Are you a member of a UK company wishing to export overseas?

Interested in entering or expanding your activity in the Czech market? Then this guide is for you!

The main objective of this Doing Business Guide is to provide you with basic knowledge about the Czech Republic; an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular will find it a useful starting point.

Further assistance is available from the UKTI team in the Czech Republic. Full contact details are available at the end of this guide.

Important Information - Sanctions and Embargoes

Some countries maybe subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available on the Businesslink site

The purpose of the Doing Business guides, prepared by UK Trade & Investment (UKTI) is to provide information to help recipients form their own judgments about making business decisions as to whether to invest or operate in a particular country. The Report’s contents were believed (at the time that the Report was prepared) to be reliable, but no representations or warranties, express or implied, are made or given by UKTI or its parent Departments (the Foreign and Commonwealth Office (FCO) and the Department for Business, Innovation and Skills (BIS)) as to the accuracy of the Report, its completeness or its suitability for any purpose. In particular, none of the Report’s contents should be construed as advice or solicitation to purchase or sell securities, commodities or any other form of financial instrument. No liability is accepted by UKTI, the FCO or BIS for any loss or damage (whether consequential or otherwise) which may arise out of or in connection with the Report.

UK Trade & Investment Doing business in the Czech Republic
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Introduction

The Czech Republic is located at the very heart of Europe with good transport and infrastructure links to Western and Eastern Europe. Prague is less than two hours flying time from the UK, closer than, for example, Vienna, Oslo, Stockholm or Madrid. Much closer than BRIC, the country offers many opportunities to expand your business.

The Czech Republic is one of the most stable and prosperous of the post-communist states with a fully functioning market economy.

UK exports of goods to the Czech Republic were worth £1.8 bn in 2010, making the Czech Republic the UK’s 29th largest export market. Two-way trade is worth some £5 billion. The Czech Republic has been very successful at attracting foreign direct investment, running at twice per capita than that of any other country in the region. The UK has contributed 4% of this investment.

UKTI Team Prague (Trade & Investment Section of the British Embassy in Prague) can offer advice and put together a team of experts to help new companies enter the market. For further details, please email tradeinvest.pragc@fco.gov.uk or see contacts at the end of this guide.

UKTI Team Prague helped almost 500 British companies do business in the Czech Republic between April 2010 and March 2011.

Strengths of the market
In brief these are:

- Open economy where English is widely spoken;
- EU membership since 2004 ensures there are no major constraints to doing business here;
- One of the best infrastructures, including airport connections, in Central Europe;
- A base where any company can look West to Germany and East to Russia;
- Attracts more investment per capita than any other country in the Region;
- Highest level of ICT spend in Central Europe (3.2% of GDP);
- Good matches with UK Regions e.g. in Advanced Engineering, Food & Drink, ICT and Energy;
- $25,600 GDP per capita (IMF) and growing as it continues to converge with Western Europe;
- £22 billion worth of EU structural funds available until 2013 including for R & D projects;
- 16th largest beer producer in the world.

Opportunities in the Czech Republic
UK Trade & Investment has identified a number of sectors with potential for UK businesses, including:

- **Advanced Engineering** - potential for manufacturing cooperation; niche export opportunities in the automotive and aerospace sectors;
- **Biotechnology** - a priority growth area for the Czech government;
- **Consumer Goods** - increasing demand for clothing and fashion, furnishing textiles, accessories and toiletries;
- **Education & Training** - demand is increasing as companies invest in human resources; availability of EU funds for projects; schools invest in ICT;
- **Food & Drink** - Czechs' tastes are widening, high number of international visitors to the country;
- **Healthcare** - healthcare management services, medical devices and lifestyle products;
- **Science & Innovation** - multi-sectoral, e.g. nanotechnology; growing network; opportunities to showcase UK excellence;
- **Technical Textiles** - an expanding sector.
This list does not include all sectors therefore please contact us if you wish to ask about a specific sector or need more details.

In some sectors (e.g. Automotive, Electronics, Engineering, Food & Drink processing), there has been a trend towards sourcing supply from, or investing into, the Czech Republic, in addition to the usual flow of UK exports here.

**Trade between UK and Czech Republic**

The two-way trade more than doubled since year 2000. In 2010 two-way trade grew by nearly 25% from the previous year and the UK exports to the Czech Republic continued to grow by 15% in the first quarter of 2011 compared to the same quarter in 2010.

UK is the 5th largest export market for the Czech Republic (UK’s share is 5%) and its 13th largest import market with a share of 2%.

The Czech Republic is the UK’s 29th largest export market (2010) and 23rd largest import market (2010).

Largest Czech exporters to the UK: Skoda Auto, TPCA, Panasonic AVC Networks Czech, Linet, Johnson Controls Automobilove Soucastky, Barum Continental, Foxconn CZ...

Largest Czech importers from the UK: GlaxoSmithKline, AstraZeneca CZ, Ford Motor Company, Andrew Telecommunications, Phoenix-Zeppelin, Tech Data Distribution, Procter & Gamble Materials Management, Johnson Controls Automobilove Soucastky...

**Trade statistics**

Czech imports from the UK are dominated by machinery and transport equipment (39.6%), followed by chemicals (22.5%) and manufactured goods (16%).

<table>
<thead>
<tr>
<th>Commodity group</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaments and pharmaceuticals</td>
<td>9.4%</td>
</tr>
<tr>
<td>Electrical equipment, instruments and appliances</td>
<td>8.2%</td>
</tr>
<tr>
<td>Road vehicles</td>
<td>7.5%</td>
</tr>
<tr>
<td>Electric current</td>
<td>6.6%</td>
</tr>
<tr>
<td>Misc. manufactured articles nes</td>
<td>6.4%</td>
</tr>
<tr>
<td>General industrial machinery &amp; equipment</td>
<td>6.4%</td>
</tr>
<tr>
<td>Office machines &amp; ADP machines</td>
<td>5.9%</td>
</tr>
<tr>
<td>Manufactures of metal nes</td>
<td>5.4%</td>
</tr>
<tr>
<td>Essential oils and aromatic substances, polishing preparations and detergents</td>
<td>4.8%</td>
</tr>
<tr>
<td>Textile yarn, fabrics and made-up articles</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

*Source: Ministry of Industry and Trade Czech Republic*
**Economic Overview**
The Czech Republic is a fully-functioning market economy. It is a sophisticated market with virtually all goods and services available. It has a skilled workforce and is well known for its scientific, manufacturing and engineering traditions. The private sector accounts for some 80% of GDP.

The Government has nearly completed the privatisation programme started in the early 1990s and only a few opportunities remain for investors. Privatisation of the banking, telecommunications and gas sectors has been completed. Foreign investors have been major players in the privatisation process, eg all four main banks are in foreign hands.

The Czech Republic has attracted significant foreign direct investment in recent years, running at twice per capita than that of any other country in the region. See section ‘How to invest in the Czech Republic’ for more details.

**Standard of living**
GDP Growth in 2010 was 2.2%. GDP Per Capita in 2010 was US $25,600.

**Population**
The population of the Czech Republic is 10.5 million.

**Political Overview**
The Czech Republic came into being following the dissolution of the Czecho-Slovak Federation in 1993. Located at the heart of Europe, the Czech Republic is roughly the size of Ireland. The Czech Republic is a parliamentary democracy with a multi-party democratic political system. The head of state is the President elected by the Parliament.

The current President is Vaclav Klaus, founder and former leader of the Civic Democratic Party (ODS). Elected in 2003 and re-elected in February 2008.

A centre-right coalition led by Prime Minister Petr Necas was formed in July 2010. The coalition is formed by the Civic Democrats (ODS), Public Affairs (VV) and the newly established TOP 09. Their stated priorities include “budgetary responsibility” and cutting the budget deficit to 4.8% of GDP in 2011 and to 3% by 2013. Other priorities include reforms to public spending, especially reform to the pension, healthcare, and judicial system, and tackling corruption. The Czech Republic joined the European Union on 1 May 2004. It is also a member of NATO, OECD and WTO.

**Getting here and advice about your stay**

**FCO Travel Advice**
The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice please visit the FCO Travel section

The Czech Republic is a compact country about the size of Ireland with a well developed transport network.

**UK Trade & Investment** Doing business in the Czech Republic
Prague offers a wide range of international cuisine. However, hidden charges sometimes increase the bill and everything placed on the table may be charged as extra.

220V AC Two pin plugs are used. Visitors should bring suitable adaptors for notebook computers etc.

International Direct Dialing (IDD) is available throughout the country. Mobile telephones are widely used with GSM coverage in all areas.

**Useful websites:**
- Czech Tourist Authority - [www.czechtourism.com](http://www.czechtourism.com)
- Prague Airport - [www.prg.aero/en](http://www.prg.aero/en)

**Getting here**

**By air**
Prague Ruzyne is a well-connected major international airport. There are some 30 flights a day to Prague from destinations across the UK. Brno is served by flights from Stansted. Flight time from the UK is approximately 2 hours.

**At the airport**
The journey time between the airport and downtown Prague is approximately 30 minutes. Airport taxis offer the quickest, but most expensive transport option into town. Shared mini-buses take a little longer at modest cost. Public buses offer the cheapest but slowest service into town. The cost of a journey by taxi from the airport to the centre of Prague ranges between CZK 500-800. Fares are paid in Czech crowns; Euros are rarely accepted and only then reluctantly and at disadvantageous rates. Cashpoint machines and exchange offices are situated in the airport arrivals hall.

**By road**
The country offers good transport links to Western and Eastern Europe. Rail services run from many European destinations to the Czech Republic. There are also coach services from the UK and elsewhere.

**Getting around**
The Czech Republic is a compact country with a well developed transport network. There is an extensive railway system, convenient especially for long-distance travel within the country, e.g. between Prague and Brno or Prague and Ostrava. Bus services are relatively inexpensive and often faster than the train. The motorway network within the country is being extended.

Many international car hire companies have offices in Prague. You can drive in the Czech Republic on a UK Driving licence. A user tax vignette must normally be purchased for motorway driving.

Exercise caution when hailing taxis in the street, as they have a reputation for overcharging.

**Visas/Passports**
British citizens travelling on British EU passport do not require a visa. Passports should ideally have a minimum of six month's validity at the time of any visit to the Czech Republic.

Holders of non-EU British passports (regardless of any changes in their nationality status subsequent to the issue of the non-EU British passport) are strongly advised to check any visa requirements with the Czech Embassy in London before travelling. Please note that Czech immigration authorities may refuse entry to visitors with a British Subject nationality category in their passport.
Please consult the Czech Republic Embassy’s website for latest information about passport/visa and work permit/residence requirements: www.mzv.cz/london/en.

**Health Advice**

Obtain a European Health Insurance Card (EHIC) before leaving the UK. The EHIC is not a substitute for medical and travel insurance, but entitles you to emergency medical treatment on the same terms as Czech nationals. It also does not cover you for medical repatriation, on-going medical treatment or treatment of a non-urgent nature. Visitors are also strongly advised to take out travel and medical insurance.

The drinking water is safe.

Visitors to forested areas should seek medical advice about immunisation against tick-borne encephalitis.
Preparing to export to the Czech Republic

Since its EU-accession on 1st May 2004, the Czech Republic applies the Union's trade policy (antidumping, anti-subsidy measures etc.). There are no major import controls on most goods and services originating in the UK. Intrastat (EU) documents are required and testing may be mandatory for some imported goods, particularly technical and electrical equipment.

Direct sales into the Czech market can be difficult and for most British companies it is more effective to approach the market through local business partners. Czech companies are experienced at acting as an agent, distributor or representative for foreign companies. It is, nevertheless, essential not to rush into a long-term agreement without first having developed a good working relationship with your potential representative. Commission agents are not very common and can be difficult to identify. Foreign companies may also establish a branch office.

UKTI Team Prague can provide a range of services to British-based companies wishing to develop and grow their business in the Czech market. Our services include the provision of market information, validated lists of agents/potential partners, key market players or potential customers; establishing the interest of such contacts in working with the company; and arranging appointments. In addition, our team can also organise events at the Embassy or elsewhere for you to meet contacts or promote a company and its products/services in the Czech market.

See also section 'How to do business in the Czech Republic'.

You can commission these services under which are chargeable and operated by UK Trade & Investment (UKTI) to assist British-based companies wishing to enter or expand their business in overseas markets. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning work, please contact your local UKTI office. See www.ukti.gov.uk
How to do business in the Czech Republic

What companies should consider when doing business
The Czech Republic joined the European Union on 1 May 2004. It is also a member of NATO, OECD and WTO.

It is relatively straightforward to establish a company in the Czech Republic. Agency legislation, governed by the Czech Commercial Code, is continuing to evolve and is being simplified. British companies are strongly advised to consult a lawyer before signing any agreements. UKTI Team Prague can supply a list of lawyers.

The Czech Commercial Code recognizes the following types of companies:
- joint-stock company
- limited liability company
- general commercial partnership
- limited partnership
- co-operatives

In addition, foreign companies may establish a branch office in the Czech Republic. See also paragraph 2 in section ‘Preparing to export to the Czech Republic’.

Most business support services that are available in the UK are also available in Prague and other commercial centres.

Key areas for business
The Czech Republic comprises of Bohemia in the west and Moravia and Silesia in the east. Prague, the capital, is by far the largest city with 1.2 million inhabitants. There are 14 regions in the Czech Republic, including the capital city.

Main Commercial Centres (Top 10)

<table>
<thead>
<tr>
<th>Town</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prague</td>
<td>1.2 million</td>
</tr>
<tr>
<td>Brno</td>
<td>369,000</td>
</tr>
<tr>
<td>Ostrava</td>
<td>313,000</td>
</tr>
<tr>
<td>Pizen</td>
<td>164,000</td>
</tr>
<tr>
<td>Olomouc</td>
<td>102,000</td>
</tr>
<tr>
<td>Liberec</td>
<td>98,000</td>
</tr>
<tr>
<td>Hradec Kralove</td>
<td>95,000</td>
</tr>
<tr>
<td>Ceske Budejovice</td>
<td>95,000</td>
</tr>
<tr>
<td>Usti nad Labem</td>
<td>94,000</td>
</tr>
<tr>
<td>Pardubice</td>
<td>88,000</td>
</tr>
</tbody>
</table>

Customs and Regulations
There are no major import controls on most goods and services originating in the UK. Intrastat documents are required. Testing may be mandatory for some imported goods, particularly technical and electrical equipment.

Customs duties are not levied on goods of EU origin since the Czech Republic joined the EU in May 2004.

Getting your goods to market
The logistics sector has grown considerably in recent years, especially road haulage. Anecdotal evidence suggests transit times from the UK to the Czech Republic have fallen from three to two days following entry to the EU in May 2004 and the lifting of customs procedures at the border.
New air cargo facilities have been built at Prague Ruzyne. Major international courier companies are present in the Czech market.

**Legislation and Local Regulations**

Some manufacturing investments may carry with them residual environmental obligations. A proper environmental audit or "due diligence " is essential.

Capital and earnings can be freely repatriated on the current account. The Czech Crown (Koruna) is freely convertible. A double taxation agreement is in place between the UK and the Czech Republic.

The Czech Republic is a member of the European Union (EU), World Trade Organisation (WTO) and Organisation for Economic Co-operation and Development (OECD).

**Labelling and Packaging Regulations**

Labelling should be in the Czech language, as should any user guides or instructions. Advice should be sought on advertising and health and safety requirements for labelling in the Czech Republic from the Economic Chamber of the Czech Republic [www.komora.cz](http://www.komora.cz)

**Standards and Technical Regulation**

The British Standards Institution (see ‘Useful Links’ section) can provide information and advice on compliance with overseas statutory and other technical requirements. BSI can supply detailed information on foreign regulations; identify, supply and assist in the interpretation of foreign standards and approval procedures; research and consult on technical requirements for a specific product; and provide translations of foreign standards, items of legislation and codes of practice.

**Taxes**

**VAT**

The Czech acronym for VAT is DPH. There are two rates:
- General VAT rate 20% applies to most products and services.
- Reduced VAT rate 10% applies only to specific products and services, e.g. basic food stuffs, pharmaceutical products, paper products, books, newspapers, certain medical equipment, heating, social housing

From the beginning of 2012, the lower rate 10% will raise to 14%.

Other indirect taxes include for example ecological tax (on air and water pollution and on waste).

Excise duties are payable on hydrocarbon fuels, spirits, wine, beer and tobacco products. Environmental taxes apply to gas, electricity and solid fuels.

**Income Taxes**

Standard corporate income tax rate is 19%. Personal income tax rate is 15% but the tax is calculated on the 'super gross' salary, which is the gross salary increased by social security and health insurance contributions payable by the employer. The effective tax rate is therefore higher than 15%, depending on the level of income.

**Recruiting and Retaining Staffing**

Many British and international recruitment companies have offices in Prague and some major regional cities (a list is available from the British Embassy in Prague). Word of mouth recommendations are also worth considering.

According to the Czech Statistical Office, the unemployment rate in the Czech Republic is 6.8% (Q2 2011). Unemployment is lowest in Prague. The growth in the service sector has led to a shortage of some skills with a consequent rise in labour costs. Staff with good financial skills can attract a premium.
Elsewhere, especially in areas dominated by legacy heavy industries, unemployment can be higher, long-term unemployment being a particular issue.

Labour costs are generally lower than in the UK. The average gross monthly wage in the Czech Republic is CZK 22,600 (Q1 2011; Czech Statistical Office). There are differences between sectors and regions.

In addition to the current Labour Code (No. 262/2006), other regulations such as the Employment Act (No. 435/2004) shape the labour environment. The Labour Code can be found on the Ministry of Labour and Social Affairs’s website: http://www.mpsv.cz/en/1609

**Intellectual Property Rights**

Patents, trademarks, industrial designs, copyrights, confidential information and trade secrets are the rights of intellectual property which enjoy protection under Czech law.

**Patents**

A patent may be granted for inventions that are new, involve an inventive step and are capable of industrial application. To protect an invention as a patent, application must be made to the Czech Industrial Property Office (www.upv.cz) for registration. Patents are granted for a period of 20 years. A proprietor must pay administrative fees and keep the registration current.

**Trade marks**

A trade mark is any graphical sign capable of distinguishing the entrepreneur’s goods or services from those of another. Trade marks are registered as for Patents with the Czech Industrial Property Office or with the International Bureau of the World Intellectual Property Organisation. The protection period for trade marks in the Czech Republic is 10 years.

**Industrial designs**

An industrial design is the appearance of the whole (or part of) product resulting from the features (lines, contours, shapes, textures), materials and/or ornamentation of the product. An industrial design can be protected if it is new and has individual character. Application must be made to the Czech Industrial Property Office and the protection lasts 5 years.

**Copyright**

The Copyright Act protects any literary/art/scientific work which is a unique outcome of creative activity of the author. It can be expressed in any objectively perceivable manner including electronic form. There is no additional registration needed. Copyright is usually given for the life of the author plus 70 years.

IP rights are territorial, that is they only give protection in the countries where they are granted or registered. If you are thinking about trading internationally then see the link for the Intellectual Property Office in ‘Useful Links’ section of this document.
Points to be aware of

- The Czech Republic, not "Czechoslovakia"
- Central Europe not Eastern Europe
- Czech companies start and finish work earlier
- Business conducted more formally
- Czech people use formal titles and surnames
- Punctuality is respected

The correct title of the country is the Czech Republic, not "Czechoslovakia". The country lies in Central (not Eastern) Europe. The 'Eastern Europe' label, a geographical oddity, makes little sense both historically and economically. The then Czechoslovakia was one of the leading manufacturing economies in the world during the inter-war years. The Czechs rightly resent being treated as if they are a developing country.

The Czech Republic has made dramatic progress since the fall of communism at the end of 1989. But some old attitudes still prevail. A new generation of business leaders is, however, developing with all the business skills recognisable in the west.

As a general rule, Czech companies and organisations tend to start and finish work earlier than in the UK so telephone contact is best made before 3 pm (UK time). When making appointments with Czech companies, it is customary to arrange meetings at least two weeks in advance.

Business is generally conducted more formally than in the UK. Czech people use formal titles and surnames even with long standing colleagues and acquaintances. Over-familiarity is not encouraged, particularly in the early stages of a business relationship. When first contacting a representative of a Czech company, the use of Mr and Mrs is a standard. You should also consider addressing him/her with a correct title. For example, as academic titles are used in the Czech Republic, it is important to know if they have a doctor title. Even lower-level employees sometimes address each other with their titles and last names.

The Czech language reinforces this formality. The “vy” form is the official “you”, while “ty” (which also means “you”) is only for family and close friends. Slowly, the trend is moving towards using first names and some companies start to use a more informal approach.

Meetings can take longer than expected. Punctuality is respected. Czech business people increasingly use English, but misunderstandings can and do occur. If in doubt, use an interpreter. Do not patronise. Be open and expect directly expressed opinions.

Any new investment will need close management oversight and support from the UK. It is essential to send people with decision-making abilities and high-level management skills. Flexibility, patience and resilience will be needed.

Czech companies and organizations do not always respond to letters or email messages. Mailshots are unlikely to be a successful marketing tool. Your prospects of receiving a reply will be enhanced if you are able to send your letter or email in Czech.

Hours of business
Small shops and offices are usually open between 08.00-17.00 Monday to Friday. Larger shops and supermarkets, especially in retail parks, also open throughout the weekend. Some hypermarkets are open 24/7.

Banking hours can vary depending on location and size of branch, but generally Monday to Thursday 09.00-17.00 or 18.00, and Fridays 09.00-16.00.
A list of Public Holidays is available on the British Embassy Prague’s website: http://ukinczechrepublic.fco.gov.uk/en/

**Language**

English is widely spoken by young people but interpretation may be required for business meetings, particularly outside Prague and other major cities. UKTI team can help you find a translator or interpreter.

Even if you are using an interpreter for the substance of your meeting, a few words of Czech go a long way. Below are some commonly-used phrases:

<table>
<thead>
<tr>
<th>English</th>
<th>Czech</th>
<th>Phonetic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Morning</td>
<td>Dobré ráno</td>
<td>Do-breh rah-no</td>
</tr>
<tr>
<td>Good Day (formal hello)</td>
<td>Dobrý den</td>
<td>Do-bree Dehn</td>
</tr>
<tr>
<td>Good evening</td>
<td>Dobrý večer</td>
<td>Do-bree veh-chehr</td>
</tr>
<tr>
<td>Good-bye (formal)</td>
<td>Na shledanou</td>
<td>Nah skledah-noh</td>
</tr>
<tr>
<td>Nice to meet you</td>
<td>Těší mě</td>
<td>Tye-shee Mye</td>
</tr>
<tr>
<td>How are you? (formal)</td>
<td>Jak se máte?</td>
<td>Yak seh mah-te</td>
</tr>
<tr>
<td>I'm well</td>
<td>Mám se dobře</td>
<td>Mahm se do-breh</td>
</tr>
<tr>
<td>What is your name?</td>
<td>Jak se jmenujete?</td>
<td>Yak seh ymenooyete</td>
</tr>
<tr>
<td>My name is...</td>
<td>Jmenuji se...</td>
<td>Ymen-oo-ye seh</td>
</tr>
<tr>
<td>Do you speak English?</td>
<td>Mluvíte anglicky?</td>
<td>Mloo-veeteh ahngleetskee</td>
</tr>
<tr>
<td>I don’t speak Czech</td>
<td>Nemluvím česky</td>
<td>Neh-mloo-veem cheskee</td>
</tr>
<tr>
<td>I don’t understand</td>
<td>Nerozumím</td>
<td>Neh-rozoo-meem</td>
</tr>
<tr>
<td>Excuse me; forgive me</td>
<td>Promiňte</td>
<td>Promeenyuh teh</td>
</tr>
<tr>
<td>Thank you</td>
<td>Děkuji</td>
<td>Dyekoooyee</td>
</tr>
<tr>
<td>Please; you’re welcome</td>
<td>Prosím</td>
<td>Proseem</td>
</tr>
</tbody>
</table>
The Czech Republic is an attractive location for potential investment, particularly as a base for export. In 2010, the volume of FDI in the Czech Republic amounted to approx. EUR 6.6 billion. Since the early 1990s, the British investment has reached more than £1 billion and accounted for about 4% of foreign investment into the Czech Republic (EUR 55.525 billion).

The Czech Republic offers to investors:
- a central location with good transport and infrastructure links to both Western and Eastern Europe. 80% of trade is now with the EU.
- a highly educated workforce with strong engineering skills. IT and R&D spending per capita is among the highest in Central and Eastern Europe. Some multinational companies have set up R&D centres in the Czech Republic.
- relatively low labour costs.
- the Czech Government offers support to inward investment. Full details can be obtained from CzechInvest, the Czech Republic’s inward investment promotion agency. They have offices in Prague and London and a number of other major cities. Municipalities also provide practical help for investors, particularly those looking for greenfield or brownfield sites.
- the Czech Republic has nearly completed its privatisation programme. There are few remaining opportunities for foreign investors.
- a bilateral investment promotion and protection agreement exists between the UK and the Czech Republic, as does a double taxation agreement. The Czech currency is fully convertible and profits from investments can be repatriated.
- Czechs tend to be well disposed towards the UK and English is increasingly widely spoken, particularly by the younger generation and the business community.

All entry routes for establishing a manufacturing base are available: greenfield, brownfield, acquisition, joint venture, strategic alliance, sourcing, manufacturing or under licence. Potential investors need to consider carefully which format suits their requirements best. As always, management control is a key issue to be considered.

More than 300 British companies are present in the market. These range from large investors to smaller service sector companies established by British entrepreneurs. Large investors include:

<table>
<thead>
<tr>
<th>Aviva</th>
<th>FKI Brush</th>
<th>Shell</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAE Systems</td>
<td>HSBC</td>
<td>Tesco</td>
</tr>
<tr>
<td>Bovis Lend Lease</td>
<td>Invensys</td>
<td>TI Automotive</td>
</tr>
<tr>
<td>Carclo Technical Plastics</td>
<td>John Crane Sigma</td>
<td>Vodafone</td>
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<tr>
<td>Clifford Chance</td>
<td>LogicaCMG</td>
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</tr>
<tr>
<td>Devro</td>
<td>Provident Financial</td>
<td></td>
</tr>
</tbody>
</table>

There is also a flourishing British Chamber of Commerce with some 350 members.

The Czech government knows they cannot rely on FDI forever especially in the current economic climate. CzechInvest is therefore promoting the Czech Republic as a destination for more high-tech investment, as well as increasing its support to the domestic SME sector.

**Useful contacts**
Contacts

If you have a specific export enquiry about the Czech market which is not answered by the information on this report, you may contact:

**UK Trade & Investment Enquiry Service**
Tel: +44 (0)20 7215 8000
Fax: +44 (0)141 228 3693
Email: enquiries@ukti.gsi.gov.uk

You will be signposted to the appropriate section on our website or transferred at local call rate to the British Embassy in the Czech Republic.

or

**George Szpala**
Senior Country Manager Central Europe, UKTI
Tel: +44 (0)20 7215 4734
Fax: +44 (0)20 7215 8313
Email: george.szpala@ukti.gsi.gov.uk

If you prefer to contact the team in the Czech Republic directly:

**UKTI Team Czech Republic**
**British Embassy Prague**
Thunovska 14
118 00 Prague 1
Czech Republic
Tel: +420 257 402 700
Fax: +420 257 402 296
Email: tradeinvest.pragc@fco.gov.uk
Resources/Useful Links

Country Information:

BBC Website
http://news.bbc.co.uk/1/hi/country_profiles/default.stm

FCO Country Profile

Culture and communications
CILT – National Centre for Languages - Regional Language Network in your area:
http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx

Kwintessential culture guides:
http://www.kwintessential.co.uk

Customs & Regulations
HM Revenue & Customs:
www.hmrc.gov.uk

Economic Information:
Economist
http://www.economist.com/countries/

Export Control
Export Control Organisation:
http://www.businesslink.gov.uk/exportcontrol

Export Finance and Insurance:
ECGD
http://www.ecgd.gov.uk/

Intellectual Property
Intellectual Property Office:
www.ipo.gov.uk

Market Access
Market Access Database for Tariffs (for non-EU markets only):
http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm

SOLVIT – Overcoming Trade Barriers (EU Markets only)
www.bis.gov.uk/EUMarketAccessUnit

Standard and Technical Regulations:
British Standards Institution (BSI):

National Physical Laboratory:
http://www.npl.co.uk/

Intellectual Property:
http://www.ipo.gov.uk

Trade Statistics
National Statistics Information:
Business Link: International Trade

Business Link’s International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

Essential reading for exporters!
Find out more at:
http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.lc=en&topicId=1079717544

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