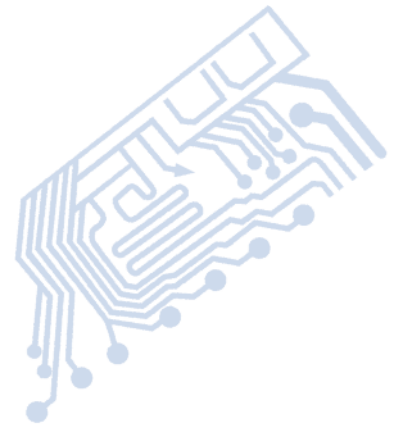
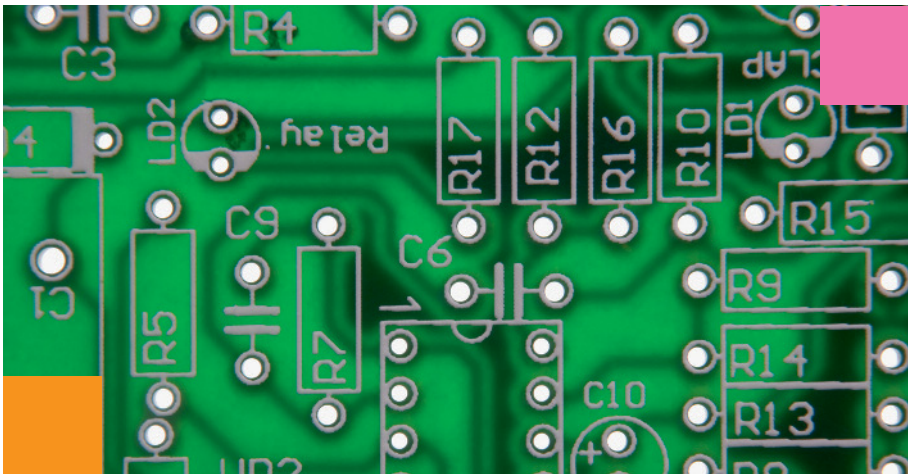


Electrical Engineering and Electronics Industry



The potential of the electrical industry is shown by the increasing importance of electronic and electrotechnical components in most final industrial products. As opposed to the car industry, for example, it does not require such territorial proximity of the supplier-buyer chain and its products have generally simpler logistics which are not so influenced by transport costs. The producers can therefore react with more flexibility to the changing conditions of the global economy and more easily decide on the change of location - particularly in the case of large companies which represent half of the total employment of the sector in the Czech Republic.

Owing to the high level of technical education and the logistically-advantageous location of the Czech Republic, it was possible to attract foreign investors at the turn of the millennium, who contributed to the fundamental restructuring of the majority of the manufacturing bases, the stabilization of the sector, the increase in labour productivity and product quality and the expansion of activities abroad. Several strong foreign companies have already established their research and development centres in the Czech Republic and others are planning similar steps.

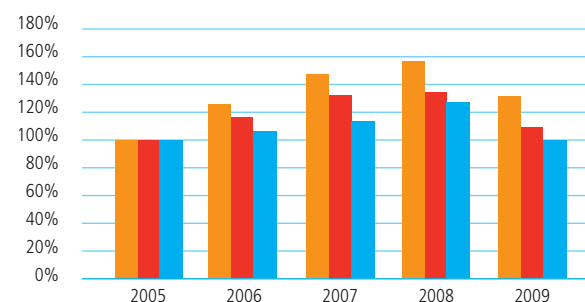
The Honeywell company, for example, founded a technological centre in Prague in 1993 in cooperation with the Czech Technical University and, upon the basis of this positive experience, a global development centre was founded in Brno. The Japanese Panasonic company is engaged in Plzeň in the production of television screens as well as research and the development of mechanical solutions and software. Similarly, in Kopřivnica, the Danish Bang & Olufsen company has launched, apart from production, the implementation of a new project - the expansion of Danish research and development.

The STMicroelectronics company has founded the largest development centre for information technologies in Prague, focused on the development of the analog/mixed signal in the region of Central and Eastern Europe. The international ON Semiconductor company, following

the tradition of the Tesla brand, is established in Rožnov and, in addition to production, also operates a development centre aimed at developing new technologies for the manufacturing of integrated circuits. In Brno there are dynamically-growing development centres for the Flextronics and AMI Semiconductor companies and, owing to the development centres of the world famous FEI, TESCAN and Delong Instruments companies, Brno has become the centre for electron microscopes in Central and Eastern Europe.

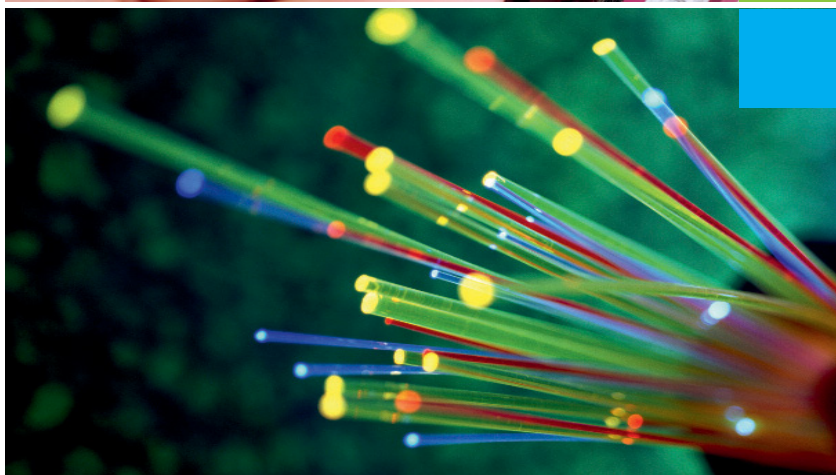
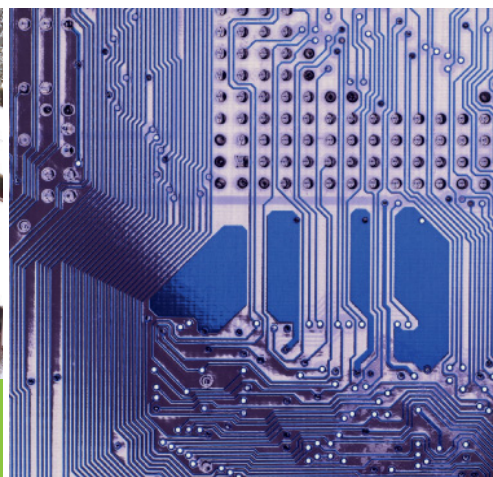
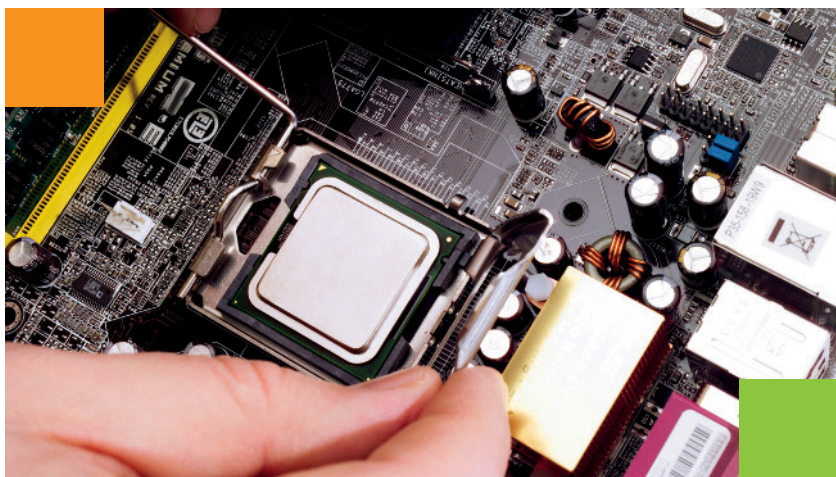
During the 1997 - 2007 period, foreign investment in the electrical industry exceeded 150 billion Czech crowns. The electrical industry has an approximate 30% share of the total volume of foreign investment in the Czech Republic and is ranked in second place right after the car industry. The Czech Republic has become the largest computer producer

Index of the industrial production of electrotechnics and industry in the Czech Republic in total



■ Computer technology, electrical equipment
■ Electrical equipment
■ Industry in the Czech Republic in total (2005=100%)

Source: CSU - Czech Statistical Office



Electrical Engineering and Electronics Industry

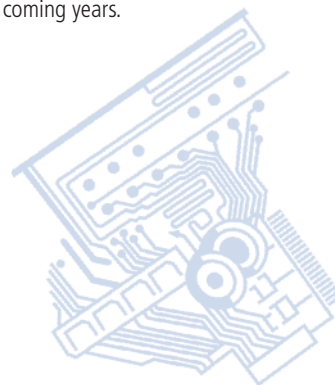
in Central Europe, for example, owing to the factory of the Taiwanese investor Foxconn CZ, whose production plants are located in Pardubice and Kutná Hora and which has become the second largest exporter from the Czech Republic. The Czech Republic is the European leader in the production of flat screens, mainly due to the Japanese Panasonic AVC Networks Czech company, which has produced televisions for more than 10 years in Plzeň and the new industrial estate in the Triangle in Žatec and which is the third largest exporter from the Czech Republic.

The biggest share in the revenue from the electrical industry belongs to high-voltage electronics (44%), followed by computer technology (24%), radio and television technology (21%) and instrumentation and automation technology (11%).

The production of high-voltage electronics occupies a stable position in the structure of the Czech electrical industry, mainly due to the long tradition and broad experience of its workers. The main products are traditional electric motors, generators and transformers, electrical distribution and control equipment and cables and insulated wires. In recent years, the production of electrical equipment for the car industry has also been added to these commodities, mainly upon the basis of the foreign investments made.

The technical level of the products and services are of a world standard and sales take place mainly in the countries of the European Union. The foreign owners of large production subjects have carried out the necessary modernization of the technologies, improved the production organization and, in particular, have brought new business connections. One example of the successful entry of a foreign investor is the Siemens Elektromotory company, which ranks among the world's leading suppliers of low-voltage asynchronous electrical motors and operates manufacturing plants in Frenštát pod Radhoštěm and Mohelnice.

Owing to the favourable investment environment, the constant interest of foreign investors, the qualified workforce, the relatively lower wage costs and the convenient conditions for the development of technological centres and centres of strategic services, it is possible to expect constant growth in the electrical industry in the coming years.



Czech Trade Promotion Agency

Head Office
Dittrichova 21, Prague 2
Czech Republic
info@czechtrade.cz
www.czechtradeoffices.com

www.export-alliances.com/czech-engineering-technology-alliance

Czech and Moravian Electrical and Electronic Association,
<http://www.electroindustry.cz>
Czech Exporters Directory, <http://exporters.czechtrade.cz/en>