

Promoting R&D investment in the Czech Republic



Attracting inward investment
in a new member state



CzechInvest's activities

Development since 1993



1993

**Promotion of
foreign
investment**

1998

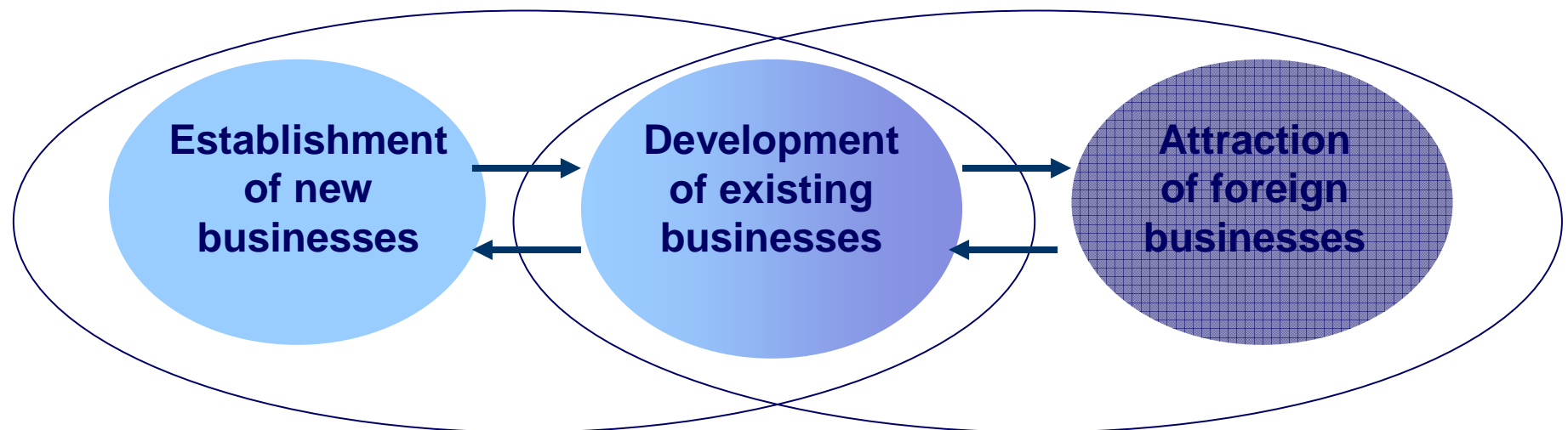
**Development
of business
infrastructure**

2003

**Support of
entrepreneurial
activities**

2005

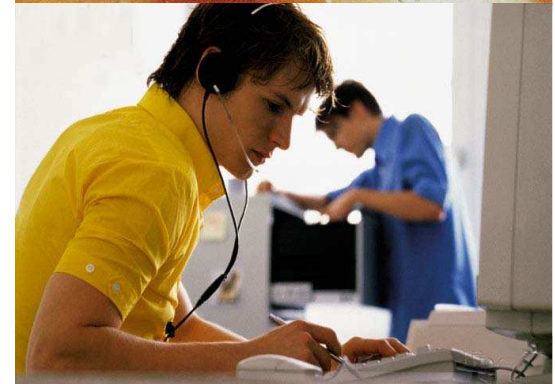
**Support of
technological
development**



Sectors actively promoted by CzechInvest for FDI



- Automotive (cars and components)
- Aerospace
- Electronics and microelectronics
- High tech engineering
- Biotechnology, pharmaceuticals and medical devices
- Software development and IT services
- Shared services centres (HR, accounting, finance), regional HQs
- Repair centres of high-tech products



CzechInvest: investment projects



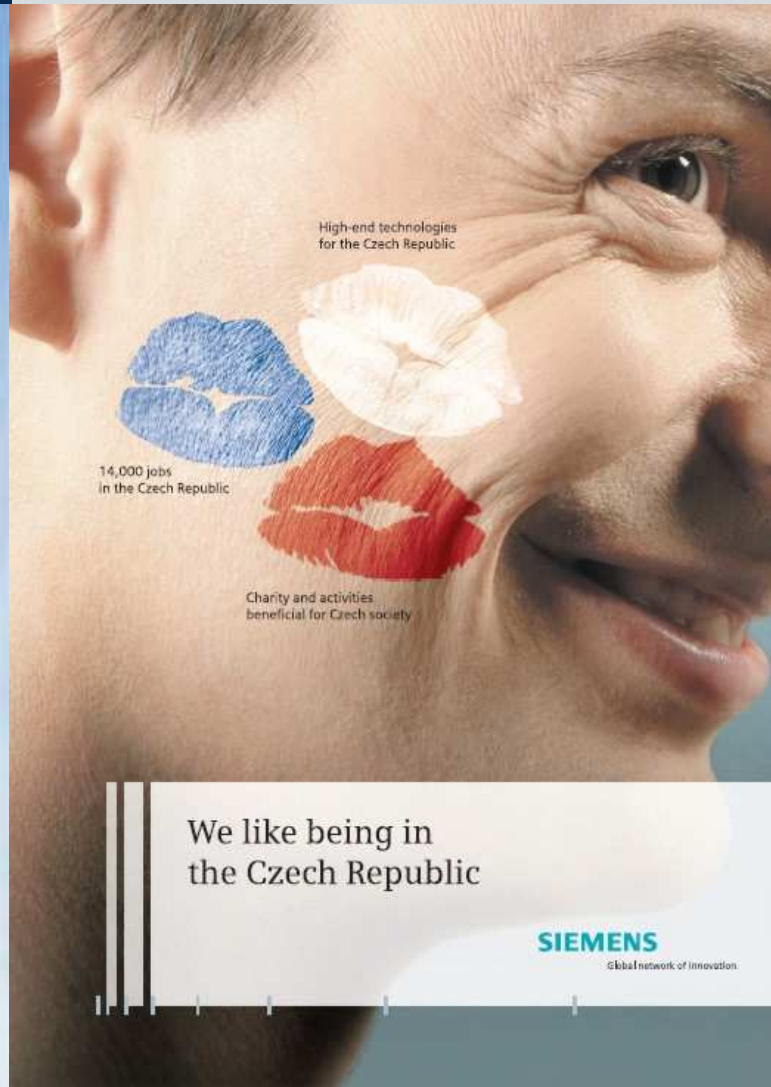
Successfully completed projects: 771

No. of jobs created or safeguarded: 154,000

Investment commitments mediated: US\$ 18 bn



Proven track record: foreign investors in the CR



- 41% of employees in industry
- 59% of industrial production
- 68% of industrial exports

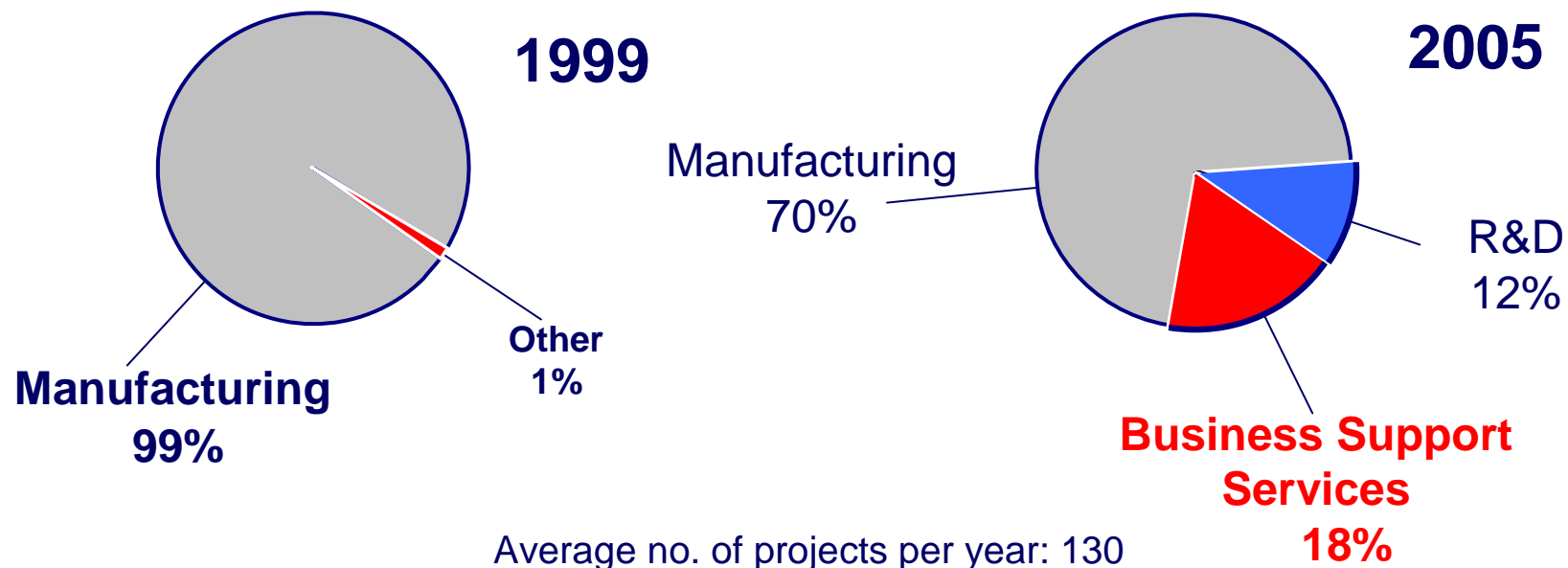
- 700+ German companies
- 400+ US companies
- 168 Japanese companies
- 20 Taiwanese companies
- 12 Korean companies

Strategic decision in 2000

Target selected non-mfg activities



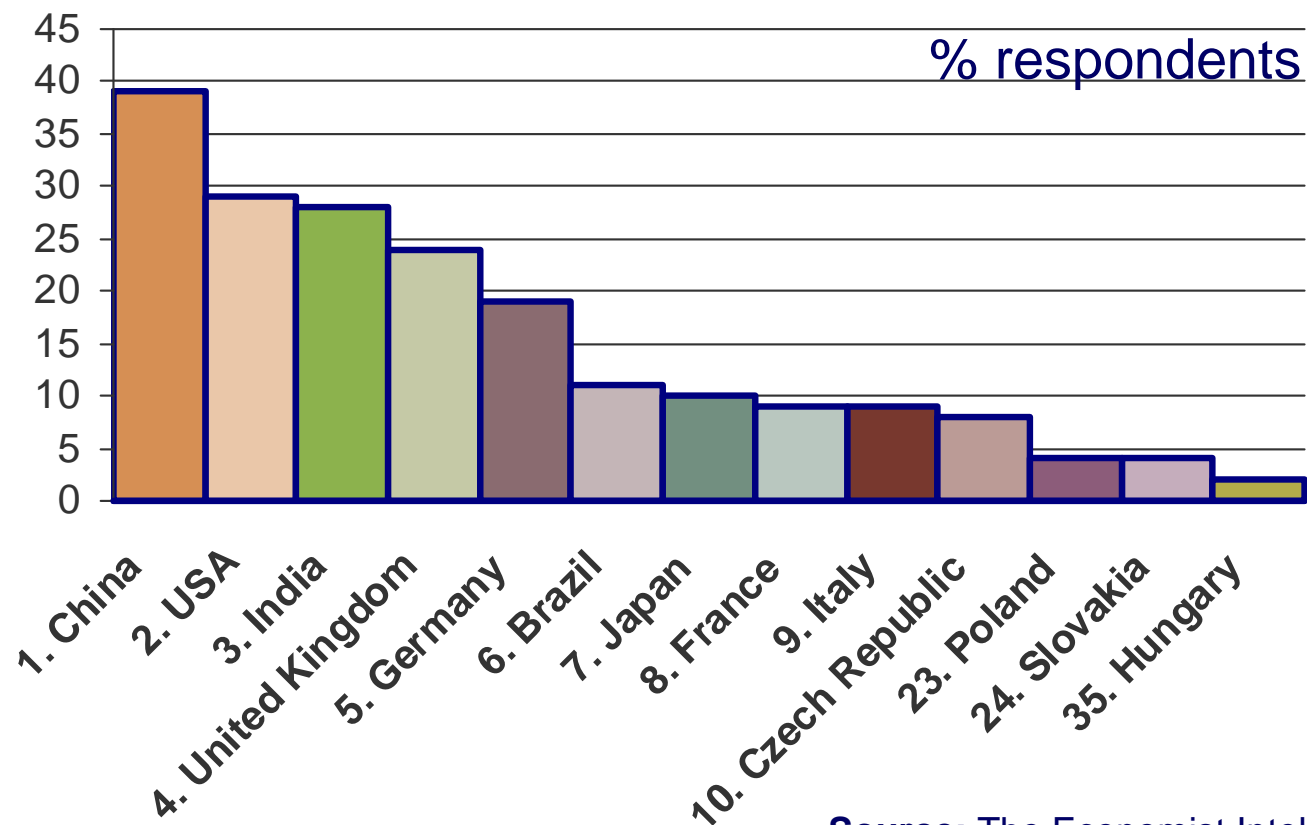
- Centres for research and development
- Centres for industrial design
- Software development centres, IT expert solution centres
- High-tech repair centres
- Shared services centres, customer contact centres



CR in the top 10 most attractive countries for R&D

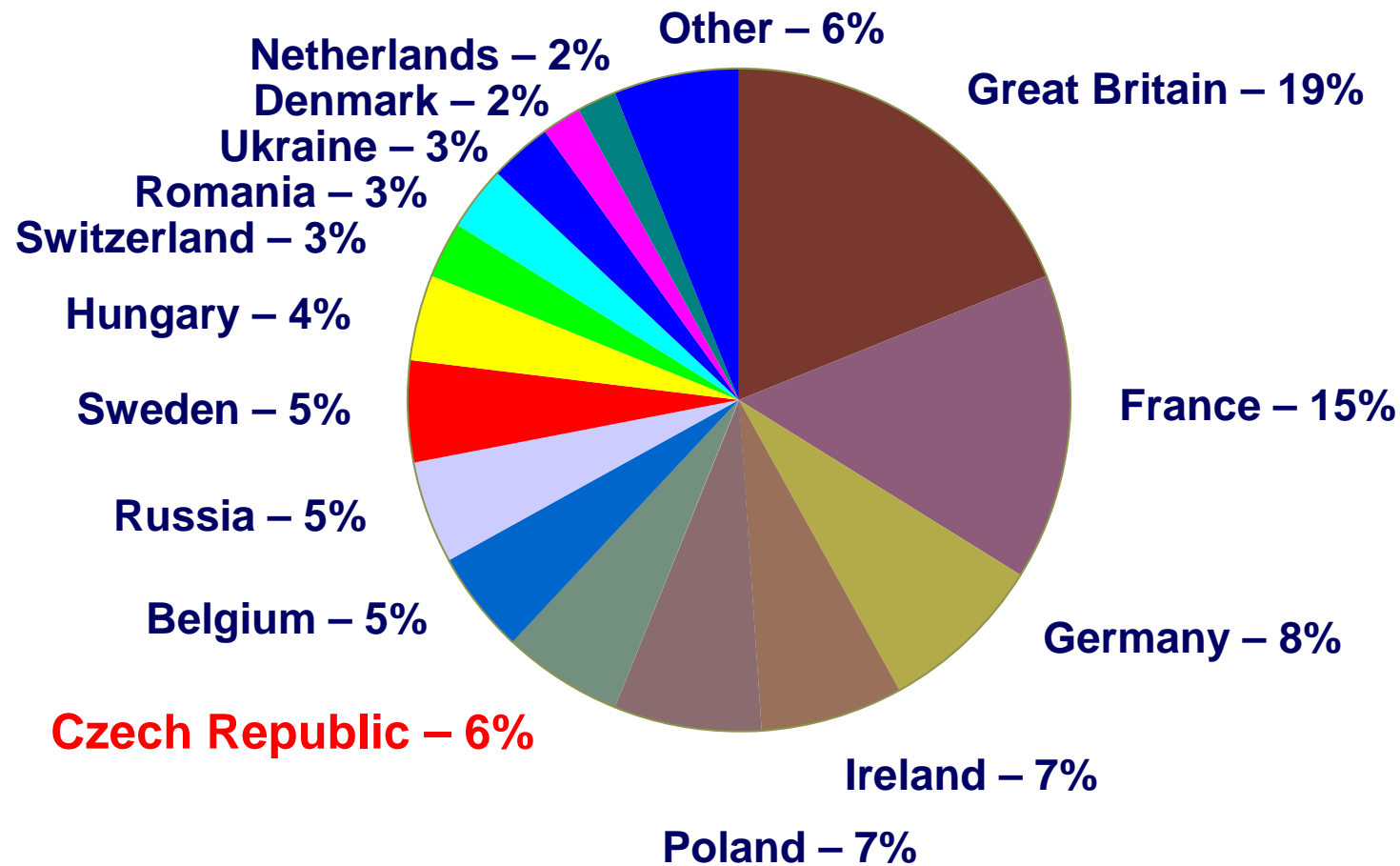


In which of the following countries does your company plan to spend the most on R&D in the next three years? Please choose the top three countries.



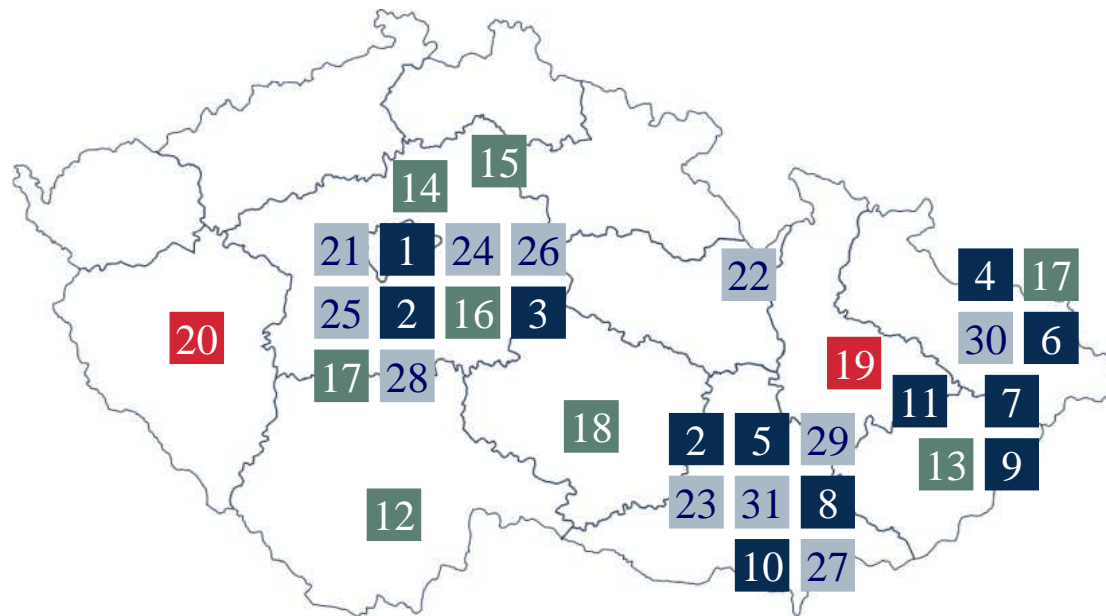
Source: The Economist Intelligence Unit, 2004

New foreign R&D investment projects, Europe, 1-6/2005



Source: IBM – Plant Location International, October 2005

Selected R&D and Technology centers



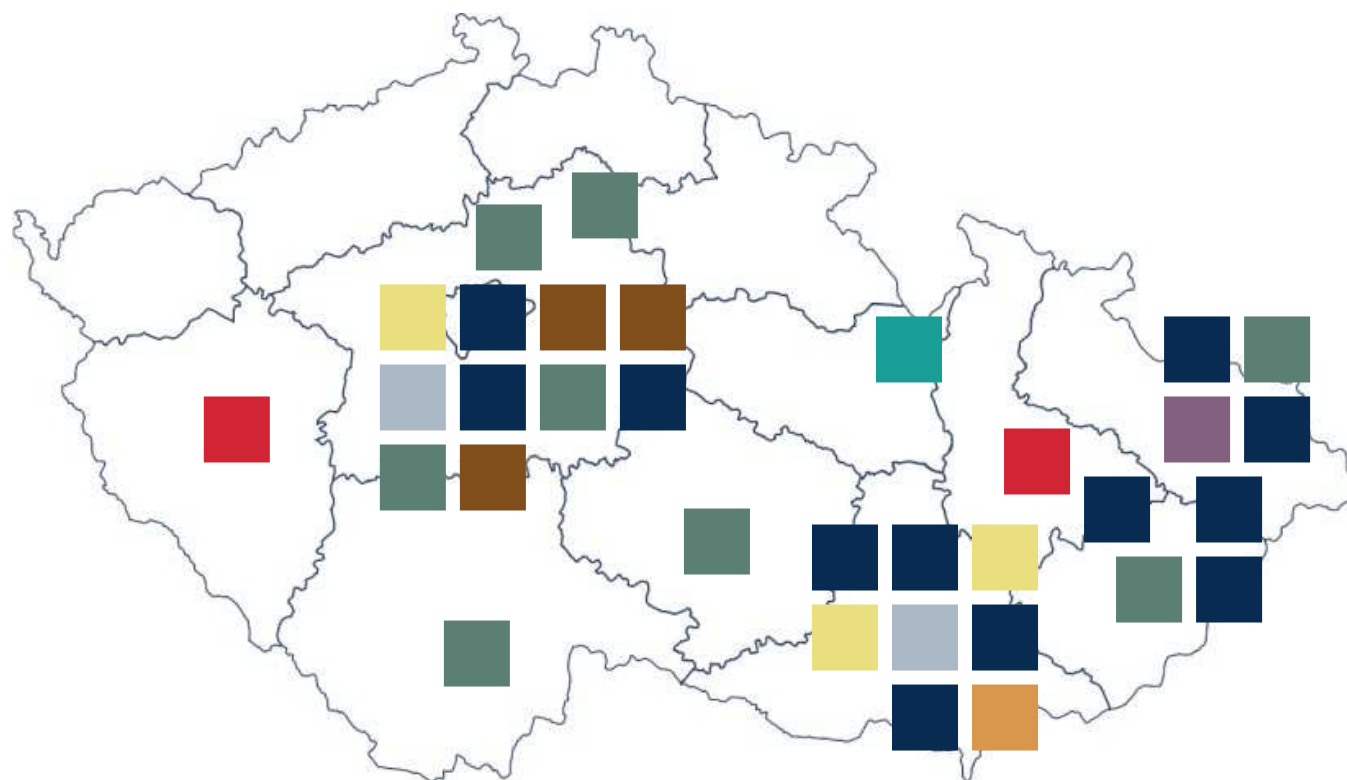
	USA
	Germany
	Japan
	Other

- 1 Ingersoll-Rand
- 2 Honeywell
- 3 Rockwell Automation
- 4 Roper Industries
- 5 AMI Semiconductor
- 6 Hayes Lemmerz
- 7 Freescale Semiconductor
- 8 FEI

- 9 ON Semiconductor
- 10 Tyco Safety Systems
- 11 Visteon
- 12 Robert Bosch
- 13 Siemens Automotive
- 14 Volkswagen
- 15 Siemens VDO
- 16 Mercedes-Benz

- 17 Siemens Kolejová vozidla
- 18 Bosch Diesel
- 19 Olympus
- 20 Matsushita/Panasonic
- 21 Ricardo
- 22 Rieter
- 23 Delong Instruments
- 24 Valeo
- 25 UniControls
- 26 Latecoere
- 27 IMI-Norgren
- 28 ST Microelectronic
- 29 Tescan
- 30 Bang&Olufsen
- 31 Flextronics

Selected R&D and Technology centers



- USA
- GB
- Japan
- France
- Denmark
- Singapore
- Germany
- Switzerland
- Czech Republic

Foreign investment in R&D: modes of entry



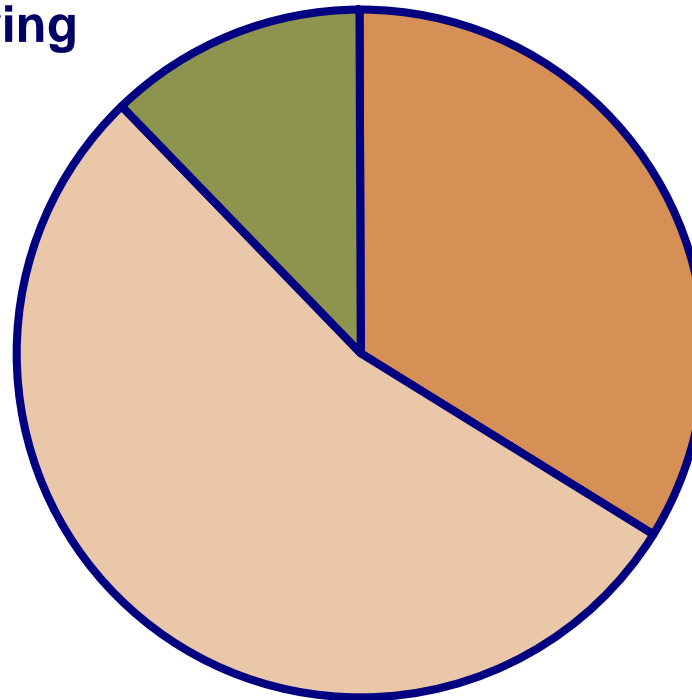
- Privatisation of a manufacturing company with an R&D centre (e.g. Volkswagen – Skoda Auto, Siemens)
- Privatisation of an R&D centre (e.g. IngersollRand)
- Greenfield investment following previous investment into manufacturing (e.g. Valeo, Bang & Olufsen, Bosch)
- Greenfield investment built in cooperation with a university (Honeywell, Rockwell Automation)
- Greenfield investment with no previous activities in CZ (Ricardo, AMI Semiconductor, Roper Industries)

Technology centres established with our support



Foreign companies with no
prior investment in
manufacturing
8

Czech
companies
22



Czech subsidiaries of foreign manufacturing companies
35

2003 – 2006



Global centre for the development and manufacture of fuel injection systems for diesel engines

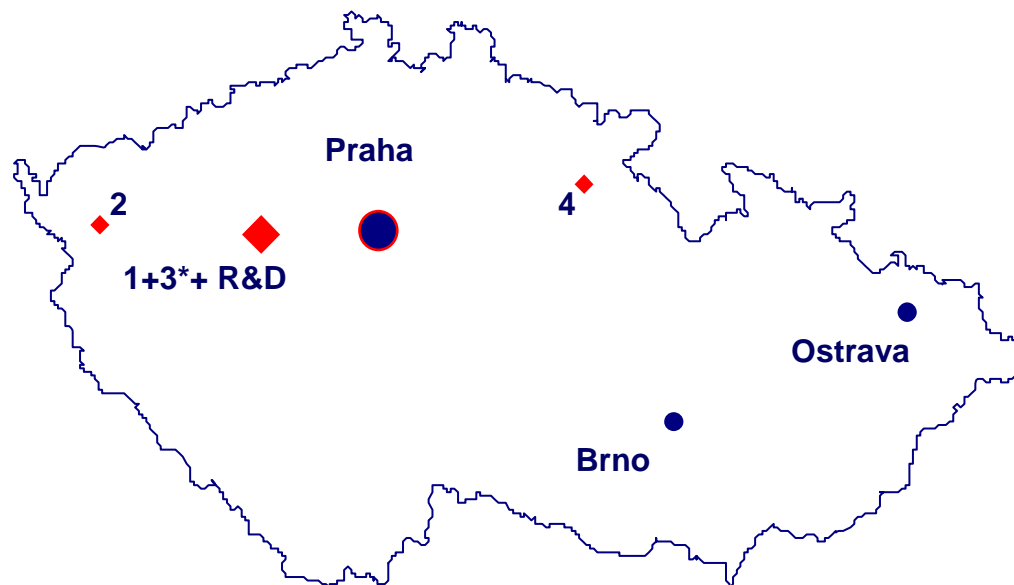
- Mfg activities in CZ since 1991
- 2 locations – C. Budejovice and Jihlava
- More than 8,000 employees in manufacturing
- Currently over 200 R&D engineers
- Cooperation with 3 technical universities



Five Matsushita investments in the Czech Republic



- Panasonic AVC networks Czech – tv sets 1996-97
- Panasonic electric works communication relays – 1998
- Panasonic AVC networks Czech – expansion – 1999 - 2000
- Panasonic mobile & automotive systems – 2000
- Panasonic AVC networks Czech – technology center - 2003



Panasonic

Total investment:
USD 500 million

No. of employees:
over 7,000

Rockwell Automation



Rockwell Automation: development laboratory in Prague

- In the Czech Republic since 1993
 - Cooperation with Czech Technical University
 - Cooperation with University of Western Bohemia
-
- One of 5 independent development labs of RA in the world
 - 20+ development engineers
 - Development of software for industrial machinery



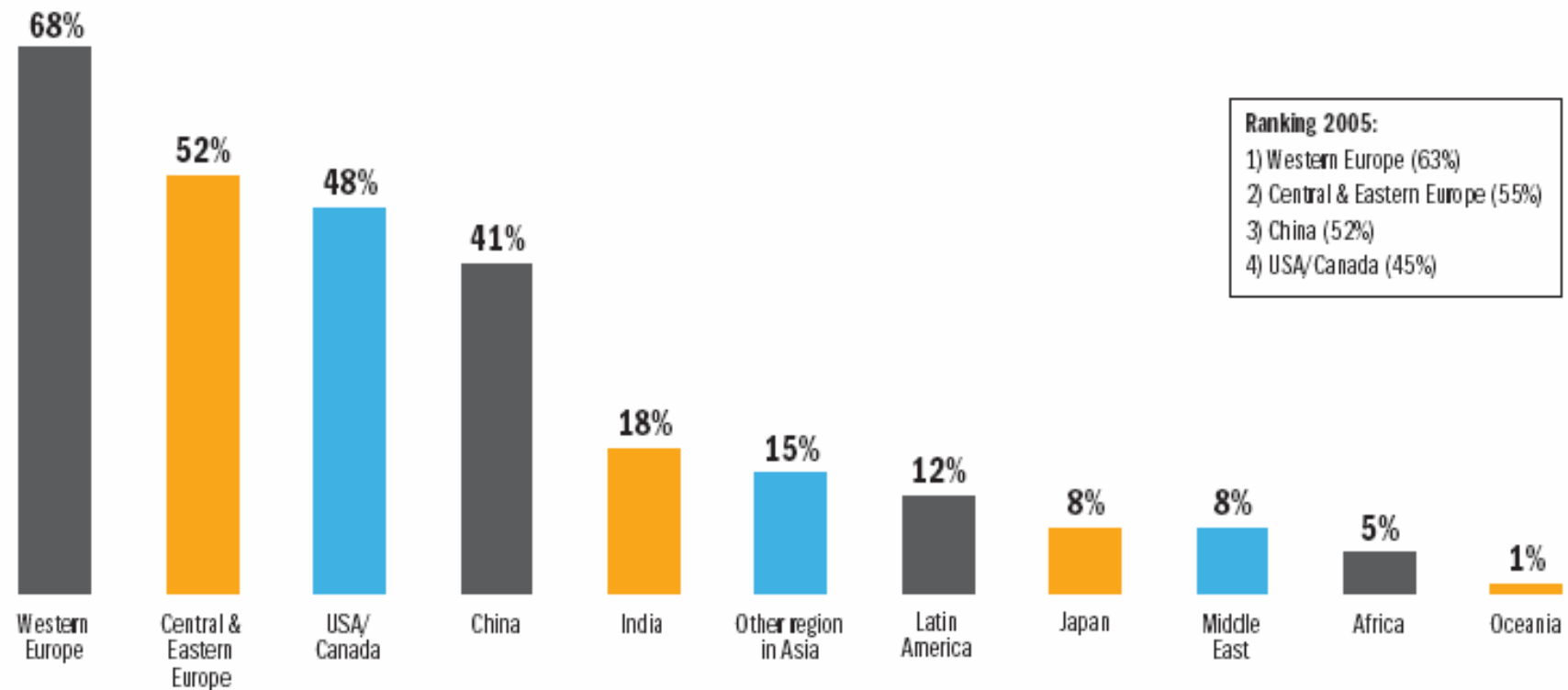
Rockwell
Automation

European Attractiveness Survey, 2006



The most attractive global areas 2006

(total superior to 100% - 3 possible choices)



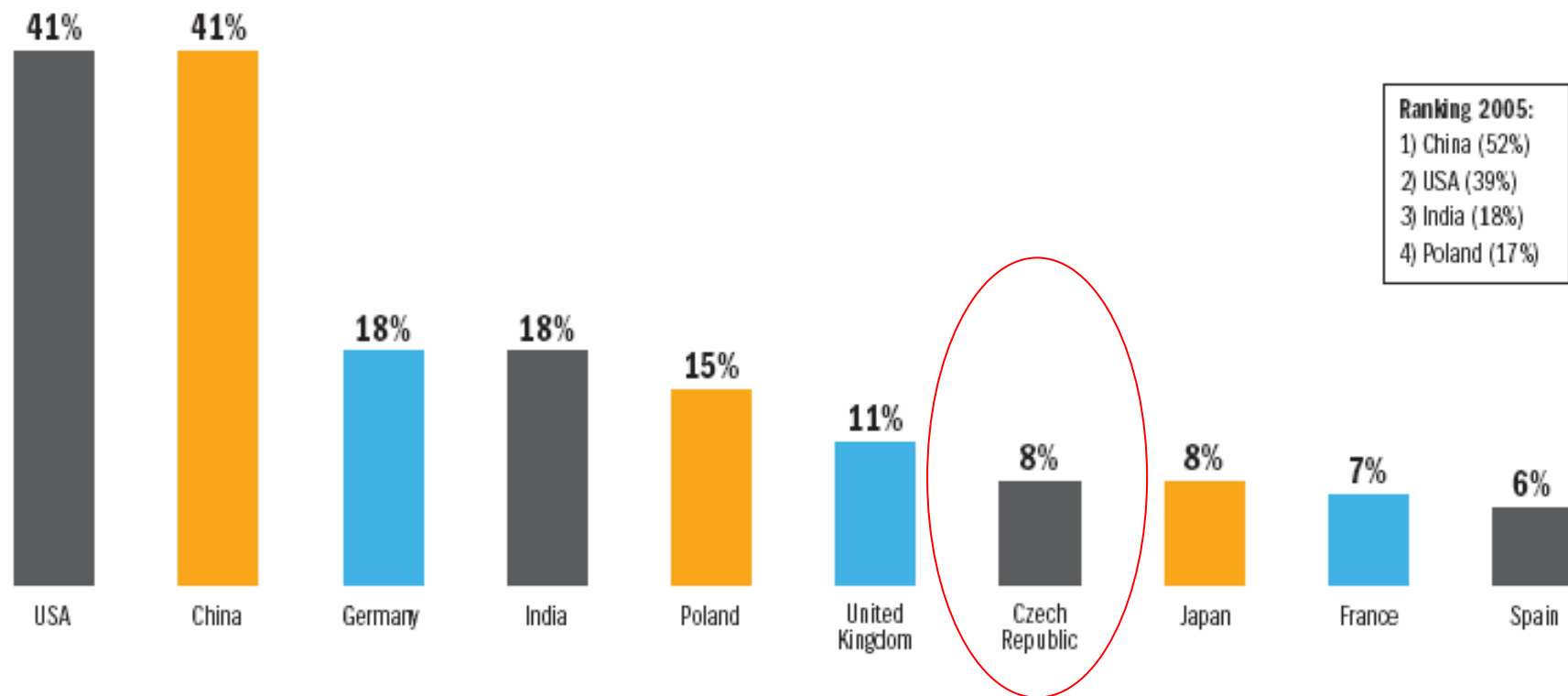
Source: Ernst & Young, 2006

European Attractiveness Survey, 2006



The Top 10 most attractive countries in 2006

(total superior to 100% - 3 possible choices)

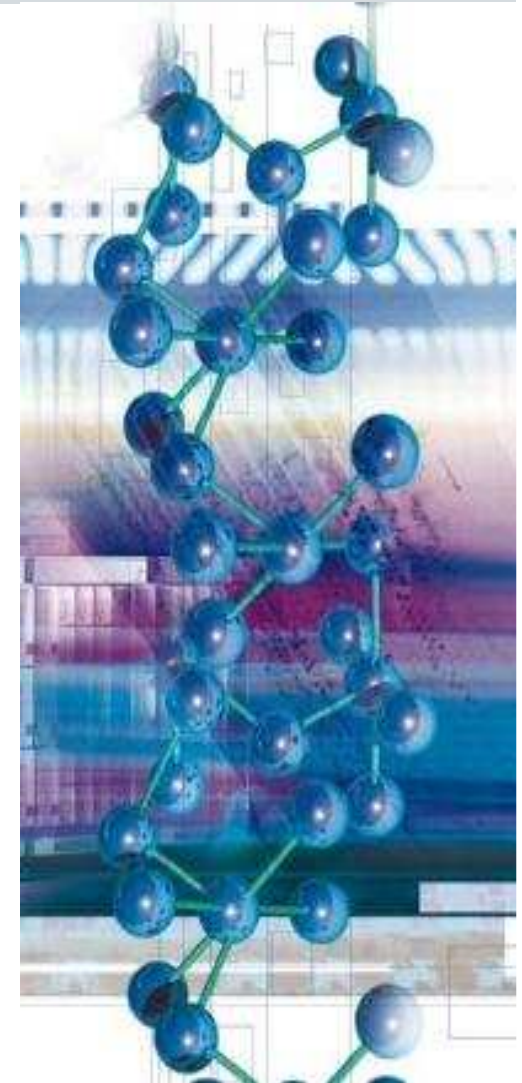


Source: Ernst & Young, 2006

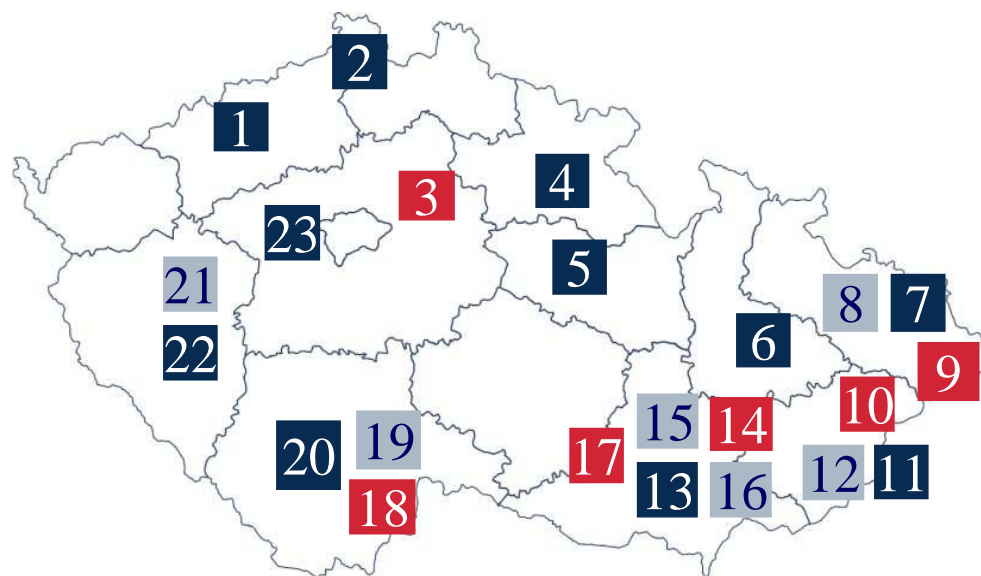
Attracting inward investment in R&D



- Active promotion of the country
 - Inventive image-building
 - Active direct marketing
- Good project management
 - Quick provision of relevant information
 - Good domestic contacts
 - Good project management
- Developed infrastructure
 - Suitable real estate options
 - Suitable environment
 - Suitable financial instruments



Science parks, innovation centres and incubators in the CR

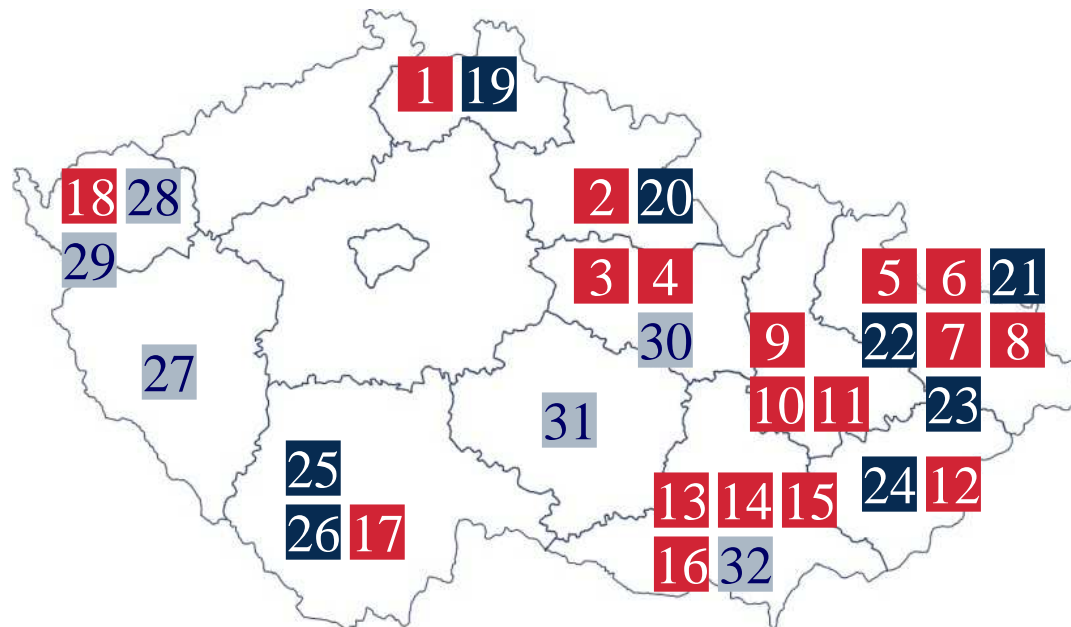


- Science and technology parks
- Innovation and technology transfer centres
- Incubators

- 1 Science and Technology Park in Březno
- 2 Science and Technology Park in Rumburk
- 18 University Centre and Incubator in Nové Hradky
- 4 Technology Centre Hradec Králové
- 6 Science and Technology Park in Olomouc
- 7 Science and Technology Park in Ostrava
- 20 Science and Technology Park in Č. Budějovice

- 8 BIC Ostrava
- 9 STEEL IT, Třinec
- 10 Business Incubator in Vsetín
- 11 Science and Technology Park in Zlín
- 12 Technology Innovation centre in Zlín
- 13 Science and Technology Park in Brno
- 14 INBIT Biotechnological Incubator
- 15 South-Moravian Innovation centre
- 16 BIC Brno
- 17 Technology Incubator VUT Brno
- 3 Business Incubator in Nymburk
- 19 Innovation centre in Třeboň
- 5 TechnoPark Pardubice
- 21 BIC Plzeň
- 22 Science and Technology Park in Plzeň
- 23 Science and Technology Park in Řež

Cluster initiatives in CR



- Established clusters – phase II
- Established clusters
- Cluster mapping ended

- 1 Technical textiles
- 2 Packaging technology
- 3 Technical plastics
- 4 Nanotechnology
- 5 Wood processing
- 6 Renewable energy
- 7 Automotive
- 8 Engineering

- 9 Automotive
- 10 Nanotechnology
- 11 ICT
- 12 Plastic
- 13 Aircraft
- 14 Biotechnology
- 15 Bioinformatics
- 16 Furniture

- 17 Construction materials
- 18 Musical instruments
- 19 Glass
- 20 Stone processing
- 21 ICT
- 22 Chemical industry
- 23 Construction
- 24 Shoemaking
- 25 Water treatment tech.
- 26 Renewable energy
- 27 Mechatronics
- 28 Tableware
- 29 Wood processing
- 30 Electronics
- 31 Wood processing
- 32 Wine-making

Financial support of research and innovation



- R&D projects – national budget
- Technology centres – national budget
- R&D centres and parks – EU structural funds
- Innovation projects – EU structural funds
- R&D/innovation environment – EU structural funds

EU Structural Funds in 2007-2013



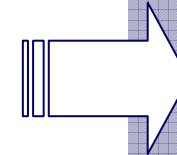
Operation programme	Responsible body	Amount allocated, EUR billion
Enterprise and Innovation	Ministry of Industry and Trade	3.041
Research and Development for Innovation	Ministry of Education	2.070
Education for Competitiveness	Ministry of Education	1.815
Human Resources and Employment	Ministry of Labour	1.811
The Environment	Ministry of the Environment	4.917
Transportation	Ministry of Transport	5.759
Regional programmes	Regional councils	4.659
Integrated operational programme	Ministry for Regional Development	1.553
Supranational Cooperation	Ministry for Regional Development	0.037
Transborder Cooperation	Ministry for Regional Development	0.351
Prague – Adaptability	Regional Council	0.121
Prague – Competitiveness	Regional Council	0.295

Support of entrepreneurial activities and innovation



OP Enterprise and Innovation

- the introduction of innovation, technologies, products; cooperation of the industrial sector with R&D; quality of the business infrastructure

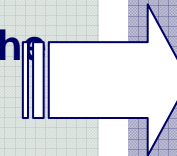


Applicants

Companies, associations/clusters

OP Research and Development for Innovation

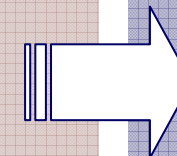
- R&D capacities, capacities for cooperation between the public and private sector



Non-profit research organisations, e.g. universities

OP Education for Competitiveness

- infrastructure for education, educational reform programmes, etc.



Schools/universities, non-profit educational organisations

OP Enterprise and Innovation: areas of support related to R&D



Priority	Area of support	Programme	%
1. Establishment of companies	1.1 Support for beginning entrepreneurs	START	0.6
	1.2 Use of new financial instruments		2.0
2. Development of companies	2.1 Banking instruments for the support of SMEs	PROGRES	2.6
		GUARANTEE	5.0
	2.2 Support for new production technologies and ICT in companies	DEVELOPMENT	3.0
		ICT and Business-Support Services	7.0
		ICT in Companies	4.2
3. Efficient energy	3.1 Energy conservation and renewable sources of energy	ECO-ENERGY	4.0
4. Innovation	4.1 Increased innovation efficiency of companies	INNOVATION	14.0
	4.2 Capacities for industrial R&D	POTENTIAL	8.4
5. Business and innovation environment	5.1 Cooperation platforms	COOPERATION	5.3
		PROSPERITY	12.0
	5.2 Infrastructure for human resources development	TRAINING CENTRES	5.0
	5.3 Business infrastructure	REAL ESTATE	16.1
6. Business-development services	6.1 Support for consulting services	CONSULTING	5.0
	6.2 Support for marketing services	MARKETING	2.9

MediPark



- Project of Masaryk University in Brno
- 15 ha – incubators, spin-off center, transfer of technology
- Focused on medicine, biology and chemistry
- Local and foreign SMEs



Medical R&D Centre for the 21st Century



International Clinical Research Centre

- the world's first international centre in the field of medical research
- strategic project of the Czech Republic
- collaboration with Mayo Clinic (USA)

Four basic elements:

- next-generation science and research base
- top-quality public healthcare facility
- international education centre
- technology park



Thank you for your attention

www.czechinvest.org
info@czechinvest.org



CzechInvest, the Investment and Business Development Agency, is an agency
of the Ministry of Industry & Trade of the Czech Republic