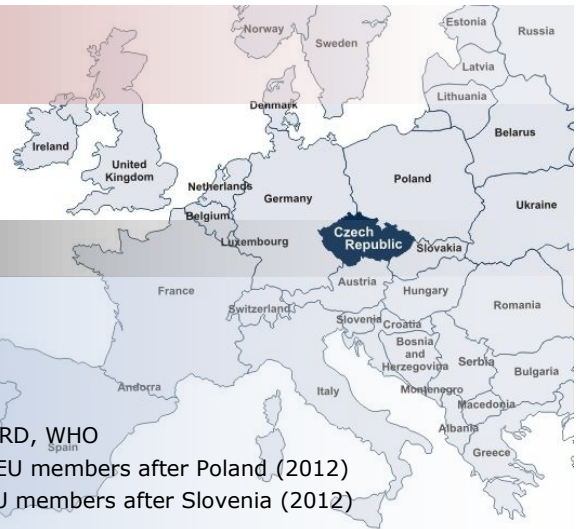


CZECH REPUBLIC

*A small proud nation in the heart of Europe
with a good sense of humor and a tradition of quality*



KEY FACTS AND FIGURES

Population:	10.5 million people
Government type:	Parliamentary democracy
Major cities:	Prague (Capital), Brno, Ostrava
Currency:	Czech Koruna (koruna, CZK)
Member of:	EU, NATO, OECD, UN, IMF/WB, WTO, IBRD, WHO
GDP:	USD 196 billion – 2 nd highest of all new EU members after Poland (2012)
GDP per capita (PPP):	USD 27,191 – 2 nd highest among new EU members after Slovenia (2012)
Expected GDP growth:	2013: -0.5%; 2014: +1.8%

KEY FEATURES

- Leader in Central & Eastern Europe by a combination of prosperity, stability, market size, buying power, and ease of doing business
- Extremely successful in attracting foreign direct investment
- Strategic location in the heart of Europe – next to Germany, Poland
- Strong manufacturing industries, excellent infrastructure
- Regional headquarters, R&D operations, service centers
- Westernized, safe free-trade environment
- Member of European Union since 2004
- Educated and skilled labour force

Strong industries:
*Mechanical engineering, precision metalworking
Energy and environmental technologies
Defence and security products
Electronics & electrical
Medical equipment
Automotive
Plastics
R&D
ICT*

KEY SECTORS

Manufacturing generates 39% of GDP, above EU average, which reflects the country's traditional strengths in industrial production.

The **automotive industry**, including VW Skoda (a traditional Czech brand), TPCA and Hyundai; rolls out around a million cars annually and boasts several hundreds of automotive component and subsystem manufacturers.

Strong sectors include mechanical **engineering** (ABB, Skoda etc.), **electrical and electronic manufacturing** (Panasonic, Foxconn, Honeywell), as well as high added value segments e.g. nano fibres, medical technologies, antivirus software.

TRADE INDICATORS

Czech Republic is exceptionally open to international trade – its export/GDP ratio at 80% is one of the highest in Europe, with imports comparably high at USD 141 billion per year. The country trades mainly within the EU in machinery and transport equipment, mechanical appliances and electrical machinery, mineral fuels, industrial components, pharmaceuticals and other.

Major export destinations: Germany (31.4%), Slovakia, Poland, France, UK

Major import partners: Germany (25.2%), China (11.1%), Poland, Slovakia, Russia, Italy

Imports from the US: USD 3.1 bln, including aircraft and associated equipment (11%); cars, engines and motors; ICT equipment; electrical machinery; M&R equipment; pharmaceuticals; medical instruments; agricultural machinery and other.

Exports to the US: USD 3.6 bln with biggest share in machinery and transport equipment (engines, motors, electrical machinery), medicinal preparations, iron & steel products, plastic and rubber products, chemicals.

