



CZECH TRADE
PROMOTION AGENCY
2011

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PROFILE

Do you know who we are and what our mission is?



CzechTrade is a government agency for the promotion of export. It was established on 1 May 1997 as a contributory organisation by the decision of the Ministry of Industry and Trade. Its objective is to improve the long-term competitiveness of Czech companies.

CzechTrade assists Czech exporters, through its individual services, client approach and foreign network of agencies, in their strategic decision-making processes with regard to their activities on global markets.

Foreign companies turn to CzechTrade when looking for attractive and reliable business partners and suppliers in the Czech Republic.

CzechTrade partners Czech companies on their journey to foreign export success.

VISION

To be the focal point for global competences and services for the internationalisation of Czech companies.

MISSION

By fostering innovation and improved competitiveness, to help Czech companies win on global markets.

KEY VALUES

Partnership with the customer

The customer is our priority. We are their advisor and assistant. We delight in their success.

Teamwork as a requirement for developing corporate know-how

We are a team which learns from experience and knows that there is always room for improvement. We always want to be one step ahead.

Professionalism and high ambitions

We will never say "never". We will continue to seek and provide customers with the best available tailored solutions.

Open and effective communication

Our actions are direct, open and honest. If something is complicated, we make it easy.

Identification with the agency

We are proud to be CzechTrade. We are proud of our work and brand.

CERTIFICATE

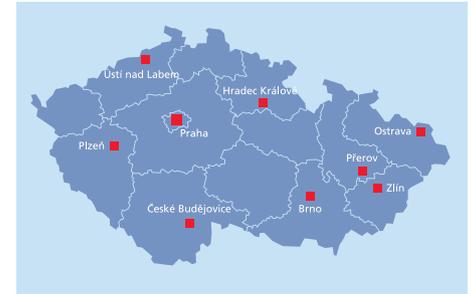
Since 2002, CzechTrade has held the ISO 9001:2000 quality management system certification. In 2009, re-certification of the quality management system was carried out according to the standards of the International Quality Rating System (IQRS®). This international assessment system is unique in that it includes all the criteria for meeting certification requirements according to international standards, as well as the specific requirements of advanced management systems, business excellence models and best practice of the world's renowned companies (the EFQM Excellence Model for business success and the Malcolm Baldrige National Quality Award). It thus provides a comprehensive view of an organisation's performance and the level of maturity of the organisation's management system. Another re-certification using the IQRS® method took place in October 2011. CzechTrade's management system was assessed on the basis of this unique method as being mature and fully comparable with good, productive organisations from the private sector.



CZECHTRADE IN THE CZECH REGIONS

Within the Czech regions considerable assistance is provided to Czech companies by our “regional export managers” (REM). The network of these offices was established in cooperation with the Czech Chamber of Commerce in 2009 as a follow-up project to a similar 2005 scheme entitled “Development of Consulting and Information Services for International Trade”.

In 2011, there were eight export managers operating in the Czech regions. Besides providing CzechTrade services, they were also brokering comprehensive information on state support for export (services of the Czech Chamber of Commerce, Česká exportní banka, a.s. and the Export Guarantee and Insurance Corporation [EGAP]).

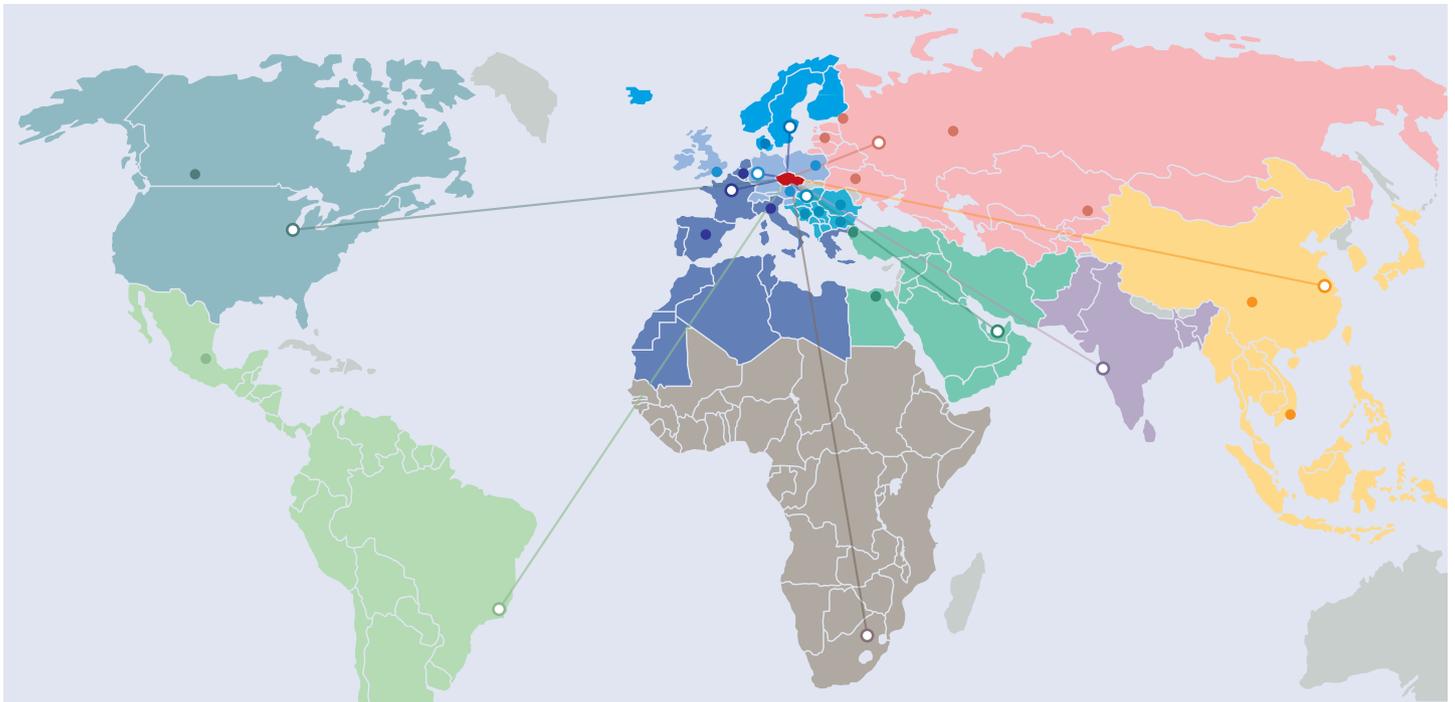


Status as of 31 December 2011

CZECHTRADE AROUND THE WORLD

In 2011, 33 permanent CzechTrade representatives abroad were available to Czech companies. They also provided services in cooperation with Czech embassies and consulates all around the world. The agency tries to adapt its concentration of offices and their location in individual territories to meet the current demands of Czech exporters. The concept of regional centres has helped expand the reach and availability of the agency's services to include countries in addition to those with official offices.

Status as of 31 December 2011



RESULTS

The agency's activities in numbers

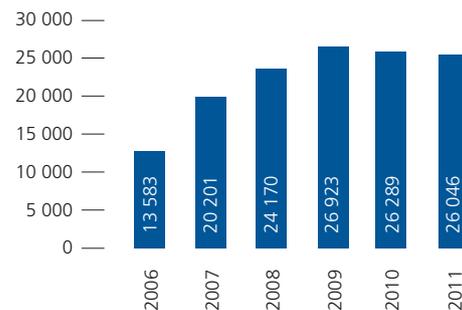
FINANCIAL RESULTS FOR 2011

In 2011, the agency achieved improved profit in the amount of CZK 3.2 million, thanks to careful management and the volume of revenues. Among other things this reflects the positive fact that, whereas the state's contribution for the agency's operation continues to decrease (with the exception of EU-funded projects), the agency's resources are increasing - primarily from the sale of its services. As it did in 2010, the total amount of revenues crossed the CZK 26 million threshold; this was mostly due to the activities of the foreign offices, whose individual contracts and events represented 73.5 percent of the total. The share of revenues of contribution to operation increased to 14.2 percent, almost a threefold increase since 2006.

	2006	2007	2008	2009	2010	2011
Total income	275 501	260 473	267 674	258 016	455 768	461 598
Revenues from services	13 583	20 201	24 170	26 923	26 289	26 046
Other revenues and income, incl. EU fund settlement	13 853	3 065	6 423	5 988	16 450	119 140*
Contribution to operation	248 065	237 207	237 081	25 105	413 029*	316 412*
Total costs	273 858	252 883	251 849	256 594	455 767	458 395
Purchases used	9 010	10 642	19 979	9 420	9 908	10 003
Services	203 267	178 755	173 968	177 222	142 452	137 758
Personnel costs	43 765	49 246	53 043	54 651	50 025	49 447
Depreciation	11 677	10 822	10 583	11 691	11 142	10 835
Other costs incl. EU fund settlement	6 139	3 418	3 276	3 610	242 240*	250 352*
Profit/loss	1 643	7 590	15 825	1 422	1	3 203

*) The amounts of total income and total costs in 2010 and 2011 include financial resources related to financing SF projects (2010: CZK 227,836 thousand; 2011: 243,154 thousand).

Revenues from services 2006-2011
in thousands CZK



CzechTrade revenues – trend since 2006

	2006	2007	2008	2009	2010	2011
Revenues from services	13 583	20 201	24 170	26 923	26 289	26 046
Other revenues*	13 853	3 066	6 423	5 988	16 450	8 486
Contribution for operation	248 065	237 207	237 081	225 105	185 193	183 912
Project resources from EU funds	0	0	0	0	227 836	243 154
Total revenues	275 501	260 473	267 674	258 016	455 768	461 598

*) Utilisation of the reserve fund, bonus fund, etc.

SELECTED INDICATORS OF THE AGENCY'S ECONOMIC ACTIVITIES

Following on from being awarded the QMS certificate in 2002, CzechTrade set out its internal goals (for the first time ever) in 2003 using the Balanced Scorecard method. Since then, the agency has been using the defined criteria to monitor its results.

Clients' export successes

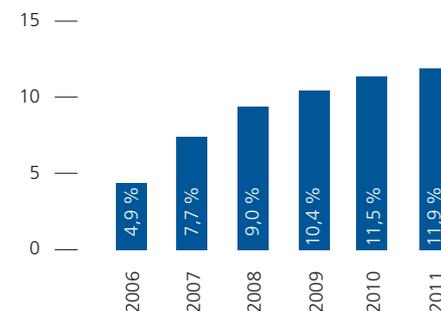
The worsening macroeconomic environment, affected by the global crisis, contributed to the year-on-year reduction in documented successful cases down to 110. More positive was the gradual relative increase in successes outside the European Union (81 % outside the EU compared to 19 % inside). Pursuant to the Export Strategy for 2012 to 2020, this is exactly where the Czech Republic and its exporters should be focusing their attention.

CzechTrade clients

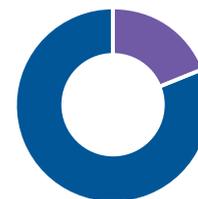
In 2011, CzechTrade worked with 984 clients in total, thus confirming the continuing trend in the shift from quantity to quality. In practice, this meant our experts could spend more time with each client, which is better for both parties. In addition, more and more clients know exactly what they want even before they turn to us – thereby increasing the probability of success.

	2006	2007	2008	2009	2010	2011
Number of clients	1 213	1 265	1 285	1 175	1 284	984

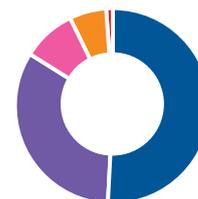
Share of revenues from services in total revenues and MIT contribution (in %)



Supported export by location



Breakdown of client cases of success according to types of services



Effectiveness

Last year, CzechTrade fulfilled a total of 1,643 paid contracts for 1,238 companies. The following table indicates the interest in individual types of paid services.

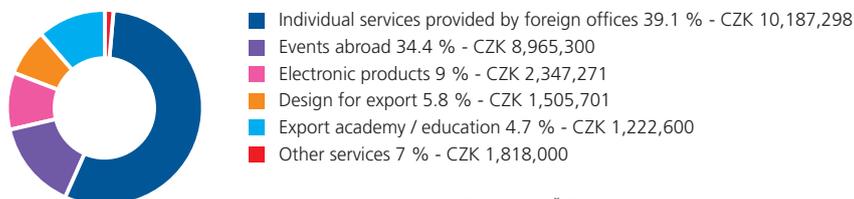
	Revenues	Number of clients*	Number of contracts
Foreign office service	CZK 19,152,597.85	705	943
Seminars/education	CZK 1,222,600.00	284/803**	361/69***
Industrial design	CZK 1,505,701.00	81	99
Electronic products	CZK 2,347,270.70	165	223
Other	CZK 1,818,000.00	3	17
Total	CZK 26,046,169.55	1,238	1,643

*) number of clients = number of individual companies

***) number of clients-companies / number of seminar/course attendees

****) number of contracts / number of seminars/courses actually held

Breakdown of revenues from individual types of services in 2011

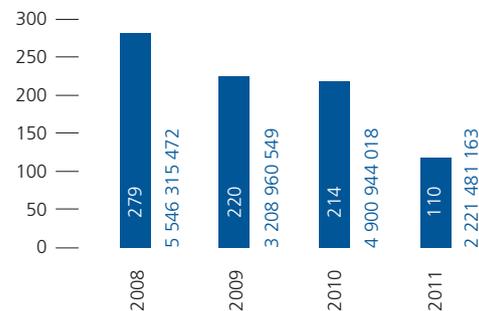


*) Services provided to EGAP and ČEB

Benchmarking and rating foreign offices

The average workload of foreign offices (share of work on specific contracts to the total available time of foreign offices) was 36.6 %. This continuously increasing figure, which reflects the interest in the agency's services, reaches levels attained by the world's leading export promotion agencies. The busiest foreign offices were Almaty (61.2 %), St. Petersburg (61 %), Warsaw (60 %), Mumbai (58.7 %), Rotterdam (56 %) and Calgary (54.6 %).

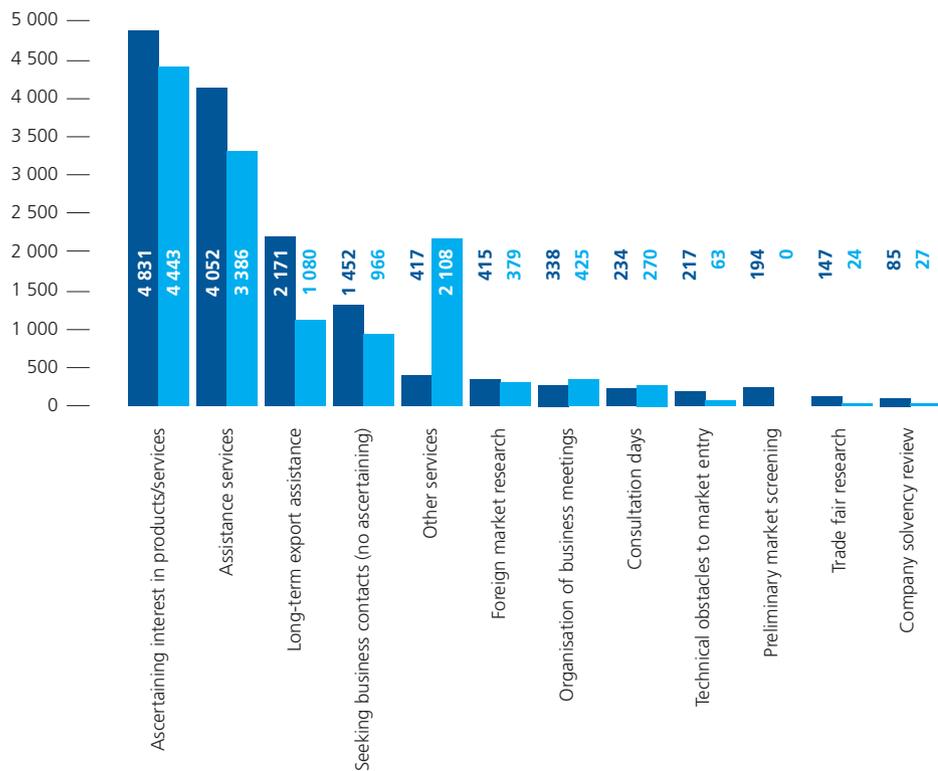
Volume of clients' supported export and number of successful cases



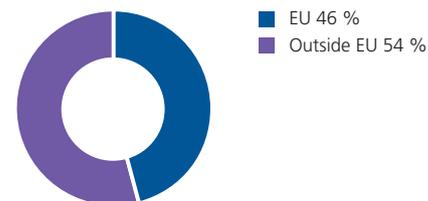
Individual services provided by foreign offices (in hours)

2011 total – 14,554 hours

2010 total – 13,172 hours



Workload of foreign offices in EU / outside EU



The CzechTrade brand

In April 2012, the value of the CzechTrade brand and its related trademarks was evaluated at over CZK 57 million. According to the professional assessor, the rights related to trademarks are protected properly with a high degree of expertise. In addition, he expects the value of the trademarks to increase thanks to products with a high potential in this regard, such as the BusinessInfo.cz portal or services in the field of space technologies. This also includes the anticipated consolidation of the CzechTrade brand abroad. This improvement is anticipated as a result of the planned opening of several new foreign offices – irrespective, according to the assessor, of their exact relation to CzechTrade.

SERVICES OF THE AGENCY

CzechTrade – the partner for your export

SELECTING AND EVALUATING A TERRITORY

Preliminary market screening

– Screening markets in several selected territories and subsequently recommending those with the biggest potential for the company's product(s).

Market research

– Detailed analysis of the chosen market.

SELECTING AND APPROACHING POTENTIAL CLIENTS

Suggesting and evaluating business contacts

– Based on each assignment, drawing up a clear list of potential business partners in the target country, with subsequent recommendations on how to approach them.

Seeking representatives/agents

Ascertaining interest in products/services

– Interest in the products of a Czech company in the selected foreign market,
– Evaluating the competitive environment of the market in question,
– Monitoring sales channels and distribution systems.

Long-term export assistance

– A service for companies to monitor a foreign market over a long term period with the aim of developing their business activities and receiving regular information about market trends with respect to legislation, regulation, sector developments or tender activity at the local or national level,
– Monitoring the business activities of the company or partner entities and providing periodical feedback.

BUILDING A BRAND ABROAD

Attending trade fairs under the CzechTrade banner

– Effective support for foreign marketing with a company presentation at foreign trade fairs at the shared CzechTrade stand,
– CzechTrade professionals provide comprehensive assistance to companies before and after a trade fair.

CZECHTRADE FOREIGN FAIRS

44 fairs with 307 participants were organised as part of CzechTrade commercial events in 2011.

Tailored presentation for one or more companies

– Targeted presentations for Czech export companies and associations (e.g. export alliances).

Participation in specialised fairs and exhibitions

– CzechTrade is managing a project entitled “Specialised Trade Fairs and Exhibitions between 2010 and 2012” financed from the Operational Programme Enterprise and Innovations.

EXPORTERS DIRECTORY

The Exporters Directory is the official on-line catalogue of Czech exporters. Presentations of companies (entries) are published in the Internet catalogue at <http://exporters.czechtrade.cz>, and also on the websites of more than thirty CzechTrade foreign offices. Presentation in the Exporters Directory is one of the easiest and most effective ways in which a Czech company can add additional languages to its website and thus increase its competitiveness.

Presentation in the Exporters Directory allows a company to address foreign companies in up to six languages (thirteen languages are offered) and to promote up to ten products or services offered by a single company. The presentation materials need only be submitted in Czech; CzechTrade will then arrange for them to be professionally translated into the chosen languages. Presentations in the Exporters Directory can thus be effectively used as promotional material in negotiations with potential customers.

Exporters Directory – 2011 visitor numbers

Visitors	419 202
Displayed pages	1 259 036
Visits per month on average	34 934
Displayed pages per month on average	104 920
Pages displayed per visit on average	5,24
Time spent on website on average (minutes)	3:40

Visit – number of visits to the website in a specific time period. One visit is any viewing of the website on a page; uninterrupted time period longer than 30 minutes (typically). If the interruption time period is longer, the user's access is counted as a new visit.

Pages displayed – the number of displays generated by visitors during a given monitored time period.

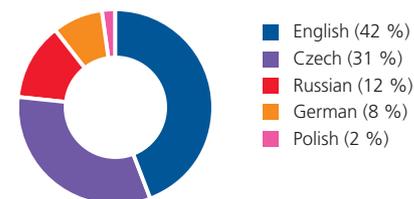
A total of 50,339 users accessed the websites of CzechTrade clients using the Exporters Directory.



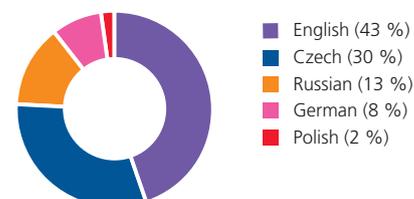
EXPORTERS DIRECTORY IN 2011

In 2011, the Exporters Directory underwent a substantial redesign. It is now more user-friendly for companies to set up their entries and for visitors seeking information.

Visitor numbers to company profiles per language – Top 5



Visitor numbers to product profiles per language – Top 5



DESIGN FOR EXPORT

Analysis of design status within a company, assistance in choosing a designer

By supporting the integration of design into the strategies of SMEs, Czech Trade helps improve companies' innovation potential, thereby increasing their chances to succeed in foreign markets. Since 2008, CzechTrade has been providing individual professional consulting to Czech manufacturers in the field of industrial design.

Between 2008 and 2011, the individual service "Analysis of Design Status" (which CzechTrade in part finances) was provided to 163 companies. These companies had their designs for 209 products or product ranges analysed. Companies using the service came mostly from the sectors of electronics and electrical equipment (17 %), mechanical engineering (11 %), and machined components and metal parts (9 %).

Designer Directory

This electronic directory of designers at <http://design.czechtrade.cz> contains data on 106 registered professional designers who provide consultancy services in the field of industrial and product design.

Promoting industrial design

CzechTrade strives to promote the commercial benefits of industrial design and so motivate Czech manufacturers to work alongside designers. Since 2008, CzechTrade has organised or participated in numerous national and international events:

100% Design Tokyo, 100% Design Shanghai, Salone Satellite Milano, CODE, INDEX Dubai, Czech design in India, Designeast.eu.

EXPORT ACADEMY / EDUCATION

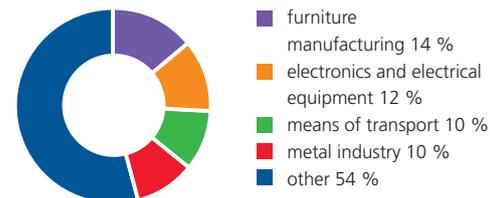
With the professional, sector, and territorial expertise of its lecturers, the CzechTrade Export Academy is contributing to the professional growth of Czech exporters. The agency's services include the provision of practical information vital for decision-making, preparation and successful entry into a foreign market, as well as for improving competitiveness.

DESIGN
FOR
EXPORT

INDUSTRIAL DESIGN ANALYSES IN 2011

In the field of industrial and product design, our experts prepared 62 analyses of the design status in 50 companies.

Design analysis clients by industry



 *Export Academy*

EXPORT OPPORTUNITIES AND ONLINE INFORMATION

BUSINESSINFO.cz

The portal is a joint project of CzechTrade and the Czech Ministry of Industry and Trade. It integrates information from a variety of sources and areas. Thanks to its inclusion in the government strategy for developing public administration ("Smart Administration"), it contributes to reducing administrative barriers between businesspeople and public administration. Information about events and seminars organised by the state administration or about export opportunities, strategic documents or grant databases (including forms) are gradually being integrated to one location.

The objective of the BusinessInfo.cz portal is to provide verified, practical information to businesspeople which will simplify doing business as much as possible.

EXPORT OPPORTUNITIES

For many years now, on the BusinessInfo.cz website, CzechTrade has been bringing Czech exporters an overview, updated daily, of foreign enquiries, projects and tenders, investment opportunities and offers from foreign companies. CzechTrade's foreign offices, the business-economic divisions of Czech embassies and consulates abroad or foreign diplomatic offices in the Czech Republic are an exclusive source of export opportunities. In addition, CzechTrade receives foreign enquiries via its on-line "Czech Business Partner Search" (formerly Your Czech Supplier) service. The on-line form for foreign companies is available on all websites of CzechTrade's foreign offices.

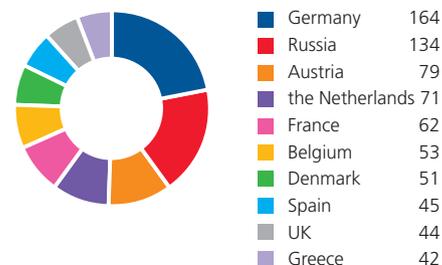
Besides the aforementioned sources, CzechTrade also gets information about projects and tenders from the renowned databases of the EU, World Bank and other international organisations (CERN, ESO, ESA).

In 2011, most foreign enquiries were from Germany, Russia, Austria and the Netherlands. The most sought-after products were from the fields of mechanical engineering, machined components and metal parts.

CzechTrade has been busy dealing with export opportunities since it was founded. Over time, demand for the provision of such services free of charge has been changing, especially with respect to the relevance of information and its usefulness for Czech companies. CzechTrade currently provides information on foreign enquiries, foreign tenders, investment opportunities and foreign companies looking for business partnerships. The means of disseminating and processing such information have also been changing: since 2002, this information has been sent out daily to companies registered with CzechTrade according to their preferred criteria. In 2008, the publication of export opportunities was moved entirely over to the BusinessInfo.cz portal, which links this information to other relevant information for exporters. In 2011, the processing of export opportunities was fully tied in with the provision by CzechTrade of other individual services, thereby increasing the added value of this information service.



Enquiries 2011 – Top 10 countries



FOREIGN ENQUIRIES

CzechTrade published 1,310 foreign enquiries and 1,927 tenders and project notices on BusinessInfo.cz in 2011

SERVICES FOR FOREIGN COMPANIES

CzechTrade representatives abroad promote the good name of the Czech Republic and the successes of our industry, as well as the uniqueness and quality of Czech products. Their personal experience and knowledge of their respective local markets and territories is a “springboard” to effective communication between foreign and Czech business partners.

Czech Business Partner Search

A foreign company can submit an enquiry seeking specific products and services via an on-line questionnaire which can be found on all websites of CzechTrade foreign offices.

These enquiries are then published at **www.businessinfo.cz**.

Business Visits

This service follows up the search for suppliers in the Czech Republic. CzechTrade employees suggest Czech suppliers to foreign businesspeople based on their requirements and arrange visits to the companies selected or organise meetings at CzechTrade’s headquarters in Prague.

Incoming missions

When foreign companies show an interest, a CzechTrade foreign office can set up a meeting with the Czech companies that have been selected to match the foreign company’s criteria. Based on enquiries, recommended and approved contacts, business meetings may take place in the selected companies or at CzechTrade’s main office.

INCOMING MISSIONS

In response to demand and sector-based requests from trade fairs, CzechTrade organised 10 incoming missions in 2011. More and more contracts are being concluded based on negotiations conducted at these events.

PROJECTS

Projects for strengthening the competitiveness of Czech exporters

EXPORT ALLIANCE

One of twelve projects within the Czech Export Strategy for 2006–2010 was entitled “**Development of Export Alliances**”.

The main task of the project was, and still is, to develop export alliances as a resource for increasing the chances of success for Czech companies on foreign markets.

Dozens of Czech exporters have teamed up to share the many advantages of working together, especially in the more demanding and distant markets. A number of alliances have already been formed with CzechTrade’s direct or indirect support. The presentations of individual export alliances, including contact information, are accessible also for foreign companies on the English version of CzechTrade’s website.

Meetings of alliances are held every year, attended by representatives of the Czech Ministry of Industry and Trade and CzechTrade. Attendees evaluate their mutual cooperation, how assistance support is offered, presentations abroad, PR support and the work of coordinators – employees of CzechTrade’s client relations centre.



Overview of export alliances coordinated by CzechTrade

Alliance name	Sector / commodity	Number of members
CDT – Czech Extraction and Mining Technology	Equipment for mining and treatment of mineral resources	15
Czech Engineering Technology Alliance	Technology	46
Czech ICT Alliance	Information technologies	110
Czech Water Alliance	Water management	10
Atomex Group	Manufacturing equipment for engineering and electrical engineering	10
Czech NBC Team	Personal protective equipment	11
Czech Space Alliance	Space industry technologies	8
CPU Association – Czech Surface Treatment Works	Surface treatment of materials	5
Bohemia Line	Wood machining equipment	3
Czech Health & Safety Alliance	Resources for emergency and natural disaster management using CBRN	7
Czech Communication Group	Telecommunications	3
First Czech Health Alliance	Comprehensive offer of healthcare supplies	7
Association of Manufacturers and Suppliers of Medical Devices	Devices, special technologies, projects	65
Sans Souci Czech Glass Alliance	Glass and ceramics production	8
CzechBio	Biotechnologies	21
Czech Power Team	Energy engineering	6
Czech Valves Alliance	Industrial fittings for power engineering	4
Euro Eco Solutions Alliance	Environment and renewable energy sources	6

As of 31 December 2011

PROJECTS FINANCED FROM EU FUNDS

Space

As part of 6.2 OPEI – Marketing, a project was launched on 19 July 2011 under the name “**Strengthening the International Competitiveness of Czech Companies in the Space Technology Sector**” (Space).

The objective of the project is to increase the competitiveness of the Czech economy on international markets in this area and to approach the standards of European industry leaders.

The project aims to seek out manufacturers of state-of-the-art technologies of key importance for the Czech Republic with their own innovation and development programmes, or manufacturers interested in working with an organisation offering cooperation in innovation and development.

One of the project outcomes will be the preparation of a study entitled “A White Paper for Space”. This will serve as the basis for future cooperation with companies interested in participating in the space programmes of the European Space Agency.

The project will include numerous other activities, in particular selecting the most advanced key industries in the Czech Republic. Assistance to companies entering the space programme and assistance to companies in commercially exploiting and internationalising products conceived as a result of completed projects within European Space Agency space programmes.

Specialised Fairs and Exhibitions

An internal project entitled “Joint Participation in Specialised Foreign Fairs and Exhibitions 2009-2012” (SVV) is another of the projects realised within 6.2 OPEI – Marketing. It is aimed at industry presentations via joint participation by professional organisations and individual companies (usually SMEs, less commonly larger enterprises) in specialised foreign fairs and exhibitions which are not listed as official by the Ministry of Industry and Trade. The project includes general support activities, especially counselling and consultation for interested parties from target groups, setting up accompanying promotional events focused on presenting the relevant sectors of Czech industry, as well as joint trade fair participation at the event in question.

The overall aim of the project is to increase the competitiveness of the Czech economy on international markets in this area and to approach the standards of European industry leaders in line with the objective of OPEI.

In 2009, activities were focused on establishing the course of the project and setting up its associated processes. In 2010, when the events first began to take place, a total of 53 fairs were attended by 637 entities.

During the project’s planning phase, at least 1,400 participants were expected to attend 100 specialised fairs and exhibitions between 2009 and 2011. However by the end of 2011 with 1,499 entities having attended 113 events - these monitoring indicators had been exceeded.



PROJECT OBJECTIVE

Raising awareness among Czech companies about space technology programmes and opportunities to participate in them.

SPECIALISED FAIRS AND EXHIBITIONS

In 2011, the number of events held increased to 60, with 865 attendees.

The biggest event in terms of participant numbers was the CONECO 2011 fair in Bratislava (70 companies).

The “More Effective Export Services” project

The target group of the project is for the most part, represented by public administration employees working in international trade, i.e. trade envoys (employees of CzechTrade, CzechInvest, the Ministry of Industry and Trade, and Ministry of Foreign Affairs) whose task is to assist businesspeople in foreign trade.

The objective of the project is to improve the quality of education of persons engaged in providing export-related services.

The aforementioned entities will be provided with a coherent education covering business, finance, law, territorial knowledge and other areas of expertise. The target group's education will be provided via seminars, workshops, interactive training courses, coaching, case studies, e-learning, etc.

This project will also include an expansion of the current CzechTrade website for participants in development activities, as well as the creation of a client interface for companies.

In March 2012, the educational programme was launched with a course entitled “Lessons in Trade Diplomacy”, consisting of 33 seminars. At the beginning of 2012, a qualitative analysis of outcomes from information services was carried out, focusing on sector and territorial specifics. The quality level of services was compared with that of other countries and the best procedures for realising information services were identified as a tool for the systematic preparation of CzechTrade employees prior to their foreign missions. In April 2012, the first coaching session was held for selected members of the target group.



DEVELOPMENT CENTRE

A coherent system of education, called the “Development Centre” was launched in September 2011 with an analysis of participants’ specific development needs determined on the basis of key competences.

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