

EXPORT Strategy

of the Czech Republic

2023 - 2033

Strategy for export
promotion and
the internationalisation
of companies



MINISTRY OF
INDUSTRY AND TRADE

Table of Contents

1.	Introduction	5
1.1.	Transformation of the Czech economy: the Czech exports perspective.....	5
1.2.	The Czech Republic as an open economy	6
1.3.	Changes and trends affecting the shape of world trade	6
2.	Vision and mission of export strategy	10
2.1.	Vision of export strategy	10
2.2.	Mission of export strategy	10
3.	Objectives of the export strategy	12
3.1.	Global ambitions of companies	12
3.2.	Better position in the GVC	12
3.3.	Diversification.....	13
4.	Ecosystem and environment	14
4.1.	Internal ecosystem	14
4.2.	Actors of the internal ecosystem	15
4.2.1.	.....Ministries	15
4.2.2.	.....Institutions and departmental organisations.....	17
4.2.3.	.....Business representations and industry associations.....	18
4.3.	External environment.....	19
4.3.1.	.....Developing the EU internal market	19
4.3.2.	.....Trade policy and free trade areas	19
4.3.3.	.....Bilateral trade relations	20
4.3.4.	.....Foreign development cooperation	21
5.	Services and capital	23
5.1.	Services.....	23
5.1.1.	.....Information	23
5.1.2.	.....Education.....	23
5.1.3.	.....Marketing.....	24
5.1.4.	.....Assistance and consulting services.....	25
5.2.	Capital	27
5.2.1.	.....Development of companies	27
5.2.2.	.....Export financing and insurance	27
5.2.3.	.....Investments abroad.....	28
6.	Annexes	30
	List of abbreviations used	30
	Measures and responsibility	32



1. INTRODUCTION

The Export Strategy of the Czech Republic 2023–2033 is being devised at a time influenced by two major world events – the SARS-CoV-2 pandemic and Russian aggression in Ukraine. In 2020, global GDP fell by the most since the Second World War, and the Czech economy experienced the strongest decline in economic activity since the country's independence. The subsequent global recovery in 2021 has translated into an acceleration of trade flows. However, new problems were brought about by the Russian aggression, which exacerbated the unavailability of some commodities (e.g., energy) and contributed to inflation and indebtedness in many countries. The world economy is therefore facing a number of additional risks and turbulences.

However, the export strategy needs to think in a longer-term context. Some of the trends of recent decades are changing our understanding and the form of the “traditional” international economic and trade relations. The global mega-trends that will increasingly influence the operations of Czech exporters and investors on global markets and will also bring about changes in consumption habits include the rapid demographic ageing of many major economies, the expansion of the middle class, the extremely rapid urbanisation in the developing world, climate change and the “Green Deal” at the EU level, as well as other environmental requirements in other developed countries and pressure on the overall sustainability of global development. New business opportunities and risks will also be brought to exporters by the accelerating technological development associated with the so-called fourth industrial revolution, which is manifested, among other things, by strong pressure on advanced digitalisation and automation. These changes are transforming traditional business models and can increase productivity, optimise supply chains and improve customer experience, but they also require investment and upskilling of the workforce. The pandemic and the war conflict are further modifying these trends, so we can expect other changes, in terms of global value chains, associated with pressure to relocate and reshore parts of production back to Europe and other regions, or the diversification of resources and the search for reliable partners. Similarly to other developed countries, the Czech Republic has a well-developed system of business support for companies whose activities create prosperity in society, which is reflected in the rising standard of living. A comprehensive approach

and continuity of individual elements is essential for the sustainability and effectiveness of the whole system, which consists of many more or less interconnected schemes concerning support for regional development, SMEs, innovation or individual segments of the economy.

A strong focus on supporting innovation and the development of products and services contributes to the competitiveness of Czech companies and building the Czech Republic as a knowledge and technology centre. This provides support at the upstream end of the value chain where high added value is created. Significant added value is also created at the end of the chain, in the marketing, sales and promotion of products and services on foreign markets. The orientation of export promotion in the same direction, as well as the interconnection and balancing of individual support systems, help ensure the effectiveness of the funds spent on supporting science, research and innovation and its increase. The export strategy, which forms the framework of the pro-export policy, is set in this context. Its ambition is to build a complex ecosystem that contributes to increasing the added value of products and services and thus the export revenues of Czech companies operating in foreign markets and improving the overall level of internationalisation. The whole ecosystem is guided and managed by other conceptual documents, which the export strategy builds on. These include the Innovation Strategy, the National RIS3 Strategy, the Strategy to Support Small and Medium-Sized Enterprises in the Czech Republic for the period 2021–2027 as well as the Concept of the Foreign Policy or the Development Cooperation Strategy and others. The export strategy complements this strategic framework with a trade dimension. It identifies areas of support for strategic direction, defines measures and tools for the implementation of the set objectives and the achievement of goals.

1.1. Transformation of the Czech economy: the Czech exports perspective

The share of exports in GDP in 2022 was almost 75%. At the beginning of the second decade of the 21st century, however, the **need for the structural transformation of the Czech economy** became even more apparent. Due to the post-revolution development and the need for foreign

investment, which initially benefited from cheap input costs (including labour), the country has become a so-called **dependent market economy**, significantly integrated into global value chains and production networks with exports mainly to EU countries. Integration, however, was more pronounced at the lower levels of value chains, focused mainly on the production of intermediate goods for export, and was also largely dependent on **foreign inputs**. Although the Czech Republic is focused on a wide range of products with a **high share of more technologically demanding products** and has been ranked 6th-7th in the Atlas of Economic Complexity in recent years, it has a lower share of value added in its exports compared to the average of developed economies.

The share of Czech domestic value added in exports stood only at around 58% in 2018, while in Germany it was as high as 77% (OECD 2021). Other Visegrad countries have similarly low domestic value added in exports, with the exception of Poland, which has a larger market and a partly different export structure. In addition to their position in supply chains, one of the main reasons for this is the relatively **low share of services** included in exports of goods in these countries, which is related to their lower innovativeness.

The continued diversification of the economy is linked to the development of production and export of new complex products (e.g., electronics, aerospace, smart energy solutions, medical devices, specialised engineering or road machinery), the production volume of which is still relatively small but has the potential to increase the total income (or GDP/capita) in the economy. In the future, it is therefore recommended to further **increase the level of innovation** and systematically develop completely new complex products. This is also necessary in view of the long-term **increase in labour costs**, leading, among other things, to a weakening of the Czech Republic's comparative advantage.

When evaluating exports, it is therefore not appropriate to look only at their growth or share in global trade, but to evaluate the growth of value added in Czech exports and the creation of positive economic value added (EVA) by native companies in the Czech Republic.

1.2. The Czech Republic as an open economy

Today, the Czech economy is one of the **world's high-income** and most **open export-oriented economies**. The openness and export orientation of the Czech

economy brings a large number of advantages, such as faster growth of exporting companies (according to a Canadian study by Deloitte, exporting companies grew up to twice as fast after the financial crisis and their revenues were as much as 121% higher than those of non-exporting companies), their higher innovativeness and profitability, or their greater resilience to fluctuations in economic cycles. Higher competition also brings benefits to the Czech consumer in the form of greater choice and downward pressure on prices.

On the other hand, it is also necessary to mention the **risks** associated with the high openness of the economy. These include the high **dependence of exports on one or few territories** and thus on their economic development. The Czech Republic currently exports around 80% of its total exports to the EU, of which more than 30% to Germany. In view of the size of the EU and German economies, this is logical and it is important that trade within the EU and with Germany is further developed. However, we need to push into other markets and reduce the risk of this dependence. It cannot be merely a question of focusing on a few non-European countries, but instead we should search for sectoral opportunities in individual markets. Consideration must also be given to the distribution of risk in terms of the exposure of government budgets to economic shocks and geopolitical changes, as well as in terms of insurance and credit exposures in these markets. Another risk is **import dependence** on one or a few suppliers. The new strategy therefore needs to take into account increasing the resilience of the Czech Republic in terms of supply chains.

The Czech Republic, as an open economy involved at the lower levels of supply chains, often has no control over the **pricing of individual products** or is forced to **use technologies developed abroad**, resulting in insufficient profits and a lower contribution to the government budget. This again indicates the need for the aforementioned transformation of the Czech economy.

1.3. Changes and trends affecting the shape of world trade

Global trends have been accelerated since 2020 by the coronavirus pandemic and Russian aggression in Ukraine. In addition to accelerating individual trends, these crises have also highlighted some of their specificities. The first of these specificities, which is pervasive in all areas, whether it be the diversification of supply chains and the relocation of production, digitalisation or securing energy and raw material resources,

is **strategic security** (see also, for example, the new Security Strategy of the Czech Republic). The second is **increasing resilience in key strategic sectors** such as health, defence, energy and agriculture. Trends affecting world trade and shaping the environment for the export strategy

include **geopolitical, climate and environmental, technological and demographic, population and social trends**. These trends are described below in terms of export opportunities or threats and will be important in the approach and planning of long-term operations in individual territories.

GEOPOLITICAL TRENDS	
<ul style="list-style-type: none"> Political and economic factors affecting trade relations and the search for reliable partners The contrast between continued globalisation (the deepening of mutual trade benefits) and restrictive and protectionist measures in the interests of individual regions Changes in supply chains and related relocation and reshoring of part of production to the EU and intense competition for mineral resources Digital, raw materials, energy and food security The changing role and status of international institutions (WTO, UN, IMF, NATO, etc.) 	
Opportunities	Threats
<ul style="list-style-type: none"> Creating new customer-supplier relationships Changing global economic centres of gravity (China versus India versus the US and US-EU relations, etc.) Taking advantage of more advanced regional trade agreements and renegotiating existing trade agreements to adapt them to current needs Setting the role of international institutions Exploiting the potential of digital commerce 	<ul style="list-style-type: none"> Securing production inputs (energy, raw materials and others) Change in the political situation and disruption of customer-supplier relations Dependence on unstable and hostile regimes Protectionist and restrictive measures in individual economies. Inconsistent application of internal market rules and regulation and frequent changes The politicisation of trade with third countries and its abuse to achieve one's own political goals Limited enforcement of WTO rules

DEMOGRAPHIC, POPULATION AND SOCIAL TRENDS	
<ul style="list-style-type: none"> Continued population growth and demographic ageing of the world population Strong growth in urbanisation, declining poverty rates and the rise of the middle class in the developing world, including dynamically increasing demands for raw materials and energy resources Increased migration and geographical mobility Changing consumer habits (shopping habits, online services and security) 	
Opportunities	Threats
<ul style="list-style-type: none"> Specialised products and services for the elderly (silver markets) Modernisation and construction of cities and related areas, transport and infrastructure Smart technologies in expanding cities Quality education in countries with a strengthening middle class – developing the export of educational services Services and technology for the expanding middle class E-commerce and security of the supply of goods and services Shared economy 	<ul style="list-style-type: none"> Different consumption structure Slow response of manufacturers to the changing consumption patterns of an ageing population Labour shortage in the Czech Republic Declining overall savings and investment rates in the economy due to demographic ageing Health risks in rapidly expanding cities Social and political instability, the polarisation of society Possible tensions and unrest in some regions and the need to hedge against these risks, hence increased costs for exporters Lack of labour market adaptation to the employment of older workers, problems with upskilling and reskilling

CLIMATE-ENVIRONMENTAL TRENDS	
<ul style="list-style-type: none"> Increased demand for sustainable and environmentally friendly production Growing willingness of consumers to buy more expensive and environmentally friendly products and services, especially among consumers from European and other high-income countries Setting up production and logistics processes in companies and other principles with regard to environmental impact Tightening limits and requirements on production/products and service offerings 	
Opportunities	Threats
<ul style="list-style-type: none"> High/growing demand for energy-saving technologies, green products on global markets, etc. The Green Deal and its associated technological requirements New government and European programmes and strategies to develop the green economy, savings, etc. New mobility 	<ul style="list-style-type: none"> Rising costs associated with sustainable and environmentally friendly production Concentration of raw material resources for new technologies Different approaches to environmental issues in different regions and reduced attractiveness of Europe for investors due to overregulation The need to insure against the effects of extreme weather events in Europe and abroad, additional financial costs for producers and exporters New diseases, outbreaks, pandemics Climate migration

TECHNOLOGICAL TRENDS	
<ul style="list-style-type: none"> Increasing the complexity of technological development (especially big data, artificial intelligence, blockchain, the Internet of things, cloud computing, etc.) Pressure for further digitalization, increased automation or robotisation Development of AI and its use in various areas of production and services Increasing emphasis on ensuring safety in the use of new technologies 	
Opportunities	Threats
<ul style="list-style-type: none"> Production flexibility, cost savings, new product development, etc. Automation and digitalisation of production and other processes New service offerings, remote access and operation, e-commerce Integration of cross-sector solutions New government or European programmes and strategies to develop innovation, artificial intelligence, etc. Born globals and the opportunity for companies to push innovative and novel ideas Integrated presentation of innovative industries in the combination of innovative companies and universities, spin-offs EU cooperation in third markets to promote partnerships in innovative areas 	<ul style="list-style-type: none"> Rising cyber risk levels High financial costs associated with the introduction of innovations Possible disappearance of traditional and inflexible production Slow response to rapid technological development – lack of well-trained workers Slow progress in the digitalisation of the Czech economy Limited financial resources of Czech SMEs for the implementation of advanced Industry 4.0 technologies Critical technology transfer risk Third country protectionism in emerging technologies and efforts to build domestic capacity

CONCLUSIONS

- » Finding and supporting new national champions in the context of internationalisation (export and investment abroad) capable of delivering complex solutions and products/services with high added value as an integrator or in higher positions of value chains.
- » Support for the permanent presence of Czech companies in foreign markets.
- » Facilitating collaboration to offer complex solutions across sectors and to find new innovators and support their global ambitions.
- » Reducing barriers to entry into foreign markets, especially for start-ups and SMEs in terms of information and financial barriers (internationalisation).
- » Working to improve the functioning of the WTO and the enforcement of international trade rules.
- » Support for start-ups, SMEs offering unique products and (niche) solutions that are highly competitive in challenging markets with high added value even beyond integrated solutions.
- » Diversification and the search for reliable partners both on the customer and supplier side. Eliminating the risk of trade dependencies being used to pressure for changes in policy decisions.





2.

VISION AND MISSION

2.1. Vision of export strategy

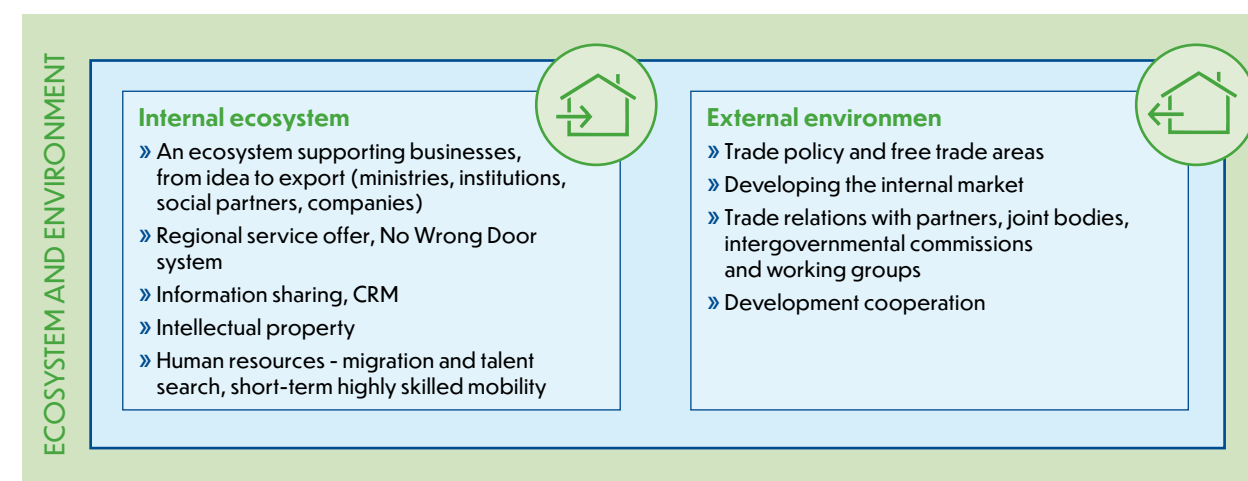
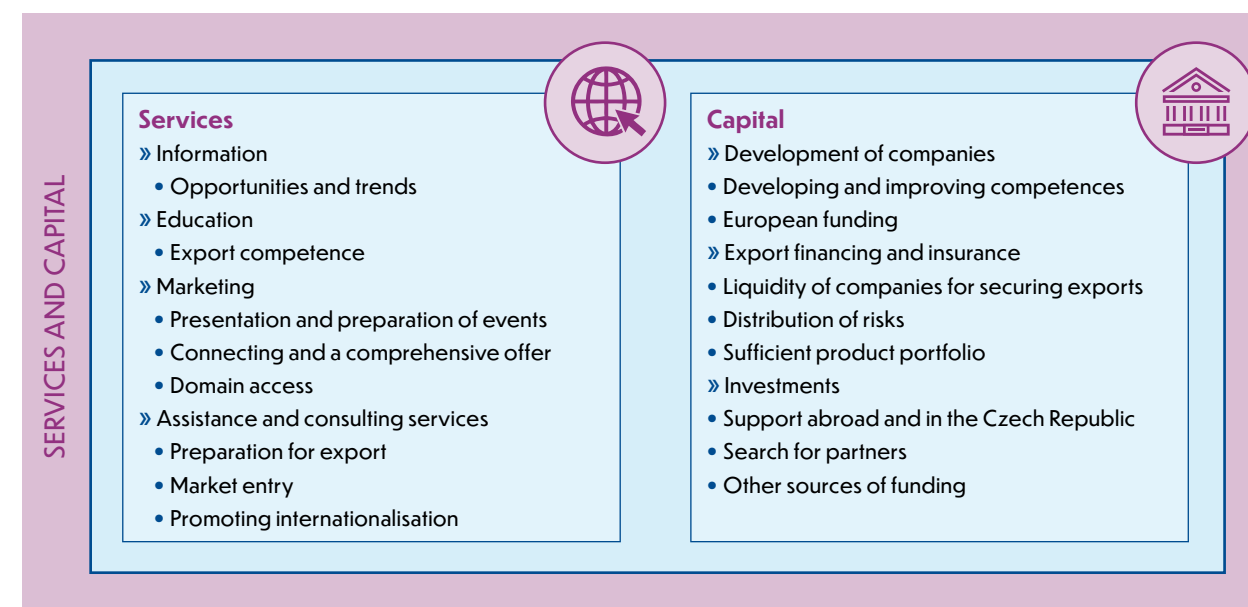
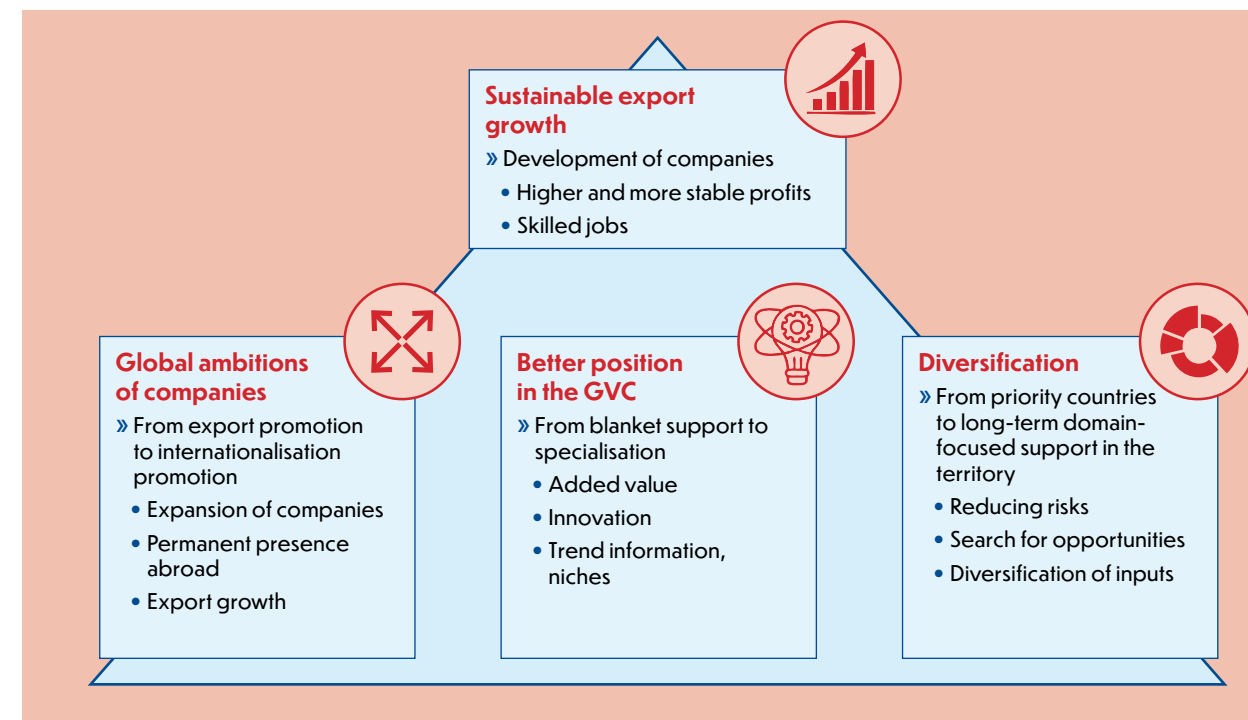
From a subcontractor to a complete solutions provider

The new concept of state support for exports represents a shift towards a focus on quality, which is expected to ensure long-term sustainable export growth. Czech companies are not only an indispensable link in global value chains, but they are moving into positions that integrate the individual links of these chains. In addition to supplying traditional quality products and services, Czech companies offer and supply final products, specialized complex solutions and functional units, or strengthen their ability to integrate the offer of other subcontractors.

2.2. Mission of export strategy

From the provision of individual export promotion services to a comprehensive approach in the government's service offering

The mission of the export strategy is to stimulate Czech companies to develop their innovation and export potential and the related competences, competitiveness and ability to succeed in foreign markets, i.e., to increase the added value and economic profit of Czech companies and to encourage their global ambitions. The key is a functional and sector-specific setup of an export promotion ecosystem that can effectively offer Czech companies support at any stage of their development – from the idea to the launch of a product/service on the global market. This is linked to support for the transformation of the Czech economy into a knowledge-based economy. The export strategy contributes to reducing the risk of external geopolitical/geo-economic threats while supporting informed corporate decision-making.





3. OBJECTIVES



3.1. Global ambitions of companies



OBJECTIVE: INCREASE THE INTERNATIONALISATION OF CZECH COMPANIES

From export promotion to internationalisation promotion

State support for exports focuses not only on the exports of Czech companies, but on their **overall internationalisation**, which is beneficial for the Czech economy. The crises triggered by the pandemic and the war in Ukraine have confirmed that companies in a more advanced stage of internationalisation can respond more flexibly to changes, trends and turbulence. Companies operating directly in foreign markets are therefore **more resilient to external negative influences**.

Despite the rapidly developing digitalisation and the advancing 4th industrial revolution, companies need to be closer to the customer. This is shown, for example, by the trend of relocation of production or the offer of localised products including services (servitisation). Product and subcontract logistics are being optimised in terms of cost and carbon footprint reduction and the use of energy efficient areas for production. Internationalisation is also desirable in the context of the current trend of ageing populations in high-income and other countries, as well as the growing middle class in emerging markets (especially Asia) and increasing purchasing power in the developing world. It will be increasingly important to operate in these markets and to further develop and consolidate our position.

From the perspective of SMEs, it is primarily about **establishing a presence in foreign markets with the potential for further growth**. For larger companies, there may be other, more complex forms of internationalisation, ranging from the establishment of subsidiaries to joint ventures and other capital injections. The involvement of companies in various international alliances can also contribute to the greater internationalisation of companies. Emphasis will therefore be placed on the development of services to facilitate the

permanent presence of Czech companies on foreign markets. In the area of capital, it is about the development of financial instruments in the area of investment entry into foreign markets, and in the area of services, it is about incubators and specialised market entry assistance services. These main tool areas will be complemented by information on opportunities, marketing support and, last but not least, human resources - training of staff or finding local resources.

3.2. Better position in the GVC



OBJECTIVE: INCREASE THE COMPETITIVENESS AND INNOVATIVENESS OF CZECH EXPORTS

From blanket support to specialisation

The expansive view of the pro-export policy, i.e., supporting growth in the number of exporting companies and increasing the volume of exports, remains relevant, but the new strategy needs to **focus more on the qualitative aspect of exports** and their overall sustainability. **Competitiveness based on ideas and quality**, as opposed to competitiveness based on lower costs, is sustainable in the long term. Innovative companies are better able to adapt to changing global trends and at the same time **respond flexibly by adapting their existing product portfolio or offering new goods and services**.

Increasing the competitiveness of Czech companies, their products and services should be primarily **the result of higher innovativeness**, i.e., the ability to produce and export more sophisticated or unique products (and services). Despite the high complexity of the Czech economy, the area of innovation is crucial in two aspects. The first is related to the **strong position of Czech companies within supply chains**, where, although they are not integrators, they are highly specialised and difficult to replace. The second aspect is the **potential for companies to become integrators**, which state support must contribute to.

Czech **exporters** would thus become **suppliers of unique final products and services or complex products high up in value chains**. It is in this direction that we need to increase the number of innovative exporters, including **start-ups and "born global" companies**. There are also a number of domestic companies that are very successful on foreign markets, but are not well known (hidden champions) and often use niche markets. These companies can then serve as inspiration for other exporters and as a source of **best practices**. It is necessary to focus on **companies that can find cross-cutting solutions** and create so-called functional units. These are companies with the ambition to become an integrator in areas such as new mobility, energy solutions, smart cities, food security, health, defence, raw material security or can combine these areas into complex solutions.

Thus, there is an expansion and shift from the traditional sectoral view **to the so-called domain approach**. Technology domains represent a cross-cutting dimension that permeates and connects traditional sectors. Examples of these domains are advanced manufacturing processes and materials (3D printing), artificial intelligence (autonomous driving), circular economy or smart solutions (smart cities). The development and set-up of tools must be in line with this. For example, in the services sector, this may involve the facilitation of cooperation between individual companies within a domain, or the joint marketing of a given solution abroad. Furthermore, the marketing of strong sub-sectors in which the Czech Republic can present itself as a leader and reduce barriers to entry into third markets through joint promotion and branding must complement the support of closely interlinked functional units.

3.3. Diversification



OBJECTIVE: INCREASE THE DIVERSIFICATION OF CZECH EXPORTS

From non-targeted diversification to long-term sectoral support in the territory

To minimize risks, an exporting company must expand its portfolio of target markets - diversify, which contributes to increasing the resilience of the Czech economy. Diversification is also closely linked

to the goal of moving Czech companies into better positions within value chains. Czech companies, in their role as suppliers of final or unique products, complex solutions or investment units, have greater opportunities to **diversify their exports to third countries**.

In the case of the supply of **final products**, the so-called emerging markets are interesting for targeting export promotion, since their **purchasing power will grow over time**, not only in quantity, but also towards more sophisticated products and related services. At the same time, however, **low-income countries should not be neglected**, where there are many business opportunities for Czech companies in the area of infrastructure development. In addition, these activities can **be combined with development aid**. However, diversification should also take place within the EU, and the ability of Czech companies to integrate individual solutions should help in the same way.

The task of export promotion is to prepare the best possible conditions for companies in third countries, which often offer interesting export opportunities and business potential. It will focus on opportunities arising from the demand of foreign partners and the ability of Czech companies to offer tailor-made solutions. In individual territories and specific sectors, it is then necessary to continuously operate and build the position of Czech companies. This is possible thanks to the **project approach** within the framework of pro-export promotion and planning of individual actions that are logically linked to each other and **pursue long-term goals** - a combination of a territorial and sectoral approach. Consultations with business representations and industry associations will be strengthened as needed for specific focus and action in a given territory. These will be complemented by the ongoing gathering of information from the corporate environment through regional contacts and through transparent direct communication so that strong emerging sub-areas are also supported.

The second area of diversification, which results from the current situation and is an important element of the **economic, raw material and energy security of the Czech Republic and the EU, as well as of supply chains, is the diversification of resources**. The strategic task is also to offer support to exporting companies in this area and to ensure security of supply.



4. ECOSYSTEM AND ENVIRONMENT



The **development of an internal pro-export ecosystem** will make it easier for Czech companies **to find their way around** the services offered by the state and facilitate the fulfilment of its global ambitions. It must shape the state's offer in such a way that **individual services and tools build on** each other, complement each other appropriately and do not create duplication. The ambition of the export strategy is to systematically identify and **address potential exporters** with an offer of support corresponding to their stage of development and readiness. Exporters must then be clearly and transparently informed in one clear source about the support instruments so that they can actively use the instruments, if necessary, without major barriers. Equally important is the **creation of conditions in the external** environment, i.e., in foreign markets. These include reducing administrative burdens, removing barriers, protecting rights in an international environment, using resources, and cooperating within the EU and with non-EU partners.

4.1. Internal ecosystem



Export promotion in a broader sense means comprehensive state support in the development of companies **from idea to internationalisation**. The **internal ecosystem** means the **process and systemic interconnection of individual system actors within the entire chain of downstream state services**. The contact points of all institutions involved must operate on the basis of the principle of "No Wrong Door". At any entry point, the company/client will receive an analysis of its needs and a customized process will be designed for the provision of individual support/services by the state.

The **principle of "No Wrong Door"** is based on coordinating managers in the individual institutions involved (departments, established organizations, etc.) who will be able to conduct a **basic needs analysis** with the company/client **and provide them with an offer of services/**

support not only from their own organisation but from all actors in the system. In order to increase the effectiveness of the system, these managers must be evaluated on the basis of actual service delivery not only within their own organisation but across the entire portfolio of institutions involved. This will ensure close coordination and cooperation between all actors. Considering the objectives of the export strategy, it is necessary that the system should include not only purely pro-export institutions that help companies to expand to foreign markets, but also organisations that ensure the development of companies in the Czech Republic, especially the development of new ideas, innovations and complex solutions. This creates **a system of the comprehensive offer of follow-up services at all stages of business – from innovation (idea), through development to expansion to global markets, including financing solutions for each stage**. The strategy thus responds to the demand of companies for easy orientation in the system and the availability of individual services. At the national level, it is about the efficient use of available resources.

The basic elements of the internal ecosystem can be built on the shared business support platform¹ with an expected extension to other actors. The coordinating managers of the participating institutions will share the needs of the companies in one **CRM system** and offer a portfolio of services of all participating institutions. This will also enable the **active search for clients, companies suitable for providing support, by the individual actors of the system**. The Client Centre for Export should also be integrated, which is the gateway to the Single Foreign Network² and to the services of entities participating in export promotion (services of the Ministry of Foreign Affairs, the Ministry of Industry and Trade and others such as the Ministry of Agriculture and the Ministry of Foreign Affairs). The BusinessInfo.cz portal should be a unified place for the online presentation of shared business support information, with clear and transparent content and an integrated presentation of all available pro-export tools of the state administration. Another important

¹The so-called Team Czechia - informal members of the platform are the Ministry of Industry and Trade, the Technology Agency of the Czech Republic, the Business and Innovation Agency, the CzechInvest agency, the National Development Bank, the CzechTrade agency, the Czech Export Bank, the Export, Guarantee and Insurance Corporation, and the CzechTourism Agency. Other actors involved should be the Ministry of Foreign Affairs (CDA, Czech Centres) and other ministries and institutions managed by them (e.g., the Ministry of Agriculture, the Ministry of Defence, the Amos agency and others).

²See the Agreement on Cooperation and Joint Action between the MIT and the MFA.

element of this system will be a **regional approach** (regional entry points) and close cooperation with business representations. It is important to contact and search for growing regional companies with global potential, which can receive information and offers of support/services from the state in this way. The Single Foreign Network then uses the outputs of part of the pro-export ecosystem in the Czech Republic and helps Czech companies to implement the final phase of export promotion – their application on foreign markets.

In the context of creating favourable conditions for the internal environment, two important topics in which Czech companies demand support from the state have long resonated. They are support in the area of **intellectual property protection** and creating conditions for ensuring an **affordable workforce in the Czech Republic**. These areas shape the internal environment and influence the competitiveness of the Czech economy. International industrial property protection is costly and places great demands on the expertise of emerging SMEs in particular. **For this reason, it is very important to consider the possibility of financial support for the protection of industrial property with export potential**. Its basic principles are based on the Support for Industrial Property Protection Concept.

The Czech labour market is struggling with a **shortage of skilled workers**, with the unemployment rate in the Czech Republic hovering around 2% in the long term and forecasts predicting a similar situation after 2030. Therefore, it is essential to look for other ways through which we will be able to provide the necessary workforce. In addition to supporting further education or retraining, **economic migration** is also an effective solution. It must motivate, except in specific selected sectors, the arrival of highly qualified workers and specialists with high added value for our economy in areas not offered by the labour market itself.

Another tool for ensuring a sufficient workforce is the **search for talent** through the promotion of the Czech Republic among university students and graduates and young talents. These can be projects such as Work in the Czech Republic (Talent Attraction), the national Czechia Alumni programme (maintaining contact, sharing cooperation offers) or work with digital nomads (CzechInvest, CzechTrade, CzechTourism and

Czech embassies). Foreign students at Czech universities can also be worked with with regard to the possibility of adjusting their knowledge of Czech companies, products and services. They can use this knowledge and relationship to the Czech Republic after returning to their countries of origin (target markets) and cooperate with Czech exporters. In addition to this, the possibility of exploiting the synergy effect of exporting educational services can be explored. All these programmes will reflect the current state of unemployment in the Czech Republic and will be modified according to the current situation.

The **coordination mechanism** of the involved actors at policymaking level will be based on the body used in the Export Strategy 2012–2020, i.e., the Steering Committee for the Implementation of the Export Strategy (Steering Committee). The body will meet at least once a year and will be chaired by a representative of the MIT. In addition to the ministries, representatives of business representations and, if necessary, representatives of implementing institutions of the state administration will also be invited. Inter-ministerial working groups, including sectoral ones, may be established on the recommendation of the Steering Committee.

4.2. Actors of the internal ecosystem

4.2.1. Ministries

When comparing export promotion models operating abroad, it can be stated that the export promotion system of the Czech Republic brings many advantages resulting from the different approaches of the institutions involved (diplomatic, business, agency, sectoral, territorial, client-oriented, foreign policy, etc.).

According to Act No. 2/1969 Coll., on the Establishment of Ministries and other Central State Administration Bodies of the Czech Republic, as amended (the Competence Act), **the Ministry of Industry and Trade is the guarantor of export promotion**, while specific tasks in the area of implementation are performed by the CzechTrade agency established by the Ministry. In terms of the Unified External Network, in addition to the MIT and the CzechTrade agency, the **Ministry**

of Foreign Affairs also has a role to play in coordinating external economic relations, primarily through Czech embassies.

The **Ministry of Industry and Trade** is the integrating element between the internal development of Czech companies and their expansion to foreign markets and uses its competences in the areas of knowledge of the Czech industrial environment, skills and potential of Czech companies and the setup of support for business development and demand of foreign companies. Based on this knowledge, it promotes the business interests of the Czech Republic and Czech companies.

The main function of the Ministry of Industry and Trade within the pro-export ecosystem:

- It is responsible for trade policy, foreign economic policy, foreign trade
- It sets up the export promotion system, using its competences in the field of state industrial policy, state raw materials and energy policy, industrial research, development of technology and innovation, as well as coordinating export promotion
- Sets the strategic direction and portfolio of export finance and insurance instruments and services
- It offers services in B2B, B2G and G2G to Czech companies
- It methodologically manages the main implementing agency CzechTrade, which provides services in the B2B area (and provides assistance as needed during the provision of aid by DM to entrepreneurs at the B2G and G2G level) through its foreign offices, and the CzechInvest agency, which provides services in the area of investment, innovation and start-up support

The **Ministry of Foreign Affairs** coordinates external economic relations and manages Czech diplomatic missions (DM) abroad. It uses competences in the areas of knowledge of the diplomatic environment abroad, demand for Czech solutions, and takes into account the foreign policy perspective. It uses the tool of economic diplomacy to promote the interests of the Czech Republic and Czech companies.

The main function of the Ministry of Foreign Affairs within the pro-export ecosystem:

- It implements economic diplomacy instruments through DMs, especially in the field of B2G and G2G abroad (e.g., projects to support economic diplomacy)

- It manages the network of DMs, carries out its evaluation
- It implements foreign development cooperation through the Czech Development Agency
- It provides assistance in the posting and conditions of agency staff abroad

The MIT coordinates export promotion activities not only with the Ministry of Foreign Affairs but also with other ministries that have specific tasks. These include, for example, the Ministry of Finance, the Ministry of Defence, the Ministry of Agriculture, the Ministry of Regional Development and other ministries with sectoral competences, often of a strategic nature.

The **Ministry of Finance** is a key partner in economic and budgetary policy and the exercise of shareholder rights in the Czech Export Bank (CEB) and Export Guarantee and Insurance Corporation (EGAP). It actively participates in the formation of the export promotion system, either as a cooperating department or as a submitter in the preparation of legislative acts related to Act No. 58/1995 Coll., the Act on the Insurance and Financing of Exports with State Support. It also manages cooperation with international development banks where there is potential for Czech entities to be involved in development projects in third countries.

The **Ministry of Defence** is involved in the institutional support of the defence industry primarily in G2G and B2G areas. Exports of the defence and security industry falling under the category of essential security interests of the Czech Republic may depend on state support even in cases where the exporter is a private entity. In order to support contracts at the intergovernmental level, the Agency for Intergovernmental Defence Cooperation (AMOS) was established to support the export of military equipment at G2G level. The Ministry of Defence also supports the integration of industry into the supply chains of multinational companies through industrial cooperation programmes for the supply of military equipment from abroad or through joint NATO and EU R&D initiatives. In this way, the diversification of supplies and the increase of the technological level, innovativeness and competitiveness of Czech industry are supported, with particular emphasis on areas with higher added value.

Given the existence of the Common Agricultural Policy, the Ministry of Agriculture plays an important role in setting the rules for foreign trade in agricultural and food products. To

support the export of these products, a network of agricultural diplomats is used, who coordinate their activities within the Unified Network with economic diplomats of individual embassies and the staff of the CzechTrade, CzechInvest and CzechTourism agencies and, given the specificity of agriculture in international trade, work in all dimensions of support.

The **Ministry of Regional Development** is the responsible for the tourism agenda. The presentation of the Czech Republic abroad and the tourism agenda is mainly developed by the CzechTourism agency and its network of foreign offices. This activity is aimed at supporting the sales of the services provided in the Czech Republic, but at the same time it has long-term marketing significance because it influences the awareness of the Czech Republic in the world and the perception of the national brand.

The **Ministry of Education, Youth and Sports**, through the Czech National Agency for International Education and Research (DZS), focuses on the presentation of the Czech Republic abroad in the field of education and research. As part of the strategy of the internationalisation of higher education, DZS focuses, among other things, on establishing partnerships and cooperation in the scientific and educational field at international level and attracting foreign students to the Czech Republic. It continues to work with students after graduation in the Czech Republic and abroad under the banner of the national Czechia Alumni programme.

The **Ministry of the Environment** actively supports environmental and climate protection projects and promotes new environmental technologies, which have been in high demand in recent years. A number of projects and activities are also implemented by the Ministry of the Environment's departmental organisations (in particular the Czech Geological Survey, the TGM Water Research Institute, the Nature Conservation Agency of the Czech Republic and the Czech Hydrometeorological Institute), whose expertise and involvement in bilateral and multilateral projects open the door for subsequent activities of Czech commercial entities abroad.

In the context of export promotion, it is often advisable to involve other, especially sector-focused ministries, which have their own experience and knowledge of Czech

companies in specific fields. Within the framework of foreign activities, especially at the B2G level, they can thus support the interests of Czech companies, for example, by actively covering fields and domains of specialisation.

4.2.2. Institutions and departmental organisations

Other state institutions and organisations established by ministries play a key role in implementing the export strategy and achieving its individual objectives. The individual institutions participating in shared business support can be primarily divided according to the individual stages of the development of the enterprise.

1) **Implementation of developments, innovations and ideas.** This is a phase in which it is necessary to turn the idea into a real prototype of a service, product or solution. The key institutions here are TAČR, the AEI, CzechInvest (mainly supporting start-ups and innovation/innovating companies), the Technology Centre, CzechTrade (mainly through the Design Centre), the Enterprise Europe Network. Related to this is the mapping of strengths and the creation of inputs for THE effective marketing of domains abroad.

2) **Developing the company, increasing its competitiveness, expanding production and gaining economies of scale.** At this stage of preparation for internationalisation, the NDB, AEI or CzechInvest can offer their competences. It is important to capture new companies with export potential that can become the new Born Globals and to pass them on to the final stage of export and internationalisation.

3) **Export promotion and the internationalisation of companies.** CzechTrade is the main implementing agency in the areas of export counselling, consulting, information on opportunities, education and marketing. In the area of export financing and insurance, these are CEB and EGAP. CzechTourism participates in shaping the perception of the Czech Republic abroad. Through development projects, the CRA enables the Czech Republic to present itself as a technologically advanced country capable of offering tailor-made solutions and opens the door for further commercial follow-up.

For the full effectiveness of the internal ecosystem, the extension and involvement of other relevant actors is expected.

4.2.3. Business representations and industry associations

Business representations provide several functions within the pro-export ecosystem:

- **Transfer of the interests of** members of a specific business/industry representation to the export promotion officers. Business representations identify the needs and problems of their members and communicate their requirements to the officer, thus participating in the creation of conditions and improvement of the export promotion system.
- **Feedback and evaluation.** They provide feedback on the effectiveness of existing export promotion programmes and suggest ways to improve in each area, sharing lessons learned.
- **Knowledge of the capabilities and offerings of the companies** they associate. Related to this is the ability to define possible complex solutions within your group. Within the strategy, a long-term focus on specific sectoral

opportunities in a given territory is important. This focus is defined jointly with the industry association, whereby its knowledge of the interests of its members allows it to define opportunities and areas of interest abroad. In addition to long-term interests, industry associations can come up with ad hoc initiatives that have high export potential.

- **Finding cross-disciplinary solutions.** It is also necessary to use the possibility of the interdisciplinary linking of individual associations. Thematic (sectoral/domain) days can serve this purpose, the aim of which is to bring associations from many fields to a single topic and to jointly search for continuities and complex solutions that can be the basis for joint marketing and a common offer abroad.
- **Search for new companies** with innovative potential and global ambitions. It is also in the interest of the Czech Republic to diversify the portfolio of companies capable of supplying the resulting solutions abroad, not in the role of a subcontractor, but in the role of an integrator. One of the ways is to search for new companies and possible "Born Globals" with the potential for rapid growth abroad (direct solutions also in third markets and the associated diversification of exports).
- **Support in defining sector/domain action** in each territory.

MEASURES

- 1) Revision and modification of the Statute of the Steering Committee for the Implementation of the Export Strategy
- 2) Strengthening the coordination platform for shared business support
- 3) Setting up the process of company/client prospecting and referral, including the use of a common CRM system for company/client referrals
- 4) Active cooperation, including the modernisation of communication tools, with the business environment through business representations and beyond to identify partial export potential and new comparative advantages, cooperation with the innovation ecosystem and research organisations
- 5) Continuous development and optimisation of the Single Foreign Network
- 6) Development of financial support instruments for the protection of intellectual property with export potential
- 7) Easy navigation through the internal ecosystem services thanks to a clear unified presentation of tools
- 8) Talent Attraction and the possible setting up of a system of cooperation with foreign students and graduates (pro-export cooperation offer) and strengthening the export of educational services
- 9) Making conditions for the arrival of skilled foreign workers more attractive, including the preparation of new government programmes responding to the needs of employers and the Czech economy
- 10) Introduce other measures to make the migration process more efficient, such as the creation of a list of shortage occupations, adjustments to the labour market test and, in particular, digitalisation

4.3. External environment



In connection with the internal ecosystem, it is necessary to create the best possible conditions for exporters in the "external environment", i.e., in the EU internal market, but also in relations with non-EU countries. The state can offer assistance services at a very high level, but without the removal of trade barriers, whether tariff or non-tariff in nature, the entry of Czech companies into foreign markets may be economically disadvantageous. For this reason, the priorities of the export strategy are the deepening of the internal market, strengthening of economic bilateral relations and a liberal trade policy embedded in free trade agreements and the removal of barriers in non-EU markets.

4.3.1. Developing the EU internal market

In terms of export strategy, the priority remains the deepening of all four basic EU freedoms and the free flow of data, with particular emphasis on the development of cross-border provision of services (also in view of the trend towards servitisation), simplification of the posting of workers, free access to information and weakening of protectionist tendencies. In the issue of the free movement of goods, the creation of uniform European standards is important for Czech companies. A priority in the area of free movement of persons is to facilitate the posting of workers, particularly in the context of the provision of services. Another challenge is the creation of a Capital Markets Union and a functioning Digital Single Market (DSM). The main tool for enforcing existing rules is SMET³ (Single Market Enforcement Task-Force). It is crucial for Czech companies to obtain information on the possibilities and advantages of the main instruments on the internal market:

- **Points of Single Contact (PSC)** provide information for starting a business in the service sector
- **SOLVIT** offers a fast and efficient solution to disputes (free movement of goods, services and people) with the authorities
- The **Product Contact Point (ProCoP)** informs

businesses about the technical requirements for products in the non-harmonised goods sector under national and European regulations when placing them on the market in another EU country. Similarly, the Contact Point for CE Marked Construction Products (CPR) can also be used.

- **The Your Europe portal** is a pan-European online signpost where citizens and businesses can find accessible and quality information, electronic procedures or assistance for cross-border activities in the EU⁴.

Cooperation in the EU internal market is based on strengthening the resilience of the single market, open strategic autonomy and green and digital transformation. **Important Projects of Common European Interest (IPCEI)**, which create new industrial alliances, contribute to its implementation. These alliances **must be open** to Czech companies, especially **SMEs and start-ups**. Large enterprises need support in the digital and green transformation, which places high demands on the application of new standards.

In order to build the competence and maturity of Czech companies, it is necessary to ensure access to other support offered or enabled by the EU. These include reallocation of European resources to new financial instruments, use of cohesion funds or directly managed EU funds such as Horizon Europe, InvestEU, Single Market Programme and others.

The Czech Republic must also actively promote the interests of Czech companies at the EU level when creating and adopting new legislation (e.g., regulations on the internal market, CRMA, Chips Act, etc.), which have a direct impact on creating favourable conditions for the business environment.

4.3.2. Trade policy and free trade areas

Trade policy formulation must take into account aspects arising from trends, needs and the geopolitical situation: **open strategic autonomy** – ensuring economic resilience through the diversification of resources and strengthening cooperation with reliable partners; **new technologies** –

³The SMET is a high-level forum where the Commission and Member States work together to find solutions to remove obstacles in the Single Market that stem from shortcomings in enforcement or implementation.

⁴Your Europe displays the information and procedures required by Regulation 2018/1724 of the European Parliament and of the Council establishing the Single Digital Gateway (SDG).

cooperation on international standards for emerging industries; **digital trade** – ensuring free movement of data and protection of technological know-how, maintaining a duty-free regime for electronic transactions; **sustainability** – promoting environmental and labour standards alongside trade liberalisation.

For the Czech Republic, it is crucial to conclude free trade agreements, currently mainly with partners in the **Indo-Pacific, Latin America and North America** (completion/reopening of the Transatlantic Agreement), which eliminate tariffs, provide cheaper inputs to production, substantially reduce costs for companies, or often cover areas of trade such as investment, protection of intellectual property rights, digital trade, trade in services and others. Other forms of cooperation, such as the Trade and Technology Council (TTC) with the US or India or the so-called Indo-Pacific Digital Partnerships are appropriate platforms for deepening relations, but binding arrangements that provide legal certainty for companies are preferred. At the same time, efforts should be made to ensure that the terms of agreements negotiated by third countries are enforced to the maximum extent possible so that they actually lead to trade facilitation.

In multilateral relations, reform of the World Trade Organisation must be pursued, including the promotion of clear rules and the establishment of a dispute settlement system. Priority topics include: negotiating **rules on e commerce, including setting rules for data flows, waiving duties on electronic transmissions, and negotiating rules to facilitate investment for development**. **Digital trade** has a specific position. To do this, rules need to be set to allow the free flow of data across borders, to facilitate the use of electronic forms and processes necessary for digital trade, and to ensure duty-free electronic transactions.

The task is to better **inform Czech companies** about the advantages of FTAs, to **activate their interest, to use the feedback** from the implementation of FTAs and to develop the Czech Republic's negotiating position based on the needs of Czech companies. It is necessary to strengthen mutual cooperation and awareness between the public and private sectors at all levels and to use the available resources, including CzechTrade, CzechInvest and business representations. This will also

allow better use of the MAAC (Market Access Advisory Committee) platform in the EU for removing barriers to trade in non-EU markets. In order to raise awareness, it is important to educate companies about the tools, and their development, which they can use in relation to third market trading:

- **European Commission's Access2Markets (A2M) website** – Portal providing information needed when trading with third countries, e.g., information on tariffs, taxes, procedures, formalities and requirements, rules of origin, trade barriers, for selected countries conditions for trade in services, investment, or public procurement. The portal also includes a **Rules of Origin Self-Assessment tool (ROSA)** to **identify the possibility of using preferential tariffs**.
- **Single Entry Point (SEP)** – Portal for reporting problems with market access in third countries, violations or non-compliance with sustainability rules or the generalised system of tariff references. In the context of the creation of the **International Procurement Instrument (IPI)**, it is also possible to **file a complaint** through the SEP if companies face restrictive measures in third country procurement markets.

At the same time, it is important to take into account trends in the field of economic security, which contribute to a better and more predictable international business environment and to reducing the risk of losses for internationalised companies. The functioning of the mechanisms must be motivated solely by the elimination of security threats that may arise from the hybrid action of risky economic operators.

4.3.3. Bilateral trade relations

Foreign trade and political relations with partners at the bilateral level require, above all, **continuity and efficient use of resources**. It is therefore important to **coordinate the activities of individual actors in a given territory, including the joint planning of business** missions, where representatives of the MIT in cooperation with the Ministry of Foreign Affairs, other ministries and authorities, the DM and the CzechTrade FO recommend the most appropriate mix of pro-export instruments in relation to a given territory.

They also regularly participate in missions of constitutional officials with entrepreneurial accompaniment, participate in the preparation of business forums within the framework of visits of official foreign representatives and, last but not least, prepare the business and political part of the documents for the meetings of constitutional officials with foreign partners, evaluate these activities and determine follow-up actions. For these reasons and in view of the objectives of internationalisation and diversification of the Czech Republic's foreign trade, it is advisable to **reflect trade policy priorities in territorial trade strategies and plans of action in a given region** drawn up in coordination with the MIT, the Ministry of Foreign Affairs and other ministries, state institutions and in cooperation with business representations.

The **main instruments through which foreign trade relations** are developed and maintained with non-EU countries are Joint Bodies, Intergovernmental Commissions and Working Groups. They are established within the framework of intergovernmental and inter-ministerial agreements on economic cooperation under the MIT, and help promote the export interests of the Czech Republic in relation to growing markets with significant potential and usually with a significant role of the state in the country's economy. The significance of the joint bodies lies in the **promotion of the Czech Republic's trade policy interests**, including trade policy within the limits set by EU membership and in accordance with the Czech foreign policy towards the given territory. In addition, they also enable **support for individual projects** of specific Czech companies. The work of the commissions links the G2G, B2G areas, but can also influence the B2B environment by removing barriers to trade and creating an enabling environment for reciprocal trade.

In order to assess the pro-export contribution of the individual meetings of the joint bodies, the part focused on the **support of individual projects of the participating Czech companies** is evaluated. The Joint Bodies allow for the resolution of bilateral issues, if they arise, the preparation of the economic dimension of state visits or business dialogue beyond the ordinary meetings. The planning of Joint Bodies meetings is linked to the specific problems and real needs of companies in the territory. It is necessary to **coordinate** the individual

meetings **with other activities in the given territory at the top level**, such as official visits of Czech representatives, business missions, sector-specific missions, but they can also be linked to other activities such as Czech Official Participations. The mechanism of the Joint Bodies involves all ministries and other state institutions that are involved in the promotion of Czech commercial and economic interests abroad or are otherwise materially concerned with the issues under discussion.

In some countries and in some types of deals, a **stronger role for the state** is beneficial; in some cases, it may be the preferred option for the other party. An example is the defence industry and AMOS as a pro-export tool for this sector. However, in other sectors, it is also possible to take advantage of the potential benefits offered by stronger **G2G cooperation or contracting directly in the course of trade** in selected countries - for these purposes, the possibility of creating a pro-export instrument in the form of a "state trader" could be considered. It could focus especially on integrated and domain solutions, in cooperation with Czech associations and clusters.

4.3.4. Foreign development cooperation

The trend in recent years has been towards greater **involvement of the private sector in foreign development cooperation**, particularly in the implementation of the 2030 Agenda. One reason is limited public budgets and the other is to create conditions for the private sector in both the recipient and donor countries. This leads to cooperation that leads to sustainable projects, development of the business environment, involvement of local suppliers in value chains, transfer of technology and know-how, job creation, environmentally acceptable technologies, respect for labour standards or fair remuneration.

Involvement in European initiatives such as Team Europe Initiatives (TEI) and Global Gateway (GG) flagship projects is essential. The GG aims to mobilise up to €300 billion of investment globally between 2021–2027, with a combination of grants, soft loans and guarantees to diversify private sector investment. Here, dialogue between the public sector, development or guarantee

institutions and the private sector is crucial. In the Czech context, the role of financial institutions should be played by the National Development Bank, the Czech Export Bank and the Export Guarantee and Insurance Company. Their proper functioning and setup can help both in drawing European funds not only within the TEI and GG, but also catalyse the private sector (especially SMEs) in its expansion into new markets.

The Ministry of Foreign Affairs is the coordinator of foreign development cooperation in the Czech Republic (in particular the Department of Development Cooperation and Humanitarian Aid) and the main implementing institution is the Czech Development Agency (CDA). The main CDA programme that can be used for the above purposes is the **B2B Programme**. The **Aid for Trade** programme under the Ministry of Industry and Trade aims to support international trade in developing countries. In order to support commercial activities, the NDB in cooperation with the Ministry of Foreign Affairs implements the programme **Financial**

Instruments for Foreign Development Cooperation (so far the FDC Guarantee, soft loans for entities in target countries in preparation). In terms of financial instruments, the products of the insurance company EGAP can also be used for the development of the commercial continuity of projects.

Compared to the rest of the world, the Czech Republic lags behind in the use of soft loans and in **its ability to participate in development projects financed by international organisations**. Therefore, it is necessary to strive to support the involvement of Czech entities in projects of international development banks (e.g., EBRD, IFC). The use of these instruments has the potential to increase the efficiency of government spending on development cooperation, and to create a chain of government services from development cooperation to export and investment promotion. The result is the diversification of Czech exports and the internationalisation of companies in the form of direct suppliers to third countries.

MEASURES

- 1) Informing exporters about practical EU instruments facilitating the internal market and access to third country markets and EU free trade agreements
- 2) Use of agencies and other institutions for regular information gathering in the regions and regular coordination with business representations
- 3) Enforcing digital trade rules in EU trade agreements based on the specific needs of Czech (and European) exporters
- 4) Seek to improve the functioning of the internal market through existing instruments and through new measures at EU level
- 5) Use EU instruments to strengthen the resilience of the Czech Republic and the European economy, including initiating the setting of sustainability standards based on measurable, transparent and well-established international conventions.
- 6) Planning and implementation of export promotion activities for long-term
- 7) Supporting the internationalisation of start-ups and SMEs with high added value through acceleration tools in key markets
- 8) Discuss with business associations the demand for solutions and facilitation of the implementation of export opportunities through the G2G instrument in the form of state patronage of trade
- 9) With regard to the Strategy for Foreign Development Cooperation, explore the possibility of introducing instruments to enable commercial follow-up of development projects
- 10) Comprehensive support for innovation cooperation with third countries, including linking the ecosystem of innovative companies and universities and developing tools for their involvement in international projects

domain-oriented activities in the region, creation of territorial export strategies, evaluation of short-term opportunities with high potential, application of other export promotion tools



5. SERVICES AND CAPITAL



In addition to creating a favourable environment/ecosystem and effective cooperation of the involved actors, it is crucial from the exporters' point of view to **provide specific companies with appropriate resources that accelerate their expansion into foreign markets**. These are individually used export promotion tools that are needed at a given moment and for a specific situation, and at the same time these tools build on each other and have a multiplier effect. It is important to develop these tools to meet the needs of companies.

interaction of the exporter, who not only gets an overview of the services available, other business opportunities and service offerings, but can also **handle the administration directly through the system**.

In this sense, existing tools can be used. As regards the sharing of information between the actors of the internal ecosystem, the main internal **information system is the IS SINPRO**. With the help of this information system, data about companies and interaction with them is shared. It is a CRM managed by the CzechTrade agency involving process support for providing services to companies, including feedback collection and ensuring internal information flows. The system is also used to process information from the territories displayed on the CzechTrade information websites and the **BusinessInfo.cz portal** operated by the agency. This portal should serve as a One Stop Shop for Czech entrepreneurs and should include the transactional part of the public services of the state (Entrepreneur Portal). From the perspective of export promotion, it is a suitable place that concentrates and mediates information from multiple sources of the pro-export ecosystem. Important information services on export and investment opportunities in foreign markets include the **Territorial Information Summary, the Global Industry Opportunities Map and the Foreign Demand and Tender Database**.

5.1. Services



5.1.1. Information

Working with information has two key aspects – one is **internal, the exchange and sharing of information between stakeholders** and key actors, especially about Czech companies, users. The second is **external – collecting information on opportunities and trends, offers, foreign partners**, etc., the target group of which are again the users of pro-export promotion, Czech companies.

Within the sector/domain approach, **information gathering in territories** should be focused on **the sector** where significant opportunities have been identified, also in the context of the offer of Czech companies. It is also important to **be active in regions of the Czech Republic**, where **emerging competences of Czech companies** are sought and supported. Knowledge of the Czech innovative offer and opportunities abroad enables long-term planning of strategic activities in individual territories.

Effective transfer of relevant information between actors and users of the export promotion system is a prerequisite for successful decision-making of both business entities and pro-export institutions and overall for achieving all three objectives set by the export strategy. **Internal sharing of data** on companies based on the interaction that has already taken place will enable the identification of the needs of the company and suggest the next course of action for assisting the state. Current information systems also allow for **personalized access and**

5.1.2. Education

Export education and building export competences is a traditional part of the state's pro-export instruments. The aim is to make it easier for companies to enter markets with which they have no experience, or to help start-up companies to prepare for exporting and to start exporting in the first place. The portfolio of government services is broad and offers various areas of information relevant to a potential exporter. Export education includes **soft skills** (e.g. intercultural specifics of a given country, presentation skills in Czech and foreign languages, business negotiation techniques and sales skills, business etiquette and networking), **technical skills** (e.g. financial analysis of a company in practice, INCOTERMS and customs, control of dual-use goods), marketing skills (e.g.

strategy, product mix, etc.), **export financing options** or familiarisation with conditions and **legal regulations** (business operations in international trade, intellectual property protection), or **trade and risk management**.

However, greater emphasis in this pro-export instrument should also be placed in the future on educating companies and **increasing their competences in the area of diversification and long-term operation on a given market not only in the form of direct export**, but also in the possibilities of other forms of entry into foreign markets, e.g., capital. In terms of new trends, the development of digital skills of Czech companies and education in new marketing approaches including tools is also important.

Export **training** programmes must be **specifically targeted** for individual companies to take into account the specific **needs of a given sector or market**, so that export companies can take advantage of the maximum potential of the state's follow-up services, whether in the area of marketing (effective use of digital tools) or advisory or consultancy services (the company is prepared not only for initial information about the territory, but is **able to prepare a comprehensive business plan for entering the market**). A separate task is connecting Czech companies with foreign partners and lecturers, especially with the aim of acquiring know-how, whether in the business field or for the purpose of increasing the technological and innovative skills of Czech companies.

However, inspiration from abroad could come from programmes that educate experts on export issues from among students, or allow for the expansion of knowledge and experience for business representatives through internships (e.g., the VIE International Internship Programme in France or the ICEX programme in Spain). The development of export education is also related to efforts to deepen cooperation with leading experts, foreign specialists/advisors and representatives of leading universities on educational programmes. These countries also aim to attract foreign talent, and this practice is approached in the Czech Republic, for example, by university graduates who complete semester internships in the Czech Republic or in foreign CzechTrade offices, at Czech embassies or in specific companies at home and abroad. Providing such foreign experience for aspiring managers in export companies could also be an inspiration.

Given the growing intensity of geopolitical rivalry and unilateral actions by some countries, it is desirable that the security domain also become an element of the export education system. There is a need to strengthen the ability of companies to respond to threats in the areas of economic, cyber, information, physical and personal security and to counter the risks associated with the unwanted transfer of intellectual property.

5.1.3. Marketing

Czech pro-export marketing appears to be competitive in terms of robustness, but reserves can be found in ingenuity and systemic efficiency. This can be well demonstrated by the example of **national branding**, which has not offered a stable framework in the long term, including the fragmented identity of state institutions. In contrast, innovative leaders and export-successful countries such as Germany, the Netherlands, Finland, Switzerland or the USA work with a uniform visual style of institutions and a timeless, conservative national brand based on the national flag, symbols and national colours. The **presentation of the content itself**, on which event preparation, including economic diplomacy, can focus, will stand out all the more.

Planning and preparation of events should **favour quality over quantity** in the sense of intensive use of the presentation potential of the event. This is again linked to the need for close coordination between institutions and their instruments, **long-term planning of foreign expansion for individual fields or domains of specialisation** that would **combine the instruments appropriately**. The COVID 19 pandemic has exposed the weaknesses of marketing activities based on personal participation and physical presence, although these are essential for some activities. It also accelerated the trend away from traditional marketing materials and emphasized the need to modernise and digitise the marketing language, which concerns both export companies and export promotion actors. Related to this is a greater need for marketing preparedness at the level of individual companies as well as industry associations in terms of the availability of modern presentation materials and marketing messages.

Digitalisation and presentation of complex industry or domain solutions are expected to have a major impact on the success of pro-export marketing. Digital tools in the form of virtual and augmented reality, interactive

showrooms or thematic video presentations can grab attention with a wow effect and open the way to presentation available 365 days a year. This is not a competition to traditional tools, but rather a synergistic complement to them. Within the traditional tools, there is then a need to build a unified and simple presentation of strong domains/sectors of the economy with an emphasis on innovation to build branding. The availability of materials and their modern appearance across a single foreign network can significantly help branding and in everyday communication with foreign partners.

The **comprehensive integration of individual products and services of multiple companies** is the key to gaining a competitive advantage. The creation of complex solutions is a projection of the needs of the customer, whose motivation to conclude a contract is not a single product, but the overall satisfaction of several related needs. Joint industry or domain marketing for such collaborating companies significantly reduces the demands on capacity and resources compared to going it alone. The Czech Republic is not among the leaders in the application of these trends, but it has partial pilot projects such as City for the Future or Virtual Hospital and the concept of the Digital Library of Czech Industry. By purposefully building on these projects, the Czech Republic can reach the global leaders.

The synergistic linking of marketing with other export promotion tools and their coordination within a long-term expansion plan for a given industry or domain in a specific territory proves to be clearly beneficial. The introduction of sector coordinators would help the system to function. **It is desirable to create scenarios where, for example:**

- the Czech official participation at the fair, which may be complemented by an economic diplomacy project and will coincide with the official visit of a Czech representative or a presentation with representatives of ministries;
 - it will be immediately followed by work with companies through the economic diplomacy project or individual services provided by CzechTrade with the support of the embassy, which has already begun in preparation for the fair;
 - with a time lag, an incoming mission of the most promising partners to the Czech Republic and
 - the activities will culminate in another mission abroad, where contracts will be concluded with appropriate media attention.
- In the area of marketing services, support for

participation in exhibitions and trade fairs is also an important part of export promotion due to its multiplier effect, and it is necessary to develop it in such a way that it corresponds to modern trends of pro-export developed systems, including the above-mentioned linking to other state services.

In order to improve the position of Czech entities in GVCs, the **transition to the presentation of complex offers and the creation of thematic pro-export platforms** is important at the marketing level, which **reflects the ambition of the Czech Republic to move from the level of a simple supplier to the level of an integrator**. In this respect, marketing messages must also be transformed to accentuate the Czech industry/domain vision, unique capabilities and added value for partners and the world as a whole. Not just the fact that these are Czech solutions, because such a message is more relevant when communicating inwards. The form and effect of the presentation itself must not be underestimated. Smart marketing based on digitalisation, innovative design and a stable national brand can significantly influence the perceived credibility of the solutions offered.

5.1.4. Assistance and consulting services

Assistance and advisory services covering the various needs of companies, from **export preparation**, through **market entry to support for internationalisation**, should take advantage of the unique position, competence and added value of government representatives, including expatriate staff working abroad. The addition of new services, modification of already provided services, individual settings, and focus on target groups should reflect both the demand of companies, but also the strategic focus pursuing the fulfilment of the objectives of the export strategy, and possibly other strategic objectives, addressing crisis situations, for example in times of a coronavirus pandemic.

Individual services provided by CzechTrade's foreign offices and embassies (economic diplomats) have long been focused mainly on supporting direct exports. Gradually, however, services supporting **permanent operations in the territory** are being included in the portfolio of services, whether it is the CzechTrade export incubators at foreign offices or support in administrative processes and mediation

of professional services of local entities e.g., in establishing a company seat or other legal acts aimed at establishing a branch. In order to support investments abroad, it offers to use its know-how in working with investors in the Czech Republic to provide Czech companies with the best possible knowledge, conditions and assistance in investment entry and long-term operation on the foreign market. The MIT's expert and advisory work is also available, particularly in relation to the joint bodies agenda and other G2G liaison activities. The service setup and business opportunity search must also reflect a domain-sector approach, in which it is desirable to target and provide capacity primarily to companies with complex cross-cutting solutions.

Basic consulting and assistance services are provided free of charge throughout the Single Foreign Network (initial export consultations, preparation for business meetings). The services of economic diplomats or sector-specific specialists (e.g., agricultural diplomats) are also provided free of charge. Other assistance services of the CzechTrade foreign offices are provided with a co-payment of companies, i.e., they are charged at a subsidised price. Corporate participation, i.e., charging for certain services, ensures greater engagement of companies in the service delivery process, increases pressure

on quality, relevance of feedback and is also a good input for capacity management. The possibility of **preferential access to start-ups and innovative companies, for example through the acceleration services of the CzechInvest agency and the services focused on a company's presence on a given market of the CzechTrade agency**, should be maintained.

The services of the Single Foreign Network are defined in the Catalogue of Services, which is enshrined in the Agreement between the MIT and the MFA on joint action in the field of export promotion and economic diplomacy from 2014, while the part related to the Catalogue of Services was also adopted in the updated form of the Agreement from 2018. Although the functioning of the system of services currently provided has shown positive feedback from companies in the long term, their development is necessary, which must not be limited by possible overlaps in the activities of individual actors in the pro-export ecosystem (e.g., services provided by economic or specialised diplomats and agencies). When setting up and developing services, it is always necessary to clearly define the roles, scope and level of participation. New and innovative services should be reflected in the Catalogue of Services in the context of the agreements between the MIT and the MFA.

MEASURES

- | | |
|--|---|
| 1) Implementation of new services aimed at permanent presence in the territory – professional services for the establishment of representative offices, branches, development of export incubator services, search for strategic partners in the territory | about companies, interaction with them, services provided, upgrading existing systems |
| 2) Development of supplier sourcing services | |
| 3) Strengthening services for investments of Czech companies abroad | |
| 4) Development of export promotion services within the Service Catalogue | |
| 5) Setting up services for start-ups and innovative SMEs, developing tools for internationalisation and acceleration through foreign incubators | |
| 6) Strengthen CRM information sharing among all players in the pro-export ecosystem to transfer knowledge | |
| 7) Development of a single online place for exporters with the possibility of profiled/personalised selection of information on opportunities in the territories (across information shared by the MFA, CzechTrade, MIT and others) | |
| 8) Development of support for the participation of Czech companies in foreign exhibitions and trade fairs, linking state services, presentation of comprehensive offers | |
| 9) Providing Czech companies with experience from foreign markets, e.g., through internships or short-term stays | |
| 10) Development of programmes for the exchange of „best practices“ with foreign partners in both business and innovation | |

5.2. Capital



5.2.1. Development of companies

An important part of the pro-export ecosystem is the provision of financing for the development of companies. However, the export strategy does not primarily aim to address the issues of increasing the competitiveness of companies through their modernisation, reducing energy intensity and increasing productivity. On the other hand, access to these opportunities is an integral part of the system and enables Czech companies to better compete in the international environment. In order to export, a company needs to be prepared for this step and sufficient access to capital helps. Currently, the NDB in the Czech Republic provides this role from the perspective of the state. **Pre-export financing** must be linked to the portfolio of these services **even without a link to a specific export contract** – this is already enabled by Act No. 58/1995 Coll., on Insurance and Financing of Exports with State Support, as amended. From a competitive point of view, it is important for companies to maintain these nationally funded products regardless of the institutional set-up of the system.

EU funding can complement national funding. European resources are very well suited for **indirect export promotion**, in particular **for project-specific competitiveness enhancement** (EIB, TEN-T, ESI, specific funds), which can be followed up by the instruments of this Strategy. The Czech Republic must play an active role in the debate on the creation of European export financing instruments, or linking them with other funds and resources that increase the resilience and competitiveness of European exports. An alternative is to use private capital to directly finance export instruments – e.g., using a **development fund financed by commercial banks**. A path of the **self-financing of state institutions**, for example by **issuing bonds**, can also be considered.

Lack of financing for export activities is often mentioned as one of the obstacles especially for technological and **innovative SMEs and start-ups**, which have a competitive product but do not have sufficient resources for foreign expansion. The existing possibilities of support from commercial banks, and hence capital instruments for export promotion, do not

allow, for example, to solve the problems of the capital equipment of these companies when expanding to foreign markets. The solution could be, for example, **time-limited support from the state in the form of capital input** as the equivalent of venture capital. Similar problems are also encountered in some specific sectors, for example, where it is necessary to adapt to the transition to a green economy, or in the defence industry. In the case of the defence industry, direct government involvement in financing or securing the deal could satisfy buyer demand.

5.2.2. Export financing and insurance

The basic forms of state support for exports are **insurance of export credits** against territorial and long-term commercial risks consisting in non-payment by the foreign buyer, **financing of export credits** on preferential terms compared to market conditions, especially in terms of the length of the loan maturity and the level of interest rates, and the **matching of interest differentials**. This trio of instruments is common at the level of European ECAs (Export Credit Agencies) in various combinations in OECD countries. In many export-oriented countries, the state support for the pro-export orientation of the domestic economy includes, in addition to the above-mentioned trio of instruments, the **concept of support for export-oriented enterprises as an integral part of the state export promotion system**.

The implementation of projects using export financing and insurance products is important for creating and maintaining the position of Czech companies, especially in territories with more demanding business environments and developing countries. It is currently the financing arm of the CEB system, insuring EGAP. Both institutions provide export financing and insurance in accordance with international rules, in particular the OECD Consensus, and are subject to CNB supervision. From the point of view of maintaining the competitiveness of Czech companies, it is necessary to **develop the portfolio** of the above-mentioned instruments **regardless of the resulting institutional set-up of the system**.

Export financing is normally provided by the commercial sector in cooperation with EGAP. The offer of **export financing and insurance** products **with state support** must then be

focused on **segments** that are **strategic from the state's** perspective (defined e.g., by the RIS3 strategy or of a strategic and security nature such as defence industry, healthcare, cyber security) and **difficult to grasp for the commercial sector**, which may be less willing to finance exports **that do not meet ESG investment/taxonomy standards**. It is based on the Green Deal and responds to climate change by supporting projects with a low carbon footprint or the development of renewable energy sources. Another such area may be **digital transformation** and new technologies such as artificial intelligence and machine learning, where the nature of the product itself is changing and the share of intangible export items (software, patents, licenses, etc.) is increasing. A number of strategically important business entities operating in the Czech economy are going through a transition period and it is essential that they have access to export financing, e.g., in the segments of the arms industry, energy, etc.

In the **SME** sector, one of the key challenges of the system is to find a balance in access to clients depending on their size or export readiness. Although the Czech Republic has been able to respond at least partially to this challenge, especially in recent years, a number of reserves remain, such as **seeking synergies between state-established institutions** and ensuring that SMEs are informed about the range of services available to them.

The **institutional** set-up of export finance and insurance products must also match the **institutional system**. The challenge for the next few years must be to find a modern concept of export financing and insurance, either at the level of the CEB and EGAP, or as part of a deeper intervention in the structure of the system that will respond to the needs and trends outlined in the strategy. After reaching a society-wide consensus on the form of the system, it is expected that the whole issue will be legislated in the form of a new **modern pro-export law** instead of the many times amended Act No. 58/1995 Coll. under the responsibility of the MIT. Such a law should put more emphasis on **synergies between the individual instruments of the state export policy, or economic policy** as a whole.

The **liquidity of companies to secure export potential** is becoming one of the key issues in export finance. The liquidity crisis of export-

oriented companies was caused both by the change in business models in connection with the COVID-19 pandemic and by the energy, raw materials and sales crisis triggered by the Russian aggression in Ukraine. The amendment to Act No. 58/1995 Coll. of 2022 already allows **EGAP** to provide **guarantees for loans from commercial banks to export-oriented companies** under precisely defined conditions in the future. This instrument can be used flexibly in crisis situations in the future (although each of these programmes is subject to approval by the European Commission with regard to State aid rules). The whole system of export financing and insurance should therefore take into account the following elements and address them comprehensively:

- **Risk spreading** is a specific characteristic of export financing and insurance. While the commercial market is able to cover mainly commercial risks, ECAs are used to cover non-commercial risks (political, territorial, etc.). **The aim for the future is to better define what part of the risk should be taken by the state in export opportunities in crisis situations.**
- **A sufficient product portfolio** is crucial for exporters. The aim is to **improve the product offer to the level that national exporters obtain within the product offer of developed ECAs** and thus increase its ability to respond flexibly to the evolving needs of Czech exporters and export suppliers in the Czech Republic.
- **Corporate development** is a secondary objective of export finance and insurance. The aim is to maintain the export potential of existing companies and to obtain export opportunities for companies seeking to enter new markets.
- **Developing and increasing competences** means increasing the ability to respond to significant changes in the global economy, the shift in the activities of competing ECAs and the transition of the Czech economy from a predominantly subcontracting economy to an economy of final products and services with high added value.

5.2.3. Investments abroad

Financial products must contribute not only to export promotion, but also to capital entry into a given market. Therefore, state institutions must offer **products and services for Czech investors abroad** (e.g.,

credit for investments abroad or investment insurance) that enable them to internationalise their business and operate directly on foreign markets. **This trend of shifting from customer financing to strengthening the position of Czech investors abroad will be crucial in the future.** Investment by domestic investors in innovative companies and producers of high value-added (and digitalised) **final products and services** should **be encouraged**. Consistent application of ESG investment principles will be key.

Other innovative tools and sources of funding are also appropriate. A project may be financed partly on a purely commercial basis, partly by a combination of commercial and public sources, partly by a subsidy or grant; European, national and regional/municipal funding may meet private sources with different financing conditions, maturity periods, etc. Thus, **international PPP projects and blending financing** are growing in importance. With the increasing complexity of international transactions, trade cooperation (especially for G2G transactions) is often **complemented by elements of development cooperation**.

Syndicated lending, cooperation between ECAs and commercial banks, and commercial insurance and collateralisation of transactions with government-backed instruments are also growing in importance.

From this perspective, the **system** will need to be **adequately prepared for the extremely complicated financing structure of** some projects and the providing institutions will need to be able to be a full and credible partner to other players.

Support in **finding foreign partners** can also contribute to the success of the internationalisation of Czech companies. In this respect, cooperation with the CzechTrade (the foreign network) and CzechInvest (know-how in working with foreign investors) agencies is appropriate. There is also a need to review the possibilities of cooperation with foreign ECAs (especially in joint deliveries/sub-deliveries), more intensive cooperation with the banking sector, and the role of linking export-oriented enterprises with the world of research, development and innovation.

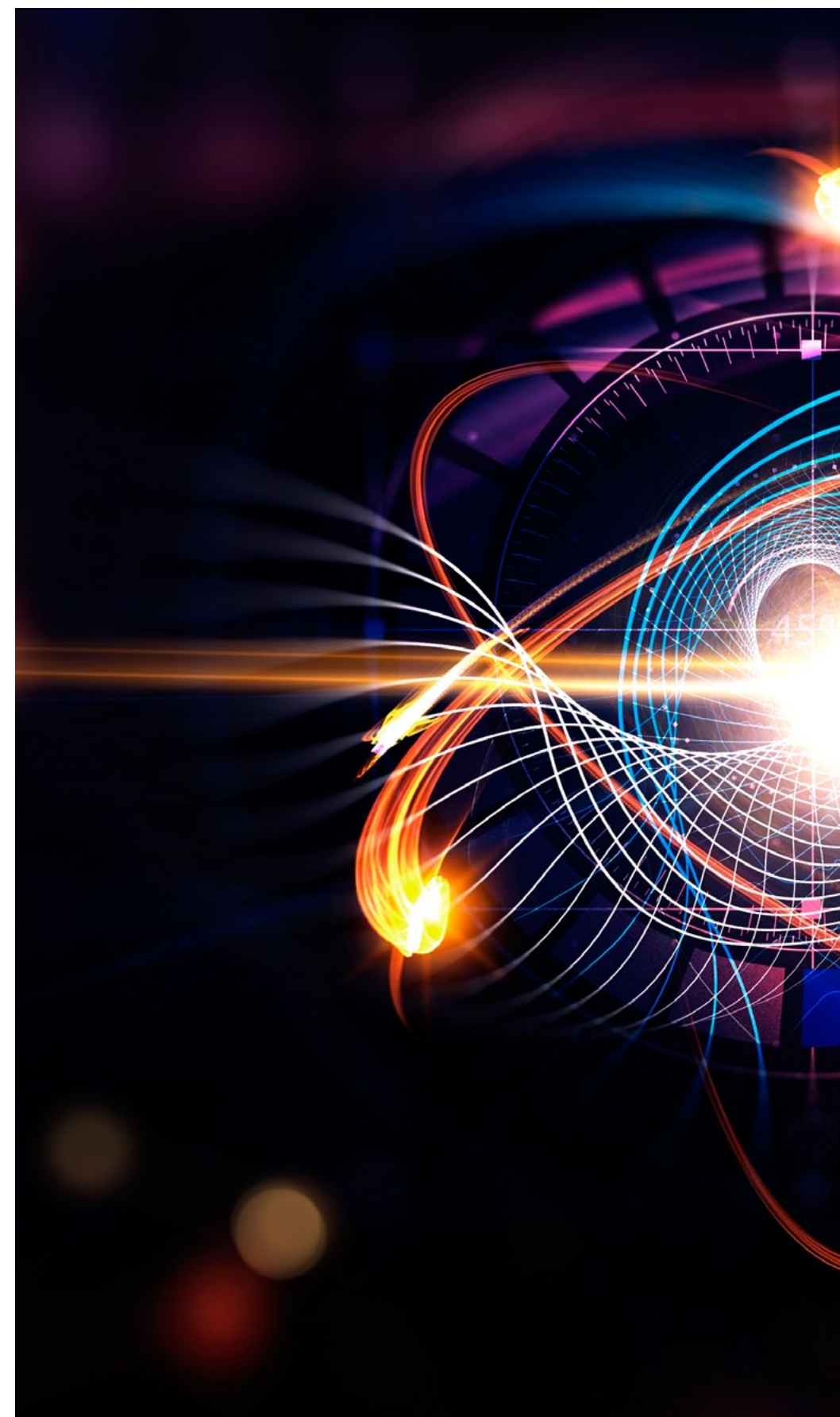
MEASURES

- 1) Analysis of the institutional set-up and its subsequent optimisation, including the preparation of legislation
- 2) Revision of the product portfolio of export financing and insurance and strengthening its linkage to other pro-export services of the state
- 3) Effective setting of conditions for the use of the system as a flexible state tool for dealing with emergency situations and crises
- 4) Deepening and institutionalising cooperation with the NDB, especially in relation to SMEs
- 5) Explore the possibilities of using various sources of liquidity to secure corporate development and export financing
- 6) Discuss with the relevant stakeholders the possibility of establishing a state or quasi-state venture capital fund to invest in export-oriented companies with the prospect of a voluntary exit if sufficient capital strength for export is secured

6. ANNEXES

List of abbreviations used

3D	Three-dimensional
A2M	Access2Markets (EU portal providing information on trading with third countries)
AI	Artificial Intelligence
AMOS	Agency for Intergovernmental Defence Cooperation
AEI	Agency for Enterprise and Innovation
B2B	Business-to-Business
B2G	Business-to-Government
CE	Conformité Européenne (marking of conformity with EU product requirements)
COVID 19	Coronavirus Disease 2019 (SARS-CoV-2 coronavirus disease, occurrence from 2019)
CPR	Construction Products Regulation
CRM	Customer Relationship Management
CEB	Czech Export Bank
CNB	Czech National Bank
CR	Czech Republic
CDA	Czech Development Agency
DSM	Digital Single Market
DZS	Czech National Agency for International Education and Research
ECAs	Export Credit Agencies
E-commerce	Business activities conducted on the Internet and via other electronic means
EGAP E	Export Guarantee and Insurance Company
EIB	European Investment Bank
ESG	Environmental, social, and corporate governance
ESI	European Structural and Investment Funds
EU	European Union
EVA	Economic Value Added
G2G	Government-to-Government (interstate relations)
GVC	Global value chain
GDP	Gross domestic product
ICEX	Government agency for the internationalisation of the Spanish economy
IMF	International Monetary Fund
INCOTERMS	International Commercial Terms (international rules for the interpretation of commercial clauses)
IPCEI	Important Projects of Common European Interest
IPI	International Procurement Instrument
IS SINPRO	Information system for the Czech Trade Promotion Agency/CzechTrade
PSC	Points of Single Contact (providing information to support starting a business in the Czech Republic and the EU)
know-how	Technological and informational prerequisites and knowledge for a specific activity
MAAC	Market Access Advisory Committee (committee to implement the EU market access strategy)
MIT	Ministry of Industry and Trade
SMEs	Small and medium-sized enterprises
MFA	Ministry of Foreign Affairs
MoE	Ministry of the Environment
NATO	North Atlantic Treaty Organization
NDB	National Development Bank
OECD	Organisation for Economic Co-operation and Development
UN	United Nations
PPP	Public Private Partnership
ProCoP	Product Contact Point (free advice on marketing products on the EU internal market)
FDI	Foreign Direct Investment
RIS3	Research and Innovation Strategy for Smart Specialisation of the Czech Republic 2021-2027
ROSA	Rules of Origin Self-Assessment tool
SARS-CoV-2	Severe Acute Respiratory Syndrome-related Coronavirus (COVID 19)
SDG	Single Digital Gateway
SEP	Single Entry Point (portal for reporting market access problems in third countries)
SMET	Single Market Enforcement Task-Force
SOLVIT	Dispute resolution service for citizens and businesses with authorities across the EU and selected third countries
spin-off	A business entity established to commercialise intellectual property
FRG F	Federal Republic of Germany
start-up	A young company that develops rapidly on an innovative basis
TACR	Technology Agency of the Czech Republic
TEN-T	Trans-European Transport Network
TTC	Technology Transfer Centre (centre for the application of research and development in practice)
USA	United States of America
VIE	French International Internship Programme
wow-effect	A state where the mere acquaintance with the product is enough for the customer to be carried away by it
WTO	World Trade Organization
FO	Foreign office
FDC	Foreign Development Cooperation
DM	Diplomatic mission



7. MEASURES AND RESPONSIBILITY

Chapter	Area	Focus	Measures	Administrator	Cooperation	Indicator
4. Ecosystem and environment	Internal environment	Management	Revision and modification of the Statute of the Steering Committee for the Implementation of the Export Strategy	MIT		Establishment of the Steering Committee
		Coordination	Strengthening the coordination platform for shared business support	MIT	All actors in the system	Number of institutions involved, number of companies referred and services provided within the platform
		Information	Setting up the process of company/client prospecting and referral, including the use of a common CRM system for company/client referrals	MIT	All actors in the system	CRM system development
		Coordination	Active cooperation, including the modernisation of communication tools, with the business environment through business representations and beyond to identify partial export potential and new comparative advantages, cooperation with the innovation ecosystem and research organisations	MIT	All actors in the system	Process/system settings
		Management	Continuous development of the Single Foreign Network	MFA, MIT	CzechTrade, CzechInvest	Evaluation of activities and further development of the network
		Intellectual property	Development of financial support instruments for the protection of intellectual property with export potential	IPO	MIT	Number of registrations/ patents
		Information	Easy navigation through the internal ecosystem services thanks to a clear unified presentation of tools	MIT	MFA	Unified presentation and catalogue of services
		Human Resources	Talent Attraction and possible setting up of a system of cooperation with foreign students and graduates (offering pro-export cooperation) and strengthening the export of educational services, working with digital nomads	MIT	CzechInvest, CzechTrade, Czech National Agency for International Education and Research	Process/system settings
		Human Resources	Making conditions for the arrival of skilled foreign workers more attractive, including the preparation of new government programmes responding to the needs of employers and the Czech economy	MIT	MoI, MFA, MEYS	Number of foreign workers
		Human Resources	Introduce other measures to make the migration process more efficient, such as the creation of a list of shortage occupations, adjustments to the labour market test and, in particular, digitalisation	MIT	MoI, MFA	Introduction of measures

Chapter	Area	Focus	Measures	Administrator	Cooperation	Indicator
4. Ecosystem and environment	External environment	Development of the EU internal market; Trade policy and free trade areas	Informing exporters about practical EU instruments facilitating the internal market and access to third country markets and EU free trade agreements	MIT	CzechTrade, CzechInvest	Process/system settings
		Development of the EU internal market; Trade policy and free trade areas	Use of agencies and other institutions for regular information gathering in the regions and regular coordination with business representations	MIT	CzechTrade, CzechInvest	Process/system settings
		Trade policy and free trade areas	Enforcing digital trade rules in EU trade agreements based on the specific needs of Czech (and European) exporters	MIT		Qualitative evaluation
		Developing the EU internal market	Seek to improve the functioning of the internal market through existing instruments and through new measures at EU level	MIT		Qualitative evaluation
		Developing the EU internal market	Use EU instruments to strengthen the resilience of the Czech Republic and the European economy, including initiating the setting of sustainability standards based on measurable, transparent and well-established international conventions.	MIT		Qualitative evaluation
		Bilateral trade relations	Planning and implementation of export promotion activities for long-term domain-oriented activities in the region, creation of territorial export strategies, evaluation of short-term opportunities with high potential, application of other export promotion tools	MIT, MFA	CzechTrade, CzechInvest, business representations	Number of services, potential contracting
		Bilateral trade relations	Supporting the internationalisation of start-ups and SMEs with high added value through acceleration tools in key markets	CzechTrade, CzechInvest	MIT	Number of services, growth of supported companies
		Bilateral trade relations	Discuss with business associations the demand for solutions and facilitation of the implementation of export opportunities through the G2G instrument in the form of state patronage of trade	MIT		Process/system settings
		Foreign development cooperation	With regard to the Strategy for Foreign Development Cooperation, explore the possibility of introducing instruments to enable commercial follow-up of development projects	MFA	MIT	Process/system settings and number of services
		Bilateral trade relations	Comprehensive support for innovation cooperation with third countries, including linking the ecosystem of innovative companies and universities and developing tools for their involvement in international projects	MIT	MEYS, CzechTrade, CzechInvest	Process/system settings and number of services

Chapter	Area	Focus	Measures	Administrator	Cooperation	Indicator
5. Services and capital	Services	Assistance and consulting services	Implementation of new services aimed at permanent presence in the territory – professional services for the establishment of representative offices, branches, development of export incubator services, search for strategic partners in the territory,	CzechTrade	MIT, MFA	Development of services and number of services
		Assistance and consulting services	Strengthening services for investments of Czech companies abroad	CzechTrade	MIT	Process/system settings and number of services
		Assistance and consulting services	Development of export promotion services within the Service Catalogue	MIT	MFA, CzechTrade	Update of the Service Catalogue
		Assistance and consulting services	Setting up services for start-ups and innovative SMEs, developing tools for internationalisation and acceleration through foreign incubators	CzechInvest, CzechTrade	MIT	Process/system settings and number of services
		Assistance and consulting services	Development of supplier sourcing services	CzechTrade	MIT, MFA	Process/system settings and number of services
		Information	Strengthen CRM information sharing among all players in the pro-export ecosystem to transfer knowledge about companies, interaction with them, services provided, upgrading existing systems	MIT	All actors in the system	Process/system settings and number of services
		Information	Development of a single online place for exporters with the possibility of profiled/ personalised selection of information on opportunities in the territories (across information shared by the MFA, CzechTrade, MIT and others)	CzechTrade	MIT, MFA	Process/system settings
		Education	Providing Czech companies with experience from foreign markets, e.g., through internships or short-term stays	CzechTrade	MIT	Process/system settings and number of services
		Education	Development of programmes for the exchange of “best practices” with foreign partners in both business and innovation	CzechTrade	MIT	Process/system settings and number of services
		Marketing	Adapt existing and future marketing tools in favour of expanding presentation to a comprehensive range of solutions in individual sectors/domains	MIT	CzechTrade, CzechInvest, CzechTourism, MFA	Process/system settings and number of services
		Marketing	Development of support for the participation of Czech companies in foreign exhibitions and trade fairs, linking state services, presentation of comprehensive offers and the creation of thematic pro-export platforms	MIT	CzechTrade, CzechInvest, CzechTourism, MFA, MoA, MoD	Process/system settings and number of services
		Marketing	Strengthen digital pro-export marketing through special projects and by supporting the digital presentation of companies on a software basis	MIT		Process/system settings and number of services
		Marketing	Link the activities of pro-export institutions to marketing tools	MIT	All actors in the system	Process/system settings
		Marketing	Create and apply timeless branding of the Czech Republic and a unified visual style of state institutions in pro-export marketing	MFA, CzechTourism	MIT	Creation of a unified visual style
		Assistance and consulting services	Establish positions of central industry specialist-coordinators for selected industries/domains and introduce a system of long-term industry/ domain planning for foreign expansion	MIT, CzechTrade		Process/system settings

Chapter	Area	Focus	Measures	Administrator	Spolupráce	Indicator
5. Services and capital	Capital	Insurance and export financing	Analysis of the institutional set-up and its subsequent optimisation, including the preparation of legislation	MIT	CEB, EGAP, NDB	Process/system settings
		Insurance and export financing	Revision of the product portfolio of export financing and insurance and strengthening its linkage to other pro-export services of the state	MIT, MOF	CEB, EGAP, NDB	Process/system settings and number of services
		Development of companies	Effective setting of conditions for the use of the system as a flexible state tool for dealing with emergency situations and crises	MIT	MoF	Process/system settings and number of services
		Development of companies	Deepening and institutionalising cooperation with the NDB, especially in relation to SMEs	NDB	CEB, EGAP, MIT	Process/system settings and number of services
		Insurance and export financing	Explore the possibility of using different sources of liquidity to secure export financing	CEB, EGAP	MIT, MOF	Process/system settings and number of services
		Investments abroad	Discuss with the relevant stakeholders the possibility of establishing a state or quasi-state venture capital fund to invest in export-oriented companies with the prospect of a voluntary exit if sufficient capital strength for export is secured	MIT	CEB, EGAP, NDB	Process/system settings and number of services



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