

# FAST FACTS



## Czech Republic

### Export Opportunities in Czech Republic

In 2016, Czech Republic ranked 58th among U.S. export destinations and 71st among Virginia export destinations. Some of the top opportunities for U.S. exporters in Czech Republic include:

- » Automotive Parts and Equipment
- » Cosmetics
- » Cyber Security
- » Education
- » Franchising
- » Information Technology
- » Medical Equipment
- » Pet and Veterinary

### Map of Czech Republic



(U.S. Central Intelligence Agency)

### Top Virginia Exports to the Czech Republic

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 24.8	6%
Industrial Machinery	\$ 14.7	-14%
Medical Instruments	\$ 3.7	64%
Electrical Machinery	\$ 1.9	60%
Base Metal	\$ 1.0	114%
Misc. Chemical Products	\$ 0.7	1323%
Plastics	\$ 0.5	-11%
Toys and Games	\$ 0.4	89%
Wadding/Felt/Nonwovens	\$ 0.4	41%
Arms And Ammunition	\$ 0.3	N/A
Soap, Waxes, Pastes	\$ 0.3	172%

In US\$ millions (World Trade Atlas)

### U.S. Exports to the Czech Republic



In US\$ billions (World Trade Atlas)



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## Opportunities in Czech Republic for Exporters

### Cyber Security

In 2016, the Czech Parliament amended the existing cyber security law due to the increasing number of cyber-attacks on Czech websites. The 2016 budget for cyber security was almost \$15 million. The National Cyber Security Strategy Action Plan went into effect in 2015 and will continue through 2020. Top prospects for U.S. exports include:

- » Security software
- » Security information and event management
- » Security services
- » Security appliance
- » Training and services in security equipment

### Franchising

Franchising has become a well-known, successful, and popular concept in the Czech market and is poised for further growth. In 2014, the number of foreign franchise brands grew by 20%, to a total of 104, which represent a 42% market share. Analysts estimate the market can accommodate around 300 franchises, and the Czech legal system places no barriers to entry and operation of a franchise. Top opportunities for U.S. exporters include:

- » Health care services
- » Child care services, education, training
- » Wellness, fitness, and cosmetic centers
- » Apparel, fashion
- » Real estate services

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)

### Medical Equipment

The healthcare sector is very active and prominent in the Czech Republic. Although domestic manufacturers are increasingly competitive, the majority of medical devices used in the Czech Republic are imported. Although the economic crisis slightly slowed growth in this sector, it continues to represent good opportunities for U.S. manufacturers. Top prospects include:

- » Minimally invasive surgery (MIS)
- » Patient monitoring systems
- » Digital image processing
- » High-end ultrasound
- » Home-care equipment
- » Video Endoscopes

### Information Technology

The IT market in the Czech Republic is highly competitive with robust U.S. and European firms, and increasingly competitive Czech firms. U.S. companies with niche products and services will continue to find good opportunities. There are no trade barriers to imports into the Czech Republic. The sector is expected to continue to grow in the coming years as there are no trade barriers to imports into the Czech Republic. Top opportunities include:

- » Data services
- » Data service equipment
- » Network equipment
- » Video conference equipment
- » Wireless equipment

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## Economic Overview

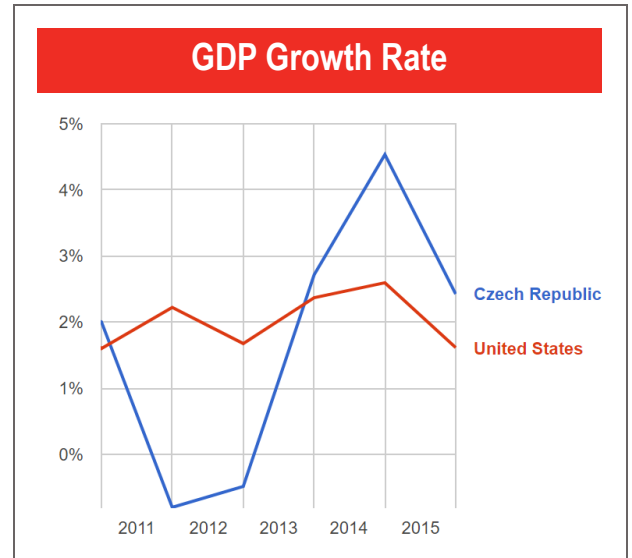
The Czech Republic is a stable and prosperous market economy closely integrated with the EU, especially since the country's EU accession in 2004.

While the conservative, inward-looking Czech financial system has remained relatively healthy, the small, open, export-driven Czech economy remains sensitive to changes in the economic performance of its main export markets, especially Germany.

In 2012 and 2013, the economy fell into a recession due both to a slump on external demand in the EU and to the government's austerity measures, returning to weak growth in 2014, and a stronger growth in 2015.

Foreign and domestic businesses alike voice concerns about corruption, especially in public procurement. Other long term challenges include dealing with a rapidly aging population, funding an unsustainable pension and health care system, and diversifying away from manufacturing and toward a more high-tech, services-based, knowledge economy.

(U.S. Central Intelligence Agency)



## Cultural Guide

- » Try not to schedule meetings on Friday afternoon as many Czechs leave for their country cottages after lunch. Many businesses close during August.
- » Punctuality for meetings is taken extremely seriously. Presentations should be accurate, detailed and thorough. Have charts and figures to back up your claims.
- » Czechs are both formal and somewhat indirect in their communication. They try not to purposely offend and will often go out of their way to protect someone's feelings; they are non-confrontational.
- » It will take several meetings for your Czech business associates to become familiar with you and appear comfortable and friendly. Politeness prevents many Czechs from giving an absolute 'no'. However, statements such as 'It is difficult' or 'We will see' are often negatives.
- » Business is hierarchical. Decisions are reached slowly.
- » Avoid high-pressure tactics. Czechs generally offer what they expect to get and do not often give counter-offers.

**Do not remove your suit jacket unless the highest-ranking Czech does so.**

(Kwintessential)

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: [ExportVirginia.org](http://ExportVirginia.org)

## Additional Resources: Market Reports

[Czech Republic Country Commercial Guide](#)

[Doing Business in the Czech Republic](#)

[Ease of Doing Business Report](#)

[Exporting to Czech Republic](#)

U.S. Commercial Service

Embassy of the US, in the Czech Republic

World Bank

United Kingdom Trade & Investment

## Online Resources

[Czech Republic Overview](#)

[Taxation and Economy](#)

[Kwintessential Czech Republic](#)

Global Edge - Michigan State University

World-Wide Tax

Kwintessential Guide to Czech Republic

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