

CzechInvest

Investment and business development agency



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April 29, 2021

www.czechinvest.org

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Investment and business development agency

Business and Investment Development Agency CzechInvest, is an agency of the Ministry of Industry and Trade. Established in 1992, the agency contributes to attracting foreign investment and developing domestic companies through its services and development programs.

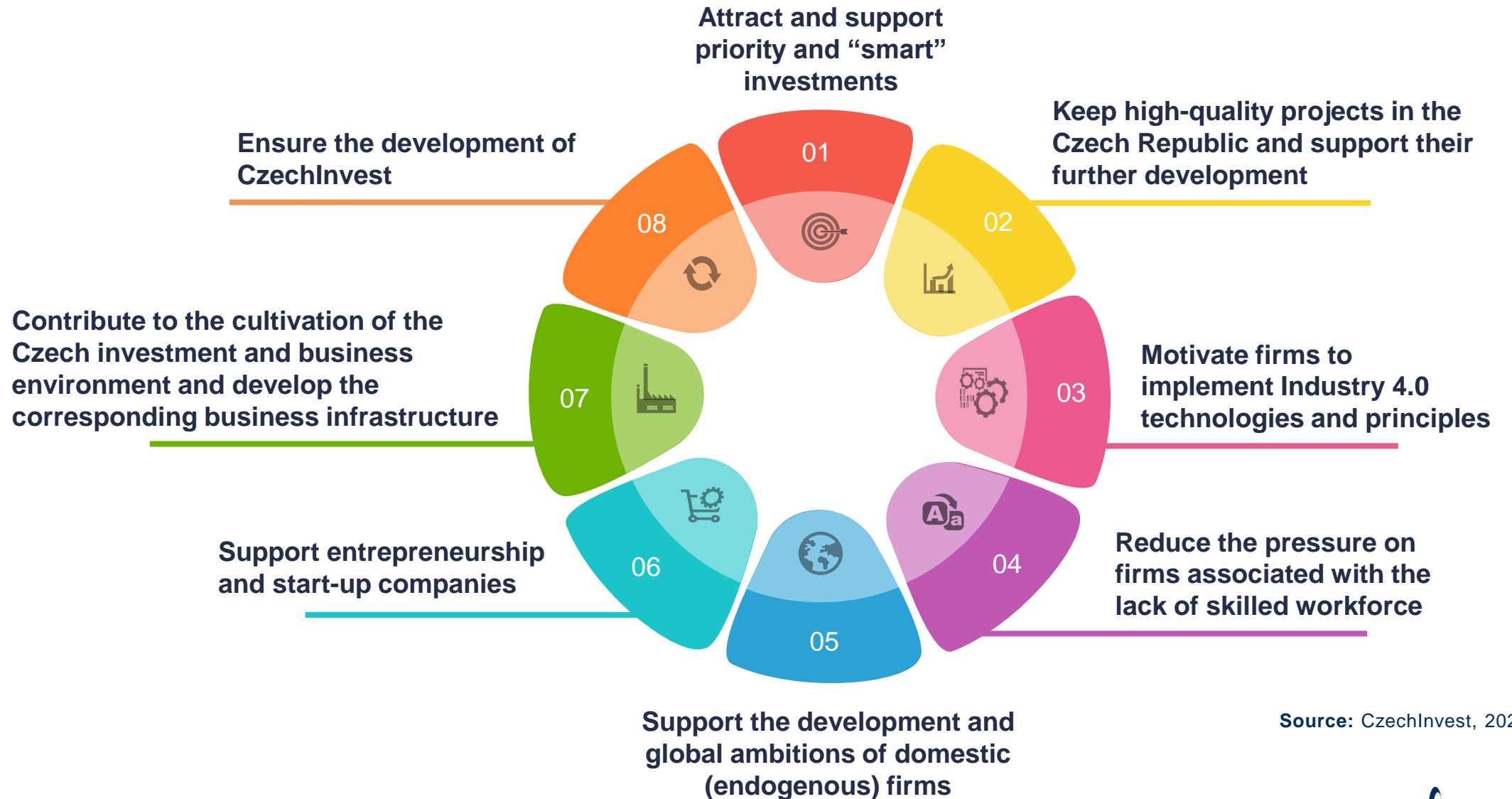
Our Mission is

- to **support** foreign direct investment
- to **develop** local companies
- to **implement** business-development programs
- to **improve** the business environment

Source: CzechInvest, 2021



Eight current challenges



Source: CzechInvest, 2021



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Regional offices



CzechInvest

13 Regional offices

More than 20 years experience

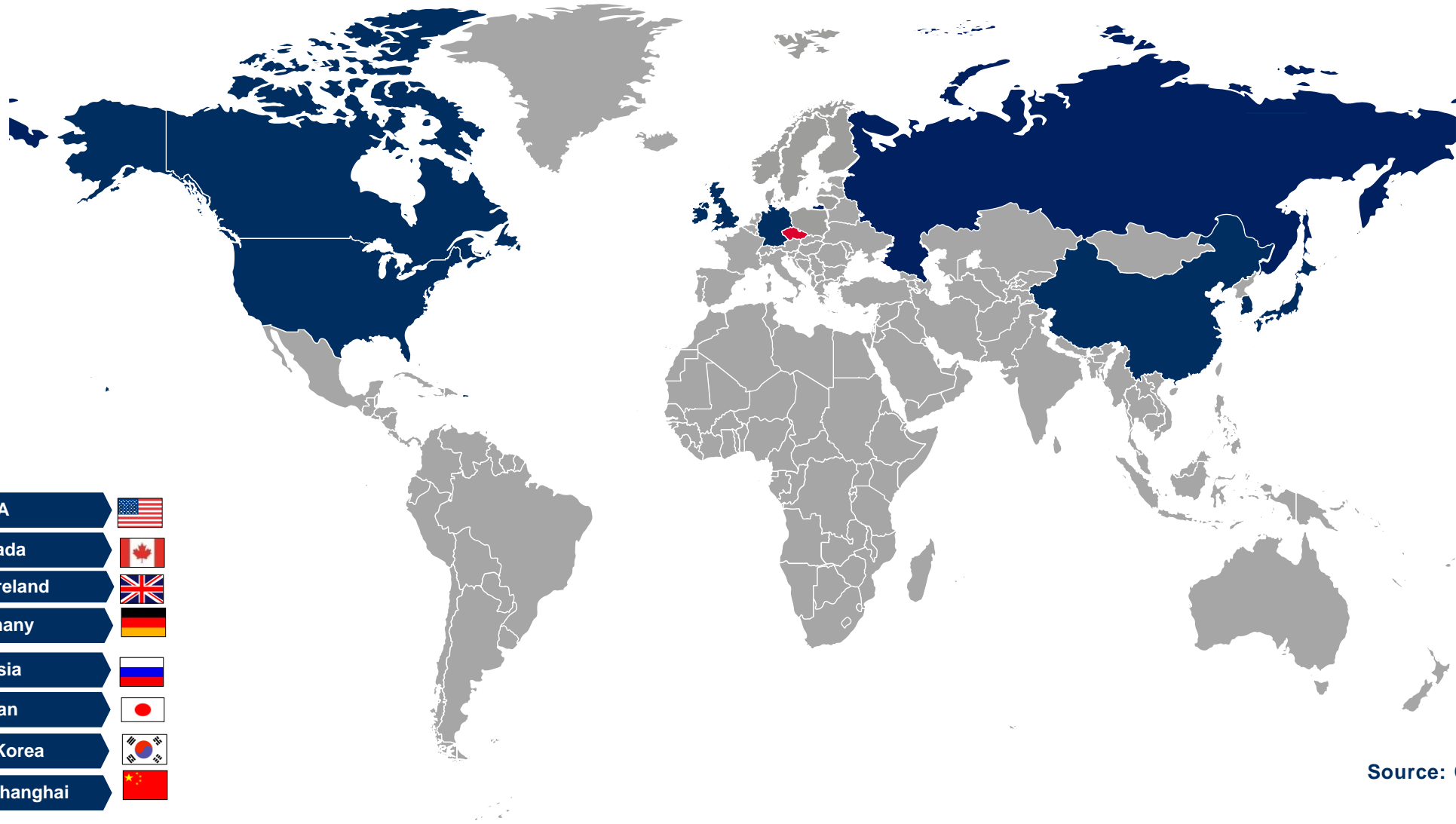
Source: CzechInvest, 2021



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CzechInvest worldwide



- USA 
- Canada 
- UK & Ireland 
- Germany 
- Russia 
- Japan 
- South Korea 
- China – Shanghai 

Source: CzechInvest, 2021



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Our services for potential investors

- Consultancy on available financial support for investment projects (investment incentives)
- Identification of green/brownfield sites, production facilities and offices
- Identification of potential acquisition, joint-venture and supply partners
- Tailor-made visits to the Czech Republic
- Liaison with government bodies
- Aftercare services



All CzechInvest's services are free of charge as part of the Czech government's business support measures

Source: CzechInvest, 2021



CzechInvest's Project Statistics

1993 - 2019



2,010

Approved projects



296,648

Number of new jobs



45,163 (USD million)

Expected total investment amount

Source: CzechInvest, 2020

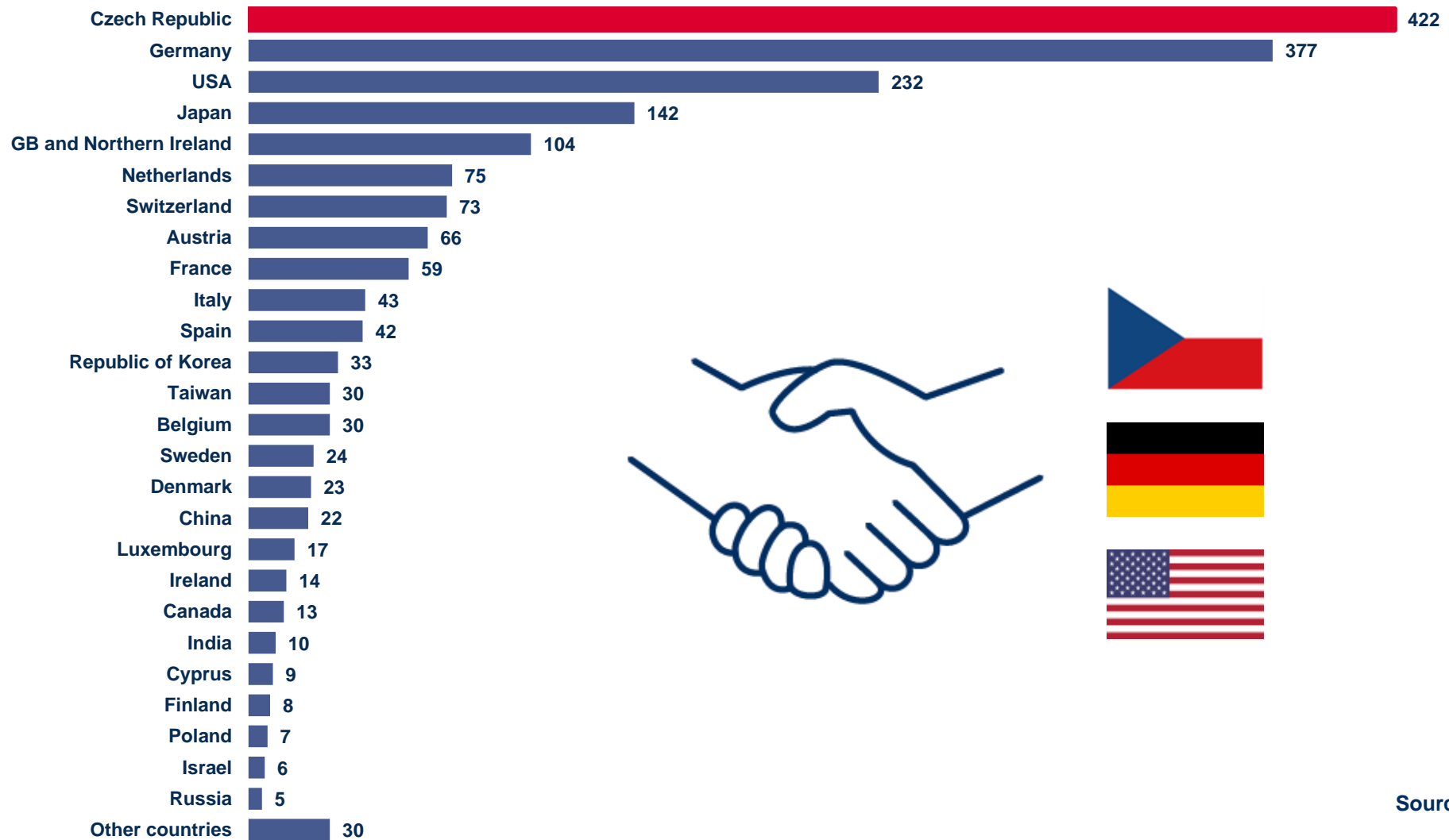


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Number of projects

According to country of origin (1993 – 2018)



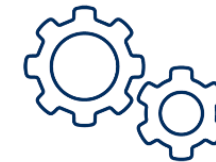
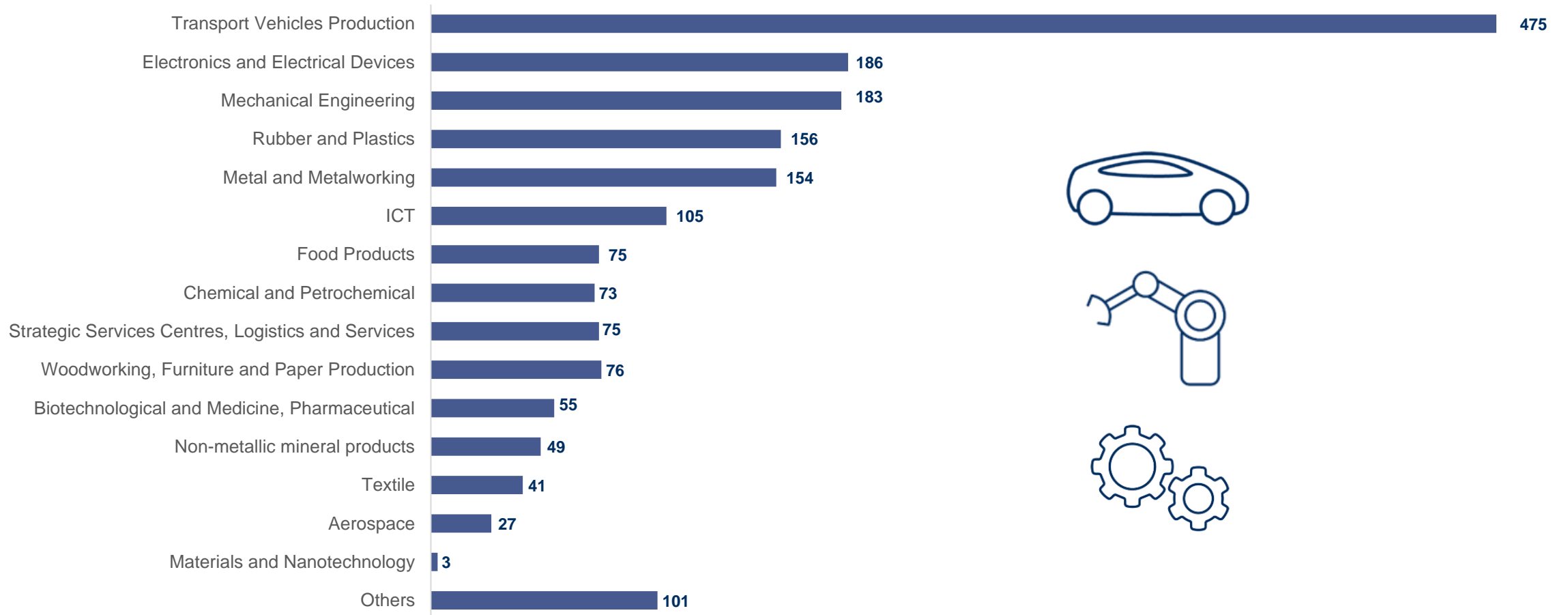
Source: CzechInvest, 2019



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Number of projects

According to sector (1993 – 2019)



Source: CzechInvest 2019



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Top 10 Investors in the Czech Republic

Mediated by CzechInvest

Company	Sector
Toyota	Automotive
Hyundai	Automotive
Volkswagen	Automotive
Denso	Automotive
Nexen	Rubber industry
Eaton	Electronic components
Red Hat	IT (software development)
Honeywell	Aerospace, Strategic services
GE Aviation	Aerospace
BMW	Automotive



Source: CzechInvest, 2020

Note: From 1993 to 2019



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Investment Financing Department Services

- Consultations and advice on investment incentives
- Preparation of preliminary financial calculations
- Assistance in preparing an application for investment incentives
- Administration of applications, preparation of assessment and documents for MIT and Government
- Analysis of financial support programs
- Organization of seminars and marketing events
- All services are provided free of charge

Investment incentives - supported activities



MANUFACTURING INDUSTRY

Production



TECHNOLOGY CENTRES

R&D centres

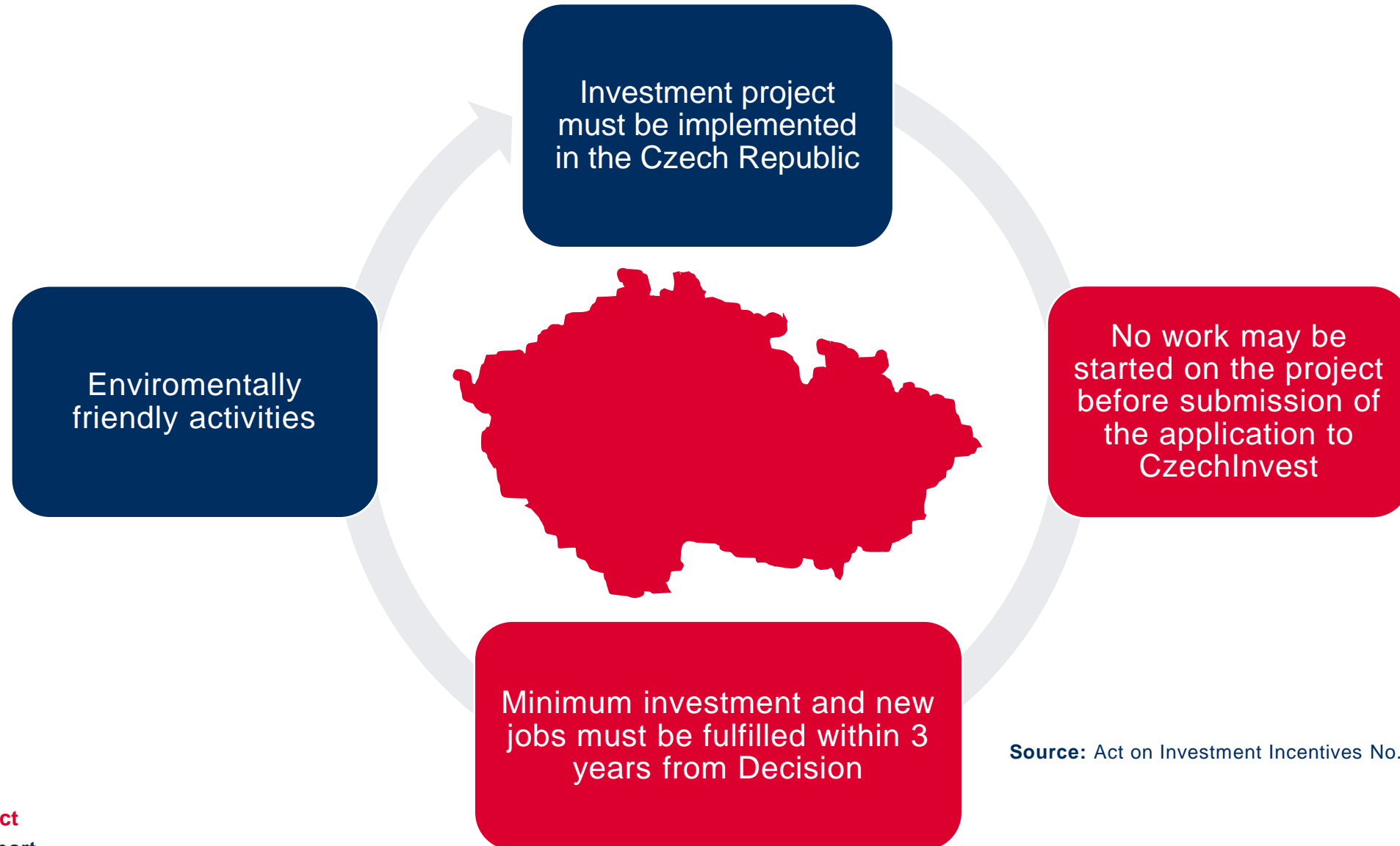


BUSINESS SUPPORT SERVICES CENTRES

- shared service centres
- SW development centres
- high-tech repair centres
- data centres

Source: Act on Investment Incentives No. 72/2000 Coll., 2019

General conditions for all supported activities



Source: Act on Investment Incentives No. 72/2000 Coll., 2019



Manufacturing Industry

Conditions

Investment project	Min. investment to long-term assets (approx. mil. EUR)	Min. number of new jobs	Condition of high added value
Developed region	3*	N/A	Yes
Region with special state support	1,5*	N/A	No
Strategic investment in manufacturing	19	500	Depends on the region

* in the case of medium-sized it will be reduced to half and to quarter for small enterprises

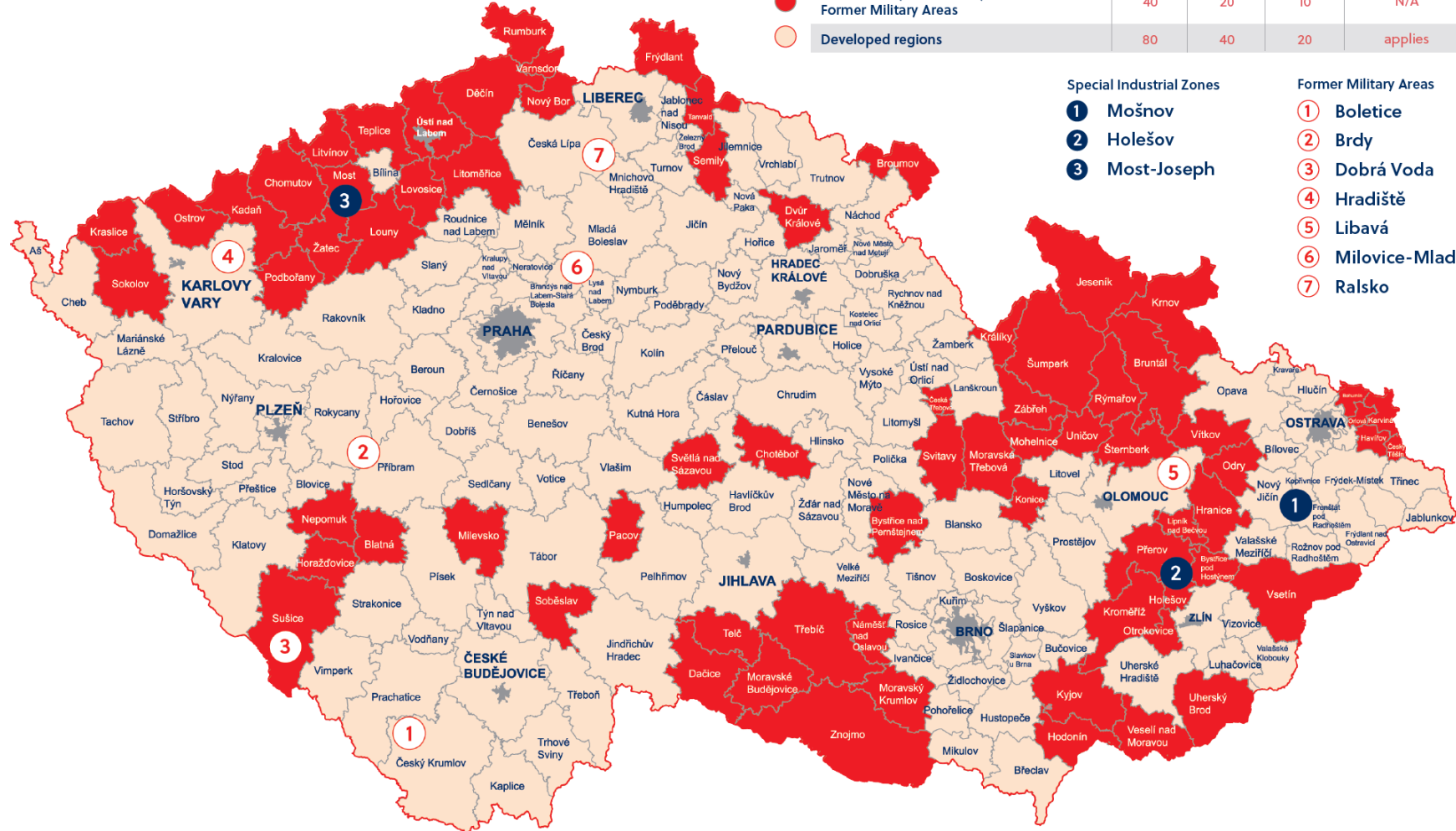
Source: Government Regulation No. 221/2019 Coll., as amended

1 EUR = 26 CZK



Manufacturing industry – Eligibility criteria in regions

	Minimum investment into assets million CZK			High Added Value Condition
	Large company	Medium company	Small company	
● Special Industrial Zones	40	20	10	applies in no. 1
● Economically and Socially Vulnerable Areas Former Military Areas	40	20	10	N/A
○ Developed regions	80	40	20	applies



Condition of High Added Value

At least 80% of employees will have average wage higher than regional average wage in a location where the investment will be effected



one of the following conditions

- A. min. 1% of estimated eligible costs will be spent on active cooperation with R&D institution

+ university degree employees ratio higher than 10%
- B. R&D employees ratio higher than 2%
- C. min. 10% of estimated eligible costs will be spent on R&D equipment

Source: Government Regulation No. 221/2019 Coll., as amended



Minimum new jobs required and the investment

Type of Investment		Min. number of new jobs	Min. investment into long-term assets (approx. mil EUR)	Services must be provided in min. 3 states
Technology centres		20*	0.38*	No
Strategic Technology Centre		70	7,6	No
Business Support Services	Software Development	20*	0	Yes
	Data Centre	20*	0	Yes
	Shared Services Centre	70*	0	Yes
	High-tech Repair Centre	50*	0	Yes
	Strategic Repair Centre	100	7,6	Yes

* in the case of medium-sized it will be the required investment reduced to half and to quarter for small enterprises, in case number of new jobs will be reduced to half for SMEs

Source: Government Regulation No. 221/2019 Coll, as amended

1 EUR = 26 CZK.



State aid ceiling

Large enterprise	Medium enterprise	Small enterprise	Prague
25%	35%	45%	N/A

Of eligible costs

LONG TERM ASSETS

in the form of new machinery, buildings, lands, of which at least half must be new machinery

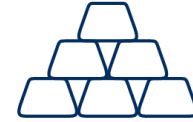
2-YEARS WAGE COSTS

of employees on newly created positions

Source: Act on Investment Incentives No. 72/2000 Coll., 2019



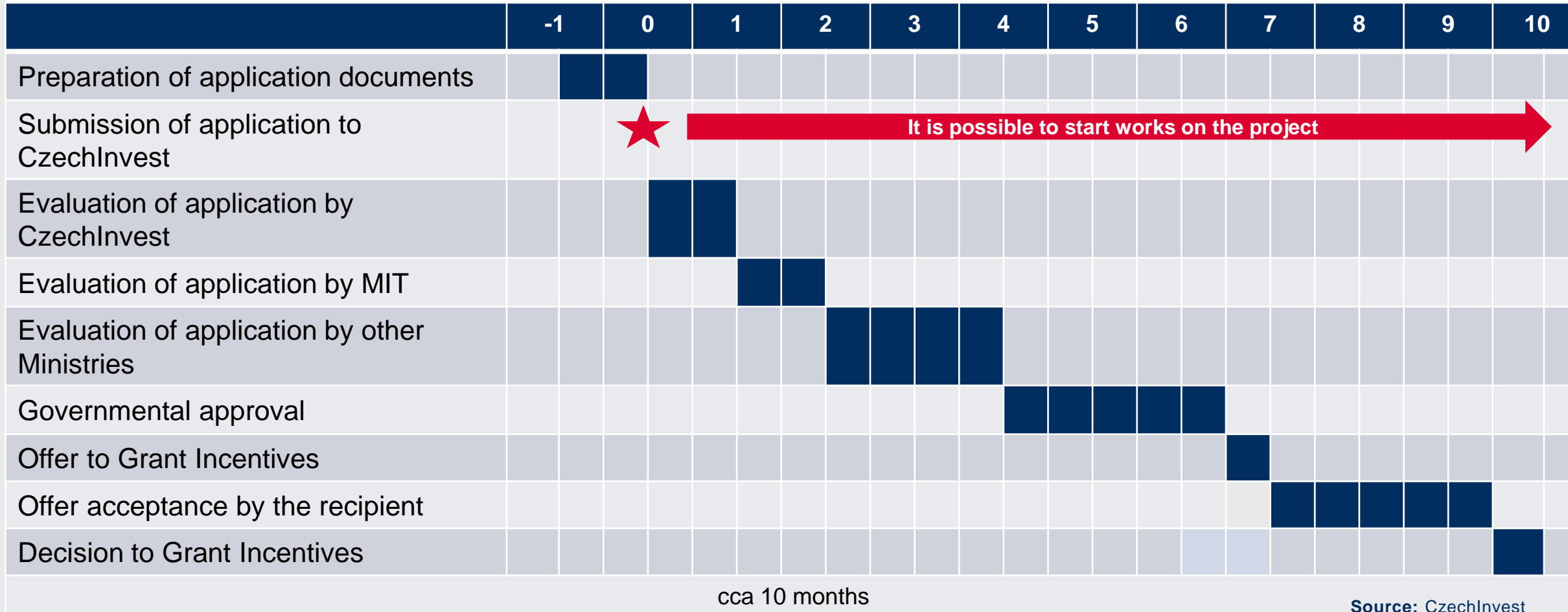
Types of incentives for regular investment



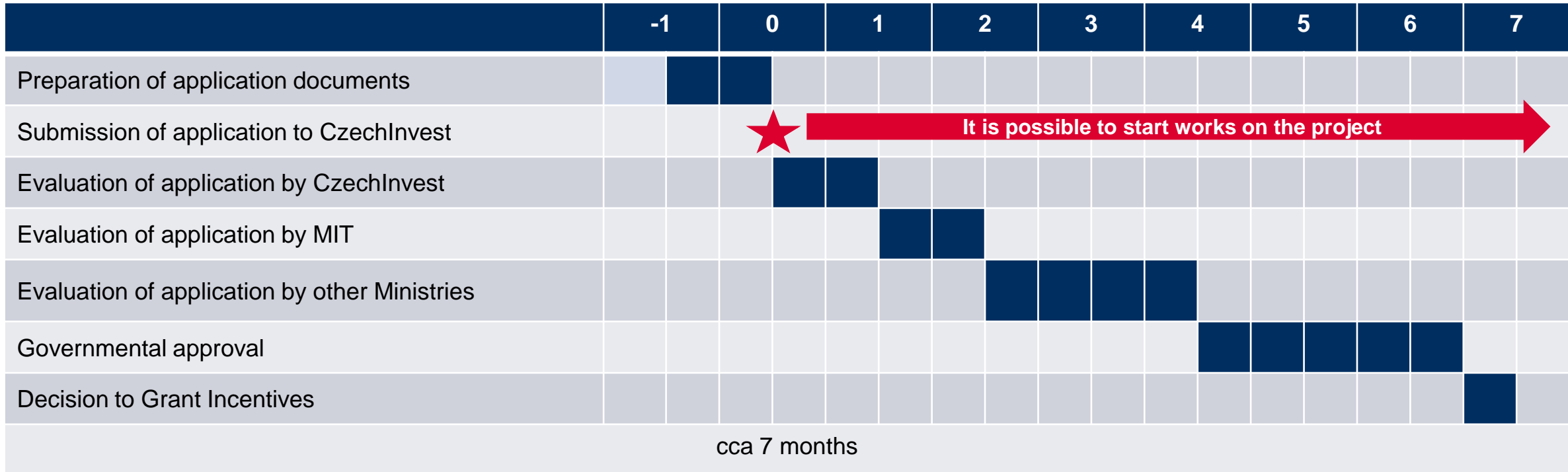
Type of Investment	CORPORATE INCOME TAX RELIEF up to 10 years	JOB CREATION GRANTS up to approx. 7,700 EUR per one job	TRAINING AND RETRAINING GRANTS up to 50% of training costs	CASH GRANTS on capital investment up to 10% of eligible costs
Manufacturing Industry	✓	✓	✓	
Production products for the protection of life and health of citizens	✓	✓	✓	✓
Technology Centre	✓	✓	✓	
Business Support Services	✓			

✓ In case of unemployment min. 7.5% in the district (and at the same time 50% higher unemployment than the Czech average) for the previous half of the year

Approval process – New company



Approval process - Existing company



Source: CzechInvest



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Thank you for your attention

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