

Business Services in the Czech Republic



www.czechinvest.org

CzechRepublic
Land of Investment

Sector Overview

As the Czech Republic has become an important location for business shared services, the sector is now one of the fastest growing industries in the country. Its role in the labour market is very significant, as it currently employs over **75,000** people, with that figure projected to reach **100,000** by 2020. Companies already established here are expanding their presence in the Czech Republic as the portfolio of their activities is becoming more complex and advanced. The country offers several attractive locations for business shared services – besides Prague and Brno, more and more companies are focusing on cities such as Ostrava and Olomouc.

Sixteen-percent growth within the sector in 2016 shows the vast potential for business shared services in the Czech Republic, as it is not just the second most attractive country in the CEE region, but also one of the most attractive countries in Europe with respect to this sector.

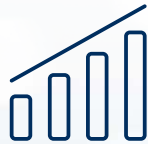


The main factors that make the Czech Republic an excellent location for shared-services centres are:

- + Location in the centre of Europe
- + Well-developed internal infrastructure
- + Talented workforce available at a lower price
- + Availability of offices
- + Telecommunication and data networks
- + Cosmopolitan society, large expat community
- + Government support



Czech Business Services Sector in Figures



16%

EMPLOYMENT GROWTH IN THE SECTOR IN 2016



75,000

PEOPLE EMPLOYED IN THE SECTOR



79%

FOREIGN SERVICES CENTRES



48

BUSINESS SERVICES CENTRES
WITH AT LEAST 500 EMPLOYEES



21%

CZECH SERVICES CENTRES



200

BUSINESS SERVICES CENTRES

Selected Investors



Investment Success Stories



"CzechInvest has been a valuable partner to the Pfizer Global Financial Solutions team in Prague. On many occasions, CzechInvest has provided useful information or helped us make contact with other organisations locally and has even provided some assistance to our colleagues in the process of applying for work permits in the Czech Republic. Our partnership has been significant in our efforts to establish a world-class business services group in Prague and we look forward to continuing that cooperation."

KyRic Tucker

Site Lead, Global Financial Solutions, Pfizer Inc.



"Johnson & Johnson's cooperation with CzechInvest is long-term and beneficial. Regular provision of information on the possibilities of investment support is important for our company, and we also value the conferences organised by CzechInvest on topics concerning human resources and the business environment in the Czech Republic."

David Mansfeld

Managing Director, JNJ Global Business Services s.r.o.



"CzechInvest played an important role in Dixons Carphone's decision-making when selecting a European location for the establishment of a shared-services centre in 2007. Since then, CzechInvest has continued to be a significant partner for us, as it provides us with consulting and advisory services in areas connected with the specifics of doing business in the Czech Republic, knowledge of the business services sector, new possibilities of financial support, labour law and new trends in the area of HR."

Miroslava Ambrožová

HR & Operations Manager, Dixons Carphone CoE, s.r.o.

Top Locations for Business Services Centres

	Prague	Brno	Ostrava	Olomouc
Unemployment rate	2.9% (3.4% Central Bohemia)	4.8%	6.4%	4.6%
Number of university students in 2016/2017	124,674	67,244	28,107	21,315
Business Administration and HR students	30,641	11,700	6,936	777
ICT students	10,334	8,615	3,150	467
Law students	4,700	2,667	0	1,502
Expats	250,544	43,787	25,688	10,928
Language skills	English 68%, German 41%, Russian 40%, French 9%, Spanish 6%	English 54%, German 48%, Russian 40%, French 5%, Spanish 2%	English 46%, German 42%, Russian 34%, French 2%, Spanish 3%	English 61%, German 42%, Russian 42%, French 6%, Spanish 4%
Modern office stock	3.2 million m2	525,000	208,400	N/A
Rental price (Class-A Office Headline Rents (EUR/m2/month))	Prague city centre 18.5-19.5 Prague inner city 15-16.5 Prague outer city 13-14.5	11-13	10-11.5	9-10

Figures for 2016/2017

Prague

- + Main location for business services with over 100 centres and 40,000+ employees
- + Fulfils all requirements of international companies – excellent system of public transport, modern office spaces, well-developed internal infrastructure, large expat community
- + Political, educational, cultural and economic centre of the country
- + Renowned among expatriates as one of the most attractive places to live in Europe

Brno

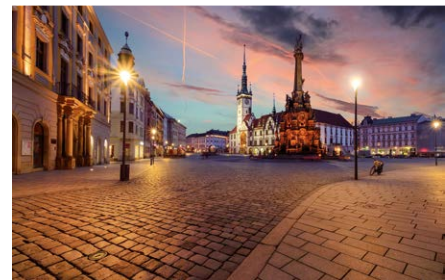
- + Second largest city in the Czech Republic
- + Highly attractive city with excellent infrastructure, cultural life and lower costs compared to Prague
- + The sector plays a crucial role in the city: over 30 major centres, 20% annual growth and 15,000+ employees
- + Several world-class universities, large talent pool in ICT, economics and business
- + IT hub of the Czech Republic

Ostrava

- + Former industrial region, currently an important business services location
- + 25 major business services centres employing 7,000+ people
- + 9,000+ university graduates every year
- + 20% annual growth within the sector
- + Substantial talent pool, modern office spaces and well-developed infrastructure attract major international companies
- + Rich cultural life and proximity to beautiful landscapes

Olomouc

- + Attractive city with over 2,000 graduates with language specialisation annually
- + 16% annual growth within the sector
- + Roughly 15 business services centres employing more than 5,000 people



Workforce and Languages

The Czech Republic's total labour pool is estimated at 5.3 million; nearly 60% of people now work in the services sector.

More than 72% of Czechs are able to speak at least one foreign language, with English and German being the most prominent.

The country has a large community of expats who enjoy its international atmosphere and cultural life and often seek job opportunities in shared-services centres.

270,000+

EMPLOYED FOREIGNERS FROM THE EU-28

67,500

UNIVERSITY STUDENTS IN THE FIELDS
OF BUSINESS ADMINISTRATION AND HR

135,000+

EMPLOYED FOREIGNERS FROM THIRD COUNTRIES

20,075

GRADUATES OF BA AND HR STUDY PROGRAMMES

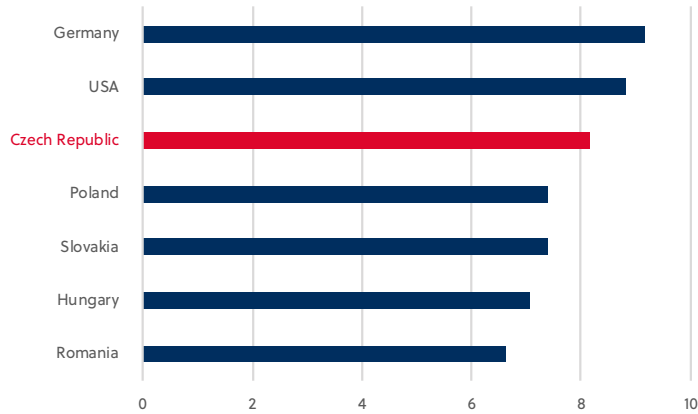
42,220

FOREIGN STUDENTS AT CZECH UNIVERSITIES

11,950

STUDENTS IN FOREIGN LANGUAGE STUDY PROGRAMMES

Quality of Living Index



Source: FDI Benchmark, a service from the Financial Times Limited, 2017

Top Cultural and Creative Cities

Rank	City
1	Paris
2	Munich
3	Prague
4	Milan
5	Brussels

Source: Top Cultural and Creative Cities Monitor 2017, EC



Sixth Safest Country in the World

Rank	Country	Score
1	Iceland	1.192
2	Denmark	1.246
3	Austria	1.278
4	New Zealand	1.287
5	Portugal	1.356
6	Czech Republic	1.360
7	Switzerland	1.370
8	Canada	1.388
9	Japan	1.395
10	Slovenia	1.408

Source: Institute for Economics and Peace, Global Peace Index, 2017

Fourth most popular destination among people working abroad

Rank	Country
1	Singapore
2	New Zealand
3	Canada
4	Czech Republic
5	Switzerland
6	Norway
7	Austria
8	Sweden
9	Bahrain
10	Germany

Source: HSBC Expat Explorer Survey, 2016/2017



Association of Business Service Leaders



The Association of Business Service Leaders (ABSLS) is a leading organisation of the most important foreign investors in the business services sector in the Czech Republic. As the business services comprise one of the largest employers in the country, ABSLS was established to give sector a common voice to help shape its environment and destiny.

ABSLS in the Czech Republic was established in 2013 by 15 founding members. Currently, ABSLS includes around 60 companies that conduct business in the area of shared-services centres, business process outsourcing, information technology outsourcing and research and development and thus contribute to the sector's growth.

ABSLS engages in a number of activities aimed at stimulating growth of the business services sector as well as increasing the investment attractiveness of the Czech Republic on the international scene. The association conducts some of its initiatives in cooperation with CzechInvest.

E-mail: absl@absl.cz

Address: Jugoslavská 29, 120 00, Prague 2



Our Specialists



Klára Černá

Key Account Manager for BSS

E-mail: klara.cerna@czechinvest.org



Matěj Zahradník

Business Development Manager for ICT & BSS

E-mail: matej.zahradnik@czechinvest.org



**CzechInvest Headquarters
and Foreign Offices:**

Czech Republic | Prague

Phone: +420 296 342 500
E-mail: fdi@czechinvest.org
Stepanska 15, 120 00 Prague 2

Germany | Düsseldorf

Phone: +49 211 250 56 190
E-mail: germany@czechinvest.org

UK and Ireland | London

Phone: +44 20 8748 3695
E-mail: london@czechinvest.org

Skandinavia

Phone: +420 296 342 809
E-mail: scandinavia@czechinvest.org

South Korea | Seoul

Phone: +82 2 720 6080
E-mail: seoul@czechinvest.org

China | Shanghai

Mobil phone: +86 138 1779 2614
E-mail: china@czechinvest.org

Japan | Tokyo

Phone: +81 3 5485 8266
E-mail: tokyo@czechinvest.org

USA – East Coast | New York

Mobil phone: +1 347 789 0570
E-mail: newyork@czechinvest.org

USA – West Coast | San Francisco

Mobil phone: +1 831 313 6295
E-mail: california@czechinvest.org

Canada | Toronto

To be opened in 2017

Ukraine | Kiev

To be opened in 2017