



Ministry of Foreign Affairs of the
Czech Republic

Section of Non-European Countries, Economic and
Development Cooperation

System of Promotion of Export and Economic Diplomacy

Martin Tlapa
28 May 2018, Prague



Economic Diplomacy



Economic situation of the Czech Republic

› Position of the Czech Republic in the world economy

- › A small open economy dependent on export – the main factor of growth; together with stable consumption and domestic demand Territorial dependence on the EU internal market
 - › Sectoral dependence on the automotive industry
 - › Our economy is more open than Germany by approx. 10%
-
- › Czech share of world export exceeded 1 % in 2017, with a share of only 0,14 % in the world population
 - › **BUT:** low position of the Czech Republic in the global value chain – we need to increase the added value of exports, the share of services and export profitability.



Main Risks and Challenges - Internal

› Domestic and economic factors

- › Strengthening of the Czech crown reduces the price competitiveness of Czech trade
- › Pressure on wage growth
- › Overall competitiveness of the Czech Republic – business environment, education, innovations



The Czech Republic's decline in competitiveness (Doing Business, comparison of 190 countries, Czech Republic occupying 30th place – last year 27th), better evaluated not only Germany but also Poland.

* Cancellation of CNB interventions on 6th April 2017



Club and Network Diplomacy

	Number of actors	Structure	Form	Level of openness	Main goal
Club diplomacy	limited	hierarchical	mostly written	low	to sign memorandums
Net diplomacy	large	flat	mostly oral	high	to increase bilateral flows



Economic Diplomacy of the Czech Republic

- › **Growth of importance of economic diplomacy in the world**
 - › Phenomenon of „economization“ of international relations
 - › State institutions help to open doors when entering promising but demanding markets
 - › Greater willingness of the state to promote export through embassies, greater interconnection of tools (one offer, network, entry point)
 - › **Ministry of Foreign Opportunities** – trust of companies in state-provided services is growing, more involvement of ministries, departments
 - › Development aid as an investment (up 30% y / y)

- › **Team Czechia**
 - › Importance of communication with the business community in formulating of economic diplomacy
 - › Setting up effective cooperation among state institutions in the execution of economic diplomacy



Importance of Economic Diplomacy and Export Promotion

„Economic diplomacy will help to establish contacts abroad and to create conditions for Czech entities to access third countries' markets.“

Effective enforcement of economic interests abroad is one of the global trends of supporting economic growth:

- › **SEARCHING FOR OPPORTUNITIES** – *we provide information concerning opportunities on foreign markets*
- › **ASSISTENCE SERVICES** – *we assist with dealing with foreign partners*
- › **RELATIONSHIP BUILDING** – *we contribute to establishing contacts between Czech and foreign entities*
- › **MARKET ACCESS** – *we help to eliminate barriers when entering foreign markets*
- › **PROBLEM SOLVING** – *we help to solve problems of Czech entities on foreign markets*



Greater Use of Foreign Development Cooperation

- › Czech Development Agency
- › non-profit organizations
- › MFA and other ministries
 - › own development cooperation programs – Aid for Trade
- › ČMZRB and EGAP
- › companies
- › Foreign Development Cooperation Strategy 2018-2030
- › multilateral vs. bilateral
- › subsidy titles vs. returning tools

Budget of the FDC is about CZK 6 billion

CZK 1.8 billion - bilateral

CZK 4.5 billion multilateral

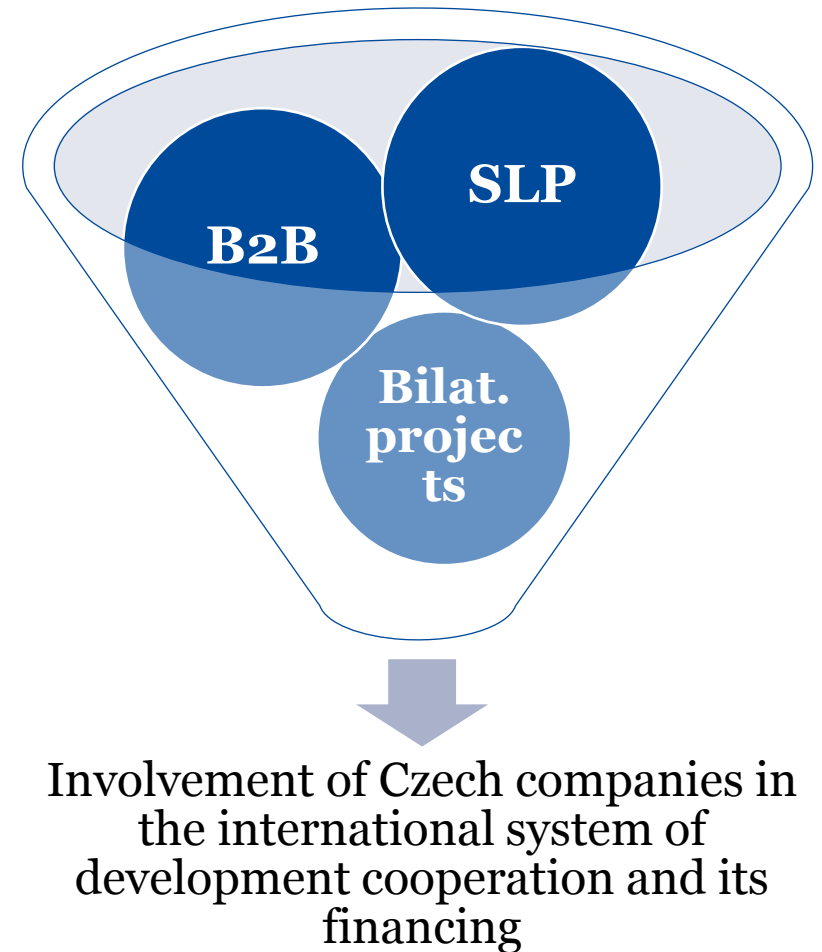
CDA budget - CZK 500 million

(95% for projects)



Foreign Development Cooperation and Future Business Opportunities

- › Development cooperation as an investment in future opportunities
- › Revision of the current system of financing
- › Modern financial tools
 - › use of the European Sustainable Development Fund - counter-guarantees
- › **Small local projects (SLP)**
 - › Less than 500,000 CZK
 - › in synergy with perspective disciplines
 - › Czech products and services

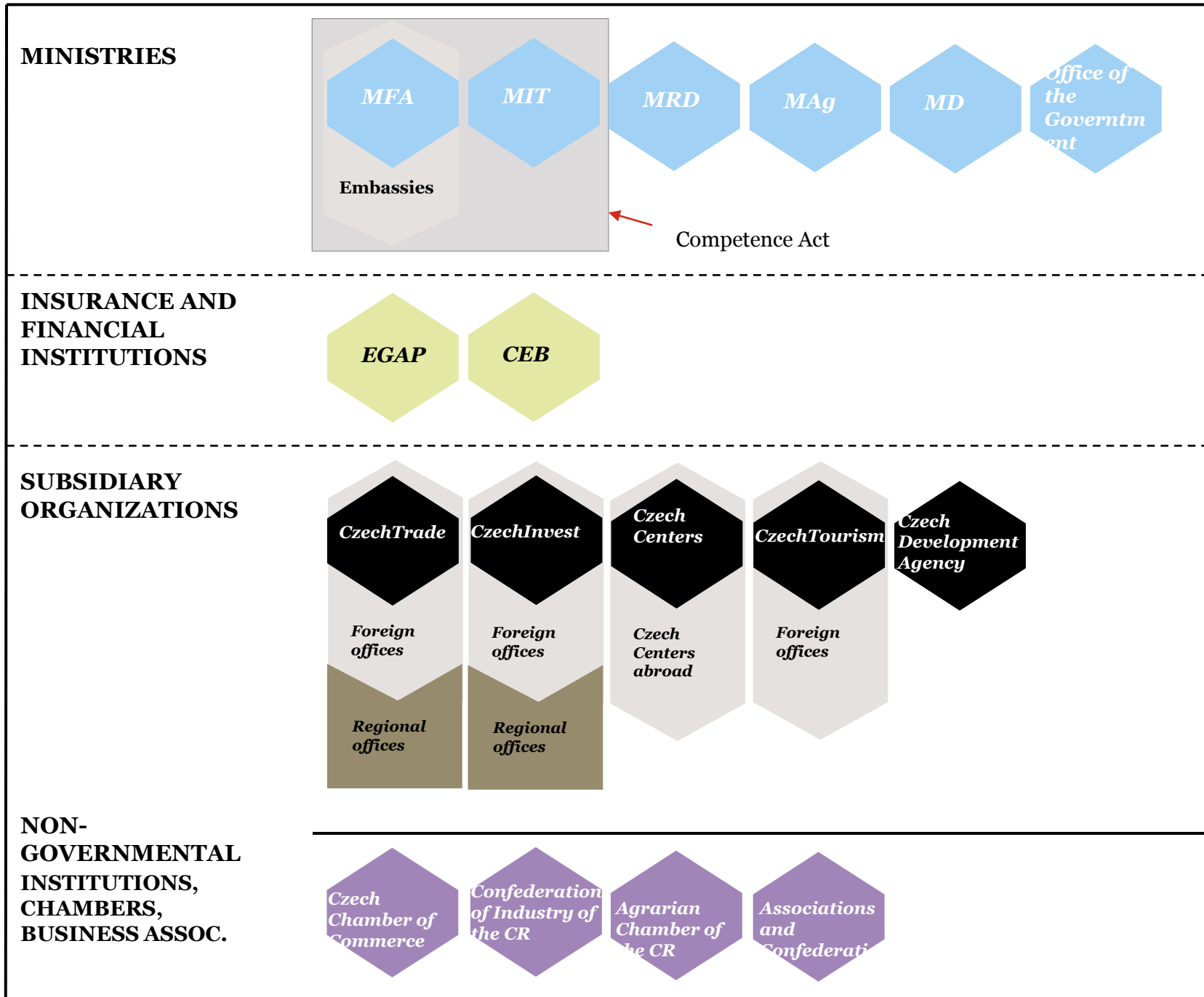




Actors of Economic Diplomacy



External Economic Relations Support System – Key Actors



Only the competencies of the MFA and the MIT are defined by the Competence Act.

The involvement of other ministries is primarily based on individual framework arrangements.

The involvement of non-governmental institutions is not officially established.

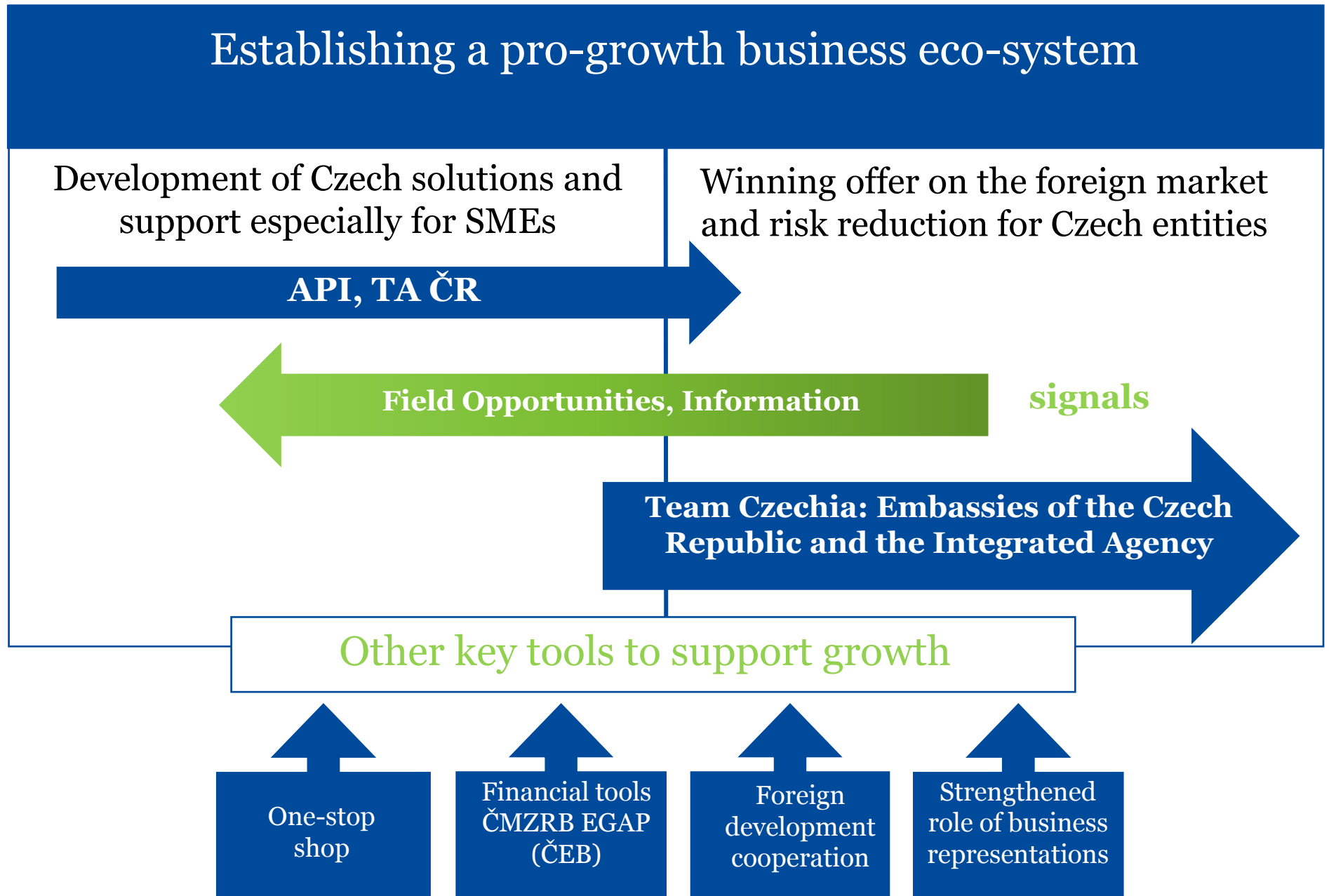
Mutual cooperation of individual subjects is not fully established.



New Possibilities and Challenges

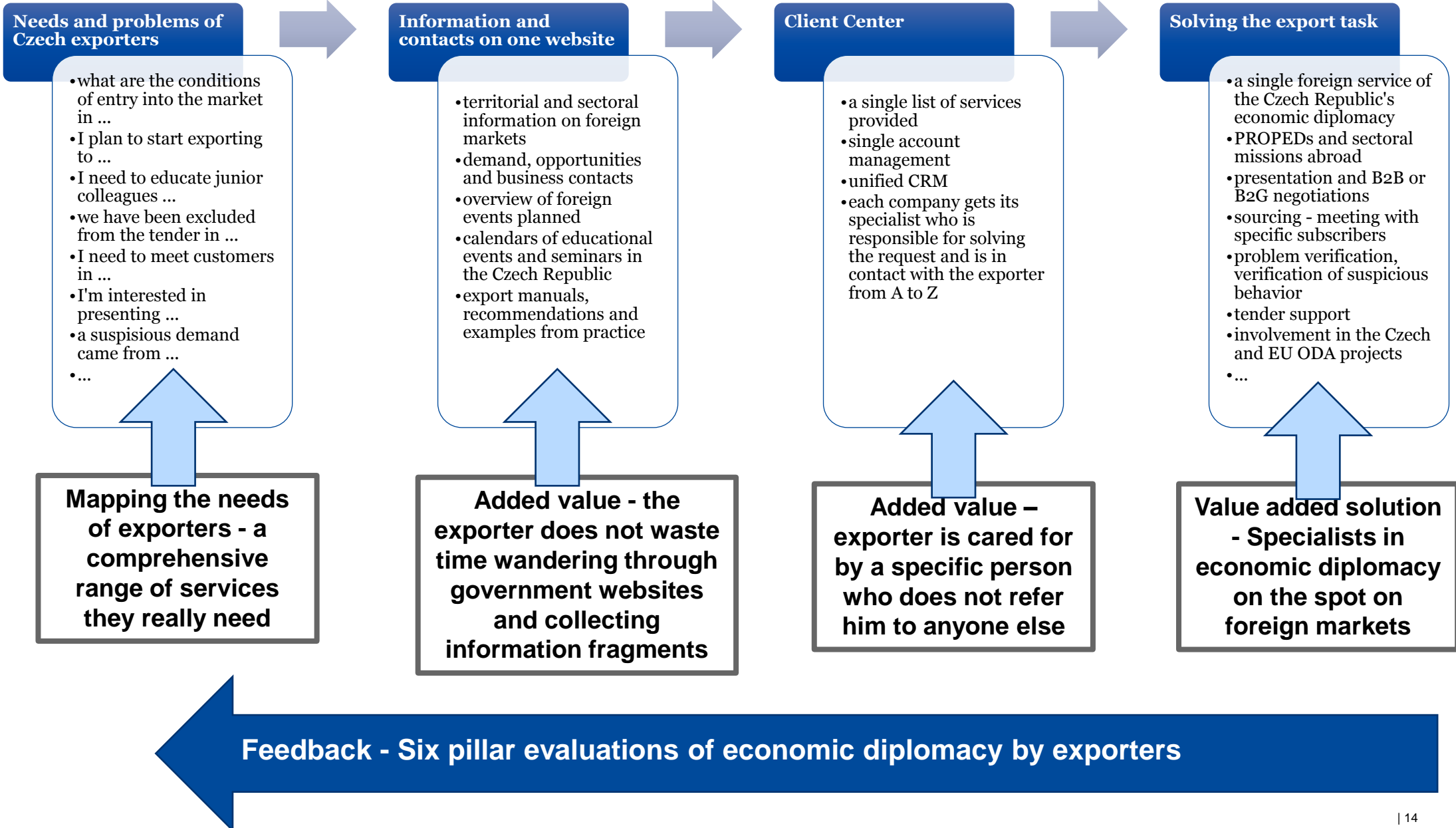


New Model of Economic Diplomacy?





Client Cycle of Economic Diplomacy





Unified Foreign Network



Unified Foreign Network - Actors Abroad

- › Representative offices of the Czech Republic / Embassies and foreign offices of the CzechTrade agency
- › Covers over 90 countries worldwide from the US to Japan and is gradually expanding
- › A total of 160 foreign workplaces belong to the Unified Foreign Network (UFN) of the Czech Republic
- › Czech Centers and the Czech House in Moscow
- › CzechTourism offices





Representative offices / Embassies

- › each embassy has economic agenda
 - › section size by country
 - › sometimes combined with development agenda
 - › if CzechTrade office – division of agenda
 - › CzechTrade – B2B
 - › Office / embassy – B2G
 - › embassies are comprehensively evaluated annually
- › **Expert economic local staff**
 - › strengthening of selected RO with economic local power - new since 2017
 - › necessary economic expertise and knowledge of the local business environment
 - › knowledge of companies
 - › help with analyzes, addressing partners and companies, planning of economic events
 - › local language – e.g. China, Africa
 - › total of 31 expert economic local staff
 - › effort to extend the system of expert local staff from 2019 onwards



Tools of Economic Diplomacy



Tools of Economic Diplomacy

Economic Diplomacy Projects

incoming and outgoing missions, fairs, presentations, seminars

involvement of ministries in a common fund

50 million CZK in a common fund

Services for Exporters

Client Center for Export

Unified foreign network
Representation offices and foreign offices
CzechTrade and CzechInvest

Foreign Development Cooperation and CDA



Information for Exporters



Tools of Economic Diplomacy

Current information
for our exporters

Seminars and
meetings for
exporters

Map of global
business
opportunities

Social
Networks of
Economic
Diplomacy of
the Czech
Republic -
Facebook,
Twitter,
LinkedIn

Marketing of
work of our
embassies

Territorial
seminars at
the MFA and
in the regions

Meetings with
economic
diplomats and
new
ambassadors

Joint Export
House at MSV
Brno



Map of Global Sectorial Opportunities

- An unique way to find sectorial opportunities for Czech exporters at foreign markets
- Positive feedback from the private sector and business associations
- Shift from territorial to sectorial
- Actualization in June 2017 → now updating for 2018
- Looking for new trends
- Identification of new opportunities with focus on non-European countries
- Searchable by both territorial and sectorial key words

The screenshot shows the BusinessInfo.cz website interface. The main content area is titled 'Mapa oborových příležitostí' (Map of Sectorial Opportunities). It features a search bar at the top right with the text 'Hledaný výraz' and a 'Hledat' button. Below the search bar is a navigation menu with categories like 'Fáze podnikání', 'Daně, účetnictví', 'Dotace, financování', 'Zahraniční obchod', 'Legislativa, právo', 'Podnikatelské prostředí', and 'e-Nástroje'. The 'Zahraniční obchod' category is selected. The main content area contains a sub-menu on the left with options like 'Zpravodajství pro export', 'Territoriální informace - země', 'Státní podpora exportu', 'Mapa oborových příležitostí', 'Exportní příležitosti', 'Podnikání v EU', 'Společná obch. politika EU', 'Nestátní podpora exportu', 'Právní prostředí a regulace', 'Manuál exportéra', 'Statistiky zahraničního obchodu', 'Rozvojová spolupráce', and 'Příběhy úspěšných exportérů'. The main content area also includes a search bar, a 'Rozšířené hledání' button, and a 'Výběr dle regionu a země' section with buttons for 'Výběr dle oboru' and 'Výběr dle HS kódu'. Below this is a 'Zvolte region:' section with links for 'Evropa', 'Asie', 'Afrika', 'Severní a Střední Amerika', 'Jižní Amerika', and 'Austrálie'. At the bottom, there is a world map with labels for 'Severní a Střední Amerika', 'Evropa', 'Asie', and 'Afrika'.



Available in printed form and interactively at the following address:
www.businessinfo.cz/mop



Other Information Sources for Czech Exporters

- › Business news from our embassies at MFA main webpage
- › New magazine **Modern Economic Diplomacy** (MED = „Honey“ in Czech)
- › Social media (FaceBook, LinkedIn, Twitter)
- › New web page www.export.cz – digitalized MED



Ministerstvo zahraničních věcí ČR
Ekonomická diplomacie

události
novinky z
velvyslanectví
služby pro exportéry
mnohostranná
ekonomická
spolupráce
rozvojová spolupráce
kontakty v zahraničí

upozornění na cesty

[Indonésie](#)

[USA](#)

[Togo](#)

[Madagaskar](#)

[Velká Británie](#)

**Indonésie: zvýšená
vulkanická aktivita
na ostrově Bali**

Zvýšená vulkanická aktivita sopky

[Úvod](#) > novinky z velvyslanectví

novinky z velvyslanectví

Tato sekce obsahuje aktuální informace zasláné přímo ze zastupitelských úřadů ČR v zahraničí

První česká obchodní mise v oblasti vodního hospodářství v Irsku

26.10.2017 / 12:45 | Aktualizováno: 26.10.2017 / 15:47



Od 4. do 6. října 2017 Velvyslanectví České republiky v Dublinu uspořádalo první českou obchodní misi v oblasti vodního hospodářství v Irsku v rámci projektů na podporu ekonomické diplomacie s cílem představit šest českých vodohospodářských... [více](#)

Česko-myanmarské obchodní fórum

26.10.2017 / 12:18 | Aktualizováno: 26.10.2017 / 12:31



Tři desítky myanmarských firem tentokrát přijely do Prahy za svými potenciálními partnery z oblasti těžební techniky a technologií, z oblasti cestovního ruchu, logistiky, zemědělství a zdravotnictví. [více](#)

Česká expozice se úspěšně představila na obchodním a investičním veletrhu v Macao

24.10.2017 / 09:05 | Aktualizováno: 30.10.2017 / 03:00



Letošní, již 22. ročník veletrhu Macao International Trade and Investment Fair (MIF) ve dnech 19.-21. října 2017, se opět konal za účasti českých zástupců, kterými byl Generální konzulát ČR v Hongkongu a firmy Smart Heating Technology s.r.o. a... [více](#)

česky

Hledat

rozšířené vyhledávání

klientské centrum
pro export

sledujte nás na



státy a území



vyberte stát nebo území

zajímavé odkazy



Ministerstvo zahraničních věcí
České republiky

MED
MODERNÍ EKONOMICKÁ DIPLOMACIE

ŘÍJEN 2017
ČÍSLO 1

MARTIN TLAPA
O EKONOMICKÉ DIPLOMACII:

**BUĎME JEDEN
TÝM**

NÁZOR: Snílí jsme o anděledech, máme senzičnic na kraji města. Strana 5	INDICKÝ TRH: Nezabodné šance v nejrychleji rostoucí velké ekonomice. Strana 6	DOHODA EU-KANADA: Brána na sever Ameriky se otevře i menším českým podnikům. Strana 16
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Link: www.mzv.cz/ekonomika

Link: www.mzv.cz/ekonomika/med



New Magazine „Modern Economic Diplomacy“ (MED)

Content of the magazine & topics

- interviews
- opinions and comments
- trends and markets analysis
- presentations of Czech exporters
- development agenda
- financing
- services for exporters
- pro-export events



Editorial Plan 2018

Topic	South Caucasus, units with high added value	North America, the Great Lakes Region, innovations	Southeast Asia, defense	Turkey, Israel, engineering (part on IIE Brno)	Africa, healthcare
Issue	3	4	5	6	7
Date	15/2/2018	15/4/2018	13/6/2018	24/9/2018	3/12/2018



News from Embassies

- › **Confirmed interest of entrepreneurs in news from the embassy on the MFA website → a tool for finding interesting opportunities**
- › general rules for writing news
- › All embassies except Fx should publish 8 articles between the meetings of economic diplomats
- › Current situation since the meeting of economic diplomats in 2017 :
 - › **863** sent our since June 2017 to May 2018
 - › **739** published information from June 2017 to May 2018
 - › in the period 2017/2018 - so far 5.5 articles in average sent to the office
 - › in the period 2017/2018 4.6 articles in average per office were published
 - › the most active office has already published 19 articles

The screenshot shows the website of the Ministry of Foreign Affairs and Economic Diplomacy of the Czech Republic. It features a search bar at the top right with the text 'Hledat' and a search icon. Below the search bar, there are several news articles and sections:

- události**
 - novinky z velvyslanectví
 - služby pro exportéry
 - mnohostranná ekonomická spolupráce
 - rozvojová spolupráce
 - kontakty v zahraničí
- upozornění na cesty**
 - [Indonésie](#)
 - [USA](#)
 - [Tooo](#)
 - [Madagaskar](#)
 - [Velká Británie](#)
- Indonésie: zvýšená vulkanická aktivita na ostrově Bali**
Zvýšená vulkanická aktivita sopky
- novinky z velvyslanectví**
 - Tato sekce obsahuje aktuální informace zasláné přímo ze zastupitelských úřadů ČR v zahraničí*
 - První česká obchodní mise v oblasti vodního hospodářství v Irsku**
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At the bottom right, there is a section for 'klientské centrum pro export' and 'sledujte nás na' with social media icons for Facebook, Twitter, and LinkedIn. Below that is a world map with the text 'státy a území' and a dropdown menu to 'vyberte stát nebo území'. At the very bottom right, there is a logo for the Ministry of Foreign Affairs and Economic Diplomacy of the Czech Republic.



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Seminars and Conferences

- › **Territorial conferences and seminars in Prague and Czech regions**
 - › Presentation of current opportunities to Czech companies
 - › Possibility to consult with economic diplomats from the region
- › **Educational seminars for companies – KEK – in Czech regions and in Prague**
 - › cooperation with HK ČR, EGAP, ČEB and others
 - › Specific examples of export cases and use of economic diplomacy services
- › **Consultations with economic diplomats from Czech embassies and directors CzechTrade offices**
 - › Within the meeting of economic diplomats in Prague at the end of June
 - › Possibility to contact whole network in one place
- › **Meeting of representatives of companies and business associations with new ambassadors**
 - › Before departure of new ambassadors to territories



Services for Exporters



Client Center for Export

- › One-Stop-Shop for exporters
- › MFA, MIT, and CzechTrade
- › Consultations of export and investment intentions
- › Services provided in more than 90 countries through the Unified Foreign Network
- › Export specialist on a specific request available during the whole process
- › At disposal employees of MFA and CzechTrade
- › Possible consultations with deputy ministers of MFA and MIT
- › Joined CRM database SINPRO – all information about individual clients
- › More information at: www.businessinfo.cz/KCE

klientské centrum
pro export



Overview of Prepared Services and Support Tools

- › **Basic services and counseling**
 - › Consultations and counseling
 - › Information Sources
- › **Unified Foreign Networks Services**
 - › Assistance, surveys and organization of meetings
 - › Support with focus on foreign private entities, official institutions and state-owned enterprises
- › **Commercial policy and the internal market**
 - › Removing obstacles and solving problems on the EU and non-EU markets
 - › Other areas of support
- › **Foreign events, missions and fairs**
 - › B2B events in the Czech Republic - sourcing and incoming
 - › Export seminars, conferences and education





Projects to Support Economic Diplomacy



Projects of Economic Diplomacy

- › Projects may take the form of seminars, presentations, exhibitions and trade fairs, conferences, business missions, Czech days and other similar sector-specific events
- › The actions are implemented primarily by embassies of the Czech Republic, which submit proposals for approval each year
- › Joint participation of multiple companies - offering a complex solution
- › To participate in the project, it is necessary to contact the economic department of the embassy in the country or the Ministry of Foreign Affairs or the Ministry involved
- › Ability to engage in already approved projects



PROPED

- › joint financing and project preparation - MFA, MIT, MA, MO, MRD, MI and the Office of the Government

Year	Budget	Number of projects	Average budget per project
2014	4,5 mil. CZK	51	90K CZK
2015	9 mil. CZK	87	100K CZK
2016	17,4 mil. CZK	161	99K CZK
2017	50,8 mil. CZK	291	175K CZK
2018*	52 mil. CZK	230	347K CZK

* as of May 2018; after the first call of 2018



Common Instrument of Financing Economic Diplomacy of the Czech Republic

- › Embassies have successfully implemented 291 economic diplomacy projects in 2017
 - › total of 415 submitted proposals
 - › 49 projects were implemented as an incoming mission to the Czech Republic
 - › most of the projects were implemented in the agricultural and food industry (72), the defense industry (30) and tourism (28)
 - › 1st challenge for 2018 - 294 proposals submitted, 230 projects approved
 - › funds allocated to implementation of approved projects exceeded CZK **35 million**
 - › 42 projects will be implemented in the form of incoming mission to the Czech Republic
- › May 2018 - Announcement of the 2nd Supplementary Challenge for 2018 – 55 proposals submitted



Evaluation of Economic Diplomats



Embassy Assessment - Satisfaction, Feedback, and Needs of Exporters

Individual services for exporters

Service quality assessment for exporters based on questionnaires

Evaluation made by companies

Information for exporters

Evaluation of the quality of the information provided to Czech exporters - news, STI, MOP

Evaluated by the headquarters of the MFA.

Economic Diplomacy Projects

Quality evaluation of projects implementation

Evaluations made by project participants - companies, sectoral associations, other relevant stakeholders

Evaluation of cooperation with the MFA

Evaluation of access and willingness to cooperate, adherence to the methodological guidelines and quality of documents provided.

Evaluated by the headquarters of the MFA.

Evaluation of business associations

Evaluation of the quality of information provided by embassies, access and professionalism while working with associations.

Evaluations by CC, AMSP, CI and sectoral associations

Evaluation of cooperation with the ministries / departments

Evaluation of quality of information provided by embassies, access and professionalism while working with associations.

Evaluated by the Ministries.



Ministry of Foreign Affairs of the
Czech Republic

Section of Non-European Countries, Economic and
Development Cooperation

Thank you for your attention

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