

Export promotion Framework of the Czech Republic

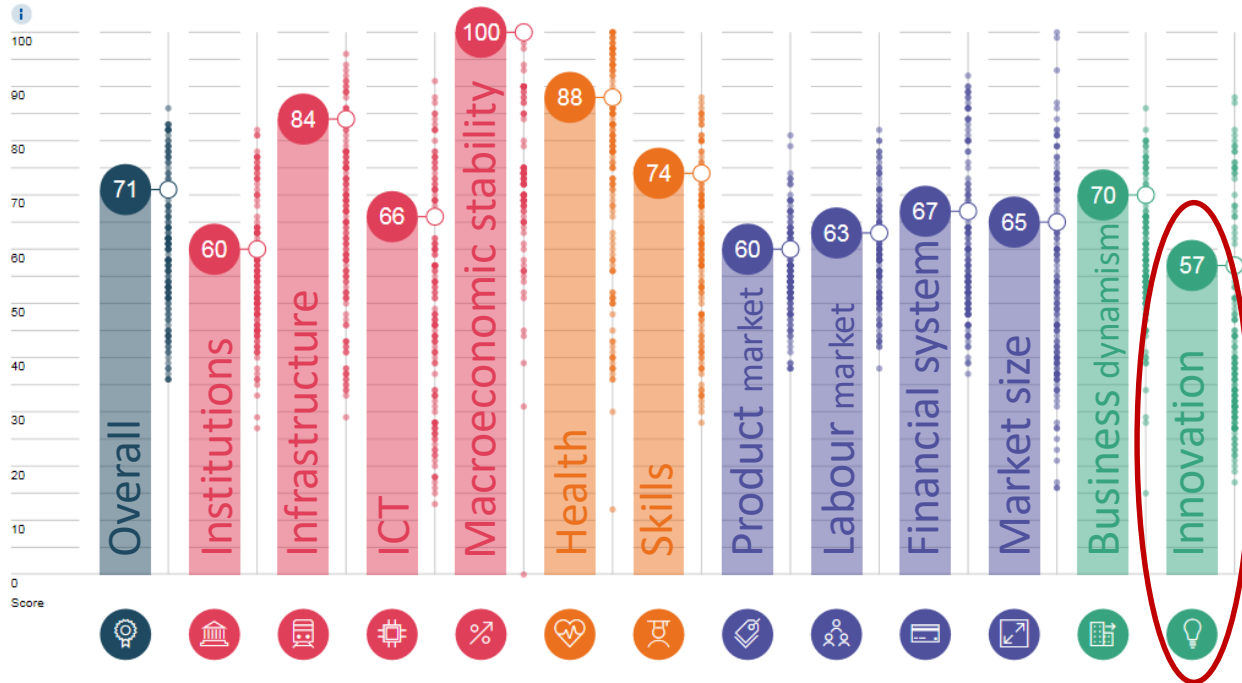
News and Trends

Czechia – Successful country

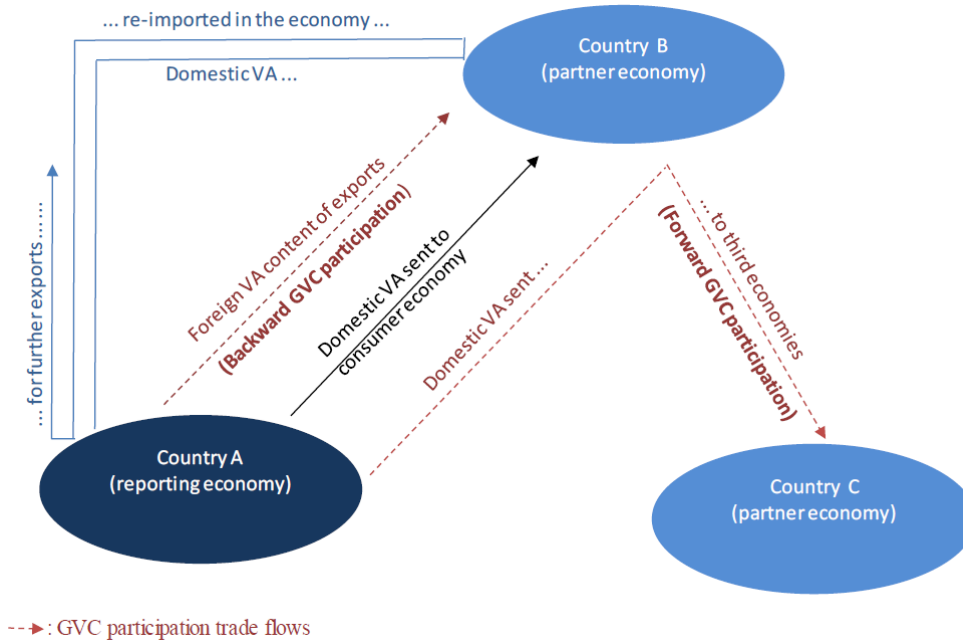
- ➔ among the 30 of the most competitive economies in the world
- ➔ driven by production **efficiency**, technological advancement of firms and foreign investment
- ➔ strong export ties to the EU and automotive markets
 - opportunity and weakness at the same time
 - growth has come to its limits in terms of efficiency

Performance Overview 2018

Compare with

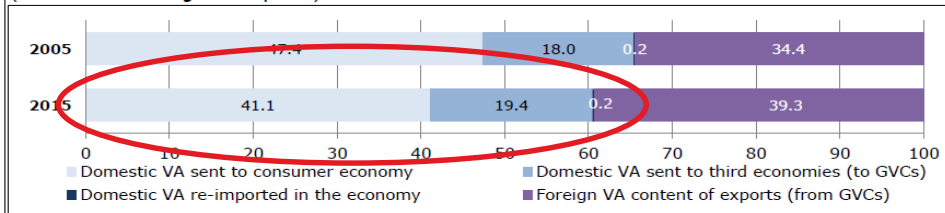


Global value chains participation

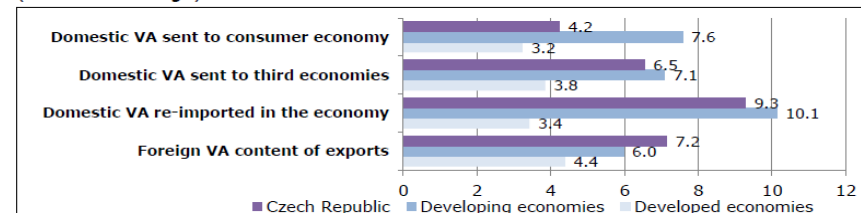


VALUE ADDED CONTENT OF GROSS EXPORTS

The value added (VA) components of gross exports, 2005 and 2015
(% share in total gross exports)



Evolution of the VA components of gross exports, 2005-2015
(annual % change)



Top export industries - Domestic and foreign VA content of exports, 2015

1. Motor vehicles
2. Computer and electronic products
3. Transport and storage

(% share in industry total gross exports)

	Domestic VA	Foreign VA	Total
1. Motor vehicles	45.7	54.3	100.0
2. Computer and electronic products	44.8	55.2	100.0
3. Transport and storage	78.9	21.1	100.0

(% share in economy total gross exports)

	Domestic VA	Foreign VA
1. Motor vehicles	11.1	13.2
2. Computer and electronic products	3.1	3.8
3. Transport and storage	5.3	1.4

Top export destinations - Domestic and foreign VA content of exports, 2015

1. Germany
2. Slovak Republic
3. Poland

(% share in total gross exports to partner)

	Domestic VA	Foreign VA	Total
1. Germany	59.5	40.5	100.0
2. Slovak Republic	62.3	37.7	100.0
3. Poland	64.5	35.5	100.0

(% share in economy total gross exports)

	Domestic VA	Foreign VA
1. Germany	14.8	10.1
2. Slovak Republic	4.3	2.6
3. Poland	3.8	2.1

The GVC participation index, 2015

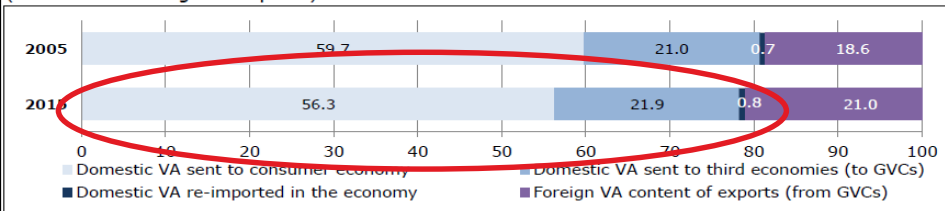
(% share in total gross exports)

Total GVC participation
Forward participation
Backward participation

	Czech Republic	Developing economies	Developed economies
Total GVC participation	58.6	41.4	41.4
Forward participation	19.4	20.0	20.8
Backward participation	39.3	21.4	20.6

VALUE ADDED CONTENT OF GROSS EXPORTS

The value added (VA) components of gross exports, 2005 and 2015
(% share in total gross exports)



Evolution of the VA components of gross exports, 2005-2015
(annual % change)



Top export industries - Domestic and foreign VA content of exports, 2015

(% share in industry total gross exports)

	Domestic VA	Foreign VA	Total
1. Motor vehicles	75.7	24.3	100.0
2. Other machinery and equipment	77.0	23.0	100.0
3. Chemical products	75.2	24.8	100.0

(% share in economy total gross exports)

	Domestic VA	Foreign VA
	13.4	4.3
	8.5	2.5
	7.1	2.4

Top export destinations - Domestic and foreign VA content of exports, 2015

(% share in total gross exports to partner)

	Domestic VA	Foreign VA	Total
1. United States	79.6	20.4	100.0
2. China	78.1	21.9	100.0
3. France	78.2	21.8	100.0

(% share in economy total gross exports)

	Domestic VA	Foreign VA
	8.8	2.3
	6.7	1.9
	6.2	1.7

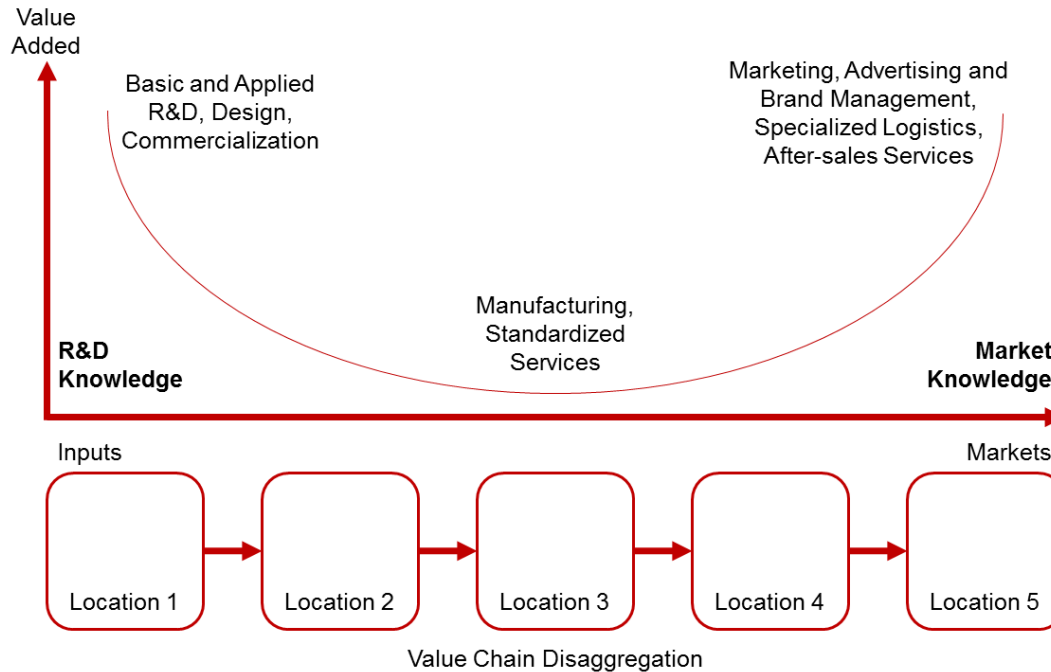
The GVC participation index, 2015

(% share in total gross exports)

Total GVC participation
Forward participation
Backward participation

	Germany	Developing economies	Developed economies
Total GVC participation	42.9	41.4	41.4
Forward participation	21.9	20.0	20.8
Backward participation	21.0	21.4	20.6

Value added and Global value chains



Andreas Wieland, scmresearch.org (2015); based on Mudambi (2008)

Czech Republic The Country For The Future

- ➔ in order to increase competitiveness we aim to move forward and create an **innovation-oriented economy**
- ➔ assumptions: economic and industrial tradition, economic and political stability, educated workforce, modern research background, geographical position, opportunities for further business development
- ➔ therefore, in January 2019 the government presented a new: **Innovation Strategy 2019-2030**

Index	Relative to EU in 2018	Relative to EU in 2011	Index2	Relative to EU in 2018	Relative to EU in 2011
Summary inovation index	82,2	85,9	Innovators	96,9	105,4
Human resources	75	73,4	SMEs product/process innovations	94,9	99
New doctorate graduates	77,8	84,6	SMEs marketing/organizational innovations	82,9	120,1
Population with tertiary education	61,3	45,5	SMEs innovating in-house	112,6	97
Lifelong learning	88,8	92,7	Linkages	84,1	71,5
Attractive research systems	65,3	48,8	Innovative SMEs collaborating with others	107,1	101,1
International scientific co-publications	91	73,8	Public-private co-publications	73	71,4
Most cited publications	43,8	37,3	Private co-funding of public R&D exp.	71,2	49,8
Foreign doctorate students	78,1	50,2	Intellectual assets	63,8	50,7
Innovation-friendly environment	75,1	84,3	PCT patent applications	23,2	21,1
Broadband penetration	72,2	88,9	Trademark applications	69,1	71,4
Opportunity-driven entrepreneurship	78,1	81,2	Design applications	100	64,3
Finance and support	46,7	84,6	Employment impacts	118,4	114,6
R&D expenditure in the public sector	96	70,1	Employment in knowledge-intensive activities	84,7	84,6
Venture capital expenditures	5	101,7	Employment fast-growing enterprises	144,6	136,3
Firm investments	94,4	104,6	Sales impacts	93	105,4
R&D expenditure in the business sector	82,8	64	Medium and high-tech product exports	128,2	127,2
Non-R&D innovation expenditures	89,3	134,6	Knowledge-intensive services exports	49,3	41,1
Enterprises providing ICT training	110,5	113,3	Sales of new-to-market/firm innovations	100	153,4

Innovation Strategy 2019-2030

- ➔ nine pillars for objectives and instruments (financial and non-financial)
- ➔ their implementation will lead to the development of innovative entrepreneurship
 - ▶ grasping ideas, developing prototypes, testing and commercialization, developing strategic management, education and research, monitoring the latest trends, developing digital and other modern technologies and skills
- ➔ basic framework defines the starting conditions for **all other state strategies** and approaches in the area of supporting the development of Czech companies



Innovations & Export promotion

- ➔ the State's export policy: based on the Innovation Strategy
- ➔ comprehensive system of state **assistance and services**
- ➔ axis: innovation - investment - infrastructure – internationalization
- ➔ we all are a part of it 😊



Joint team

- covers the whole **business lifecycle**
- shared business **support platform** – horizontal cooperation
- interconnected and related **services**
- economic diplomacy – **teamwork**



Thank you



MINISTRY OF
INDUSTRY AND TRADE

Vladimír Bártl
Deputy Minister
Section of European Union and Foreign Trade