



CZECHINVEST
Investment and Business Development Agency

annual report

2015

INTRODUCTION ABOUT CZECHINVEST ECONOMICS INVESTMENT EUROPEAN
UNION STRUCTURAL FUNDS REGIONS SUPPORT FOR SMALL AND MEDIUM-SIZED
ENTERPRISES MARKETING AND COMMUNICATION CONTACTS

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introduction



Jan Mládek

Minister of Industry and Trade

Opening doors to foreign investors and preparing the conditions for their engagement in the Czech Republic comprise my personal priority as well as that of the current government, which stated its position in the programme declaration. And CzechInvest is completely fulfilling this priority and government strategy. The same can be said in the case of job creation. In recent months, the Czech Republic has achieved record low unemployment even in comparison with other EU countries.

The naming of Karel Kučera to the position of CEO of CzechInvest has proven to be the right decision. Mr. Kučera is fulfilling the demands placed on him and the agency as a whole. This is reflected in the very good results that the agency is achieving.

Despite the reduction of regional aid for foreign companies investing in the Czech Republic, last year was very positive, even though the record

results of 2014 were not reached again, which is understandable in light of the aforementioned aid reduction.

In 2015, CzechInvest mediated 106 investment projects, thanks to which 14,040 jobs have been created. The total amount of investments reached CZK 45 billion.

One of the most important investments of last year that I would like to highlight is the project of the Taiwanese company Foxconn, which is planning to invest CZK 2.5 billion in its development in the Czech Republic over the next three years. An additional CZK 3.7 billion will go into human resources and the company will thus create 2,000 new jobs.

introduction



Karel Kučera
CEO of CzechInvest

Another very successful year for CzechInvest has passed, having brought forth new opportunities, investments and, above all, partnerships.

At the beginning of the first quarter of 2015, we expanded CzechInvest's network of foreign offices with the addition of our seventh branch in Seoul, South Korea. At variance with the original plan, we greatly accelerated the opening of the new office. This involved part of the strategy to increase the activities aimed at investors in order to compensate for the reduction of available aid that was imposed in 2014. Thanks to this strategy, we managed to exceed our goal by 50% and achieve nearly the same results in the area of job creation as in the previous years.

We celebrated the tenth anniversary of the start of the carmaker TPCA's operations in the Czech Republic. The company's factory worth CZK 26 billion was the biggest investment in the country when it was implemented and CzechInvest assisted with its inception. In the past ten years, TPCA has paid out CZK 10 billion in wages and

an additional CZK 10 billion in taxes to the state while manufacturing 2,570,000 vehicles. Another important factor is the company's current employment of 3,000 workers, as well as the creation of thousands of additional jobs among suppliers around the Czech Republic.

In 2015 we organized the second annual Investment Week, assisted Amazon with the opening of its Czech corporate offices in Prague and confirmed cooperation with the Taiwanese company Foxconn with the signing of a memorandum on cooperation between it and the Czech government.

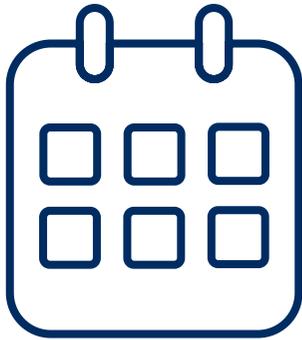
In the midst of all these activities, we received from Microsoft an award for CzechInvest's smooth transition to cloud solutions, which reduced the agency's software-licensing costs by 30%. This is part of the agency's broader strategy to reduce back-office costs and to increase efficiency in this area. The successful activity won first place in the Top Office 365 Project category of the Microsoft Awards 2015.

I personally took great pleasure in the Czech Republic's

third-place ranking in an evaluation of countries according to the number of newly created jobs per capita, which was issued by Global Location Trends of IBM for 2014. IBM's data provide evidence of the Czech Republic's attractiveness for foreign investors and the high-quality work of all CzechInvest employees, who strive every day to make the Czech Republic an interesting and pleasant place in which to do business and to ensure that people have the opportunity to find interesting work with renowned firms in various sectors. This is reflected in the doubling of the number of high-tech projects in comparison with last year.

And finally, on 22 December 2015, we crowned our long-term efforts in the area of European funds with the settlement and disbursement of funding based on the last payment application of businesses in connection with projects within the Operational Programme Enterprise and Innovation 2007–2013, which we administrated. We thus became the first organisation to utilise 100% of funding from an operational programme in the total volume of more than EUR 3 billion.

introduction



key events of 2015

February

CzechInvest expanded its network of foreign offices with the opening of a branch in Seoul, South Korea, on the occasion of which the agency launched a Korean-language version of its website.

March

The carmaker TPCA celebrated the tenth anniversary of the start of production in the Czech Republic. The Kolín facility, which was built at a cost of CZK 26 billion, currently employs three thousand people

April

CzechInvest was awarded first place in the Top Office 365 Project in the Microsoft Awards 2015 for its solution for transitioning to cloud services. The agency's internal communication is faster, easier and more stable, while software-licensing costs have been reduced by up to 30%.

May

The second annual Investment Week culminated at Žofín Palace in Prague, where selected investors attended a luncheon with Prime Minister Bohuslav Sobotka, Minister of Industry and Trade Jan Mladék and CzechInvest CEO Karel Kučera. In connection with Investment Week, events were held in several other cities around the Czech Republic. Possibilities of business support from European funds, new legislative aspects and other matters of interest from the business environment were presented.

June

Amazon, whose investment in the Czech Republic was in part mediated by CzechInvest, opened its new corporate offices in Prague-Dejvice. Five hundred people have found work in the new facilities in management and support positions.

July

Prime Minister Sobotka signed a memorandum on cooperation with the Taiwanese company Foxconn, which plans to invest CZK 2.5 billion in the expansion of its activities in the Czech Republic. The company is dedicating an additional CZK 3.7 billion to human resources and will thus create 2,000 new jobs.

September

Together with IBM and other partners, CzechInvest launched CzechStartups.org, the first guidepost for start-ups in Central and Eastern Europe. The new online portal for start-up companies, venture-capital entrepreneurs and technology enthusiasts, which helps to establish new, rewarding connections between start-ups, provides new opportunities and creates partnerships that support innovation and economic development.

October

The cornerstone of Nexen Tire's new, modern tire-production plant was laid on 1 October 2015. The plant in the Žatec-Triangle industrial zone will house Nexen Tire's first production line outside of Asia and will supply tires to the entire European market. The new facility will bring up to 1,500 new jobs to the Ústí region.

November

CzechInvest decided to help mayors and regional officials to prepare for the entry and development of investors and opened the Investment Academy. The pilot educational course was organised by CzechInvest at the beginning of November in Brno and later in Jihlava, with more such events scheduled to take place in 2016.

December

The Ministry of Industry of Trade became, via CzechInvest, the first ministry to fully utilise funding from the Operational Programme Enterprise and Innovation, and on 22 December 2015 disbursed funding based on the last payment application of a company in connection with an investment project.

introduction

key figures of 2015

29,958 consultations provided by regional offices

106 mediated investment projects

282 seminars conducted by regional offices

7,039 participants trained at regional events

15,524 questions answered via the Green Information Line

14,040 newly created jobs

1,381 issued decisions on provision of aid for projects within OPEI

5,8 billion crowns granted on the basis of decisions on provision of aid for projects within OPEI

67 accepted applications for investment incentives

45 billion crowns in pledged investments

263 employees of CzechInvest

about CzechInvest



about CzechInvest

The Investment and Business Development Agency CzechInvest is a state contributory organisation subordinate to the Ministry of Industry and Trade of the Czech Republic. The agency strengthens the competitiveness of the Czech economy through its support for small and medium-sized enterprises, the country's business infrastructure and innovation, as well as by attracting to the Czech Republic foreign investments in the areas of manufacturing, business support services and technology centres.

Within the context of simplifying communication between the government, companies and the European Union, CzechInvest covers the entire area of business support in the manufacturing industry both from EU funds and from the national budget. Furthermore, CzechInvest promotes the Czech Republic abroad as a location that is suitable for mobile investments. It is the exclusive organisation that may submit applications for investment incentives to the governing bodies and it supports Czech firms that are interested in becoming involved in the supply chains of multinational companies. Through its services and development programmes, CzechInvest thus contributes to the development of domestic firms, Czech and foreign investors and the business environment as a whole.

areas of support

CzechInvest contributes to the development of the Czech Republic's business infrastructure by means of support from EU structural funds and from the national budget of the Czech Republic within three basic areas:

- Human resources and employment
- Enterprise and innovation
- Research and development

CzechInvest offers a broad range of services to investors operating in the agency's key sectors:

- Automotive industry
- Aerospace industry
- Mechanical engineering
- Electrical engineering and electronics
- Life Sciences
- IT, software development
- Shared services
- Nanotechnology
- Clean technologies

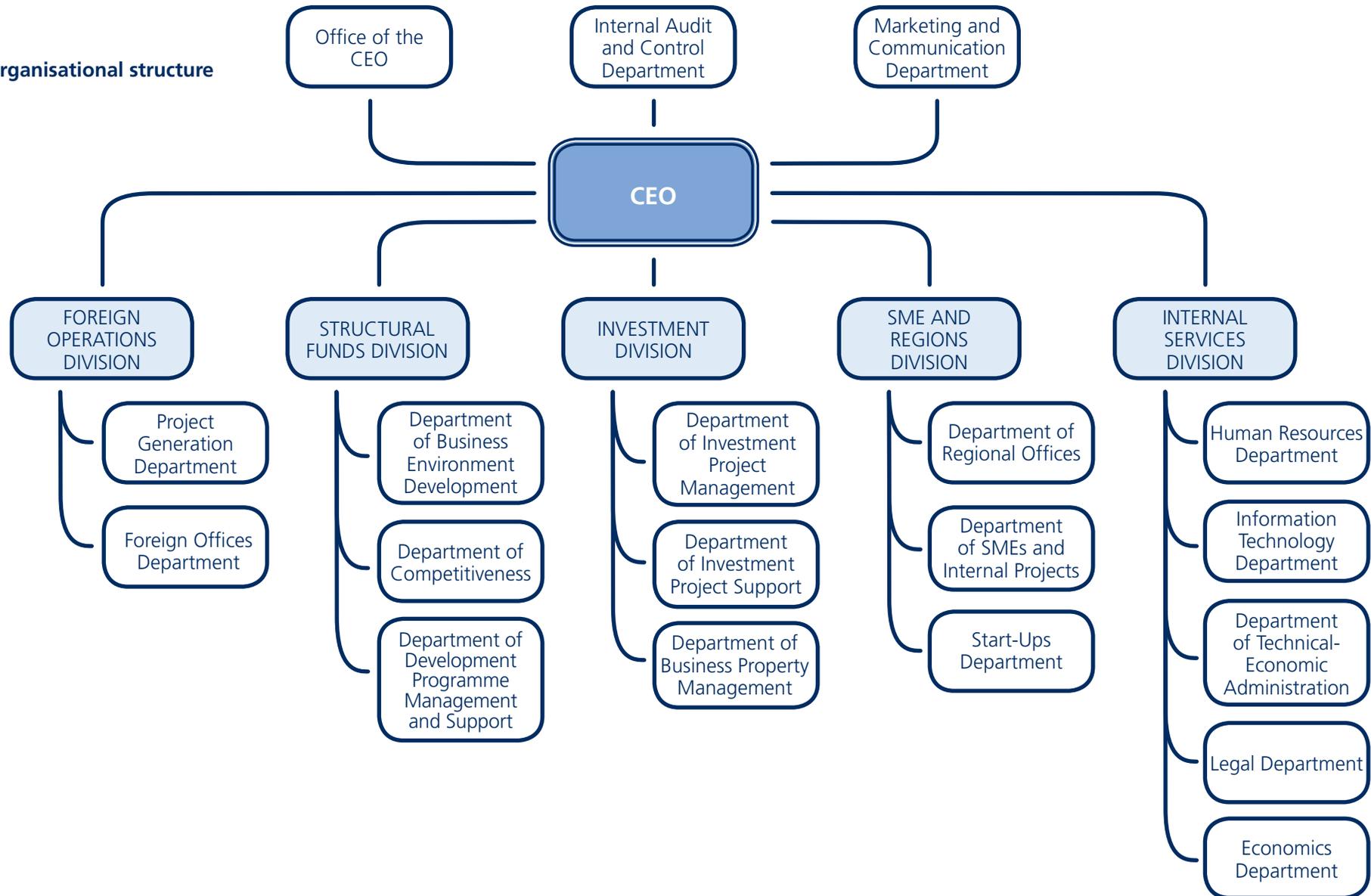
provided services

- Information on possibilities of support for small and medium-sized enterprises
- Introduction of aid programmes financed by the EU and by the state
- Administration of a business-property database
- Administration of a database of Czech supplier firms
- Support during implementation of investment projects
- Mediation of state investment aid
- Aftercare services for foreign investors that are already operating in the Czech Republic, support for reinvestments

All services are provided free of charge.

about CzechInvest

organisational structure

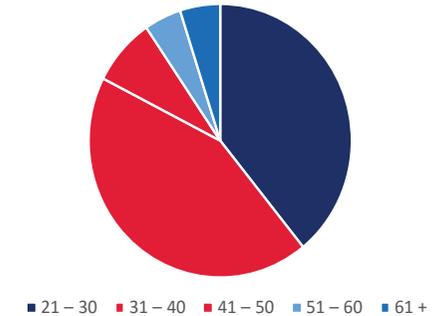


about CzechInvest



breakdown of employees by age and gender

age	women	men	total	%
up to 20	0	0	0	0,0
21 – 30	65	38	103	39,2
31 – 40	60	54	114	43,3
41 – 50	16	5	21	8,0
51 – 60	7	5	12	4,6
61+	6	7	13	4,9
total	154	109	263	100,0

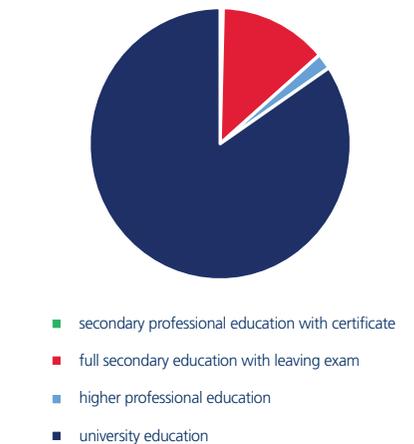


status as at 31 December 2015

staff structure

breakdown of employees by educational attainment and gender

attained education	women	men	total	%
secondary professional education with certificate	1	0	1	0,4
full secondary education with leaving exam	27	8	35	13,3
higher professional education	2	3	5	1,9
university education	124	98	222	84,4
total	154	109	263	100,0



status as at 31 December 2015



economics

CzechInvest's management of financial resources in 2014 ended with an improved economic result, with a profit in the amount of CZK **13,816,749.800**.

The following table shows the timeline of costs for the period 2011–2015

development of total costs, 2011–2015

year	actual costs	development of costs in CZK		development of costs in %	
		year-on-year	to the initial year	year-on-year	to the initial year
2011	382,740,994				100.0
2012	352,484,322	-30,256,673	-30,256,673	-7.9	92.1
2013	319,586,917	-32,897,405	-63,154,078	-9.3	83.5
2014	347,029,360	27,442,443	-35,711,635	8.6	90.7
2015	417,752,177	70,722,817	35,011,182	20.4	109.1

In 2014 CzechInvest accomplished the tasks entrusted to it in the full extent. In addition to administration of the TS OPEI and OPHRE EDUCA programmes, the agency was involved in other projects (SA OPEI CzechAccelerator, SA OPEI CzechEkoSystem, CLUS3).

costs by individual sources of financing (in CZK)

source of financing	2014	2015	development of costs
contribution to activity	244,278,730.6	235,916,794.9	-8,361,935.7
– of which operations	241,749,490.8	233,800,748.2	-7,948,742.6
– of which the Business Property and Infrastructure Support Programme	2,529,239.8	2,116,046.7	-413,193.1
TP OPEI	73,932,359.0	97,570,152.6	23,637,793.7
SA OPEI CzechAccelerator 2011-2014	6,100,655.5	1,619,127.2	-4,481,528.3
SA OPEI CzechEkoSystem	18,423,236.0	78,937,845.3	60,514,609.3
OPHRE EDUCA	3,355,490.2	2,702,535.2	-652,955.0
CLUS3	938,888.8	1,005,535.3	66,833.0
total	347,029,359.5	417,752,176.6	70,722,817.90

The following table shows the structure and year-on-year development of all of the agency's costs.

structure and year-on-year development of costs

line	item	actual figures in CZK		structure in %		development in %	difference in CZK
		2014	2015	2014	2015	2015/2014	2015/2014
501	materials consumption	4,774,438	4,796,836	1.4	1.1	100.5	22,398
502	energy consumption	2,449,017	2,386,243	0.7	0.6	97.4	-62,774
511	repairs and maintenance	3,125,381	1,659,534	0.9	0.4	53.1	-1,465,847
512	travel costs	4,621,630	7,474,923	1.3	1.8	161.7	2,853,293
513	representation costs	2,263,184	1,955,888	0.7	0.5	86.4	-307,296
518	other services	94,598,442	89,672,570	27.3	21.5	94.8	-4,925,873
521	wage and salary costs	99,419,945	121,123,402	28.6	29.0	121.8	21,703,457
524	statutory social-security insurance	33,694,445	40,935,441	9.7	9.8	121.5	7,240,997
527	statutory social-security costs	969,066	1,202,383	0.3	0.3	124.1	233,317
538	other taxes and fees	76,630	80,179	0.0	0.0	104.6	3,549
541	contractual penalties and late fees	0	100	0.0	0.0	0.0	100
542	other fees and penalties	0	239,823	0.0	0.1	0.0	239,823
543	gifts and other free donations	0	14,035	0.0	0.0	0.0	14,035
547	shortfall and damages	9,758	0	0.0	0.0	0.0	-9,758
548	creation of funds	147,000	255,000	0.0	0.1	173.5	108,000
549	other operating costs	19,401,887	92,231,028	5.6	22.1	475.4	72,829,142
551	depreciations of fixed assets	78,808,967	46,821,394	22.7	11.2	59.4	-31,987,573
553	residual price of sold fixed assets	142,900	242,900	0.0	0.1	170.0	100,000
555	creation and settlement of reserves	-4,642,793	1,662,179	-1.3	0.4	-35.8	6,304,972
556	creation and settlement of corrective items	0	1,761,200	0.0	0.4	0.0	1,761,200
558	costs from minor fixed assets	6,028,991	2,502,176	1.7	0.6	41.5	-3,526,815
562	Interest	13	0	0.0	0.0	0.0	-13
563	exchange rate-losses	1,140,458	734,942	0.3	0.2	64.4	-405,516
	total costs	347,029,360	417,752,177	100	100	120.4	70,722,817

The following table shows the structure and year-on-year development of all of the agency's revenues.

structure and year-on-year development of revenues

line	item	actual figures in CZK		structure in %		development in %		difference in CZK	
		2014	2015	2014	2015	2015/2014	2015/2014	2015/2014	2015/2014
641	contractual penalties and late fees	0	100,000	0.0	0.0	0.0		100,000	
646	revenues from sales of long-term tangible assets	147,000	255,000	0.0	0.1	173.5		108,000	
648	utilisation of funds	5,607,864	10,460,865	1.6	2.4	186.5		4,853,000	
649	other operating revenues	1,977,031	3,371,233	0.6	0.8	170.5		1,394,203	
662	interest	5,192	114	0.0	0.0	2.2		-5,078	
663	exchange-rate profits	257,581	274,322	0.1	0.1	106.5		16,741	
664	revenues from revaluation by the actual value	142,900	242,900	0.0	0.1	170.0		100,000	
671	revenues of central budgets from transfers	350,255,296	416,864,492	97.7	96.6	119.0		66,609,196	
	total revenues	358,392,864	431,568,926	100	100	120.4		73,176,062	

investments



mediation of investments

In 2015, CzechInvest arranged 106 investment projects with foreign and domestic investors.

investment projects mediated by CzechInvest in 2015 – year-on-year comparison

	number of projects	investment amount (CZK mil.)	number of jobs
2010	60	14,615.2	7,037
2011	72	33,015.5	10,702
2012	81	20,369.6	8,530
2013	108	47,937.2	10,412
2014	147	86,956.1	16,842
2015	106	44,969.6	14,040

The investments mediated by CzechInvest had the aggregate value of nearly CZK 45 billion and should create more than 14,000 jobs, mainly in the Pardubice region, Prague and the South Moravia region. CzechInvest's statistics of mediated domestic and foreign direct investments have been compiled according to a new methodology since 2013. Projects receiving support from EU structural funds in which CzechInvest did not play a role are no longer included in the processed data.

investments mediated in the period 2010–2015



investments

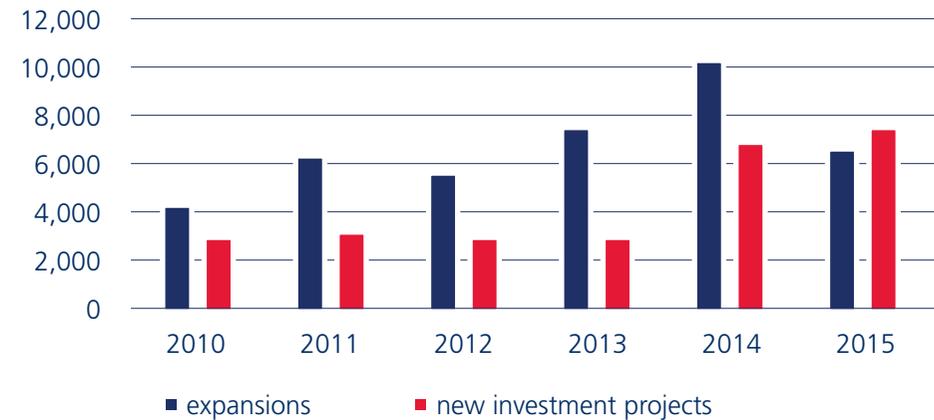
investments by country of origin

	number of projects	investment amount (CZK mil.)	number of jobs
Czech Republic	28	8,002.6	1,233
United States	22	9,695.2	3,464
Germany	21	9,212.8	2,468
Switzerland	6	2,952.8	492
Japan	4	1,732.7	132
South Korea	4	3,147.9	802
France	3	1,030.3	227
United Kingdom	3	319.0	358
China	2	408.6	387
Taiwan	2	4,483.3	3,375
Austria	2	838.0	120
Luxembourg	2	1,024.5	342
Malaysia	1	82.5	125
Canada	1	12.0	15
Poland	1	25.0	20
Finland	1	139.7	10
Italy	1	500.0	70
Denmark	1	162.5	100
India	1	1,200.0	300

mediated investment projects by investment amount in CZK million in the period 2010–2015



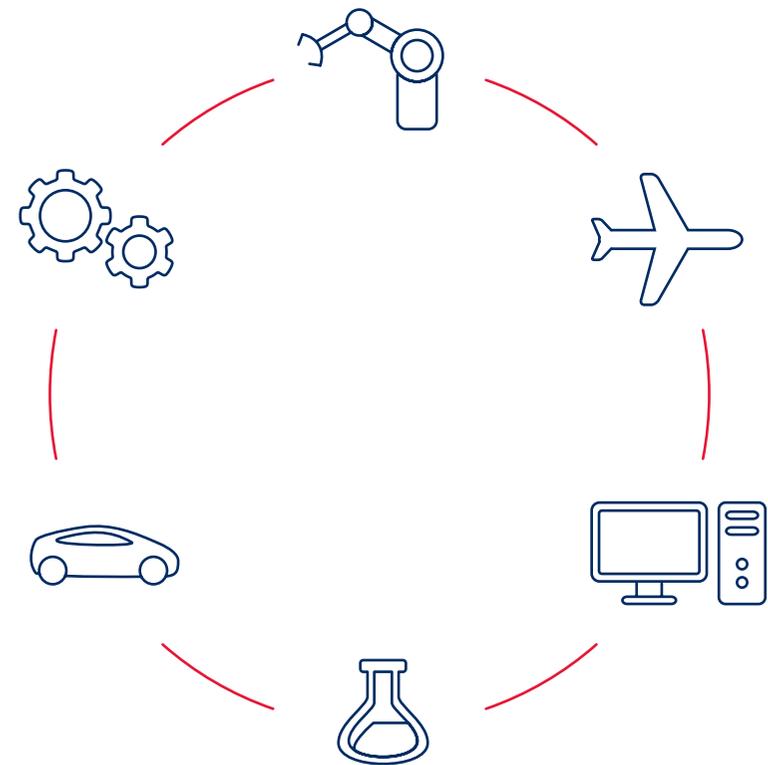
mediated investment projects by number of jobs in the period 2010–2015



investments

investments by sector

	number of projects	investment amount (CZK mil.)	number of jobs
vehicle manufacturing	25	12,131.9	3,097
metallurgy and metal-working	17	9,712.5	1,106
plastics	12	3,792.5	640
ICT	11	684.3	1,105
other	8	3,453.8	654
electronics	7	5,530.5	4,194
mechanical engineering	6	4,124.1	770
electrical devices	4	2,249.1	650
services	4	1,470.9	985
non-metallic mineral products	3	746.4	55
pharmaceuticals	2	416.4	409
advanced materials and nanotechnology	2	6.3	8
rubber	1	25.0	20
aerospace	1	244.8	300
logistics	1	35.0	15
other vehicles (motorcycles. bicycles. ships. boats)	1	120.0	30
paper and wood-processing	1	226.0	2

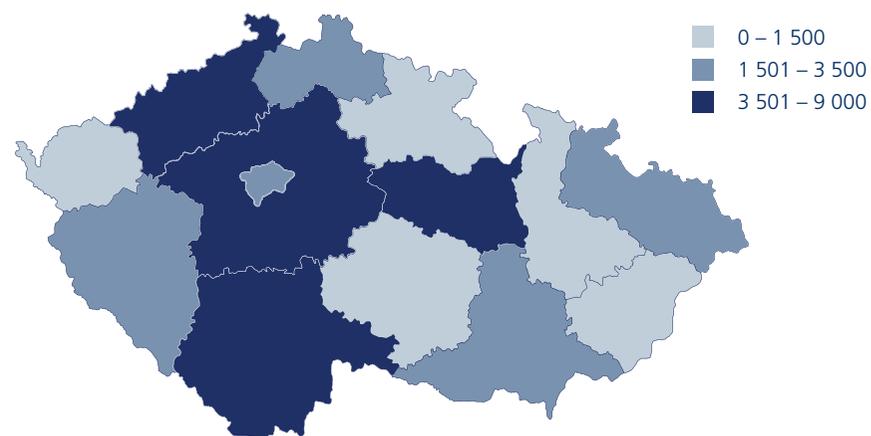


investments

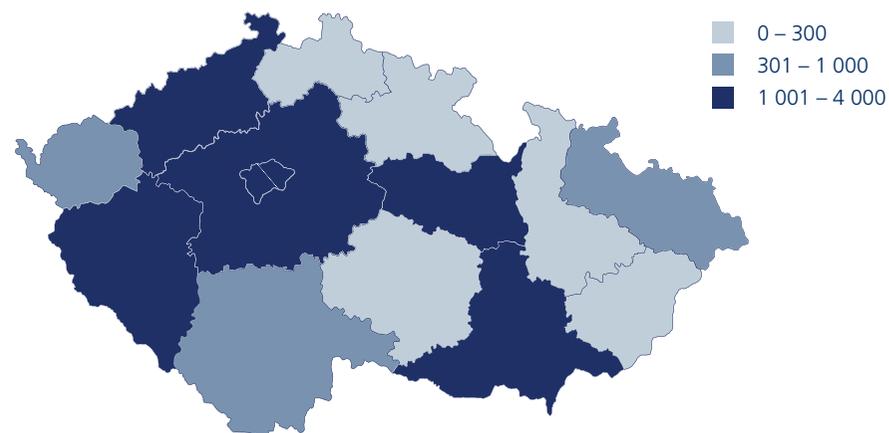
investments by region

	number of projects	investment amount (CZK mil.)	number of jobs
Ústí	15	7,007.8	1,575
Prague	14	3,262.3	2,043
Central Bohemia	13	7,815.1	1,359
Moravia-Silesia	11	1,870.5	999
Pardubice	10	9,551.0	3,691
Plzeň	10	2,925.0	1,086
South Bohemia	8	3,754.3	320
South Moravia	5	2,644.0	1,978
Olomouc	5	1,080.8	127
Hradec Králové	4	1,432.2	199
Liberec	4	1,875.1	183
Zlín	3	567.0	90
Karlovy Vary	2	861.7	320
Vysočina	2	322.8	70

regions by investment amount (CZK million)



regions by number of newly created jobs



investments

the ten most significant investments of 2015 by investment amount

investor	Czech legal entity	sector	country of origin	investment amount (CZK mil.)	number of jobs	region
INA Lanškroun	INA Lanškroun	vehicle manufacturing	Germany	2,547.49	900	Pardubice
Foxconn		Electronics	Taiwan	2,500.00	2,000	Pardubice
Solar Turbines Inc.	Solar Turbines EAME	Mechanical engineering	United States	1,863.63	310	Central Bohemia
MD ELEKTRONIK	MD ELEKTRONIK	Electrical devices	Germany	1,722.26	300	Plzeň
RONAL CR	RONAL CR	Vehicle manufacturing	Switzerland	1,740.06	110	Pardubice
Devro	Devro	Plastics	Czech Republic	1,526.81	120	Liberec
Sellier & Bellot	Sellier & Bellot	metallurgy and metal-processing	Czech Republic	1,200.11	70	Central Bohemia
OI Manufacturing Czech Republic	OI Manufacturing Czech Republic	Other	United States	852.56	36	Ústí
KASI	KASI	metallurgy and metal-processing	Czech Republic	790.00	180	Pardubice
AISIN EUROPE MANUFACTURING CZECH	AISIN EUROPE MANUFACTURING CZECH	Vehicle manufacturing	Japan	784.86	20	South Bohemia

investments



the ten most significant investments of 2015 by investment amount

investor	investment amount (CZK mil.)
INA Lanškroun	2,547.5
Foxconn	2,500.0
Solar Turbines Inc.	1,863.6
MD ELEKTRONIK	1,722.3
RONAL CR	1,740.1
Devro	1,526.8
Sellier & Bellot	1,200.1
OI Manufacturing Czech Republic	852.6
KASI	790.0
AISIN EUROPE MANUFACTURING CZECH	784.9

the ten most significant investments of 2015 by number of newly created jobs

investor	number of jobs
Foxconn	2,000
HTC Service Center	1,375
INA Lanškroun	900
Johnson and Johnson	300
Yankee Candle	396
SCHOTT CR	382
EPAM Systems	350
BWI Europe Company Limited	315
Solar Turbines Inc.	310
MD ELEKTRONIK	300

investments



business properties

In 2015 CzechInvest, from the position of the designated organisation within the Business Property and Infrastructure Support Programme, supported the implementation of five projects by means of grants. The total amount of the grant funding and refundable financial assistance reached CZK 226.212 million. Specifically, funding was provided within the Industrial Zone Expansion in Vrchlabí project including development of the regional infrastructure. The Refurbishment of the Jizera River Bridge and Surrounding Roads project was also supported and refundable financial assistance was provided for the internal infrastructure of the Holešov strategic industrial zone. In the course of the year, consulting was also provided to assist recipients with respect to the preparation of aid applications within the aforementioned programme.

The governors of all regions were approached with a request to recommend land plots suitable for new strategic industrial zones larger than 30 ha. Of the 158 recommended

locations, 18 were selected for closer examination; in the course of 2016, these will be narrowed down to the final six or seven selected sites.

The property database contained 854 items in 2015.

In 2015, thirty-one new items were approved in the property database.

A total of 268 offers of properties to investors were prepared in 2015, i.e. 22.3 offers per month on average. The largest number of offers, 28, were prepared in August 2015.

In 2015, 104 records from the National Brownfields Database were inspected and sent, 36 owners of which expressed interest in publication of the sites and granted their consent to such publication. The Business Properties and Brownfields Department prepared 26 offers of brownfields, whereas a total of 85 abandoned sites were on offer.

In 2015, CzechInvest concluded a memorandum on cooperation with the Liberec and Pardubice regions and commenced negotiations with the South Bohemia region. Synchronisation of the brownfields database was initiated with the Liberec, Moravia-Silesia, Pardubice and Vysočina regions.

The brownfield project managers focused in 2015 on the Operational Programme Enterprise and Innovation for Competitiveness administered primarily by the Structural Funds Division. The database of brownfields was put into operation on 22 June 2015 and 1,199 new records were verified within it.

The project managers were also involved in updating the National Brownfield Regeneration Strategy of 2007, which was linked to the updating and formulation of a new National Brownfield Regeneration Strategy, which in turn is connected with a programme with a budget of CZK 2 billion for the period from 2016 to 2023.

sectoral database of suppliers – Sourcing

CzechInvest helps investors to find suitable suppliers in the Czech Republic, which aids the development of the Czech supplier network. In 2015, the agency organised two supplier forums.

In cooperation with the Japan External Trade Organisation (JETRO) and in connection the International Engineering Fair held in September, CzechInvest brought together 15 Japanese companies with 30 Czech suppliers. A total of 131 meetings were held between Japanese exhibitors and 42 suppliers from Central and Eastern Europe.

A supplier forum was held in November for Jaguar Land Rover (JLR) in Gaydon, Great Britain. The event was attended by seven Czech companies. The forum marked the beginning of long-term cooperation with JLR. CzechInvest's Supplier Development Department prepared 191 surveys of the supplier market. The investor SSI Technologies concluded a supply contract with two Czech companies engaged in metal pressing.

In February 2015, a new version of the sectoral database of suppliers containing more than 3,000 profiles of Czech companies was launched. Since the introduction of the new database, CzechInvest has registered more than 4,200 accessions to individual sectors.

European Union structural funds



Operational Programme Enterprise and Innovation (OPEI).

The basic programme instrument for drawing financial resources from EU structural funds in the period 2007–2013 was the Operational Programme Enterprise and Innovation (OPEI). OPEI was focused on increasing the competitiveness of the Czech Republic especially in the manufacturing industry and related services.

The objectives of the programme were to increase the competitiveness of the country's industrial and services sectors and to develop business, support innovation, commercialise and stimulate demand for R&D results and to support the growth of the knowledge-based economy by using capacities for introducing new technologies and innovated products, including new information and communication technologies. In 2015, the 2007–2013 programming period ended, the final projects were implemented and recipients of aid within OPEI received disbursements based on the last remaining payment applications. One hundred percent of the allocated funding intended for OPEI, i.e. more than CZK 84 billion, was utilised.

overview of OPEI aid programmes

Development

- ICT and Business Support Services
- ICT in Companies
- Eco-Energy
- Innovation – Innovation Project
- Innovation – Project for Protection of Industrial Property Rights
- Potential
- Cooperation – Clusters
- Cooperation – Technology Platforms
- Prosperity
- Training Centres
- Properties
- Consulting
- Marketing

OPEI aid programmes provided in the form of financial tools (Start, Progress, Guarantee) are not administered by CzechInvest.

European Union structural funds

OPEI projects by programme, 2015

programme	submitted registration applications		submitted full applications		decisions on provision of aid		disbursements	
	number	amount (CZK)	number	amount (CZK)	number	amount (CZK)	number	amount (CZK)
OPEI total	601	2,236,307,000	487	1,665,162,000	1,381	5,814,317,000	4,794	25,483,671,513
Priority Axis 2 – Company Development	601	2,236,307,000	487	1,665,162,000	1,351	5,653,314,000	2,999	11,493,825,513
Area of support 2.2 – Support for new production technologies, ICT and selected business support services	601	2,236,307,000	487	1,665,162,000	1,351	5,653,314,000	2,999	11,493,825,513
2.2 ICT in Companies	0	0	0	0	0	0	75	132,845,901
2.2 ICT and Business Support Services	0	0	0	0	0	0	439	1,692,304,187
2.2 Development	601	2,236,307,000	487	1,665,162,000	1,351	5,653,314,000	2,485	9,668,675,425
Priority Axis 3 – Efficient Energy	0	0	0	0	0	0	270	1,222,914,214
Area of support 3.1 – Energy savings and renewable sources of energy	0	0	0	0	0	0	270	1,222,914,214
3.1 Eco-Energy	0	0	0	0	0	0	4	34,403,953
3.1 Eco-Energy – Subsidy	0	0	0	0	0	0	266	1,188,510,261
Priority Axis 4 – Innovation	266	2,134,996,000	580	6,814,653,000	382	4,780,640,000	715	5,590,012,447
Area of support 4.1 – Increasing companies' innovation capability	0	0	0	0	0	0	805	6,944,936,333
4.1 IN – Innovation Project	0	0	0	0	0	0	731	6,938,016,359
4.1 INP – Protection of Industrial Property Rights	0	0	0	0	0	0	74	6,919,974
Area of support 4.2 – Capacities for industrial research and development	0	0	0	0	30	161,003,000	364	2,272,960,497
4.2 Potential	0	0	0	0	30	161,003,000	364	2,272,960,497

* Only the Star programme, which was administered by Českomoravská záruční a rozvojová banka, a.s., was implemented in Priority Axis 1 in OPEI.

source: ISOP 7–13, data from 2015

European Union structural funds

Area of support 5.1 – Cooperation platforms	0	0	0	0	0	0	125	2,483,977,272
5.1 Prosperity	0	0	0	0	0	0	85	2,226,066,962
5.1 Clusters	0	0	0	0	0	0	23	240,871,619
5.1 Technology Platforms	0	0	0	0	0	0	17	17,038,691
Area of Support 5.2 – Infrastructure for human resources development	0	0	0	0	0	0	43	231,476,941
5.2 SS – Training Centres	0	0	0	0	0	0	43	231,476,941
Area of support 5.3 – Business infrastructure	0	0	0	0	0	0	187	830,865,901
5.3 Properties	0	0	0	0	0	0	187	830,865,901
Priority Axis 6 – Business-development services	0	0	0	0	0	0	1	2,714,842
Area of support 6.1 – Consulting	0	0	0	0	0	0	0	0
6.1 Consulting	0	0	0	0	0	0	0	0
Area of support 6.2 – Support for marketing services	0	0	0	0	0	0	1	2,714,842
6.2 Individual participation in trade fairs and exhibitions	0	0	0	0	0	0	1	2,714,842

source: ISOP 7–13, data from 2015

European Union structural funds

OPEI projects by region, in CZK

region of implementation	submitted registration applications	submitted full applications	approved	disbursements
Prague	0	0	0	0
South Bohemia	13	10	43	215
South Moravia	90	70	213	837
Karlovy Vary	20	17	29	102
Vysočina	16	16	88	319
Hradec Králové	2	2	61	222
Liberec	44	35	75	244
Moravia-Silesia	132	113	211	655
Olomouc	88	72	145	397
Pardubice	13	10	81	245
Plzeň	0	0	24	134
Central Bohemia	70	53	125	548
Ústí	50	34	80	288
Zlín	63	55	206	588
total	601	487	1,381	4,794

source: ISOP 7–13, data from 2015

OPEI projects by region, in CZK

region of implementation	submitted registration application	submitted full application	approved	disbursements
Prague	0	0	0	0
South Bohemia	81,884,000	30,944,000	254,394,000	1,116,661,056
South Moravia	273,435,000	199,349,000	890,504,000	4,327,895,438
Karlovy Vary	58,021,000	50,236,000	123,059,000	572,225,153
Vysočina	60,054,000	60,054,000	433,802,000	1,701,680,764
Hradec Králové	3,465,000	3,465,000	305,589,000	1,433,016,861
Liberec	174,720,000	140,036,000	355,155,000	1,184,169,629
Moravia-Silesia	374,940,000	328,611,600	685,556,000	3,148,265,695
Olomouc	340,415,000	239,218,000	621,335,000	2,065,074,543
Pardubice	54,607,000	34,020,000	345,593,000	1,275,141,797
Plzeň	0	0	109,721,000	690,749,818
Central Bohemia	372,977,000	284,255,000	617,961,000	3,135,403,996
Ústí	230,225,000	124,006,000	257,348,000	1,937,079,791
Zlín	211,564,000	170,968,000	814,300,000	2,896,306,972
total	2,236,307,000	1,665,162,000	5,814,317,000	25,483,671,513

source: ISOP 7–13, data from 2015

European Union structural funds



EVROPSKÁ UNIE
Evropský fond pro regionální rozvoj
Operační program Podnikání
a inovace pro konkurenceschopnost

Operational Programme Enterprise and Innovation for Competitiveness

The Operational Programme Enterprise and Innovation for Competitiveness (OPEIC) is the successor of the successful Operational Programme Enterprise and Innovation 2007 – 2013. For the 2014 – 2020 programming period, OPEIC serves as the strategic and implementation framework for business support from European structural and investment funds. The objective of OPEIC is to achieve a competitive and sustainable economy based on knowledge and innovation. Emphasis is placed on support for the transfer of research and development results into production, effective energy management and information and communication technologies. The main aid recipients are small and medium-sized enterprises. OPEIC is composed of five priority axes which include a total of 24 aid programmes. The Ministry of Industry and Trade of the Czech Republic is the governing body of OPEIC. As in the 2007–2013 programming period, CzechInvest serves as the mediating entity and thus conducts specific activities of OPEIC. The first call for submission of applications in OPEIC programmes was issued in 2015.

overview of OPEIC aid programmes

- Innovation – Innovation Project
- Innovation – Project for Protection of Industrial Property Rights
- Potential
- Application
- Knowledge Transfer Partnership
- Cooperation
- Innovation Vouchers
- Infrastructure Services
- Proof of Concept
- Pre-Commercial Public Procurement
- Technology
- Consulting
- Marketing
- Properties
- Training Centres
- Venture Capital
- Renewable Sources of Energy
- Energy Savings
- Smart Grids I (Distribution Grid)
- Low-Carbon Technologies
- Energy Savings in Heat Supply Systems
- Smart Grids II (Transmission Grid)
- High-Speed Internet
- ICT and Shared Services

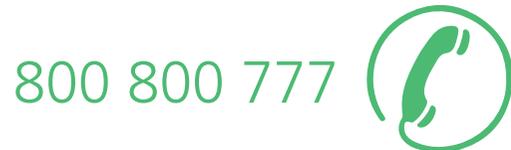
European Union structural funds

OPEIC projects by programme, 2015

programme	submitted preliminary applications		submitted aid applications	
	number	amount (CZK)	number	amount (CZK)
OPEIC total	4,145	55,570,102,727	1,105	11,300,353,015
Priority Axis 1 – Advancement of Research and Development for Innovation				
Potential, Call I	381	7,615,112,140	140	3,111,260,49
Application, Call I	659	9,470,000,000	29	525,000,000
Innovation – Innovation Project, Call I	584	9,836,425,934	131	2,615,703,434
Cooperation – Clusters, Call I	62	471,225,683	4	16,786,400
Knowledge Transfer Partnership, Call I	65	146,191,748	0	0
Priority Axis 2, Development of Business and Competitiveness of Small and Medium-Sized Enterprises				
Marketing, Call I	–	–	264	433,918,642
Technology, Call I	–	–	278	54,147,040
Technology, Call II	–	–	394	1,320,000,000
Properties, Call I	873	9,989,177,000	250	3,151,537,000
Training Centres, Call I	188	595,000,000	25	72,000,000
Priority Axis 3 – Effective energy management, development of energy infrastructure and renewable sources of energy, support for introduction of new technologies in the area of energy management and recyclable materials				
Energy Savings, Call I	1,427	10,478,246,904	170	1,340,206,759
Priority Axis 4 – Development of high-speed internet access and information and communication technologies				
ICT and Shared Services, Call I	552	6,968,723,318	112	841,992,848

zdroj: MS2014+, data from 2015

European Union structural funds



Green Information Line

The toll-free Green Information Line at 800 800 777 is available nationwide and calls to this number are free of charge from both fixed lines and mobile telephones. Questions pertaining to the Operational Programme Enterprise and Innovation (OPEI) and the Operational Programme Enterprise and Innovation for Competitiveness (OPEIC) and other queries pertaining to business support and CzechInvest's services can be directed to the information line on business days between 9:00 a.m. and 1:00 p.m.

A total of 15,524 enquiries from clients were handled via the Green Information Line in 2015. The largest number of enquiries, 2,455 in total, were handled in August, when the fourth extension of Call II in the Development Programme was announced (this was the final call within OPEI) and, at the same time, acceptance of the initial preliminary aid applications in eleven OPEIC programmes was ongoing.

In 2015, the largest number of questions posed by applicants pertained to IS KP14+, which is an information system via which aid applications within OPEIC programmes are submitted. Other frequent queries were related to the Properties Programme within OPEIC. Another frequent topic of enquiry was the e-Account application (by means of which applicants managed their applications for aid in OPEI programmes). Due to the termination of projects and the OPEI 2007–2013 programming period, the largest number of questions concerned the process of submitting payment applications. In 2015 the last call within OPEI was announced, specifically in the Development Programme, in relation to which EU structural funds analysts handled a total of 1,392 enquiries. General matters involving OPEIC were also the subject of queries.

five most common subjects of enquiries

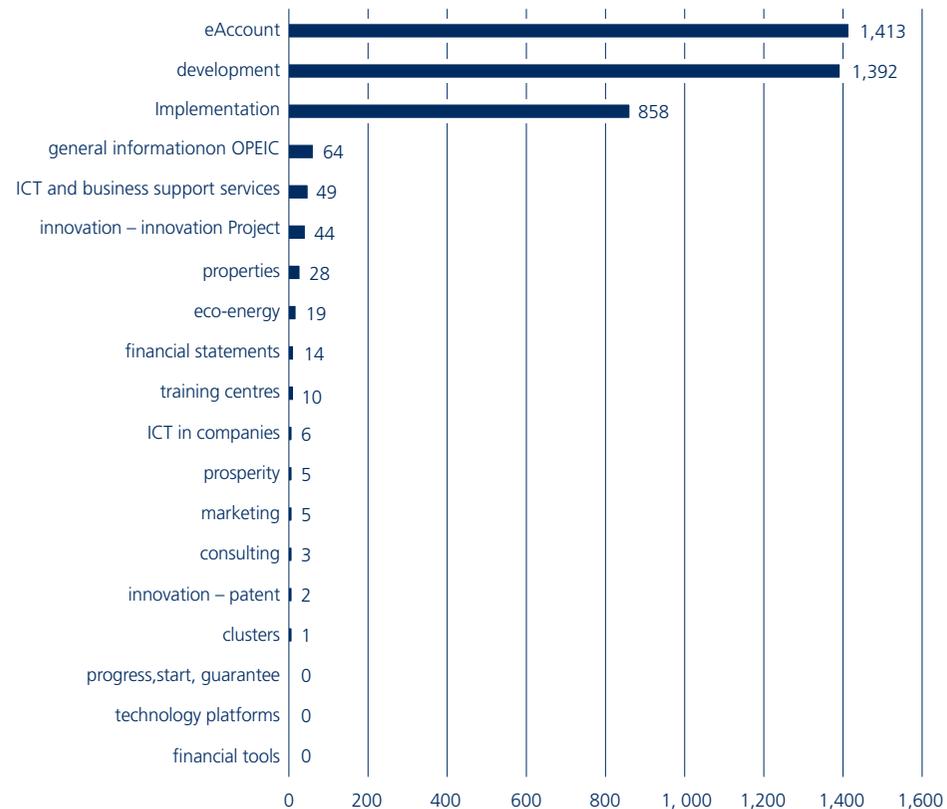
subject	number of enquiries
IS KP14+	3,139
Properties Programme in OPEIC	1,960
eAccount (Payment applications, 548; Other, 307; Monitoring 314; Registration application and full application, 233; Master account, 44)	1,435
Development Programme (OPEI)	1,392
General information about OPEIC	1,360

European Union structural funds



number of enquiries about OPEI programmes in 2015

In connection with OPEI, the largest number of queries pertained to the eAccount application for acceptance of applications within OPEI and to the Development Programme. Furthermore, a total of 858 queries pertaining to implementation were resolved (this area includes primarily the issue of supplier selection, mandatory publicity and the definition of small and medium-sized enterprises and de minimis).

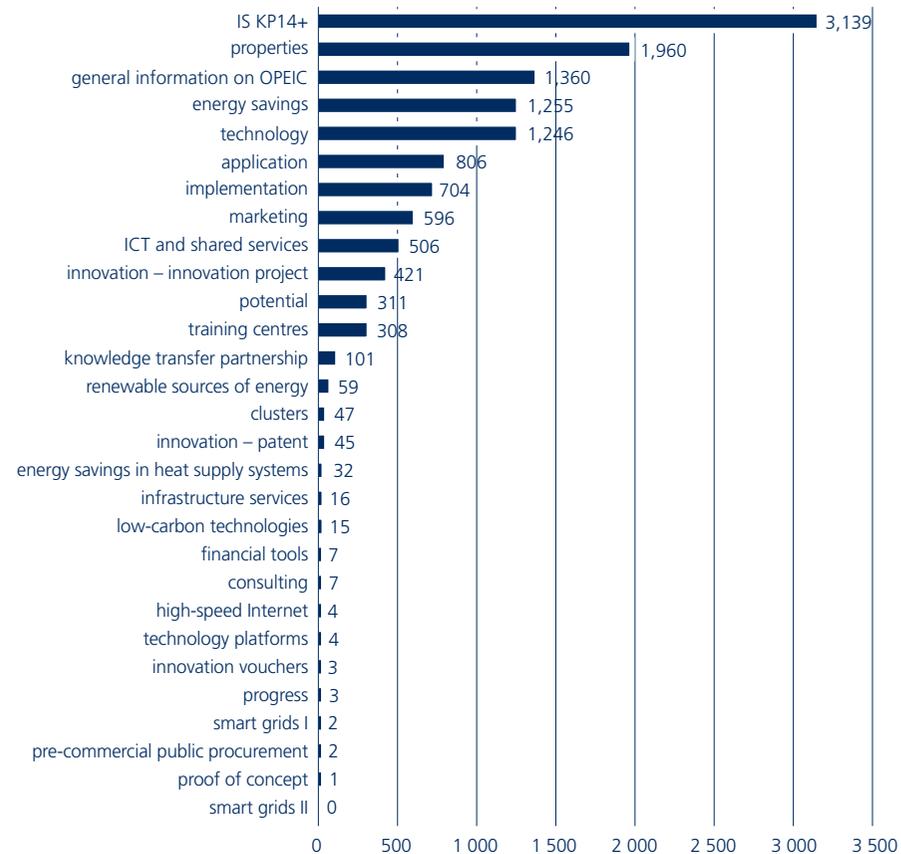


European Union structural funds

number of enquiries pertaining to OPEIC in 2015

Where individual OPEIC aid programmes are concerned, analysts most frequently responded to enquiries about programmes within which calls were issued in 2015. Specifically, the strongest interest was in the Properties, Energy Savings, Technology and Application programmes.

In addition to the Green Information Line, applicants can also send their enquiries about OPEI, OPEIC and their particular projects by e-mail to programy@czechinvest.org. A total of 4,901 written enquiries sent to the collection address were handled in 2015. The largest number of written enquiries, specifically 775, pertained to the IS KP14+ information system. Other frequently submitted questions involved general information about OPEIC (556 in total) and individual aid programmes within OPEIC, particularly the Properties, Energy Savings and Technology programmes.

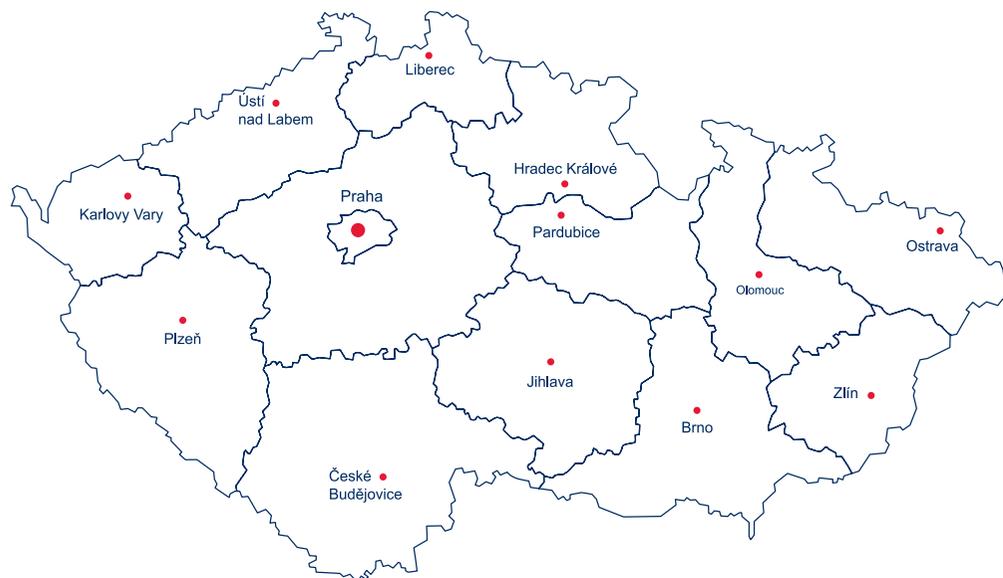


regions

activities in the regions

regional offices

CzechInvest's regional offices provide information about the agency's services and possibilities of business support from EU structural funds and assist companies that are interested in implementing their investments in a given region. The individual offices cooperate with representatives of local governments and authorities, schools and other regional institutions in the placement of investors and in seeking out opportunities for regional business development. The agency established its network of thirteen regional offices at the beginning of 2004 in order to expand its offer of services in the country's cities.



significant events in the regions in 2015

Zlín

regeneration of brownfields was the central theme of Investment Week

CzechInvest has long administered a database of brownfields throughout the Czech Republic. At the regional level, properties that would be suitable for revitalisation with the assistance of funding from operational programmes are analysed. In connection with Investment Week in May, experts met in Zlín to address the issue of brownfield regeneration and to discuss the possibilities of using new aid funding and finding a purpose for unused sites.

Zlín-based businesses achieve success in the Firm of the Year and Entrepreneur of the Year competition

In Autumn 2015, representatives of CzechInvest's Zlín regional office took part in the assessment of business entities in the Zlín region and supported the regional winners in the nationwide final, rejoicing in the success of KOMA Modular, a traditional manufacturer of modular structures based in Vizovice, which was named Firm of the Year 2015. Third-place in the nationwide final in the Entrepreneur of the Year category was awarded to Milan Žabčík, a producer of traditional smoked meats from Trojanovice.

South Bohemia

D-Day

In cooperation with CzechInvest's regional Office, the University of South Bohemia held a competition in České Budějovice in which students could get hands-on experience with defending their project ideas before potential investors. In February 2015, the presented projects were evaluated by a committee composed of entrepreneurs and representatives of the academic sphere and the regional office.

T-PROFI technical competition or Talented People for Firms

A professional competition to support technical education was held in connection with the Education and Craft Fair at the České Budějovice exhibition grounds. The competition was organised by the South Bohemian Association for Human Resources Development in cooperation with the South Bohemian Chamber of Commerce. Competing teams composed of elementary and secondary school students and representatives of firms had the task of building and operating a cable-car line from a Merkur construction kit. CzechInvest was a partner of the event and a representative of the agency's regional office for South Bohemia was a member of the jury.

South Moravia

Investment Academy

In November 2015, the regional office for South Moravia launched a course in Brno called Investment Academy for representatives of cities and towns in the region. The purpose of the course was to familiarise mayors and regional officials with current trends and approaches in the decision-making of both foreign and domestic investors, provide information about possibilities of investment support and to motivate municipalities to improve their attractiveness for investors.

Top Innovator of South Moravia

This competition to determine the best innovation management within the management of small and medium-sized enterprises, of which CzechInvest was partner, was held for the second time in Brno in November. The objective of the competition was not to find the company that created the best innovative product or service, but rather to evaluate the process by which companies approach and work with innovations and how those innovations are put into practice and monetised.

Vysočina Region

The Working Life of a Technician

In November, CzechInvest's regional office in Jihlava organised an event called The Working Life of a Technician. This conference was held on the occasion of an exchange of secondary schools in Jihlava. Those invited to attend included not only parents, but also elementary school students and guidance counsellors. The purpose of the seminar was to familiarise the participants with the possibilities offered by technical education in one's professional life. The event was attended by representatives of a personnel agency and technically oriented secondary schools in the region and personnel specialists from major local companies.

Investment Academy

The two-day Investment Academy held in December presented to mayors of towns and cities not only aid possibilities, but mainly ways to create and improve industrial zones for investors and to thus contribute to increasing the number of new jobs in their respective locations. The event was attended by specialists from the University of Economics and from the Centre for Regional Development of the Czech Republic in the

Ústí

Business Forum in Ústí nad Labem

The first Ústí Regional Business Forum was held in September 2015. The 140 guests invited to the event included representatives of the city of Shanghai, China, commercial representatives of Japan, Italy and Spain, and members of the Saxon Chamber of Commerce, as well as individual investors. The purpose of the event was to present the region as a place that is suitable for the placement of additional foreign investments and to develop cooperation with local firms.

excursion of students to the region's strategic industrial zone

At the end of 2015, students from elementary schools visited the Hitachi Automotive Systems Czech factory in connection with the Year of Industry and Technical Education project. In addition to CzechInvest, those participating in the excursion also included the Confederation of Industry and the contributory organisation SPZ Triangle, which continuously ensures cooperation between schools and manufacturing companies in the Žatec-Triangle strategic industrial zone.

Moravia-Silesia

Get MORE conference

With the participation of representatives of the region, the state administration, investors and developers, a conference focused on investment opportunities was held in conjunction with the Get MORE trade fair in Ostrava in June 2015. The conference was organised by the Regional Development Agency and the Moravia-Silesia region. CzechInvest was a partner of the event, which featured discussions on current investment opportunities in the region and support for business and investments.

Innovation Oscars of Moravia-Silesia

The latest edition of the Innovative Firm of Moravia-Silesia competition took place in November 2015. CzechInvest's regional office was a partner of the event as well as an evaluator of the entered projects. Firms that had introduced an innovative product or service to the market could thus present their original products. The entered projects demonstrated that in Moravia-Silesia there are a number of firms bringing to the market new ideas that can stand up to global competition.

regions

Liberec

Technical University of Liberec competition for the best start-up

The first annual TUL Best Start-Up competition was held in 2015. Six projects advanced to the final. First place was awarded to Jitka Ládrová for her project to improve the promotion of books from the authors' side. CzechInvest was a partner of the event and the director of the agency's regional office was a member of the competition jury. The purpose of the competition was to support the entrepreneurial efforts of students at the Technical University of Liberec, who could use coaching throughout the period of the competition and participate in a one-week summer business school.

conference of HR specialists of the Liberec region

CzechInvest's regional office in Liberec started a tradition of regular meetings of personnel specialists and HR managers in the Liberec region. Partners of the programme included the Labour Office in Liberec, the Technical University of Liberec, the Association for Foreign Investment and selected secondary technical schools. The main topics were focused on the active employment policy, effective employee recruitment, non-financial benefits for employees and the possibility of direct cooperation between firms and universities and secondary schools.

Plzeň

RSF Elektronik open house

A day of fun with live music and attractions for children and adults was co-organised by CzechInvest's regional office in Plzeň at the end of summer. More than one thousand visitors could tour the production facilities of RSF Elektronik, a manufacturer of cable systems. The purpose of the event was to support technical education in the Plzeň region. Within the cooperation between RSF Elektronik and the Secondary Industrial School in Tachov, two selected students were awarded internships at the Austrian branch of RSF Elektronik.

seminar on the Operational Programme Enterprise and Innovation for Competitiveness

On 29 April, the Science and Technology Park in Plzeň hosted a pilot seminar focused on the new Operational Programme Enterprise and Industry for Competitiveness. Ninety representative of companies in the Plzeň region were given detailed information about the methodological rules of the new operational programme and about the individual sub-programmes of which it is comprised. This event was followed in July by a seminar presenting the new MS2014+ aid-administration system. The seminar was focused on basic orientation in the system and on how to complete preliminary and full applications within OPEIC. This was the first time that practical training of this nature was conducted in the Czech Republic and it was later continued in other regions.

Central Bohemia and Prague

StreTech 2015

The Prague regional office regularly participates in the annual StreTech (Středoškolská Technika or Secondary School Technology) event. A total of 93 secondary schools from around the Czech Republic took part in the 2015 edition of StreTech and presented 177 student projects. Through participation in events of this type, the regional office wants to draw attention to the increasingly urgent need for technically skilled workers and the necessity of bringing educational institutions together with the business environment.

cooperation with the CTU Inovacentrum

Based on a signed memorandum on cooperation, in June CzechInvest organised the first joint event with the Inovacentrum of the Czech Technical University in Prague. Possibilities of support in the area of science, research and development in the Czech Republic were presented to the seminar participants.

Hradec Králové

Integrated regional investments of the Hradec-Pardubice agglomeration

The regional office in Hradec Králové was involved in discussions of a local working group focused on cooperation between schools and firms in the area of research and development. Over the course of the year, city governments approved a strategic document that identifies the basic goals and measures of regional development. This regional cooperation brought about the further advancement of the Hradec Králové Regional Investment, Development and Innovation Platform and the start of pilot operation of the Proinovace.cz web portal.

support for internationalisation of Czech firms

The Hradec Králové regional office focused especially on activities aimed at supporting international cooperation and exports. The office took part in the Open Days conference in Hradec Králové in November, which was focused on the possibilities of development of small and medium-sized enterprises. Entrepreneurs were also interested in an interactive workshop with the company Fraunhofer MOEZ, which specialises in assisting firms entering the market. During the workshop, specialists from this organisation presented current investment opportunities in Germany, particularly in the areas of IT, medicine, energy, logistics, mechanical engineering and textiles.

regions

Pardubice

memorandum on brownfields with the Pardubice region

A memorandum on cooperation was signed with the Pardubice region in March 2015. The primary objective is to join forces in supplementing the National Brownfields Database with information on abandoned sites in the Pardubice region. By signing the memorandum, representatives of the region gained administrative access to the database for the purpose of entering and editing information about the sites. The memorandum will be a key element enabling the creation of a regional database and presentation of the sites to interested parties from the ranks of investors.

celebratory start of construction of the INA Svitavy plant

In November 2015, INA Schaeffler began construction of a new plant for production of automotive components in Svitavy. The president of the Czech Republic, Miloš Zeman, participated in the laying of the cornerstone. This is a significant strategic investment in the value of CZK 2.5 billion in a region with one of the highest unemployment rates in the country. In addition to the creation of 960 jobs, the investment also led to the occupation of the Paprsek industrial zone, which was long unable to find an investor.

Karlovy Vary

conference of HR specialists of the Karlovy Vary region

In cooperation with the Business Development Agency of the Karlovy Vary Region and the Karlovy Vary Regional Chamber of Commerce, CzechInvest's regional office organised a total of four conferences of personnel specialists. The main topics were the active employment policy, employee recruitment methods, cooperation between firms and schools, and agency employment. An important element of the individual conferences comprised the sharing of experience by regional firms.

excursions of elementary school students to firms

In connection with Investment Week, the Karlovy Vary regional office organised two excursions of elementary school students to regional firms in June. At Lias Vintřov, a manufacturer of construction materials, students had the opportunity to learn about the entire production process, from extraction of raw materials to manufacturing of final products. Witte Nejdek, a producer of lock systems for the automotive industry, captured the students' attention primarily with a prepared test that actively involved them in a tour of the company's factory. These events had the purpose of supporting students' interest in technical education.

Olomouc

support for the skilled workforce

During Investment Week, CzechInvest's Olomouc regional office organised excursions of students from secondary vocational schools in Jeseník and Šumperk to the companies Edwards and SIGMA GROUP. In order to support the skilled workforce in the region, the office also arranged a conference of personnel specialists and HR managers in the Olomouc region, this time on the topic of e-commerce.

support for start-ups and beginning entrepreneurs

The Olomouc regional office is a long-term partner and member of the assessment committee of the Business Brain competition of the Science and Technology Park of Palacký University. A record 67 projects were entered in the 2015 edition of the competition. The regional office was also a partner of the UP Business Camp 2015 conference in October. The annual event has the objective of supporting especially those who want to take the first step toward change and are not afraid to set their own original ideas in motion.

support for small and medium-sized enterprises



CLUS3

The objective of the CLUS3 project was to raise the level of cluster excellence in the participating countries (Italy, Spain, Romania and the Czech Republic) through the use of tools and methods developed by European cluster initiatives. That this goal was achieved is evident in the fact that six Czech clusters were awarded bronze marks of cluster excellence. Furthermore, the CREA Hydro & Energy cluster became the first cluster in the Czech Republic to receive a gold mark of cluster excellence. The project ended in 2015.



Project implementation period:

6 January 2014 – 5 January 2016

Total project budget (consortium): **EUR 381,354**

Budget for CzechInvest: **EUR 62,937**

Source of financing: **EUR 56 814** (90.27%) from European Commission resources (CIP – Competitiveness and Innovation Framework Programme)

Co-financing: **EUR 6,124** (9.73%)

Aid drawn in 2015: **approx. CZK 564,490**

Project coordinator: Agency for Development and International Economic Cooperation (INFORMEST), Italy

Consortium: CzechInvest, South West Oltenia Regional Development Agency – Romania, Instituto de Fomento de la Region de Murcia – Spain

Aid provider: European Commission (CIP – Competitiveness and Innovation Framework Programme)

support for small and medium-sized enterprises



CzechEkoSystem
Ekosystém pro rizikový kapitál

CzechEkoSystem

The CzechEkoSystem project was focused on effective development of the activities of small and medium-sized enterprises in conducting innovative business. Through favourably priced consulting services and the systematic participation of coaches, selected firms were able to gain invaluable experience with commercialisation of their products and practical application of their business plans, while also strengthening their marketing and management skills.

The main activity of 2015 consisted in the gradual termination of the use of discounted services by supported companies and the organisation of Investors' Forums, which had the objective of putting the supported firms into contact with investors. The CzechEkoSystem project ended on 30 September 2015.

CzechEkoSystem was implemented within the Operational Programme Enterprise and Innovation 2007–2013, Priority Axis 6–Business Development Services – of the Consulting Programme.

Project implementation period:

1 November 2011 to 30 September 2015

Total amount drawn from the project budget:

CZK 93,953,688.47

Amount drawn from the project budget in 2015:

CZK 78,937,845.32

Total number of participants: **111**

support for small and medium-sized enterprises

who we helped
CzechEkoSystem

C O N T I Q U A



Jindřich Fialka
Contiqua

The founder of Contiqua, which designs and manufactures designer products from industrial waste, cooperates with companies such as 3m, Wiesner Hager, Petrof and Ateh, among others. He began working years ago as a jewellery designer in the studio of Jan Brabenec and eventually established the Inauris and ReeflexDesign brands. In 2014–2015, his company, Contiqua, took part in the CzechEkoSystem project organised by CzechInvest.

“We started out as environmental activists; today we are a design studio. A year ago we were a start-up, and now we are helping start-ups with their ideas. If I could turn back time and again make the decision whether to do the paperwork involved with the CzechEkoSystem project, I would do it,” says Jindřich Fialka, founder of Contiqua.

What did participation in CzechInvest’s CzechEkoSystem project bring you?

I can say that it brought the overall transformation of the company from a naïve start-up into a truly functioning and dynamic firm. Besides that, it brought us a number of contacts and opportunities that will come to fruition in the future.

Which of the offered consulting services did you use in particular?

With CES mentor Zdeněk Rudolský, in the first phase we verified the initial assumption on which our original plan was based. In the second phase, we formulated a new business model on the basis of what was confirmed to be functional.

What fundamentally changed for you after completing the project?

The approach to things. That sounds abstract, but the biggest benefit is really the change in thinking about business as such. That it’s not about implementing one concept at any cost, but rather about the process, state of mind, or lifestyle. A single concept can fail, but the mentality remains. There’s a reason it’s said that you don’t invest in ideas, but in people.

Why did you get involved in making things out of waste? How did you come up with the slogan “We use design to deal with waste”?

There are two reasons. Ecology, or rather the effort to save certain materials from unnecessary liquidation, and the story, not to make things for their own sake, but for the beauty of



the concept behind them. Thus were created earrings made of wood from Petrof, lamps from traffic signs, and wallets of leather left over from the production of luxury furniture.

How is your business doing now?

Creative work and product design are a run on a very long track. However, it seems to us that we started out very well and now we are still accelerating.

What do you consider to be your greatest success.

Participation in the biggest world’s fair, EXPO 2015 in Milan.

Do you have any specific example of where your designer items are now being used? Who, for example, is fond of them?

Our lamps are used at the Hub in Prague-Smíchov, at the Prague Innovation Centre and, for example, the 3M innovation centre. We custom made piano jewellery for partners of the Strings of Autumn festival and a leather collection for the global furniture manufacturer Wiesner Hager. And we recently delivered the first interior piece for Skanska and a trophy for the Top Women of the Czech Republic competition organised by Economia.

support for small and medium-sized enterprises

who we helped CzechEkoSystem



Milan Šimek
Sewio

Milan Šimek is the executive director and co-founder of Sewio, a Czech company providing wireless solutions for positioning systems and navigation. Mr. Šimek, who was awarded the title of Ph.D. in 2010, works as an expert advisor to the EU and is actively participating in the development of RTLS systems. In 2014–2015, he took part in CzechInvest's CzechEkoSystem project with Sewio.

"We are involved with technologies that are not generally known, so we appreciate every opportunity to put out information about this new technology which, by its nature, is contributing to the Industry 4.0 revolution. CzechInvest and the South Moravian Innovation Centre, which are assisting us, deserve tremendous thanks," say Milan Šimek, CEO and co-founder of Sewio.

What did participation in CzechInvest's CzechEkoSystem project bring you?

First of all, collaboration with an experienced mentor who helped us set up an effective business model. This mainly involved creating partnership channels, which we had taken lightly at the beginning. We now have partners in some European countries and we are negotiating with new partners in New York and California. We are aware of how important it was to prepare for this process. The most important benefit was the knowledge that prepared us for the entry of an investor, as well as technical matters such as the investment agreement, acquisition, general meetings and boards of directors. In all these areas, our mentor helped to open our eyes and to be well prepared for the entry of an investor.

Which of the offered consulting services did you use in particular?

Consultations and mentoring in the area of forming the business model, partnership channels and preparation for the entry of an investor. Our mentor also opened up certain segments of the market for us which we would not have reached without his help.

What fundamentally changed for you after completing the project?

In September 2015 we signed an investment agreement with Y Soft Ventures, expanded our development and sales capacities and rolled out a partnership programme. We now have products in thirty-one countries around the world and we are penetrating new business segments.

Why did you get involved in making real-time locating system (RTLS) products?

Because there is strong interest in them. Sewio's solution uses data from precise localisation and wireless sensors which help to find, protect, optimise and inspect the things on which the most depends – people, devices and property. These are finding uses in the full range of industrial sectors, including the automotive and mining industries, warehousing, logistics, entertainment, retail and healthcare.

What was the principal benefit for you?

The possibility to join with capable and experienced people. Specifically mentoring from CzechInvest, participation in the JIC Master programme and, mainly, Smart Money from Y Soft Ventures, which not only brought us financial capital, but primarily opened the door for us to every person in that company.

How is your business doing?

There are now eleven of us in the company. At the time of CzechInvest's project, there were only four. We relocated to JIC in Brno, expanded our company premises, completed a new version of the RTLS product and we are strengthening our sales activities. We are mainly striving to build high-quality partnership channels in Europe, the United States and Asia.

What do you consider to be your greatest success.

We have put together a team of perfect people who believe in what they are doing and live for it. We consider the entry of an investor, opening of partnership channels and starting cooperation with globally known technology companies to be successes as well.

Do you have any specific example of where your products are now being used? Have they been used, for example, to save human lives or have they helped to resolve a serious situation.

Mainly pilot projects are currently running elsewhere in the world. This involves handling the issue of security in logistics. We are striving to prevent collisions of forklifts and people. In 2013, nearly 100 people were killed and 19,500 injured in forklift accidents in the United States alone. We are also working on systems for automatic shutdown of mining machines based on the precise location of workers.

support for small and medium-sized enterprises



CzechAccelerator

This successful project was intended for innovative Czech small and medium-sized enterprises that wanted to develop their business plans in global technology centres and to seek out strategic and investment partners and business contacts abroad. The project was officially commenced on 9 March 2011 and ended on 30 June 2015.

CzechAccelerator supported small and medium-sized enterprises operating in the fields of biotechnology, ICT, life sciences, medical technology, clean technologies, nanotechnology and precision engineering. Such small and medium-sized enterprises gained experience at innovation centres in Silicon Valley, Boston and Singapore.

Thirty-nine companies participated in the six calls of the CzechAccelerator project and undertook a total of 42 residencies in the foreign destinations. Most of the companies were in the ICT sector and their most popular destination was Silicon Valley. The total costs of the project amounted to CZK 23,310,482.20.

support for small and medium-sized enterprises

EDUCA Global Grant

EDUCA Global Grant was implemented within the Operational Programme Human Resources and Employment (OPHRE), which was financed from the European Social Fund. The main purpose of support from EDUCA Global Grant was to contribute to increasing the competitiveness of business entities in selected economic areas by raising the level of qualifications, professional skills and knowledge of both employees and employers. EDUCA Global Grant was focused primarily on specific education (i.e. qualifications which are non-transferable or which are transferable only in a limited extent to other companies and sectors). Supported activities included particularly professional and vocational training of employees and employers, formulation of company training programmes for employees and preparation of company instructors. Other activities of a general character, such as training in the areas of soft skills, language education and IT skills, commercially available accounting and company information systems, etc. could also be supported. However, the costs of these activities could not exceed 20% of the budget. Eligible costs included especially personnel costs of the implementation team, purchase of facilities and equipment, purchase of services and direct aid for employees (wages, travel costs, dining costs, accommodation). Aid could be drawn either within the de minimis regime or in the form of a block exemption, whereas 100% of eligible costs can be claimed within the de minimis regime, while within a block exemption the aid amount depends on the size of the enterprise (25%–45% of eligible costs).

Four calls of EDUCA Global Grant were issued in the period from 2009 to 2015. A total of 466 project applications with the total amount of CZK 1,442.5 million were supported. A total of 441 project applications were implemented and, based on payment applications, CZK 1,182 million was disbursed, representing 87% of the actual allocated amount.

overview of accepted and supported project applications within EDUCA GG

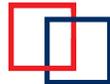
name of programme	number of received project applications	amount (CZK)	number of supported project applications*	amount (CZK) *
Call I	347	986,131,715.87	105	295,115,136.01
Call II	462	2,034,499,419.78	189	775,458,769.29
Call III	386	1,164,230,572.31	80	188,244,622.27
Call IV	300	701,827,128.84	99	206,680,196.13
EDUCA Global Grant	1,495	4,886,688,836.80	466	1,465,498,723.70

*The data do not include reductions in connection with selection committees and withdrawals from the project on the part of recipients; the actual allocated amount is thus CZK 1,357,738,548.00.

support for small and medium-sized enterprises

internal projects

CzechLink



CzechLink

The CzechLink capital-participation project functions as a platform connecting firms seeking investors with investors considering capital entry into a local enterprise. The project facilitates introductory discussions on capital entry between Czech entities and foreign companies. Within the project, an internationally comprehensible financial analysis is prepared together with a description of the characteristics of the given company's business. Local manufacturing companies and firms engaged in software development are subsequently registered as investment targets for a period of one year.

Twenty-five Czech companies were registered in the project in 2015. The biggest participant achieved turnover of approximately CZK 512 million. Of the companies that were seeking an investor as at 31 December 2015, roughly 68% of them had up to 100 employees.

Stronger interest in Czech investment targets was expressed by 12 investors, with which CzechInvest signed confidentiality agreements. CzechInvest provided to these companies 26 brochures of Czech companies. The aforementioned investors were from Germany, Spain, Italy, South Korea, Japan, France and Switzerland.

Thanks to the project, a business alliance was formed between the Norwegian company Flebu and a CzechLink participant.

The quarterly M&A Report, an online publication focused on the mergers-and-acquisitions market, celebrated its third successful year. Thanks to its informational factualness, M&A Report is enjoying growing popularity among the expert public both in the Czech Republic and abroad. German companies comprise the largest number of foreign subscribers.

support for small and medium-sized enterprises

internal projects



start-ups

In 2015, CzechInvest established the new Start-Ups Department, which is responsible for supporting newly established, promising small technology companies and generally aiding the development of the start-up ecosystem in the Czech Republic and thus also the economic development of the country as a whole. In connection with this support, CzechInvest, together with other partners, launched the country's only official start-up hub at www.czechstartups.org in autumn 2015.

CzechInvest was present at the inception of cooperation of the Visegrad Four countries, which in 2015 was sealed with the signing of the Memorandum of Understanding for Regional Cooperation in the Areas of Innovation and Start-ups. In connection with this cooperation, two joint events were held in 2015 in Silicon Valley, where start-ups from Central Europe presented themselves to local investors.

In 2015 CzechInvest also worked intensively on the preparation of a new project to support start-ups, which is to be launched in the course of 2016 and for which financing from OPEIC is anticipated.

marketing and communication

provision of information pursuant to Act No. 106/1999 Coll.

In 2015, CzechInvest received a total of 33 requests for information, of which 27 were issued replies, three were given partial replies and three were rejected. An appeal was issued in one case.

The requests were mostly focused on more detailed information pertaining to aid for projects within the Operational Programme Enterprise and Innovation and the Holešov industrial zone.

CzechInvest and the media

CzechInvest issued a total of 21 press releases in 2015. The prevailing topics of the press releases were the Czech investment environment, particular investment projects of Czech and foreign firms, and support for local businesses from EU structural funds, as well as the winners of the Business Project of the Year 2014 competition and other domestic and international events organised by CzechInvest in 2015.

Over the course of 2015, the Communication Department replied to 179 enquiries from the media. Journalists from national and regional television, print, radio and online media were interested in the circumstances of Foxconn's investment in the Czech Republic as well as the investments undertaken by Nexen Tire and Hyundai Mobis, and current information on investment incentives, business properties, brownfields and industrial zones. CzechInvest's projects, especially support for start-ups, comprised another significant topic in the media.

overview of press releases issued in 2014

date	title
6 Feb. 2015	Czechs study languages but do not use them extensively
25 Feb. 2015	CzechInvest opens foreign office in South Korea
17 Mar. 2015	CzechInvest CEO meets with American investors in Washington
24 Mar. 2015	CzechInvest leads in number of investments in Central Europe
27 Mar. 2015	CzechInvest wants to cover support for start-ups in the Czech Republic
27 Mar. 2015	Japanese investors meet with representative of the Czech government
13 May 2015	Second annual Investment Week presents business support from Europe funds and new legislative aspects
15 May 2015	Czech aviation firms discuss possible cooperation in the United States
28 May 2015	Nexen Tire named Investor of the Year 2014
12 June 2015	CzechInvest presents Czech start-up companies to investors
25 June 2015	Investment forums recognise the most successful start-ups in the CzechEkoSystem project
26 June 2015	Accompanied by CzechInvest, Czech researchers visit Mexico
14 July 2015	Initial OPEIC calls halfway through – CzechInvest provides advice on submitting applications
16 July 2015	During 18 months in office, Bohuslav Sobotka's government has gained 196 new investment projects worth nearly CZK 108 billion
7 Sept. 2015	In Brno, CzechInvest will focus on European aid and subcontractors
16 Sept. 2015	Czech and Japanese firms meet at reverse trade fair
1 Oct. 2015	Tsubakimoto investing CZK 440 million in Kolín
14 Oct. 2015	Pfizer financial centre in Prague celebrates one year since its establish and plans further growth
15 Oct. 2015	Czech nanotechnologies presented in Brussels
9 Nov. 2015	Thirty Czech firms win Business Project of the Year 2014 awards
13 Nov. 2015	CzechInvest opens Investment Academy

2015 in figures

number of Facebook posts	296
number of Twitter posts	130
number of LinkedIn posts	110
videos on YouTube	60
number of press releases	21
number of requests for information pursuant to Act No. 106/1999 Coll.	33
number of media enquiries	179
number of marketing events	488
number of media outputs	3 331

	media enquiries in 2015	media outputs in 2015
January	16	135
February	13	318
March	25	449
April	5	175
May	21	239
June	14	419
July	10	217
August	20	266
September	20	265
October	14	275
November	15	300
December	6	273
total	179	3,331

marketing and communication

significant events

A New Era of State Aid in the Czech Republic

In connection with Investment Week, a conference titled A New Era of State Aid in the Czech Republic was held on 28 May 2015. The main topics of the event were new aspects of the Investment Incentives Act and the new Operational Programme Enterprise and Innovation for Competitiveness 2014–2020. The afternoon programme contained a roundtable discussion about the country's visa policy, the Building Code and the Environment Impact Assessment Act. Those appearing at the conference included representatives of CzechInvest, the Ministry of Industry and Trade and other ministries and selected investors. The afternoon conference was commenced with an opening address by Prime Minister Bohuslav Sobotka, who had previously attended a luncheon with selected foreign investors, Minister of Industry and Trade Jan Mládek and CzechInvest CEO Karel Kučera.



marketing and communication

Investor and Business Property of the Year 2014 awards ceremony

Investment Week culminated with the fifteenth annual Investor and Business Property of the Year awards. Together with the Association for Foreign Investment, CzechInvest presented awards for thirty major investment projects and business-property projects undertaken in 2014. The event was held under the auspices of Minister of Industry and Trade Jan Mládek, who also presented an award to representatives of the South Korean company Nexen Tire.



investors' forums of the CzechEkoSystem project

Forums of investors were held at the end of June 2015 in Brno and Prague. Selected start-ups from the CzechEkoSystem project participated in the events, where they had a unique opportunity to present their business plans and address investors who could assist them in their further development. In Brno, the presentation receiving the most interest was that of MonkeyData, a developer of an analytical tool for e-shops. In Prague, an information portal supporting small local firms in regions from the start-up SPINDO received significant interest. An expert jury evaluated a total of six participating start-up firms, three in Brno and three in Prague.



marketing and communication

International Engineering Fair 2015

CzechInvest took part in the International Engineering Fair in Brno during the third week of September. The agency exhibited at two stands, where consultations and an offer of industrial properties were made available to visitors. The accompanying programme featured a seminar titled Possibilities of Financial Support for Projects within OPEIC, which received tremendous interest from attendees. A block of lectures was heard by 170 visitors in the full conference hall. The Japanese Component and Material Buyer's Exhibition, a successful "reverse trade fair" organized by the Japanese trade agency JETRO, was also held with the objective of bringing suppliers from Central and Eastern Europe together with Japanese customers. More than 126 business meetings between Japanese manufacturers and local suppliers were conducted during the event. CzechInvest assisted JETRO with the selection of the participating Czech companies.



Business project of the Year 2014

CzechInvest and the Ministry of Industry and Trade of the Czech Republic presented awards for thirty business activities during the Business Project of the Year 2014 awards ceremony. A jury selected the award-winning projects from among those that successfully drew European funding last year from the Operational Programme Enterprise and Innovation (OPEI) 2007–2013 of the Ministry of Industry and Trade. OPEI was focused on supporting the development of Czech industry and related services, as well as innovation and introduction of research and development results into practice.

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