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**BUSINESS RESULTS
OF CZECHTRADE AGENCY IN 2018**

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PROFILE OF CZECHTRADE AGENCY

CzechTrade is a Governmental Trade Promotion Agency of the Czech Republic established by the Ministry of Industry and Trade. Its main objective is to develop international trade and cooperation between Czech and foreign entities. CzechTrade Agency is an official contact partner for those who are looking for qualified Czech-based manufacturers and service providers.

- Over 20 years of professional partnership
- More than 50 offices operating worldwide
- Excellent overview of Czech manufacturers and their production potential
- Mainly bespoke services for foreign entities, free of charge

CONNECTING CZECH AND WORLD BUSINESSES VIA

- Czech Business Partner Search
- Sourcing Days
- Trade Shows
- Private Showcases
- Networking Events

CZECH BUSINESS PARTNER SEARCH

This bespoke and free of charge service exists to help foreign companies when looking for a partner to assist them in their production. They can approach our specialised team with specific requests. CzechTrade Agency will gladly help you get in touch with the relevant Czech companies.

- Personal consultation & fillable on-line form
- List of relevant Czech companies and the facilitation of access to the selected ones

In 2018, CzechTrade Agency provided quality information services by publishing 800 foreign inquiries, 1,200 projects and tenders, 30 investment opportunities and 87 offers.

Most of the demand came from Germany, Great Britain, Mexico, Italy and Israel. The most sought-after products were from the fields of mechanical industry, food processing, electronics and electrical engineering, constructions and textiles.

SOURCING DAYS / TAILORED EVENTS ACCORDING TO THE COMPANIES' NEEDS

Foreign companies specify product/service requirements, define qualifications for a potential Czech supplier, and the CzechTrade team will organise one-to-one meetings followed by the arrangement of company visits in the Czech Republic. This service saves time because of:

- Precise knowledge of Czech manufacturers and their production potential
- Bespoke market screening - we identify potential suppliers as per specific requirements
- Suppliers shortlist - after reviewing each applicant's profile, we select companies the foreign partner wishes to meet

All-inclusive package - from providing meeting rooms to the accompanying foreign company at the Czech companies' premises. This service is free of charge for foreign companies.

In 2018, 13 Sourcing Days (SD) were arranged, where foreign partners were presented with 199 Czech companies over the course of 484 meetings, visits to Czech manufacturers' premises or catalogue presentations. Foreign partners for which a B2B meeting with Czech producers has been held include: Uniper, YGLESIAS LOAYZA SAC, Mol Group, Krone, NETZSCH-Feinmahltechnik GmbH, Drever Int SA and Halfords.

CZECH EXPORTER'S DIRECTORY

Official on-line database of Czech exporters and the easiest tool to help find potential business partners in the Czech Republic.

<https://exporters.czechtrade.cz/en/>

PRESENTATION ON FOREIGN TRADE FAIRS

CzechTrade Agency organises the joint participation of Czech companies at international trade fairs. For this reason, it offers an opportunity for exporters who do not plan a stand-alone stall. Besides organisational preparations, CzechTrade also provides joint expositions and practical accompanying services. This includes, among other things, addressing potential foreign partners in order to capture their interest in a trade fair, personal assistance during a trade fair or active participation in dealing with business partners.

Thanks to this, it is possible to increase the number of visitors to Czech expositions and attract potential business partners. The level of the services provided is evaluated by participants in satisfaction questionnaires. They value most of all the presence of a representative in a particular country who addresses a wide range of foreign entities in advance of the fair, interprets during personal meetings, communicates with the fair administration or provides technical background. Last but not least, clients highlight the advantages of joint promotion with CzechTrade Agency and the synergy of jointly exhibiting companies.

In 2018, CzechTrade Agency organised a joint participation of Czech companies at 102 international trade fairs. A total of 474 companies were presented there. This allowed the participation of exporters who would not otherwise have been able to afford such a costly form of presentation.



BUSINESSINFO.CZ PORTAL

BusinessInfo.cz is the official business portal that was created to help foreign businesses navigate the Czech business environment. Current information on the conditions for doing business, investment as well as trade opportunities can be found on its website. It is CzechTrade Agency which is in charge of the BusinessInfo.cz implementation. The portal integrates information from key ministries and public administration institutions in one place and subsequently provides it to Czech entrepreneurs, exporters and foreign companies.

ON PORTAL, FOREIGN BUSINESSES CAN FIND INFORMATION ON:

- How to start a business in the Czech Republic
- How to acquire a stake in a company
- How to find a business partner for expanding or establishing a new company in the Czech Republic
- How the tax system is set up in the Czech Republic
- What the investment climate is like here
- What current investment opportunities there are and much more
- Useful links and institutions in the Czech Republic
- Calendar of Events
- Online Business Enquiry (Business in the Czech Republic, Business in the EU, General enquiry)

In terms of turnout, BusinessInfo.cz portal is one of the most visited state administration portals. The average monthly number of visits in 2018 reached 226,928, which was an increase of 3.6% compared to 2017. In addition, approximately 21,000 users are contacted through the portal's personalised newsletter, with a growing number of users every year.

The quality of content is steadily improving, as shown by the increase in turnout of TOP topics. In 2018, the time users spent on the website increased. The focus on the content quality and SEO confirms that 70% of the visitors come from search engines.

BusinessInfo.cz maintains a solid base of regular visitors who are used to the high quality of the contents. Thanks to this, the portal is a powerful tool of the state administration that enables to effectively communicate any changes and information to entrepreneurs. The Foreign Trade section is the source of "the most loyal and return visits". Together with the Taxes and Legislation section, it is the most visited section of BusinessInfo.cz. Other important sections include the Export Opportunities section.

OVERVIEW OF THE MAIN RESULTS

- In 2018, CzechTrade handled a total of **2,117 export opportunities**, which were published on the BusinessInfo.cz portal – 800 foreign inquiries, 30 investment opportunities, 1,200 projects and tenders, 87 offers.
- The average monthly traffic on the BusinessInfo.cz portal reached **226, 928 visitors**, which is an increase of 3,6%, compared with the previous year.
- The Client Centre for Export accepted **717 queries** in total in 2018, which is an **increase of 4%** in comparison with 2017.
- In 2018, CzechTrade Agency implemented **2,439 paid orders** for 1,199 clients, **1,539 contracts** were implemented for 840 clients of the foreign office that have the greatest added value for the Czech companies.
- Year-on-year, there has been an **increase of 12%** in a number of successful cases that the clients shared with CzechTrade Agency.
- CzechTrade Agency organised **142 events in total abroad**, including supported events from EU financed internal projects NOVUMM, NOVUMM KET and DESIGN.
- In 2018, there were **55 seminars and conferences** in total, attended by more than **1,400 employees** of Czech exporters.
- In 2018, 13 Sourcing Days (SD) were implemented, in which foreign partners were presented with **199 Czech companies** over the course of **484 meetings**, including meetings on the companies' premises.
- During the year, **1,082 relevant media performances** containing the word CzechTrade were recorded of which 38% had positive sentiment value.
- In total **37% of the articles** were results of CzechTrade's activities and **5% of the responses** were responses to press releases. In 2018, CzechTrade issued a total of **28 press releases**.
- In 2018, **16 seminars** were held with the directors of CzechTrade foreign offices in **the regions of the Czech Republic** and information on the CzechTrade services was provided at another **173 events** either in the form of seminars under CzechInvest or at events held by other partner institutions in the regions.
- When evaluating satisfaction with the services of CzechTrade foreign offices, the **average mark** reached **1.12** (four-point scale where 1 represents the highest satisfaction and 4 dissatisfaction). **CzechTrade's services saved time** for nearly **90% of the clients** and three out of four clients confirmed cost savings. **98% of the clients would recommend** the service to their business partners.

FINANCIAL RESULTS

CzechTrade Agency ended the year 2018 with an improved economic result of CZK 13.5 million; more than half of the funds transferred to the organisation's budget for the matters that will take place this year (foreign events, promotion costs, and the Export Client Center, cyber-security and personal data protection). The total volume of revenues increased by CZK 1 million compared to 2017. This was due to the focus on individual services, in particular missions and Sourcing Days, and foreign business trade shows held in higher volumes. The funds created by the Agency in previous years were thus drawn up to the minimum. The Agency's total costs amounted to CZK 402.9 million, including the Structural Funds, of which the most were spent on services (CZK 243.4 million), personnel costs (CZK 66.2 million) and depreciation (CZK 15 million). In 2018, the Agency was also entrusted to fund the CIIE 2018 exhibition in Shanghai, where the total cost was CZK 2.2 million. The utilisation of the costs by the individual quarters was balanced and economical.

In the year under review, investment purchases were made for approximately CZK 10.1 million, mainly for IT equipment worth CZK 3.6 million and software and GDPR application for CZK 6.5 million, including the improvement of the new information system, SINPRO versions 3.5 and 3.6. In 2018, the Agency continued three SF OPPIK projects which also contributed to an increase in the organisation's costs and revenues.

REVENUE

Items	2014	2015	2016	2017	2018
Total revenue	469,408	451,711	331,715	487,716	416,449
Revenue for services	30,428	51,165	61,353	58,421	59,509
Other revenue*	54,100	81,214	10,156	17,278	16,979
MIT contribution total	384,880	319,332	260,206	412,017	339,961
of which contribution to operations	185,146	246,230	253,044	284,239	290,518
Astana EXPO 2017			1,073	85,560	
of which financing from structural funds	199,734	73,102	6,089	42,218	49,443
Total costs	467,995	437,813	328,429	469,199	402,924
Consumed purchases	8,320	8,029	8,155	8,165	8,703
Services	151,109	210,657	233,649	243,260	243,359
Personnel costs	46,259	55,261	56,285	60,783	66,170
Depreciation	12,211	11,581	14,882	15,414	15,044
Other costs incl. settlement of funds	250,096	152,285	15,458	141,577	69,648
Astana EXPO 2017			226	86,397	
Of which settlement of EU funds	241,108	144,509	6,172	48,220	62,291
Financial result	1,413	13,898	3,286	18,517	13,525

*including structural funds

INTERNAL PROJECTS OF CZECHTRADE AGENCY

Thanks to EU programmes, foreign entities can discover Czech companies and their products at prestigious international trade fairs.

The following projects of CzechTrade Agency (2016 – 2020): NOVUMM (New marketing models of participations in trade fairs), NOVUMM KET (New marketing models of participations in trade fairs in the field of key technologies) and DESIGN (Design for competitiveness 2016 - 2018) are co-financed by the European Union via the Operational Programme for Enterprise and Innovation (OPPI) for competitiveness. (The Ministry of Industry and Trade is the regulating body.)

Small and medium-sized enterprises based outside the capital city of Prague are provided with de minimis aid within the NOVUMM and NOVUMM KET projects via preference services. The companies do not obtain money from CzechTrade Agency but are provided with services for participation in international events. The projects include 150 trade fairs across various fields of industry in Europe and outside. The call for submitting applications was announced on 1st July 2016, and the application reception began on 18th July 2016. Within the NOVUMM KET project, 12 events with a total number of 90 participants were held in 2018. Within the NOVUMM project, 25 events with a total number of 250 participants were supported in 2017.

The internal project DESIGN offers preferential services of professional designers from the Designer Directory as well as support for participation in foreign fairs and exhibitions focused on design promotion. The implementation of accompanying events such as interactive seminars, contact forums, conferences and workshops is part of the project. The call for submitting applications was announced on 15th November 2016, and the application reception began on 21st November 2016.

In 2018, 36 small and medium-sized companies received a financial contribution for the redesign of products totalling CZK 1,775,000. Most of these companies evaluate the overall level of the design services provided as excellent. The companies that valued the service of the designer company the most were companies doing business in the fields of engineering, furniture manufacturing, electronics and electrical engineering.

The DESIGN project also plans to support the participation of up to 60 small and medium-sized companies and designers at specialised foreign events. In 2018, CzechTrade presented Czech design at two fair trades – Maison & Objet Paris in France and Light + Building in Germany. A total of 24 companies took part in these fair trades, supported by CzechTrade in the form of discounted services worth CZK 2,747,000.

CLIENT CENTRE FOR EXPORT (CCE)

In cooperation with MFA and MIT, the successful activity of the Client Centre for Export (CCE) continued in 2018. The interest in CCE services continues to rise steadily – in 2018, the CCE received 717 queries. Eighty-four percent of the queries were handled through CzechTrade Agency.

ORGANISATION OF CZECHTRADE AGENCY MANAGEMENT

MANAGEMENT

Radomil Doležal, General Director
Milan Ráž, Director of Services for Exports
Lenka Sokolová, Director of Internal Services Section
Zuzana Synková, Director of Marketing and Analyses
Petr Kraselovský, Director of EU Funds

CZECHTRADE SECTOR SPECIALISTS

Seventeen consultants took care of the clients as of 31st December 2018. They are divided into five field teams by CzechTrade so that every company can easily find its export consultant according to the field in which it is conducting business.

- Construction, consumer goods and services
- Electronics, ICT, transport and handling equipment
- Energy, resources, environment
- Life sciences, chemistry, plastics, medicine and food
- Engineering and metalworking

