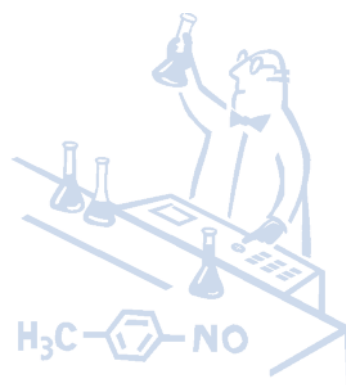


# Chemical Industry



The products of the chemical and pharmaceutical industries have a large application in all the sectors of the economy and, due to this, they play an important role in national economy development. The rubber and plastic industries have the greatest significance in this sector, sharing 45.7% of the total sales in this branch in 2009; basic chemical agents and pharmaceuticals followed, with a share of 34.8%, and oil processing, which had a 19.5% share of sales. In 2009, this sector shared 15.5% of total sales for its own products and services sold in current prices; total exports were 12.2% and employees totalled 11.1%.

Petrochemistry has a key role in industry in the Czech Republic. The leading group in the sphere of oil processing and petrochemistry is Unipetrol Holding, which forms part of the biggest refinery and petrochemistry group in central Europe - PKN Orlen. Unipetrol operates large refineries and holds a significant position on the central and east European markets. Some petrochemical products produced in the Unipetrol holding are monomers, aromates and polyolefins; among the refinery products, motor fuels, asphalts and liquefied petroleum gases are important.

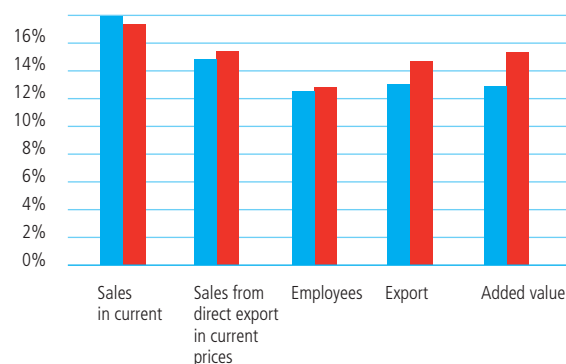
The Czech Republic holds a strong position in both the production of inorganic chemical products and products of an organic character. Significant commodities are fertilizers, artificial silk, laughing gas (nitrous oxide), ammonia water, commodity and special amines, nitrocellulose, pigments, colouring agents, oxide pitches, caprolactam, PVC or ammonia sulphate, sodium hydroxide and sulphur acid, and most of these chemicals are exported to European Union markets.

The production and development of pharmaceuticals have a strategic position in the chemical industry because they have belonged, for a long time, to very promising sectors. The most important world pharmaceutical firms have successfully entered the Czech market, and Czech firms and Czech companies have joined international networks and obtained sales areas on important world markets. They are, for example, the multinational

pharmaceutical company Glenmark Pharmaceuticals or the Sanofi-Aventis company, which is the owner of Zentiva N.V. Even though pharmaceutical consumption on the Czech market is to a large extent covered by imports, the constant growth of this market presents a great chance for home producers. Centres of pharmaceutical production are Prague and the surrounding region, Ustí nad Labem and Opava. Two advantages of the Czech Republic in the sector of the development and production of pharmaceuticals are its long tradition and the high level of the employees.

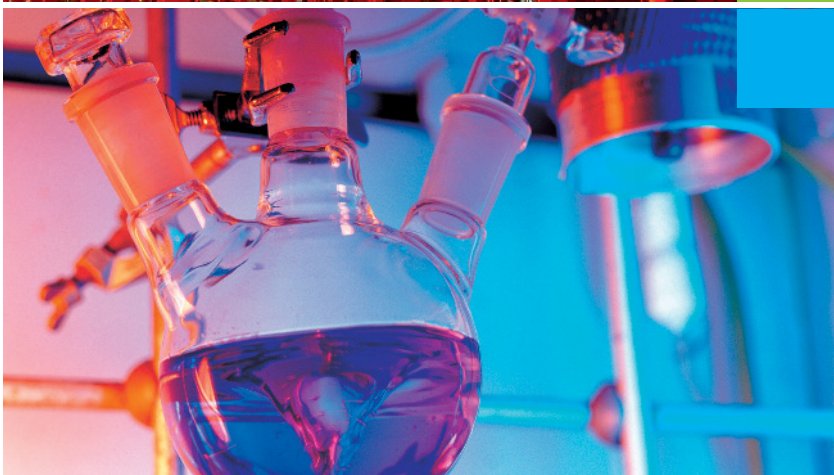
The production of products from rubber and plastics forms part of the most dynamic sectors of the processing industry with great export potential. In the sphere of rubber, the production of tyres and tyre tubes by the biggest European producer Barum Continental predominates; Seals, V-belts, hoses and others are also produced in the Czech Republic.

**Chemical industry shares in the basic indicators of the processing industry in the CR in 2008 and 2009**

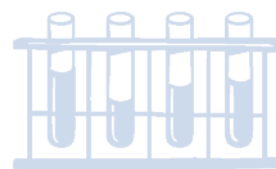


■ year 2008 ■ year 2009

Note: b.c. = current prices



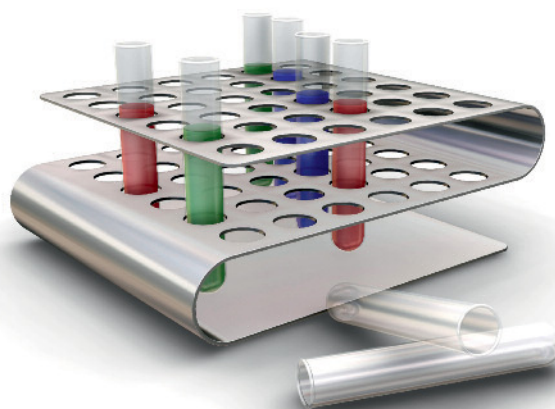
## Chemical Industry



In the sphere of plastics, the Czech Republic is an important producer of a wide range of goods and semi-products from plastics - boards, profiles, foils, covers and others. The value of the sector is in close relation to the car industry and electrical engineering, the building industry, the food industry and, above all, wrapping production. The share of this sector in the processing industry has permanently increased since 2000. In 2009 it reached a share of 7% in the sales of the processing industry in the total exports of chemical products its share was 41.5%. Multinational companies like Siemens, Robert Bosch, TRW, Johnson Controls, Valeo, PeguformG and others realized their investments in Bohemia in the plastics industry. The present plastics consumption per inhabitant is at a markedly lower level than in advanced industrial countries in Western Europe, so the forthcoming growth of this sector is expected.

An important role in the chemical industry in the Czech Republic is played by the Chemical Technological University which, due to its tradition and research projects, not only supplies the Czech market with quality scientists and researchers but also, in cooperation with many Czech and foreign firms, shares in the development of new trends and directions in the chemical industry and increases the prestige of Czech chemistry abroad.

The most important trade union organization in chemistry in the Czech Republic is the Union of the Chemical Industry, which brings together production, commerce, projects, research and other organizations related to the refinery, chemical, and pharmaceutical industries and to the industry of plastics processing and rubber. Other members of the union are the Association of Painting Material Producers, the Union of Chemical Traders and Distributors and the Czech Association of Purification Plants.



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