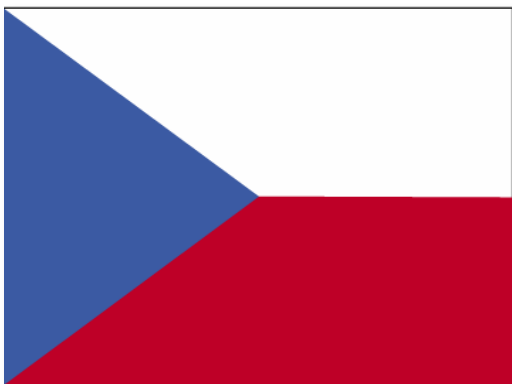


# THE CZECH REPUBLIC – IN THE HEART OF EUROPE

## FACT PACK SUMMARY 2010



## KEY FACTS

- **Population:** 10.5 million
- **Area:** 79,000 sq km, i.e. one fifth of Sweden
- **Government type:** Parliamentary democracy
- **President:** Vaclav Klaus (*since 2003*)
- **Prime Minister:** Petr Nečas, ODS (*ODS in coalition with VV and Top09 since June 2010*)
- **Language:** Czech
- **Currency:** Czech koruna, CZK (1 € ~25 CZK)
- **Major cities:** Praha, Brno, Ostrava and Plzen
- **GDP:** 135 billion EUR
- **GDP per capita in PPP:** ca 20 200 EUR
- **GDP structure:** Agriculture 2%, Industry 38%, Services 60%



## CZECH REPUBLIC COUNTRY FACT PACK – A SUMMARY

- The STC is present in Prague since the early 1970's and is assisting Swedish companies with everything related to international business development; from comparative country analyses and partner searches to recruitments and kick-off events.
- The Czech Republic is a small, densely populated country with large regional differences when it comes to costs and salaries, which makes it interesting for both sourcing and sales.
- The main trading partner is Germany, followed by Slovakia, Poland, and France.
- Sweden is ranked among the top 10 investors. Major investments have over the years been made by IKEA, Sandvik, H&M, ABB and Skanska, to mention a few.
- The trade balance between the Czech Republic and Sweden is since a few years back dominated by the Czechs, mainly due to large exports of machinery and cars – and beer of course.
- Fast GDP growth since 2002 and stable price levels – 2008 inflation jump due to increased VAT and food prices. The global crisis has hit here as everywhere else, but recovery is expected during 2010.
- Formal practices and personal connections are important features of Czech business culture. The knowledge of English is growing more widespread but will be lacking for quite some time still.
- Swedish managers are generally positive towards doing business in the Czech Republic, but emphasize that local knowledge and support are usually crucial for success.
- Corruption is still a problem, but mainly in larger state tenders.
- Provisional government since April 2009, a right-wing coalition will be created after May 2010 elections

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