

Smart Investment



Czech
Republic
The Country
For Investment

Institution Responsible: Ministry of Industry and Trade/CzechInvest

Managerial responsibility: Ministry of Industry and Trade representative

Opening position

The Czech Republic has long supported foreign investment in particular, where since 1993 state investment policy implemented by CzechInvest has attracted foreign direct investment worth CZK 1 trillion, which has in turn generated 250,000 jobs. However, in most cases, support for business investment was not directed to value-added investments. A partial change has occurred only in recent years, when foreign companies, with the support of CzechInvest, sought locations for higher added value operations after the global economic crisis. A change in the legislation related to support for investment in research and development projects is currently under way. At the same time, Team Czech Republic has been created, consisting of state agencies and banks, comprising support for businesses, from support for research and investment to promotion of exports, including financing.

Goals

- Achieve an increased volume of corporate investment with high value added.
- Achieve an increase in corporate investment in which the results of research conducted in research organisations will be utilised.
- Achieve increased use of tax deductions for RD&I investment.
- Support Czech companies investing abroad in research and development and innovative projects.
- To support investments implementing Industry 4.0.
- Achieve increased investment in prospective industries (e.g. AI, Space Technologies, Laser Technologies, Nanotechnology, Biotechnology, Energy-Saving Solutions, Chemistry and Chemical Technologies, etc.).
- Encourage public procurement to support investment in innovation.
- Link investment in defence and security with industrial research support.
- Support the modernisation of the Czech economy's industrial base.
- Within the framework of state investment policy (public investment), take into account solutions for adapting to climate change and addressing drought and food security.

Tools

- Change the incentive rules for corporate investment in order to support investments with high value added, incl. involving these companies in collaboration with research centres and research organisations.
- Incorporating in the promotion of investment greater support for small and medium-sized businesses with the potential for high value added production.
- Focus in particular on support for investment in key areas, in line with the Smart Specialisation Strategy, the National Space Plan, the AI Support Strategy, etc.
- Create a system of technological foresight (horizon scanning).
- Focus the public procurement system increasingly on the purchase of innovative technologies – within the framework of the Public Procurement Act, prepare a methodology sheet to take into account best value.
- Create a National Investment Plan.
- Create a motivation system for existing foreign investors who have had positive experiences of the Czech Republic to relocate their RD&I, distribution and marketing activities to the Czech Republic.
- Through Team Czech Republic create a motivation system for Czech companies investing abroad in innovation and technology projects.
- Update the legislation on deductions on RD&I and create an education system for businesses.

- Create a system to link investment in defence long term with the support of Czech industry so that Czech companies are part of the development of the latest systems and have the possibility under the given conditions to transfer these to the civilian sphere, but also from civilian industry to the defence industry.
- Apply the so-called adaptation strategy – combining innovation and, where relevant, the need to prepare for climate change.
- Regularly evaluate the impact of public support for innovative processes in the commercial/corporate area.
- Create as part of Team Czech Republic a product based on the support of enterprises involved in the whole cycle (from investment in R&D to export of the final product), on the basis of which, in particular, small and medium-sized enterprises would receive a comprehensive offer of financing, investment aid for innovation, patent support and export support.

