In 2010, a meeting of honorary consuls of the Czech Republic in France took place for the first time, attended also by the honorary consul of the Czech Republic in Monaco. After a long delay, a meeting of honorary consuls of the Czech Republic in Spain took place in Madrid in April 2019, and the need for such events was proven there. In countries with strong regions and where knowledge of regional differences is important, such regular meetings are an invaluable tool for promoting the interests of the Czech Republic.

### A slightly different approach

Annual meeting does not mean that the representative office does not work together with the honorary consuls throughout the year, but the opposite. The individual meetings take place any time of the year. Honorary consuls are invaluable partners in countries where the Czech Republic has no embassy or general consulate. The forms of the individual meetings can differ depend-

ing on the situation. The meetings may in particular relate to the organisational aspects of visits and cultural events or the participation in trade fairs.

Cooperation between the honorary consul in Mali and the contingent of the Army of the Czech Republic, which has been in the country since 2013 as part of an EU training mission, is somewhat unique. The honorary consul arranges meetings with the authorities about the conditions of the soldiers' stay. Thanks to his knowledge of the legal environment, local customs, traditions and way of life and personal contacts, the soldiers in the country, where the security situation and climate are very demanding, have managed to avoid any major complications.

### Back in Prague again

Global meetings are one way of expressing special thanks to honorary consuls for their work and an opportunity to establish new relationships for further development in many areas. We look forward to meeting in Prague!

**Alice Němečková, Office of the Deputy Minister for Legal and Consular Affairs <<**

# EMBASSY COOPERATION WITH THE HONORARY CONSUL GENERAL IN KATHMANDU

» Vishnu Kumal Agarwal is the Honorary Consul General of the Czech Republic in Nepal. The word “general” is not accidental: promotion to this rank is an expression of appreciation for his excellent, longstanding work to promote Czech interests in Nepal and singular efforts to develop Czech-Nepali relations.

Thanks to Mr Agarwal, Czech citizens travelling to Nepal can be certain, when the need arises, that they can depend on his effective and swift assistance. Each year, large numbers of Czech high-altitude tourists, trekkers and mountain climbers make their way to Nepal. During their stay in the Himalayas, some of them get sick or get lost and lose contact with the outside world. Help from the Honorary Consul General and his team is invaluable in such cases. Thanks to his knowledge of the environment and his contacts, he has provided vital assistance, and only thanks to his efforts and the efforts of Nepalese rescuers were Czech tourists found healthy and alive in most cases.

It was Mr Agarwal who greatly helped Czech citizens in the aftermath of the destructive earthquake in Nepal in April 2015. Thanks to him and his knowledge of the conditions on the ground, the Czech Republic was able to provide immediate humanitarian assistance, as not all countries were able to land in Kathmandu with their trauma teams.

Even though economic cooperation between Nepal and the Czech Republic is not very intensive due to the great geographical distance between these two nations, Mr Agarwal has his work cut out for him in the field of economic diplomacy. Thanks to his excellent contacts, however, the Czech Republic is well-known among numerous local businesses.

Mr Agarwal is the CEO of MAW Enterprises, which, among other things, focuses on the sale of Škoda vehicles



» Honorary Consul Vishnu Kumal Agarwal

Photo: Roman Masařík

in Nepal. Also, thanks to his efforts, Nepal is the only country in South Asia, other than India, to have a Škoda Auto distributor. His success extends to the aviation industry as well: his managing to have several Czech-made L410 aircraft delivered to Nepal was a remarkable feat.

During each trip of the Czech Ambassador to Nepal, who is headquartered in New Delhi, Mr Agrawal helps arrange meetings with key Nepalese representatives. Mr Agrawal is just as active when a Czech business delegation visits Nepal. He also plays a key role in the field of development

cooperation. When evaluating small local project proposals submitted by Nepalese non-profit organisations, the Czech Embassy works closely with the consulate in Kathmandu. The relevant information is provided by the consulate staff to the embassy about the applicants and the quality of their proposals. The result of the cooperation is precisely drawn up supporting documentation that helps the projects pass the approval process at the Ministry of Foreign Affairs of the Czech Republic.

At the same time, Mr Agarwal cooperates with Czech non-profit organisations in Nepal that execute humanitarian projects. The consulate in Kathmandu is one of the participants in the MEDEVAC project, which focuses on providing basic medical care to poor children and uneducated farmers in the Nala region of Nepal. As part of this project, the Czech Republic has not only trained local physicians, but also provided funds for the purchase of emergency rescue vehicles.

Mr Agarwal is also active in promoting Czech education and culture. Through the consulate in Kathmandu, the Czech Republic is represented at European Union film festivals held in Kathmandu and Pokhara. The Czech Republic is also represented by the consulate staff at occasional fairs promoting Czech universities as part of EHEF conferences and other similar events.

**ROMAN MASARÍK, Consul, Embassy of the Czech Republic in New Delhi** «



# MILAN KANTOR – RECOLLECTION

On January 6, 2019, Milan Kantor, one of the longest serving honorary consuls of the Czech Republic, died in Melbourne.

Milan Kantor was a renaissance man with a big heart — a learned lawyer, pianist, linguist, artist, environmentalist and philanthropist who brought a touch of Bohemia to his life in Australia.

Milan Kantor was born in Vienna. His father, Artur, was a prominent member of the Czech community in Vienna who served as Sigmund Freud's lawyer. After the coup d'état in February 1948, Milan

came to Melbourne. He was getting them together, taught them English, tried to get them jobs and later on, assisted with legal advice. After finishing his legal studies, he started to work as a lawyer and barrister. In 1984 he set up his own practice with clients ranging from multinational corporations to local members of the Czech community. He spoke fluent English, German, French, Latin and Czech — a skill that attracted major international clients.

(Voice of Home). His love and passion for Czech culture was famous and he always organised, contributed and supported performances of Czech artists in Australia. After 1989, he travelled back to the Czechoslovakia (and later on to the Czech Republic), frequently, to be in touch with his home country and listen to his beloved music.

Milan Kantor was appointed Honorary Consul in Melbourne, Australia, in 1991 and was one of the first honorary consuls of the new era. In 2007 he was promoted to become Honorary Consul General. He served in this position until his death, for 27 years which would make him the longest serving Honorary Consul of the Czech Republic. Using his legal knowledge and many contacts, he was always helpful and assisting to Czech citizens in Australia whenever there was a need. He hosted many significant guests from the Czech Republic and was an excellent colleague who assisted tirelessly to many Czech delegations during their visits to Australia.

For his significant work for the Czech community, promotion of the Czech Republic and charitable work Milan Kantor was granted many honours and awards, both in Australia and the Czech Republic. To name only a few of them – Gratias Agit, Award of the Minister of Foreign Affairs of the Czech Republic for promoting the Czech Republic abroad (2002), the Medal of Honours of third grade received from the president of the Czech Republic (2007) or Medal of the Order of Australia (2004).

With Milan Kantor's passing away, Czech Republic and Australia lost one of the most passionate lovers of humanity and life. A great colleague, supporter of culture and charity, modest philanthropist and a great man, an excellent consul and promoter of the Czech Republic.

May he rest in peace.

**HANA FLANDEROVÁ, Consul General of the Czech Republic in Sydney <<**



>> Milan Kantor

Photo: Family Archive

Kantor came to Australia in 1949 and settled in Melbourne. Even though he already had finished his studies of law in Czechoslovakia, he started his legal studies at the University of Melbourne to become a lawyer in Australia, while working in a factory, earning money to live.

Immediately after his arrival, Milan Kantor started to look for the Czechoslova-

In 1956, he married Anne Murdoch and their marriage lasted 62 years, during which they brought up six children.

Milan Kantor strongly contributed to the life of the Czechoslovak community until his last days. Before 1989, he was a strong supporter of the democratic movement in Czechoslovakia and was one of the main contributors to a significant exile magazine Hlas domova

# EXPATRIATE BRIDGE WITH THE CZECH REPUBLIC

Two million people around the world with Czech roots claim Czech origin. The Czech expatriate community has not disappeared since the Czech borders opened up after the events of 1989 as some people mistakenly believe – the opposite is in fact true. The community has undergone a substantial transformation over the past thirty years, chiefly due to the mobility of young people.

One of the roles of the modern state is to maintain contact with its expatriates. The Ministry of Foreign Affairs of the Czech Republic highly appreciates that the majority of Czechs have a good relationship with their former homeland. Expat associations and honorary consulates are pivotal to keeping contact with Czech expats alive.

## Effective dialogue

The Special Envoy for Czechs Living Abroad Office at the Ministry of Foreign Affairs has been handling expatriate issues for twelve years already. In addition to the areas in its purview, the office works with a host of government and constitutional institutions that are affected by expatriate matters directly. Such entities include the Ministry of Education, Youth and Sports, the Ministry of the Interior, the Ministry of Labour and Social Affairs, the Standing Senate Commission on Compatriots Living Abroad and the Subcommittee for Countryman Relations of the Committee for Foreign Affairs of the Chamber of Deputies of the Parliament of the Czech Republic. A special and effective tool is also the foreign broadcasting service of Radio Prague and the website shared with this broadcaster: <https://www.rozhlas.cz/krajane/portal/>.

In 2018, the Interdepartmental Commission for Czechs Living Abroad, a collective advisory body of the Government of the Czech Republic, was set up due to the need to conduct effective and coordinated dialogue between the Government and expatriates and respond to the

## Radio Prague Czech Radio

gradually changing needs of Czech expatriates. The aim of this commission was to unify communication between the Government and expatriates with a view to creating a single information database for all Czechs living abroad. This tool aims to make it easier for expats to gain a clear overview of national legislation and help them in their efforts to return to their homeland. The user interface "Useful information for Czechs living abroad" was created on the Ministry of Foreign Affairs website [www.mzv.cz/cesi\\_v\\_zahranici](http://www.mzv.cz/cesi_v_zahranici).

The primary tool for providing both material and nonmaterial support to Czechs abroad is the "Programme to Support the Czech Cultural Heritage Abroad". Through it, support is provided to 300 expat associations in 50 countries. The support is used to fund traditional association activities, as well as Czech language courses for expats.

## Supporting the Czech language

As a result of transformation of the Czech diaspora over the last 30 years, support for Czech language courses among expatriates has risen to the fore. To help with this effort, 15 Czech teachers have been sent to expat communities abroad and 37 language assistants from the Czech Republic have been sent to Czech Studies departments at foreign universities. Conversely, 80 expatriates travel to the Czech Republic each year to attend summer Czech language courses and courses on Czech language teaching methods.

Active efforts and support on the part of honorary consuls vitalise and substantially strengthen the activities of expat associations aimed at maintaining Czech distinctiveness abroad. An example of this is direct support for Czech language courses at Czech schools or directly at universities.

**JIŘÍ KRÁTKÝ, Special Envoy for Czechs Living Abroad** <<

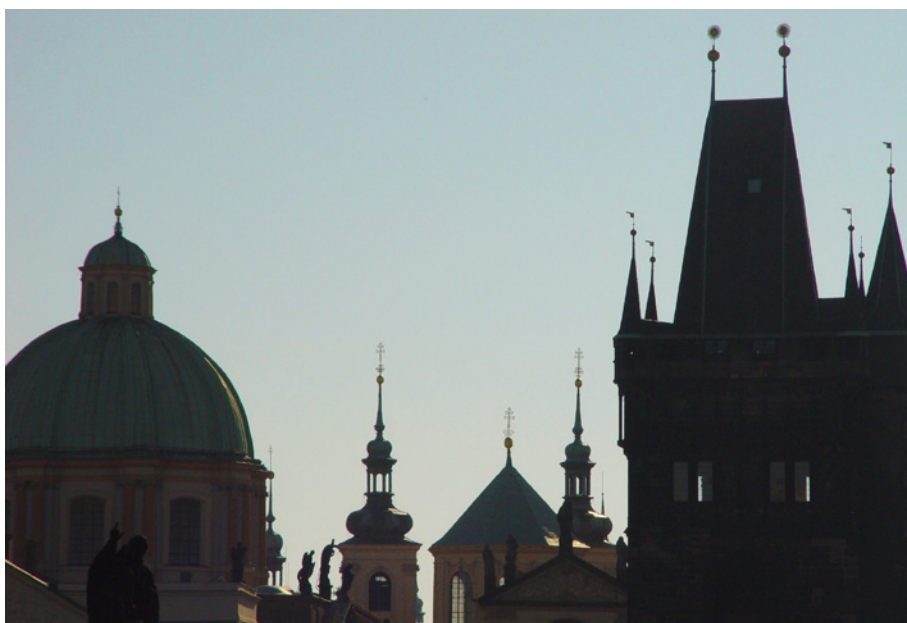


Photo: Jiří Krátký

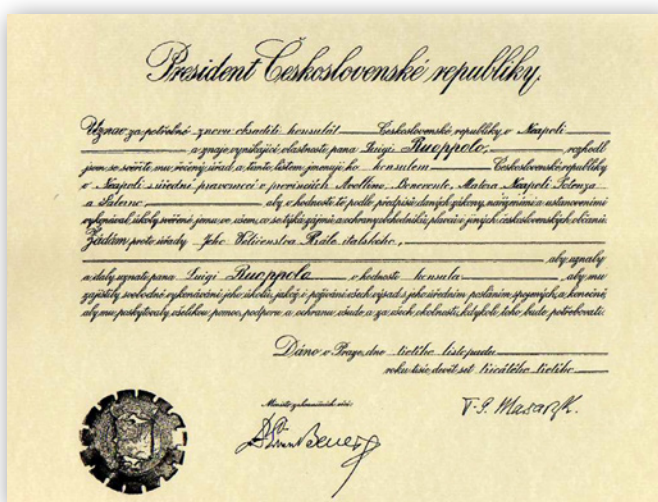
# A QUARTER CENTURY OF HONOURABLE SERVICE TO THE CZECH STATE

In 2020, a quarter of a century will have passed since the opening of the Honorary Consulate of the Czech Republic in Naples. The history of consular affairs between both countries is, however, much longer and tied to the family history of three generations of a local family – the Ruoppolos.

Dr Angelo Ruoppolo, who is almost 90 years old, goes to the consulate daily. He has headed the office since 1995. He displayed unwavering industriousness already while studying law by helping to run the family business. In his lifetime, he has taken on numerous functions. He has been Chairman of the Foreign Affairs Department of the Chamber of Commerce in Naples, member of the Executive Committee of the Neapolitan "Mostra d'Oltremare" Fair Grounds, Deputy President of the Entrepreneurs' Association, founding member of the North Naples Rotary Club and, two years later, the club's president.

"I am very honoured to have been able to represent the Czech Republic for almost a quarter century. I heard my father talk about Czechoslovakia already when I was a child, and I am happy that the Czech Republic has become my second homeland. Cooperation with the Czechs is based on mutual respect. Since the consulate opened, I have had an excellent assistant, Helena Schwarzová, who carries out her duties diligently and is still able to keep pace with other activities related to Czech culture and traditions. She heads an expat association and has established the first Czech school without borders in Italy for the children of fellow Czech expats. I am pleased that my daughter, Fabiana, will continue this family tradition," says the Honorary Consul. His upstanding efforts spanning many years have been acknowledged by the Government of the Czech Republic many times, and in 2005, he received the Gratis Agit Award.

Through his endeavours, he has managed to make the consulate a pivotal



The handwritten letter of appointment signed by Minister of Foreign Affairs Edvard Beneš and President of the Czechoslovak Republic T. G. Masaryk.

Photo: Helena Schwarzová

meeting place for Czech expatriates living in the south of Italy. In 1999, he supported the creation of the Czech-Italian association Bohemia. He enjoys taking part in the association's activities, which are organised under his auspices. Gatherings inspired by Czech traditions are the most popular. As his assistant of many years reminisces: "For the tenth year in a row, the Bohemia association has organised the Coven of Witches. As ninety percent of Czechs living in the south of Italy are women, the gatherings cater mostly to women. The programme is always tied to the role of women from the point of view of history and location. A creative, magical workshop has become a favourite and traditional part of these gatherings. Concerts are also popular." The first Czech expatriate school in Italy, headed by the selfless consular assistant, Mgr. Helena Schwarzová, was founded in Naples in 2010. Thanks to the space the Honorary Consul has provided to the pupils, the school does

not have to contend with logistical issues and enjoys a pleasant place to hold Czech language courses and other activities for children.

Dr Luigi Ruoppolo became the first Honorary Consul of the former Czechoslovakia in Naples in 1933. Inauspicious historical events led to the closure of the honorary consulate soon thereafter, in 1938. The family continues to take special care of the handwritten letter of appointment signed by Minister of Foreign Affairs Edvard Beneš and President of the Czechoslovak Republic T. G. Masaryk. The document used to hang in Luigi Ruoppolo's office. Now it adorns the office of his son, Dr Angelo Ruoppolo. We hope it stays in the office when the third generation of the Ruoppolos, Angelo's daughter Fabiana Forte, takes over.

**ANGELO RUOPPOLO, HELENA SCHWARZOVÁ, Honorary Consulate in Naples**

# THE FUTURE OF CZECH ABROAD – CZECH SCHOOLS WITHOUT BORDERS

Czech Schools Without Borders train and educate Czech children living abroad. The intellectual, economic and social potential of these children for both their former homeland and the country in which they live is great. Thanks to the language and culture they possess, they are able to preserve their Czech identity while simultaneously contributing to mutual understanding among nations.

The CSWB are independent non-profit organisations that provide Czech language and cultural education to children aged 18 months to 15 years living abroad as a supplement to the daily education that pupils of Czech origin receive in foreign schools. The CSWB follow their own teaching curriculum in line with the Framework Educational Programme of the Ministry of Education, Youth and Sports, while taking into account the aspects specific to multilingual pupils living in a multicultural environment. Based on an agreement with the Ministry of Education, Youth and Sports, their courses are fully recognised in the Czech Republic.

The high percentage of children who integrate seamlessly into the education system following their return to the Czech Republic is one of the greatest successes of the CSWB. "Everything went so smoothly. At first, our older daughter received a few bad grades on some dictations, so we just reviewed the rules and everything was fine again. In literary discourse, on the other hand, she is excelling, thanks to her lessons at the Czech School Without Borders. We are very happy. Clearly, without the Czech School, it would have been much harder for her!" says the mother of two pupils in the grades 4 and 6 of the CSWB in Paris about their return to the Czech Republic. At the same time, the best pupils at the CSWB are able to fully (or successfully) participate in Czech language Olympiads organised by the Ministry of Education, Youth and Sports.



## Mission of CZECH SCHOOLS WITHOUT BORDERS

- » Teach and cultivate the Czech language. Language is what connects Czech expatriates.
- » Educate Czech children and youth who live abroad and have a close relationship to the Czech Republic.
- » Develop abroad the intellectual, economic and social potential that these young people with language skills and international experience represent for the Czech Republic.
- » Represent the Czech Republic abroad and promote its good name.

Photo: Lucie Slavíková-Boucher

The CSWB are also education centres for students, teachers or university staff from the Czech Republic who are interested in unique work experience abroad in teaching multilingual pupils. A host of bachelor's and doctoral theses have been written at the CSWB.

The first CSWB was established in Paris in 2003. An eponymous non-profit organisation comprising schools that teach

according to the respective programme and observe all lesson and administrative parameters was registered in Prague in 2009. The organisation coordinates the activities of such schools and guarantees the quality of the lessons offered by schools abroad carrying this name. The organisation also helps to establish other education centres abroad that are inspired by the CSWB model. It keeps track of their number and monitors their development. It develops its own teaching materials and assists schools with teaching methods. It has long been focusing on the issue of Czech expatriates and their relationship to their former homeland.

Dozens of other schools operate abroad. Many of them work with the CSWB or expat initiatives that support Czech lessons. Together they create a modern network of Czech schools abroad, a network that has been forming for more than 16 years and is constantly growing. At this time, the network comprises 110 education centres, 3 400 pupils, 350 teachers and organisers and almost the same number of assistants, interns and volunteers. The data collected by the association are even more surprising considering the schools are created "bottom-up" and operate thanks to the enthusiasm and tireless work of the volunteers. The school are, therefore, alongside the traditional and historical expat associations, lively gathering places for the Czech diaspora across all generations.

**LUCIE SLAVÍKOVÁ-BOUCHER,  
IVA JIROVSKÁ, Czech School Without  
Borders** <<

# THE CZECH DIASPORA – PARTNER OF THE MATERNAL STATE

> The way we treat our Czech expatriates is how we will be seen abroad. The easiest and most effective way to promote our country abroad is therefore through our natural envoys who live abroad.

We may not have a return policy in place, but we are certainly not indifferent to the Czech diaspora. During the last years, we have abandoned the original definition of expatriates, citizens of a different country claiming origins in the Czech Republic, and now consider Czech citizens who either have dual citizenship or have kept only Czech citizenship and live abroad long-term or permanently to be expatriates as well.

The Czech diaspora is connected by a conscious sense of belonging to the

to the Ministry of Foreign Affairs, it is about 600,000.

Czech society is made poorer when its citizens leave. The people who leave are mostly educated, unafraid of change and able to fend for themselves. It would be a loss for the Czech Republic if we did not try to get them to return to their homeland or if we lost contact with them.

The assistance provided to the Czech diaspora is highly diverse. On the one hand, there is the traditional support of cultural heritage abroad, with which we

instead of the often very distant embassies. We would like to continue with the implementation of the “mobile consul” programme, where consuls travel to remote locations from time to time to collect passport applications and deliver newly issued passports. We are also not giving up the fight to allow Czech citizens abroad to vote in elections by post.

The many years of effort aimed at setting up a special office for the Czech diaspora, as is the case in many other countries, have not yet culminated in success. We have, however, been able to set up an interdepartmental commission headed by the Ministry of Foreign Affairs whose task is to collect suggestions for improving relations between the diaspora and the homeland and familiarise the Czech community abroad with the required paperwork and the possibilities for developing mutual relations.

In 2018, we commemorated the 100th anniversary of the foundation of Czechoslovakia. Without Czech expatriates, Masaryk’s efforts abroad would have been in vain. Not only did they provide financial support, but they also gave access to the high-ranking politicians of the Pittsburgh Agreement. The situation was the same during the Second World War. Exiles made sure that dissidents at home had contact with the science, art and democratic institutions of the West during the totalitarian Communist regime. Expatriates also contributed to the public pressure to have the Czech Republic join NATO. History shows how important the Czech diaspora has been for the development of foreign cooperation and bilateral relations.

**TOMÁŠ CZERNIN,**  
Chairman of the Standing Senate  
Commission on Compatriots Living  
Abroad <<



>> **Tomáš Czernin (left) and Tomáš Grulich, members of the Senate.**

Photo: Jiří Krátký

Czech Republic. It is difficult to generalise the needs of this group and its importance for the Czech Republic. More than 2 million people claim allegiance to the Czech Republic. Most are the descendants of Czechs who left the country in the second half of the 19th century or afterwards. Other people emigrated for racial or political reasons after 1938, 1948 or 1968. We do not know the exact number of people who left the country after 1989 – according

have extensive past experience, and, on the other, there are efforts to ease the administrative burden to make mutual relations between the diaspora and the homeland easier. We have been able to enact legislation that makes it possible to obtain dual citizenship just by way of a simple declaration for those who have lost it or had it taken away before 1989. Another accommodating step would be to make it possible to obtain a new travel document at honorary consulates

# PUBLIC DIPLOMACY – DIPLOMACY OF THE MODERN DIGITAL ERA

» The world of international relations and foreign policy has long not been the domain of individual countries or classical international organisations or the exclusive world of distinguished diplomats and international lawyers. In the modern digital world, the formerly rather “silent” international diplomacy has to present itself more, has to be visible both in the domestic and in the international public realm and make use of this space for its work.

An ever-greater number of non-governmental players – from companies, often multinational, and the media, to various non-governmental organisations, academic institutions, churches and religious communities – is influencing events internationally. Even modern diplomacy is forced to adjust to this reality and take into account all the players in international relations when formulating and advancing foreign policy priorities, all while working with the public, which is becoming increasingly aware and interested in the goings-on of the world.

To this end, most countries have been focusing their attention on cultivating public diplomacy, which, in relation to the domestic public, should obtain support and understanding of citizens for the efforts and positions of official foreign policy and familiarise this group with the various aspects of the work of the Foreign Service. Abroad, public diplomacy should promote and disseminate the good name of the country it serves. For smaller and medium-sized countries, public diplomacy is an important tool that can help them to maximise their own influence on the international scene by using the powers of attraction.

At the same time, public diplomacy is the process of building trust and positive human relations with foreign partners and instilling a fondness for one’s own country in others. To this end, many countries work on “nation-branding”, a comprehensive strategy that strives to build for the country in question a sort of marketing brand that will define it clearly on the international scene and help it to create a positive

image, with the primary objective of stimulating motivation and the desire to cooperate with the respective country.

## The Czech Republic brand

Presenting the Czech Republic and spreading its good name abroad therefore also belongs to the longstanding tasks and priorities of our diplomacy. The primary goal has always been to present the Czech Republic as a reliable member of the global community, as a democratic country with a profound respect for human rights, as a country with a devel-

oped legal system, as a safe, modern and economically and technologically advanced country, as an educated country and as a country with a rich historical and cultural heritage. These basic attributes have also been formulated in the Concept for the Unified Presentation of the Czech Republic, which was adopted by the Government of the Czech Republic in 2005 and is still in effect.

The image of our country abroad is relatively good, although the level of awareness about the Czech Republic and its positive assessment may of course differ around the world. It has to be conceded,



» Minister Tomáš Petříček forwards a medal to Mrs Madeleine Albright at an official ceremony on the occasion of the 20th anniversary of the Czech Republic’s membership in NATO (Prague, 12 March 2019).

Photo: MFA



» The Czech-Polish Forum, established in 2008 in Prague, is one of many specific bilateral instruments of public diplomacy that effectively strengthen government and political cooperation. It strives to stimulate development and intensify Czech-Polish social relations. It includes a programme used to financially support joint projects of Czech and Polish non-profit organisations, schools, research institutions, municipalities, regions etc. The last session of the Programme Council of the Czech-Polish Forum took place in December 2018.

Photo: MFA

however, that our image could be even better. A greater degree of coordination among all the different parties who have an influence on the presentation of the Czech Republic abroad or participate in it has been lacking. The Ministry of Foreign Affairs has thus decided to update the concept, and to discuss it in the near future as part of an interministerial coordination group with the aim of not only specifying new content, but also focusing on greater cooperation and coordination. An important moment in determining the baseline of the future presentation of the country abroad was the adoption of the Innovation Strategy by the Government of the Czech Republic in February 2019. The Strategy assumes that the Czech Republic brand, under the general heading "Czech Republic, the Country for the Future", will be developed to present the country, along with all its traditional attributes, as a self-confident, innovative leader with great scientific potential, a well-developed industrial and research sector and an educated, highly creative population.

### Not only exhibitions

For most people, publications, exhibitions, concerts, talks with interesting

people, workshops and various social enterprises come to mind as the most basic means by which our foreign representations present the Czech Republic abroad. At home, the Ministry of Foreign Affairs organises Open Days or Evenings with Czech Diplomacy, and now it is planning to send diplomats to various regions to hold discussions with citizens or students.

To fulfil its tasks, public diplomacy has a wide range of tools at its disposal. Social network play key role. Working with the media is also important. The Ministry of Foreign Affairs works closely with Czech Radio, which broadcasts abroad via Radio Prague. Radio Prague also provides an information service for the specialised website [www.czech.cz](http://www.czech.cz), through which the Ministry of Foreign Affairs provides basic information about the Czech Republic to interested parties abroad. Through several grant headings, the Ministry of Foreign Affairs also supports the projects of NGO's in various areas – Czech foreign policy priorities, expat activities and the Czech-Polish Forum.

Honouring the work of nationals and foreigners and organisations that have contributed significantly to promoting the objectives of Czech foreign policy

is also part of public diplomacy. Since 1997, the Gratis Agit Award has been presented to people spreading the good name of the Czech Republic abroad. In 2019, on the occasion of the 20th anniversary of the Czech Republic's accession to NATO, a new award – the Distinguished Contribution to Diplomacy Medal of Minister of Foreign Affairs – was bestowed for the first time.

### Cooperation – the basis for success

Unlike other topics, public diplomacy is an area that permeates all the work undertaken by the entire Ministry of Foreign Affairs. The Public Diplomacy Department is the coordinator. Its work would not be possible without the cooperation of not only the other departments of the Ministry of Foreign Affairs, but also of other important partners, such as the Czech Centres and the Institute of International Relations, as well as of other Czech ministries and of a whole host of governmental and non-governmental institutions. The Ministry of Foreign Affairs also works with the National Museum, the National Technical Museum, the Czech Olympic Committee, the Academy of Sciences, the Military History Institute Prague and the Institute for the Study of Totalitarian Regimes on various events. Successful and long-running cooperation has been taking place with the Lidice Memorial as well as with other cultural and scientific institutions.

The most important "helpers" of the Czech Republic in fulfilling the objectives of public diplomacy abroad are our embassies and, under their direction, the offices of agencies specialised in the various segments of our presentation abroad: the Czech Centres, CzechTourism, CzechTrade or CzechInvest. Our honorary consuls and dozens of expatriate associations or societies of friends around the world provide important assistance as well. Without such partnerships, achieving public diplomacy objectives would not be possible, and the Ministry of Foreign Affairs is prepared to continue to develop them further.

**EVA DVOŘÁKOVÁ, Director, Public Diplomacy Department, Ministry of Foreign Affairs of the Czech Republic <<**

# A New Trend in Czech Diplomacy: CONNECTING ECONOMY AND DEVELOPMENT

In 2018, Czech exporters were successful once again. However, economic analyses suggest a decline in demand on foreign markets. This may bring a slowdown in export growth and the Czech economy. In good times, we need to focus on the future. That is why our priority is to support the companies abroad, especially in more remote and risky territories. We strive not only to improve the services of our embassies but also to interconnect the instruments of development and economic cooperation.

## Economic diplomacy against the crisis

Preliminary figures show that Czech exports were extremely successful in 2018. Their value exceeded CZK 4.2 trillion. Nevertheless, economic indicators suggest that export growth and the economy as such may slow down. Good times may not last forever and Czech companies ought to prepare for a possible crisis. One of the options where economic diplomacy can help may be the diversification of exports.

It is not just the pessimistic predictions of most economists, but it could be a cooling demand in the EU and especially Germany, the economic problems of southern Europe or the slowdown of the Chinese economy combined with the American administration's protectionist policy and forthcoming Brexit.

That is why the Czech Republic's continual priority is to complete the EU internal market and maintain the trend of world trade liberalisation, whose rules must be fair. In recent years, there has been more and more talk of trade wars and a new wave of protectionist measures. These can only accelerate and deepen a potential economic recession. The rules of the international trade may not be perfect and the Czech Republic is open to discussing their revision, but we must not forget that it is the rules of the World Trade Organization and the agreements on free trade that have helped us to simplify trade and reduce its costs. Harmoni-

sation of standards, recognition of certificates and further reduction of non-tariff barriers can often be one of the decisive factors in the selection of export markets.

For a small, open economy like the Czech Republic, supporting the liberalisation of trade, export and economic diplomacy is always an important part of foreign policy. In worse times, you could say it is vital. The Czech economy is dependent on the export performance of Czech companies.

Despite the general boasting about success of the Czech companies, we must not forget that we largely depend on exports to the European Union, especially to Germany. And it is precisely the export diversification which can be one of the defences against the coming crisis.

More distant territories, although often risky, have their potential, and there are many opportunities for Czech companies. It is here that I see the primary role of economic diplomacy and the Ministry of Foreign Affairs of the Czech Republic. In the more distant, difficult territories lies the greatest value of our embassies.

## Investment in our future

One of my focuses as the Minister of Foreign Affairs ever since I became the head of Czech diplomacy is interconnecting development cooperation and economic diplomacy. Development cooperation is an investment in our security and in our future economic growth and

development. We must be a partner for developing countries and look for projects that will lead to the general development of the economy and raising the standard of living. For many reasons, exports to developing countries are often more complicated than to more advanced territories which are known to us, and where Czech companies already operate. At the same time, the cooperation of Czech and local companies is an important means of strengthening cooperation and the local economy. Here again, the above-mentioned rules of international trade are important, which must be fair to developing countries and their needs. The Czech Republic has several programs to help developing countries and support mutual cooperation. Small local projects, where our embassies can, for instance, assist to equip a doctor's office or build a well, have proved to be very useful. Such small local projects work on the knowledge of our diplomats in the country about the needs of local communities. Every year we manage to support up to 100 projects with a total budget of CZK 30 million.

The humanitarian health-care program MEDEVAC and the humanitarian migration assistance program Pomoc na místě (Assistance on Site), organised by the Czech Ministry of Interior in Africa, also have an excellent reputation. The primary goal of these programs is to help on the spot, but at the same time, they help to promote the good name of the Czech Republic. This can be subsequently used by the Czech companies which are intending to assert themselves in these territories.



There is also the development cooperation programme for the private sector B2B open to Czech companies heading to developing countries. Thanks to this, feasibility studies or business plans with a subsidy of up to 50% can be carried out. It can also help diversify the risks associated with setting up a joint venture. It is precisely the insufficient knowledge of the environment and the high input costs which are often a decisive obstacle for our companies, and the reduction of these costs is a real contribution to our companies' operations in developing territories.

A completely new programme is the International Development Cooperation Guarantee, which we have prepared in cooperation with the Czech-Moravian Guarantee and Development Bank. The

companies to establish themselves in riskier territories.

In order to provide comprehensive solutions in developing markets, we have prepared a program of sectoral development platforms this year. Our goal is to connect companies which can offer complex investment solutions. We see the potential especially in sectors such as healthcare, power industry, water management and agriculture. That is, the sectors in which the partner countries are interested in cooperation.

### New services in 2019

The services of economic diplomacy must be beneficial in particular for the compa-

niations and representations. An important partner in this aspect is the Czech Chamber of Commerce, which, thanks to its regional branches, has a unique insight into the needs of Czech entrepreneurs across the Czech Republic.

Since this year, thanks to the already existing regional network, we have prepared a pilot program of Regional Export Specialists in collaboration with the Czech Chamber of Commerce. Our common goal is to introduce the services of economic diplomacy in more detail and to extend the services that the representatives of regional economic chambers can offer to exporters directly in their region, where the companies are located and operate. The chambers of Pardubice, Brno, Moravian-Silesian, Olomouc and Zlín regions participated in the pilot year.

Another novelty is the projects supporting Czech companies Czech Business Support (CBS). CBS projects will be implemented by accredited entities operating abroad with the support of the representative office in the territory, and they will be based on the provision of individual services to Czech companies operating in the relevant territory or interested in entering the market. The services provided by CBS are complementary to the services provided by the representative office and CzechTrade and CzechInvest agencies. The aim of the CBS program is to support Czech companies whose activities abroad are not limited to export, but focus rather on investment. CBS projects should help such businesses reduce the risks associated with entering demanding foreign markets. The first CBS projects will be launched this year in the US, Morocco, Mongolia, Indonesia and Japan.

Many may think that the plan to make the Czech Republic a supplier of large and complex solutions is too ambitious and that the Czech Republic cannot compete with its European partners. But I am convinced that this is not true. You only need to look at the more than one hundred years of industrial production in the Czech lands, and the brands from a small Central European country easily competing with the global brands.

**TOMÁŠ PETŘÍČEK, Minister of Foreign Affairs of the Czech Republic <<**



>> **Tomáš Petříček, Minister of Foreign Affairs**

Photo: MFA

program uses a financial instrument to facilitate the entry into developing markets. The state will help companies to obtain a guarantee of up to 50% of the export credit principal, reducing the risk of investment in developing markets. At the same time, the program stimulates banks to lend more willingly and companies to invest in riskier business ventures. The condition for support is the sustainability of the investment and its concrete development impact in the country of implementation, whether in a form of increasing local employment or transferring know-how and technology. In addition to the development benefits, the program also brings new opportunities for Czech

panies. As a traditional instrument that has proved its worth I can highlight the Projects of Economic Diplomacy PROPED which we organise in collaboration with six other ministries. Not only PROPED, but also business missions joint with the missions of the highest constitutional officials and members of the government often head to riskier and more remote territories, where they can help create the necessary contacts and develop B2B collaboration. This year, for instance, I am planning a business mission to Africa, Southeast Asia and Latin America.

In order not to become complacent, we regularly consult the state's economic diplomacy services with business asso-

# INNOVATION STRATEGY GOES LIVE

The Government-approved innovation strategy is entering its implementation phase. We made the promise to turn the ambitious vision of moving the Czech Republic into the ranks of innovative leaders into a working version in no time. Managers are being allocated to the new Government priorities, and specific objectives are already being fulfilled. In March, the bodies responsible for all the strategic pillars met with the Prime Minister and presented the action plan describing the key tasks and tools for implementing them.

For the time being, the record pace of research financing is being maintained. In 2018, not only did we spend 33.4 billion Czech crowns on science, which is not only a year-on-year increase of three billion Czech crowns, we also managed to slow the rate of growth of “unconsumed expenditures”. This year, expenditures should attain 36 billion Czech crowns. Spendings for next year have been approved at 37 billion Czech crowns. If the business sector maintains the level of its investments in research and we are able to draw at least a minimum of funding available from the European funds, expenditure levels of 2.5% of GDP can be reached even sooner than 2025. A new evaluation system for Czech science is being launched in full, and we are distributing resources not according to number of articles, but based on the overall quality of an organisation’s research environment.

## Incubators, centres of excellence

At CzechInvest, we are not waiting around for anything either. Here we are developing a concept for creating incubators, accelerators, and business hubs. The concept includes the involvement of the Czech-Moravian Guarantee and Development Bank in financing the operations and equity of companies, including start-ups. We are implementing a new system for categorising research infrastructure and creating an environment conducive to the creation of centres of excellence in fields that are important for the whole of society. Artificial intelligence is one of these areas, and the national strategy in relation to it has just recently been put forward by the Ministry of Industry and Trade.



Photo: AMSP

In cooperation with the Ministry of Education, Youth and Sports, we are making the final adjustments to the effort to introduce polytechnic classes at elementary schools. The subject Technology is ready, at this time, we are finalising negotiations on its inclusion in specific areas of study. Work on the legislative framework for dual education is nearing conclusion. Another task related to investment in added value is also in the home stretch: the Act on Investment Incentives, which sets out clearly that only investment projects tied to research and development will be eligible for support, is in its second reading in the Parliament. All that is needed is the president’s signature, and the new system for deductions for research can be launched. A great educational roadshow to major towns is being organised in this connection.

In the same period, we are launching a major discussion with all relevant partners in the field of smart infrastructure.

For example, we are entering into final negotiations with key automotive and transport industry players about the parameters for supporting the transition to e-mobility or creating an environment for self-driving cars.

## Country for the future

Neither are we putting off implementation of the brand Czech Republic: The Country For The Future. We presented the Czech Republic as a confident country of the future to political and business leaders in Singapore, Thailand, India, Israel, German, Switzerland, and the US, to name a few. The new national branding is beginning to appear at all important conferences, on marketing materials and at trade fairs. We are able to reveal that the national stand at the International Engineering Fair in Brno will be set up under the brand Czech Republic: The Country For The Future. Exemplary work is being carried out also by the Ministry of Foreign Affairs, which has assumed responsibility for getting the new visual to all our foreign representative offices.

Innovation strategy has become a major topic. No government document aimed at the future of our country has sparked such a broad discussion. Although not the initial objective, in record time, we have managed to make the public aware that we are changing not only national priorities, but also the international calling card of our country.

**KAREL HAVLÍČEK, Minister of Industry and Trade, Deputy Chairman of the Research, Development and Innovation Council of the Government of the Czech Republic** <<

# NEW CZECH BRANDS BUILD ON THE TRADITIONAL ONES

> Last year, we celebrated the one hundredth anniversary of the foundation of Czechoslovakia. This year, the numbers 30, 20 and 15 are significant: 30 years since the Velvet Revolution, 20 years since our joining NATO and 15 years since our accession to the European Union. All these anniversaries allow us to look back and appraise the historical importance of the events they commemorate. We must not forget, however, that it is more important to look to the future. As they say, the best is yet to come.

We like to muse over and be nostalgic about the time of the First Republic of Czechoslovakia. The "Made in Czechoslovakia" brand is still well-known around the world, just like the products that represented it. Some I would even dare to call legendary. There is no need, however, to just reminisce. All traditional Czechoslovak products have one thing in common: a history of innovation, design, and use of first-rate technology. These are the traditions that we can build on. I am pleased that so many Czech companies know how to take advantage of our shared history as well as the stories behind their companies and brands.

It is important not to forget one's own history. We must not, however, allow it to tie us down; instead, we must use it as an inspiration – to innovate. Only then can we maintain our world-class reputation, as a brand can only be as good as the product. Some companies have the luck to be able to build on their famous history. One such company is Koh-i-noor, famous Czech producer of pencils. They are many more companies that I can name.

I am also looking forward to the new brand "Czech Republic: The Country For The Future" – created by the Research, Development and Innovation Council under Prime Minister Andrej Babiš – shifting promotion of the Czech Republic in the direction of technology and innovation. The logo is a star symbolising ideas, innovation and inspiration, and its aim is to present the Czech Republic as a modern and innovative country. We will be

communicating the Czech Republic as a country with scientific potential, an advanced industry, ground-breaking research in numerous fields and an educated, resourceful and skilled population.

I like to tell foreign partners stories about young Czech entrepreneurs, new Czech companies, and their brands.



Photo: MFA

These companies are also gaining a foothold in international markets, often in high-value-added fields (in MED we have already written about Linet, Avast, Javlin and others, the articles can be found at [www.export.cz](http://www.export.cz)). Their products are top-of-the line in their respective sectors, and, thanks to them, we can boast about having world-class companies.

It is these companies in particular that are creating our foreign partners' general perception about Czech products. Thanks to this experience, these partners are confident that the competitive environment in the Czech Republic has been properly set up, i.e., the country has an environment that leads to innovation, improvement, purchase of new machines and utilisation of the latest technologies. Thus even products from small Czech companies are forced to attain the highest levels of quality. The reputation of our exporters and their products is excellent and we should not be afraid to acknowledge this.

What all these companies also share is courage. The courage to explore even more distant territories where exporting one's products is relatively complicated, the road to success longer, and the result uncertain. The objective of the Ministry of Foreign Affairs and economic diplomacy is to help exporters penetrate these markets. This is where our embassies provide added value. And just as companies have to develop and continuously innovate, we also have to develop our economic diplomacy. At this time, we can offer exporters better assistance than at any time in the past also thanks to closer cooperation with business representations, especially the Czech Chamber of Commerce. Even we are looking to the future and hoping that the best is yet to come.

**MARTIN TLAPA, Deputy Minister of Foreign Affairs <<**

# Development Aid: MOBILIZATION OF PRIVATE RESOURCES

» A few years back, Czech bilateral development cooperation was provided mostly in the form of grants. However, based on global and EU trends, especially the adoption of the 2030 Agenda and its 17 Sustainable Development Goals, recognition of the indispensable role of the private sector and its resources has led to a rapidly increasing role of financial instruments in development cooperation – from concessional loans to guarantees, to equity investments, etc.

It became obvious that the development needs of today's world cannot be satisfied from public budgets only, rather that the synergy of public, private, civil and academic actors can lead to the elimination of poverty. Partner countries are also calling for a change of approach to development cooperation. We often hear from representatives of developing countries, including the priority countries of our development cooperation, Bosnia and Herzegovina, Cambodia, Ethiopia, Georgia, Moldova and Zambia: "Investment and jobs are needed more than aid."

At the Ministry of Foreign Affairs and at the Czech Development Agency, we want to make it easier for Czech companies to invest in developing countries, especially in the areas that the Czech Republic has set as a priority for development cooperation and where we see the greatest potential for the involvement of private sector: sustainable management of natural resources, economic transformation and growth and agriculture and rural development.

We are supporting mobilization of private resources through the **modernization of tools**. The B2B Programme of the Czech Development Agency is currently undergoing evaluation in order to make it more coherent with the current trends and instruments. International Development Cooperation Guarantee, which should help Czech companies reduce the risk of investment in developing countries, was launched this spring. Another new instrument – tied financial donation – has been



» The aim of the Czech company **Cambodian s.r.o.** is to connect the Kampot pepper farmers from remote regions of Cambodia with relevant markets and thus increase their production.

Photo: Czech Development Agency

piloted in Iraq and Syria. The programme for Strengthening Capacities of Platforms was adapted in a way that companies and consortia can benefit from it.

The **B2B Programme** aims to support innovative business ideas with a potential to address development challenges. There are several ways how to get support from the B2B Programme, depending on the current state of business of the company. Companies can apply for a grant of up to 250 000 CZK (10 000 EUR) for elaborating a business plan, travelling to the country, meeting with all stakeholders and presenting their product or services. If a Czech company aims to provide a technological

solution to local municipalities or state institutions, it can apply for a grant up to 250 000 CZK (10 000 EUR) for preparation of a feasibility study. In both cases it is required to provide at least 50% co-financing from own sources. These small grants should help the Czech companies to open the doors in the new and very often difficult and risky markets. Until present, companies were able to apply for a grant also for project implementation. In future, we expect International Development Cooperation Guarantee to be used at this stage in majority of cases.

There are no territorial or sectorial limitations of supported projects. They have to

be implemented in a developing country (as defined by OECD/DAC) and are assessed according to the level of development impact and financial sustainability.

The Czech Development Agency supported in the past three years more than 120 projects of Czech companies all around the world. However, the Balkan territory is still among the most popular and demanded destinations, as the geographical proximity and the accession talks with the EU create a potential for further investments. For example, the company Enviros s.r.o. implemented energy saving projects in the region of Vojvodina, Serbia or the water specialists of Vodní zdroje a.s. helped with many waste-water projects in Bela

for the grant together. The B2B Grant Programme not only helps Czech businesses but aims to help achieving the Sustainable Development Goals and improve the private sector in the developing countries," says Pavel Frelich, the Director of the Czech Development Agency.

In the past two years, we noticed an increasing demand of Czech companies for expanding to the African markets, mainly due to their rising economic power and geopolitical importance. However, these markets are a challenging quest for small and medium sized companies. Despite that, solo entrepreneurs, such as the company Sun Session s.r.o., decided to establish a jam production facility

supplements and are becoming increasingly popular on the EU market.

The Czech Development Agency also manages the programme for **Strengthening Capacities of Platforms for Development Cooperation**. Sector platforms should make it easier for small and large companies to form consortia, foster cooperation and synergies, and establish links with academia and scientific institutions. The aim is to enable the consortium companies to offer comprehensive solutions, which can be implemented in developing countries together with local partners and municipalities; or in crisis-stricken areas in cooperation with international organizations. The pilot project of a sectoral platform is the *Building capacities and knowledge leading to the involvement of medical device manufacturers in foreign development cooperation* implemented by the Association of Manufacturers and Suppliers of Medical Devices. Their aim is to gather companies from the medical sector to create a comprehensive proposal for interested partners in developing countries, using the added value of their members such as LINET spol. s r.o., BEZ-NOSKA s.r.o., MZ Liberec, a.s. or Ego Zlín spol. s r.o. We hope that more sector platforms are established in future.

The most recent innovation is the International Development Cooperation Guarantee, managed by the Czech-Moravian Guarantee and Development Bank (ČMZRB) in collaboration with the Ministry of Foreign Affairs. These guarantees can be extended to an investment project in any developing country as long as the project generates impact on sustainable development in the partner country. For instance, new jobs are created, local workers obtain additional skills through training, environmentally friendly technology replaces a dirtier production method, etc. The Development Guarantee can cover up to 50% of the loan for a period of 8 years.

At the Ministry of Foreign Affairs and at the Czech Development Agency we hope that the new instruments help Czech companies get established on developing markets while contributing to the Sustainable Development Goals.

**PAVLÍNA BUZKOVÁ,**  
Ministry of Foreign Affairs 



**The company Bwindi Coffee teaches the farmers about more efficient production of coffee beans and helps them with exporting their products to the EU market. This photo shows the sorting of cocoa beans.**

Photo: Czech Development Agency

Crkva, Serbia in past years. Among other successful territories is South-East Asia, where several companies actively continue with their efforts. One of them is Hydropol Project & Management a.s., which aims to build and service a small-scale water plant in the region of Sulawesi, Indonesia or the company Cambodian s.r.o., whose goal is to connect Kampot pepper farmers in Cambodia's remote regions to increase their production and output.

"The B2B Grant Programme is also an opportunity for foreign companies from developing countries. They can approach their Czech partners with a suitable business idea in their territory and apply

using waste fruit from local markets in Tanzania. The company has already won its first contracts to supply local touristic resorts and employs its first 4 workers.

The agricultural production sector in countries like Ethiopia or Uganda attracts successful Czech projects as well. In Uganda, the company Bwindi coffee teaches the farmers about a more effective coffee beans production and helps them to export their products to the EU market. In Ethiopia, the project MojeMoringa builds on a big potential of the moringa tree and with the help of local farmer unions produces moringa tablets. These should be used as food

# RATING WITH A CZECH TOUCH

At first glance, it may look like “just” a meeting of experts from government agencies that support export, but the stakes are high. Will the rating of some countries change? And how will this impact the price of insurance on exports to these countries provided by institutions like EGAP, the Czech government insurance company? This is a topic that interests not only domestic exporters. Such international meetings are attended three times a year by EGAP representatives. These representatives also obtain the latest information on the discussed export markets from Czech economic diplomats.

About a year ago, Prague-based representatives of the Ministry of Foreign Affairs of the Czech Republic and the insurance company EGAP began meeting regularly to discuss the economic situation of various countries around the world. Representatives from the Ministry of Finance of the Czech Republic and the Ministry of Industry and Trade of the Czech Republic are also invited to these meetings.

As Deputy Ministry of Foreign Affairs Martin Tlapa explains, coordination meetings are of great benefit to both parties. EGAP obtains further materials that allow it to formulate the stance of Czech representatives at gatherings with other agencies of the member states of the Organisation for Economic Co-operation and Development (OECD) about the “OECD rating”, i.e., the classification of countries into risk categories (0-7, with category 7 being the highest risk).

## From Belarus to Egypt

The meetings held over the last two years about, for example, the rating of Belarus, Iran, Turkey and Egypt, have been watched closely. In all these cases, the classifications into the corresponding categories have changed: upwards in the case of Belarus and Egypt, downwards for Turkey and in both directions for Iran. The better the classification, the more favourable the insurance provided by the OECD members’ government export agencies.

According to Martin Tlapa, meetings with risk experts from the export in-

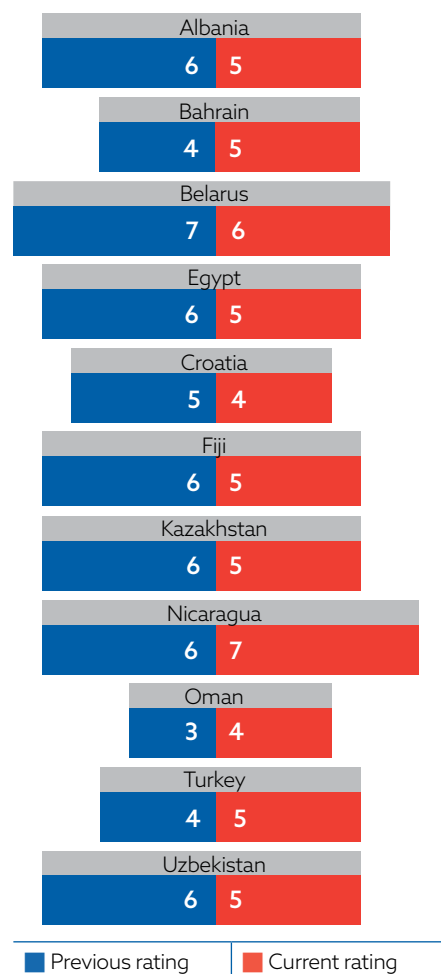
surance company are beneficial to diplomats as well. The discussion should provide them with new points of view and information that they can utilise in economic diplomacy and to support Czech exporters. “The Ministry of Foreign Affairs is strengthening its know-how and is increasingly being seen as an economic department,” says the deputy minister.

Martin Růžička, Deputy Managing Director for Risk Management at EGAP, also values discussion with the representatives of the Ministry of Foreign Affairs. Whereas EGAP assesses “hard” data about the economic and financial situation of certain countries and about the payment culture of companies in such countries, diplomats provide information obtained directly on the ground. Martin Růžička mentions an example where representatives of the Ministry of Foreign Affairs informed him how a new government in an assessed country was changing its approach to public contracts and how this change was impacting the business atmosphere. “Such information is highly valuable to us,” says the head of Risk Management at EGAP.

Martin Tlapa calls attention to the fact that when obtaining the needed information, Czech embassies abroad focus on a wide range of areas. They look at, for example, how diversified the respective economy is, how government debt is expected to develop, whether there is the threat of political instability, what reforms the government is planning and how extensive bureaucracy or corruption in the respective country is. At the same

time, diplomats verify their findings in practice: they travel throughout the country and are in contact with companies. Based on all this information, the embassies formulate their recommendations about whether the Czech Republic should push for a change in the rating.

OECD risk rating changes in 2018-2019 (classification into risk groups, with category 7 being the highest risk)



Source: OECD



» The example provided by Turkey shows that the OECD evaluation truly carries weight, says Martin Tlapa. Last year, the Turkish lira experienced a marked drop in its value.

Photo: Shutterstock

## Not just simple numbers

The final Czech position, which is also based on discussions between EGAP and the Ministry of Foreign Affairs, is presented by EGAP representatives during meetings with OECD export agencies about the qualitative assessments of each country. As Martin Růžička highlights, this more subjective approach builds on the evaluation using "hard" numerical criteria. Assessment of the economic and financial situation is based on analyses performed by the International Monetary Fund and other international organisations. Data from export agencies concerning debt repayment in the country concerned also constitute quantitative criteria.

Not everything can be expressed in simple numbers, so the representatives of the various export agencies as part their assessment share their "soft" knowledge – just like the representatives of EGAP and the Ministry of Foreign Affairs did before on the Czech national level. Now other aspects, which the numerical approach cannot cover, enter the game, such as assessment of

political risks, enforcement of rights and corruption. In the end, both hard and soft data support the final decision on the change of the rating of the country under evaluation.

Martin Růžička emphasises that neither EGAP nor any other OECD country institution plays at being a rating agency. "It's important for us to correctly choose premiums that correspond to the risk posed by each country. Rating agencies risk nothing. We, on the other hand, do," says EGAP's deputy managing director. According to him, government export agencies carry great responsibility also because taxpayer money is at risk.

## More confident diplomats

The Ministry of Foreign Affairs believes its involvement in the whole process has an additional advantage: "We strengthen the self-confidence of our diplomats in this way," notes Martin Tlapa. The representatives of Czech diplomacy may mention during meetings with their counterparts abroad that they are contributing to the evaluation of their counterparts' countries. Accord-

ing to the Deputy Minister of Foreign Affairs, this increases the prestige of the Czech Republic in international relations. At the same time, he confirms that as an OECD member, Czechs have the opportunity to take part in making important decisions.

It does happen that exporters are dissatisfied with the classification of a certain country into a very high-risk group because, in their experience, the country has a very good payment culture. They, however, do not really take into account other risks that are not immediately apparent. In this case, Martin Tlapa counters that the image of a country would be skewed if one did not take into account the whole picture. Some risks may not appear until after some time. "It makes no sense to give a better rating only for the sake of obtaining a certain advantage and enjoying somewhat cheaper insurance in the short-term. We could pay dearly for this in the long run," adds the deputy.

## Advantage for smaller countries

Martin Tlapa sees the OECD countries' ability to agree on joint rules for supporting export as a great advantage, especially for smaller, export-oriented countries like the Czech Republic. OECD members in this regard maintain a fair approach and set minimum premium rates for various country risk categories. The basic rule is this: countries should not compete with the price of lending or insurance, but with the products and services they offer. If the opposite were the case, it would be very difficult for the Czech Republic to compete with large countries, such as Germany or France.

Using Turkey as an example, Martin Tlapa demonstrates that the OECD evaluation truly does carry weight. Experts changed the country's classification last year from the fourth risk category to the fifth because of the accumulation of economic problems. This proved to be a correctly timed warning: during the summer, the country's currency crisis only deepened.

JAN ŽIŽKA <<

# World Trade and Czech Export: THE THREAT OF THE DOMINO EFFECT

▶ Predictions ran rampant in early 2019 about impending disasters around the world that would also affect the Czech economy and Czech exports: trade wars, Brexit, uncertain prospects for the German economy, etc.

The prevailing opinion for now is that no actual catastrophe awaits us – neither in the Czech Republic nor anywhere else. There are growing fears, however, that negative developments in several areas will gradually begin appearing in the coming years.

When the prestigious research firm Eurasia Group published its traditional risk forecast for 2019 at the beginning of the year, it did not place any trade or cybernetics wars in top spot. It may seem strange at first, but it ranked “bad seeds” as the number one threat.

This forecast has nothing to do with global agriculture of course. Eurasia Group used this term to try to describe the fact that world leaders are too busy dealing with local threats to focus on bigger issues. According to the research organisation, the “bad seeds” we plant this year could jeopardise the whole world order. In this regard, Eurasia Group focuses on failing democratic political institutions, the European Union, NATO and global organisations.

## Broken relationships

From the Czech exporters’ perspective, the appearance of the World Trade Organisation (WTO) in the list of threats is of interest. We can name several reservations to this organisation’s work over the past few years. One of the causes of current global conflicts are complaints (especially from the United States of America) that China has been abusing this organisation and that it has never abandoned a strong protectionist policy; instead, China has always been looking for ways to circumvent WTO rules.

The WTO did, however, at least have a certain dispute resolution framework in place, which the US, especially the administration under Donald Trump, has decided to ignore.

Optimists believe that President Trump has come up with a more effective negotiating style – he is not afraid of escalating conflicts with partners or rivals to force concessions that will benefit America or the West in general. Eurasia Group sees the situation differently: it has US-China relations as the second most dangerous threat, with the added specification that the relationship is simply already broken, and not even a temporary truce or momentary agreement can entirely mend it. Trust between the two parties has substantially deteriorated. Uncertainties remain in any case, which does not bode well for investors in the world markets.

## End of an established order?

The “bad seeds” theory has been confirmed by the atmosphere at this year’s World Economic Forum in Davos, at least as it was described by Fareed Zakaria, one of the world’s most respected analysts of the global affairs. He mentions that although there has not been much talk about a slowdown of the global economy, there has not been much certainty about growth either. Zakaria describes the current situation as follows: America is retreating from the global stage, and, at the same time, Europe is divided, depressed and unable to concentrate.

There are also uncertainties about Brexit as well as about developments

in France, where President Emmanuel Macron is dealing with the gilet jaunes (yellow vest) protests. All of that can impact the economy, as can concerns about whether Italy or France will be able to meet their budgetary obligations within the eurozone.

Fareed Zakaria does not expect Beijing to take the lead either. According to him, China is facing its own political and economic problems in the form of slowing growth and efforts by President Xi Jinping to consolidate power. In short, it is uncertain whether the framework of world order will remain reasonably stable.

Opinions about China’s economic weaknesses are not unanimous, however. A trade war with the US is not the only reason for concern. There are other reasons for the economic downturn. China is facing the problem of heavy indebtedness of its banks and businesses. Furthermore, a real estate bubble is looming, as many properties are remaining vacant. On the other hand, China has already reached a higher economic stage, making it impossible for it to keep up the former jaw-dropping growth rate. A more optimistic view sees the slowdown as a certain stabilisation at the level of long-term sustainable growth.

## The Czech exporter’s view

Why should all this interest a small Czech business that is trying to place its goods on the foreign markets? After all, what do developments in the American or Chinese economy have to do with a business like that? Both these countries are far away, and even though they



are important trade partners to us, the vast majority of Czech exports head to other European countries. The words of economic analysts may come across as theoretical babble. Exporters focus on specific contracts that may not be visibly affected by trade wars at all.

Nevertheless, the slowing Chinese economy is impacting us as well. From our vantage point, the expected rate of growth there is still very high. Last year, China saw growth of 6.6%, but it needs to be pointed out that this rate

most important trade partner," says Lukáš Kovanda, Chief Economist at Czech Fund. Last year, the Chinese slowdown negatively affected – and is still clearly negatively affecting – the slumping German industry. This, in turn, has stymied the dynamic growth Czech industry had been enjoying. Lukáš Kovanda mentions that for every percent that the Chinese economy slows down, the Czech economy slows 0.25 to 0.3 percent.

Without trying to farmonger, the biggest external threat to the Czech econ-

end up being confirmed, it has always been true that crises also mean new opportunities. It all depends on one's point of view.

Let us go back to the top of the list of threats. One of the big problems with Chinese banks is debts. For some, however, the purchase of defaulted debts are an opportunity, and properly managed deleveraging becomes a favourable impulse for the economy. Germans on the other hand worry about weakening foreign markets, but they can invest



>> The Shenzhen stock exchange is a symbol of the booming Chinese economy. Last year, however, the value of shares listed on the exchange fell tens of percent. Financial experts are awaiting anxiously this year's developments.

Photo: Shutterstock

is the lowest it has been since 1990. The Czech economy would be similarly affected if speculations are confirmed that the American economic recovery has to a certain extent run out of steam.

Local businesses can object, also based on various surveys, that the greatest risk to them is a slugging German economy. Indeed, the Czech economy is highly dependent on it. So why is there so much talk about America and China? In reality, everything is connected.

### Path through Germany

The United States and China are in Germany's top three export markets, France being the third. "Both in 2016 and in 2017, China surpassed the US as Germany's

omy is the potential domino effect. If we imagine a row of dominoes with Donald Trump or the problems of the American economy first in line, followed by the economic problems of China and then of Germany, Europe's economic powerhouse, then the Czech economy would be positioned somewhere near the end.

The much-discussed Brexit could also have a big impact on Germany, as the UK is standing just behind the trio of Germany's most important export markets.

### Crises? New opportunities

In times of uncertainty, it appears ever more certain that finding new opportunities is a never ending process for exporters. Even if some global threats

at home and revive domestic demand, by, for example, making good use of their budgetary reserves. By doing so they would not only revive the Czech market but the European market as well.

A good knowledge of the foreign markets can lead Czech exporters also to territories that at this time are not considered very enticing. The tense relations between Moscow and the West are blocking food exporters' access to the Russian market. The Russian market may, however, be good for those exporters who contribute to the helping the Russian's fulfil their goal of partial self-sufficiency in this area. The export of modern agricultural machinery thus appears to be promising.

JAN ŽIŽKA <<

# THE STRENGTHS OF OUR COUNTRY FROM THE BUSINESS PERSPECTIVE

▶ The Czech Chamber of Commerce is the largest independent business association in the Czech Republic. It is the only legal representative of the vast majority of Czech entrepreneurs. There are several dozens of other unions, associations, platforms, groups and committees..., which, however, are rather lobby oriented. The Czech Chamber of Commerce is keen to systematically monitor the business environment, challenges and opportunities at home and abroad.

The change of regime in 1989 marked the beginning of the transition to the market economy. Yet, the incompetence of many leaders as well as misguided policy choices caused a high number of key businesses to disappear or be dominated by foreign investors. On the other hand, new Czech entrepreneurs emerged and new Czech companies were founded. These new business entities had to demonstrate a high degree of perseverance and resilience to remain on the complex Czech market. Nowadays, there are mostly dynamically developing companies operating not only on the Czech or European market but also worldwide.

In the long run, most of the bureaucratic and political decisions seem not to have helped Czech business much. The combination of lobbying, clientelism, and the decision-makers' limited ability has mostly created great deformations in the market environment. The Czech Chamber of Commerce has long been a counterbalance and a source of feedback for state officials and politicians. The Chamber is also an independent and forward-looking institution focused primarily on the advocacy of the Czech entrepreneurs' interests and on the creation of tools to support business and export. For instance, in the past five years, it has created a Map of Specialized Work Opportunities, a spot promoting The Czech Republic and Czech People, organised three annual Regional Export Conferences, collaborated in dozens of export seminars both in Prague and the regions, contributed to the creation of the PROPED system (Economic Diplomacy Projects) and, last but not least, it has set up the position of regional



Photo: HATcom

export specialists. The Czech Chamber of Commerce serves as the main assistant of entrepreneurs in organizing the import of labour from abroad. Thanks to the pressure of the Czech Chamber of Commerce, there has been a significant adjustment of the law and the provision of investment incentives, due to which many assembly shops came to the Czech Republic only for cheap and skilful labour.

The current unusual situation in the Czech Republic is caused by the fact that big companies make up a large part of GDP. There is a chronic and long-term labour shortage in the market and wage growth is excessively fast.

In spite of the aforementioned statements, the Czech economy can be referred to as a dynamic economy. Czech companies have consistently proven their

ability to compete in the global competition. The ability to supply technological units is revived, where export financing tools can be used especially for supplying the state orders abroad. The competence of management of newly established as well as traditional Czech companies has substantially increased. Export support tools, combined with well-functioning embassies and economic diplomats abroad, are particularly helpful in reaching new potential foreign customers. Promoting innovation and start-up projects by the state is also very promising.

An ongoing shortcoming, however, is the insufficient coordination of the activities of state institutions - ministries. Synergy and division of labour between individual ministries, and between ministries and relevant business authorities are not working. It is desirable to achieve a policy where the politician and the official will only influence the direction of the business to the extent requested by entrepreneurs. If we want the Czech Republic to return to the world's leading positions, there must be greater understanding, respect and better communication with entrepreneurs. Today, the communication between state entities and business authorities is improving, and this is the main prerequisite for achieving the desired synergies and steady growth of the Czech economy. Diligence, flexibility and the ability to create relationships will be, besides quality and price, the main competitive advantage of Czech business.

**BOŘIVOJ MINÁŘ, Vice-President of the Czech Chamber of Commerce, responsible for industry, foreign relations, trade and services** ◀◀

**XTRA**

*Crystalex*



**e-shop**

[www.crystalex.cz](http://www.crystalex.cz)



OCENĚNÍ PRO CRYSTALEX

Aero 100<sup>x</sup>

85<sup>YEARS</sup> OMNIPOL



**L-39NG**  
**NEXT GENERATION**

