

REPORT

20

CZECHTRADE

19



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CZECHTRADE PROFILE



The CzechTrade agency is the national organisation for export support established by the Ministry of Industry and Trade with the objective of developing international trade and mutual cooperation between Czech and foreign entities.

Thanks to over twenty years of experience, the agency has become an expert in supporting Czech exporters and their long-term partner on their path to export success.

CzechTrade provides a wide portfolio of mutually interconnected and comprehensive services, which is a real advantage.

Setting up basic management processes in the agency helps to improve the quality of provided services as well as customer satisfaction.

It also improves strategic and risk management. CzechTrade has been a holder of an ISO quality certificate continuously since 2002, and it has passed recertification audits on a regular basis.

VISION AND KEY VALUES

The agency has the vision to be the first choice of Czech companies, especially small and medium-sized ones, in a partnership aimed at the support of internationalisation of their business activities.

CzechTrade's key values include goal orientation as well as a focus on professionalism, opportunities and cooperation. In practice, this means setting clearly defined objectives and systematic work aimed at their achievement. The agency also consistently monitors the quality of provided services. These high-quality services have been built on many years of experience and knowledge of foreign markets, as well as on long-term relationships. Furthermore, the agency is bound by its status as a government agency. CzechTrade focuses on new business opportunities and their implementation even in the event of obstacles. It knows the potential risks well and can manage them professionally. The agency's highest priority is the customer. It also focuses on the targeted establishment of mutually beneficial relationships with other partners in the field of export promotion. Last but not least, it is very important for the agency that the people in the agency create a team with enough space for the development of talent of individual members.

MAIN PROJECTS AND PARTNERSHIPS

- CzechTrade together with the Ministry of Foreign Affairs and the Ministry of Industry and Trade operates its **Client Export Centre**.
- CzechTrade operates **50 foreign offices in 58 countries** through the shared foreign CzechTrade and CzechInvest network, thanks to which it provides services of both agencies in 23 countries.
- CzechTrade operates the **BusinessInfo.cz** official business and export portal.
- Every year CzechTrade chooses and assesses the best exporters as part of the **DHL Export Prize, which is under the auspices of CzechTrade**.
- CzechTrade presents Czech industrial design and provides lectures in the field of design management as part of the **Designblok** and **Czech Grand Design events**.
- Every year CzechTrade monitors the opinions, interests and requirements of exporters within the category of small and medium-sized enterprises (MSP) as part of **export research** together with the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic and the Ministry of Industry and Trade.
- CzechTrade regularly informs the general business community through its export magazine called **Exports and Business** since 2019.
- CzechTrade exchanges experiences with foreign organisations focused on export support and is an active member of **European Trade Promotion Organisations**.

1

SERVICES



SERVICES FOR CZECH EXPORTERS

WE HELP CZECH COMPANIES TRADE SUCCESSFULLY
IN INTERNATIONAL MARKETS THROUGH OFFICES
ABROAD BACKED BY OUR LOCAL EXPERTS

INFORMATION SERVICES FOR EXPORTERS

Guidebooks for exporters, market analyses, news from
foreign markets

PROFESSIONAL CONSULTING

A sector-focused consultant for every company,
personal consultations with a specialist based in
offices abroad

INDIVIDUAL SERVICES ENSURED BY

specialised detailed foreign refinement of the
company's export business plan, connecting it to the
right business partners, verification of interest in the
client's product in the given market

PRESENTATIONS OF CZECH COMPANIES ABROAD

B2B events joint participation of companies at
international exhibitions and trade fairs

EXPORT EDUCATION

Courses, conferences, seminars, customised
education for companies, the project – Design for
Competitiveness

SERVICES FOR FOREIGN COMPANIES

CZECHTRADE'S FOREIGN OFFICE AND ITS TEAM CAN
FIND A SUITABLE CZECH PARTNER FOR LONG-TERM
COOPERATION, FREE OF CHARGE

Information on trading in the Czech Republic

Identification and compilation of a list of potential
suppliers

Mediation of B2B meetings and finding a suitable
business partner

Sourcing Days – organising business missions to the
Czech Republic



CzechTrade

2.

MAIN RESULTS FOR 2019

1,247 clients

2,519 contracts including **1,600** contracts implemented by foreign CzechTrade offices

1.09 service quality rating on a scale of 1 to 4

166 companies confirmed successful exports cases

16 drawing benefits from the programme called *Chance for Successful Exports*

589 inquiries of foreign companies and **476** tendering procedures, investment opportunities and offers published at the BusinessInfo.cz portal

2,317 updates from the Czech Republic for foreigners at www.czechtradeoffices.com

1,732 updates from foreign markets for the Czech Republic at www.czechtrade.cz

797 daily subscribers to the CzechTrade online service

80 export oriented workshops and conferences for **2,080** participants

1,263 30-minute consultations with representatives from **350** companies within the *Meeting Point CzechTrade* event

12 implemented meetings of foreign purchasers with Czech companies at Sourcing Days, i.e. **490** meetings for **160** Czech companies

25 implemented fairs within the NOVUMM project for **212** participants

14 implemented fairs within the NOVUMM KET project for **92** participants

19 preferential services of the individual cooperation with the designer and the participation in **3** foreign fairs aimed at design promotion within the project called DESIGN FOR COMPETITIVENESS for **19** SME

102 joint attendances of Czech companies in foreign fairs under the CzechTrade auspices for **452** companies

13 contact points for entrepreneurs in regions of the Czech Republic together with the CzechInvest agency, **1,980** meetings of regional export consultants with Czech companies and **32** implemented events with heads of CzechTrade foreign offices in the regions

220,000 is the average monthly traffic on BusinessInfo.cz

710 answered questions of entrepreneurs addressed at the *Client Export Centre*

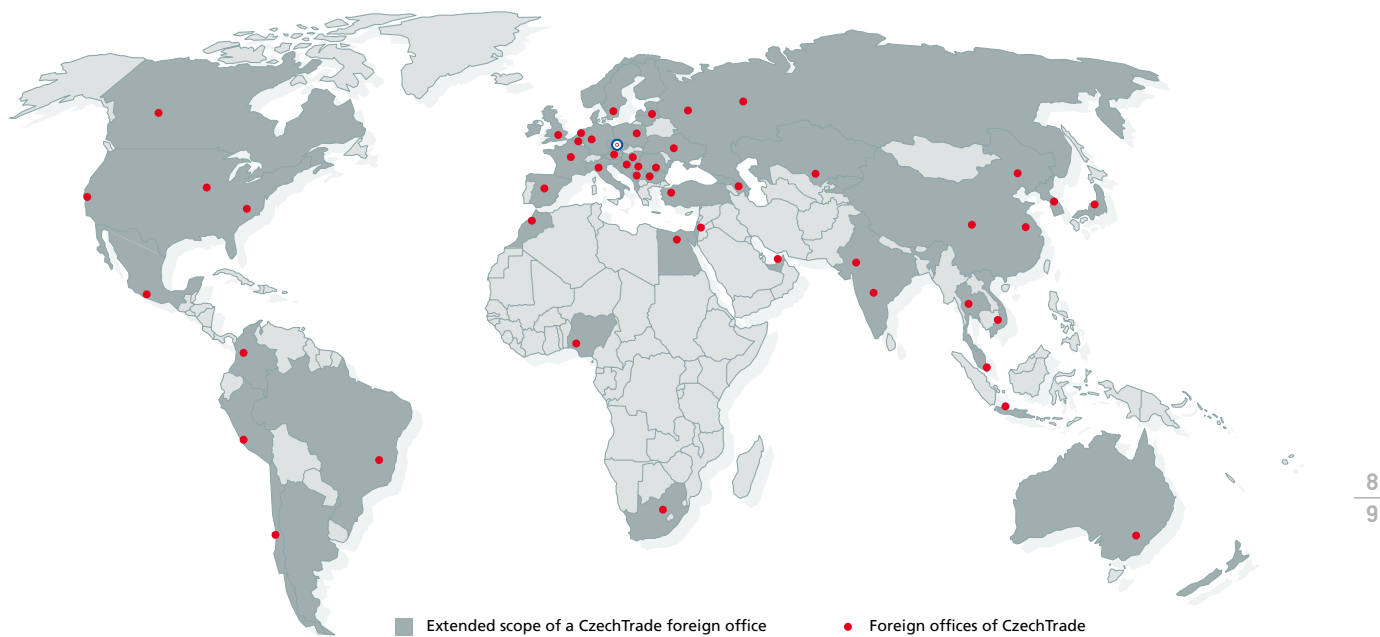
10 issues of the magazine *Exports and Business*

3.

FOREIGN NETWORK



THE FOREIGN NETWORK OF CZECHTRADE PROVIDES SERVICES IN NEARLY 60 COUNTRIES ON 5 CONTINENTS



CZECHTRADE FOREIGN NETWORK

As of 31st December 2019, CzechTrade provided its services in 59 countries worldwide.

Thanks to the cooperation with the CzechInvest agency, the offer has been extended with investment and start-up projects in 13 selected foreign offices of CzechTrade. On the other hand, CzechInvest provides services for exporters in foreign offices based in Seoul, Tokyo, San Francisco and New York.

Both agencies provide their services in 23 countries.

Foreign offices have been divided into 9 regional centres. This division allows for an efficient management of individual offices active in a certain region.

Regional centre	Foreign office	Country (including extended scope)
Central Europe and Baltic countries, Regional Manager – Adam Jareš	Baltic countries	Latvia (Lithuania, Estonia)
	Düsseldorf	Germany
	Vienna	● Austria
	Budapest	Hungary
	Poland	Poland
Southern Europe and Balkan Regional Manager – Martin Hlavnička	Madrid	● Spain
	Milan	● Italy
	Zagreb	Croatia (Slovenia)
	Belgrade	Serbia
	Bucharest	Romania
	Podgorica	Monte Negro (Bosnia and Herzegovina, Albania)
	Sofia	Bulgaria
North-Western Europe Regional Manager Vítězslav Blažek	London	UK (Ireland)
	Paris	● France
	Benelux	● The Netherlands (Luxembourg, Belgium)
	Brussels (CEBRE)	Belgium
	Scandinavia	Sweden (Norway, Finland, Denmark)
Russia and CIC Regional Manager – Štěpán Jílek	Moscow	Russia
	St Petersburg	
	Ural (Ekaterinburg)	
	Baku	Azerbaijan (Georgia)
	Almaty	Kazakhstan (Kyrgyzstan)
	Kiev	Ukraine

Regional centre	Foreign office (ZK)	Country (including extended scope)
China Regional Manager – Aleš Červinka	Shanghai	China
	Chengdu	
	Beijing	
	Guangzhou	
	Seoul	● South Korea
	Tokyo	● Japan
Middle East and Africa Regional Manager – Jiří Mašata	Casablanca	Morocco
	Dubai	UAE
	Istanbul	Turkey
	Cairo	Egypt
	Lagos	Nigeria
	Tel Aviv (Jerusalem)	● Israel
	Johannesburg	South Africa
India and South East Asia Regional Manager – Ivan Kameník	Bangkok	Thailand
	Bangalore	India
	Mumbai	
	Singapore	● Singapore
	Jakarta	Indonesia
	Ho Chi Min City	Vietnam
North America and Australia Regional Manager – Jan Kubata	Chicago	US
	San Francisco	
	New York	
	Calgary	Canada
	Sydney	● Australia (New Zealand)
Latin America Regional Manager – Jiří Jilek	Sao Paulo	● Brazil (Argentina)
	Bogota	Colombia
	Mexico City	● Mexico
	Lima	● Peru
	Santiago de Chile	● Chile

● Foreign offices of CzechTrade providing services also to CzechInvest clients

As of 31st December 2019

● Foreign representations of CzechInvest providing export services also to CzechTrade clients

FOREIGN OFFICE ROTATIONS

In 2019 eleven foreign CzechTrade offices reported personal rotations: Stockholm, Budapest, Warsaw, Belgrade, Santiago de Chile, Lima, Mumbai, Vienna, Baku, Beijing and Shanghai.

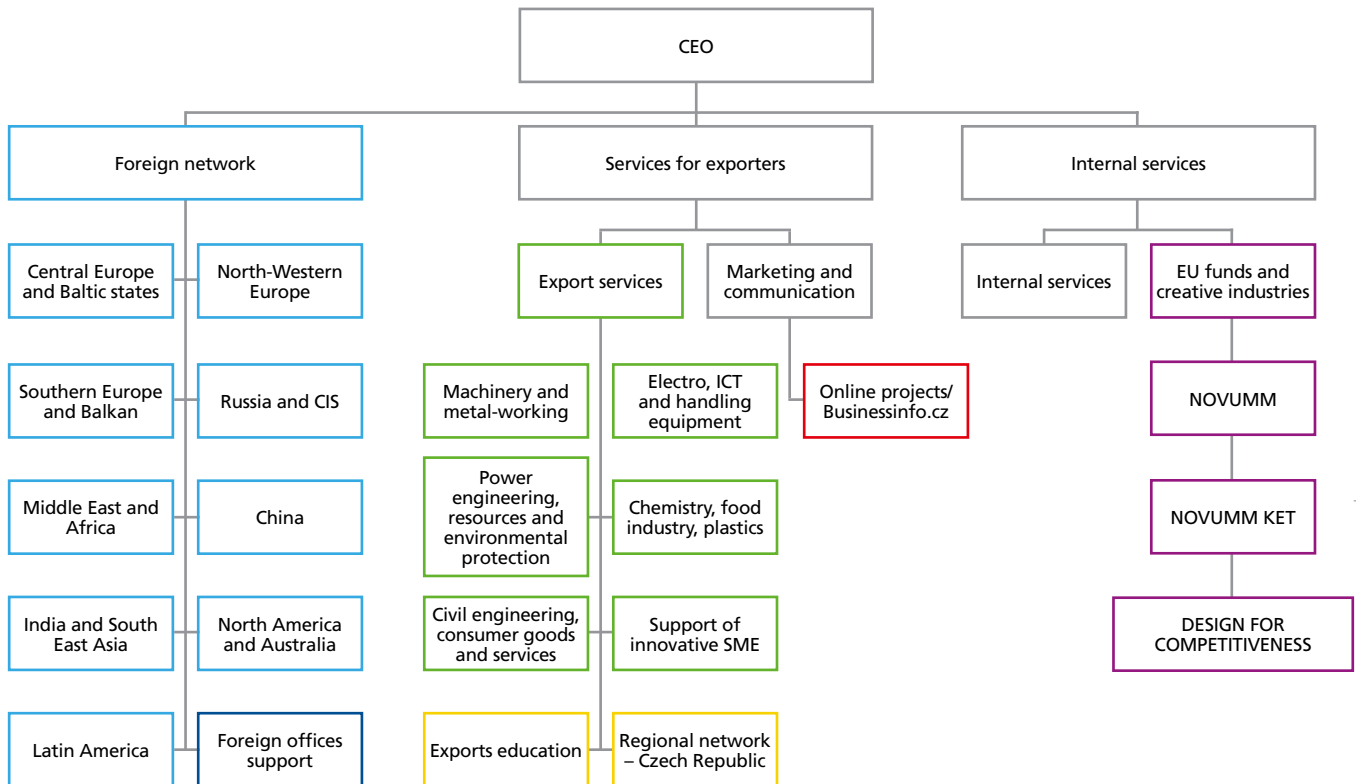
At the end of 2019, the activity of the foreign office in Tehran has been limited and the agenda of the foreign office in St Petersburg has been assumed by the Moscow office.



4.

EMPLOYEES

ORGANISATIONAL STRUCTURE



12
13

Organisational structure legend:

- The foreign network consisting of foreign offices established in regional centres (1–9)
- Sales teams consisting of industry-specialised export consultants (1–6)
- Department providing educational services and consultation to companies in the regions (regional export consultants)
- Projects financed from EU funds intended to support companies at foreign exhibitions and fairs (NOVUMM and NOVUMM KET) and the industrial design support DESIGN FOR COMPETITIVENESS)
- Implementation of the business and export BusinessInfo.cz portal, which is managed by the Ministry of Industry and Trade

As of 31st December 2019, CzechTrade had 117 employees.

5.

ECONOMIC REPORT



In 2019 CzechTrade improved its economic results, ending the year with a profit of CZK 1.5 million. These funds will be used for foreign and domestic events in 2020. Compared to 2018, the total revenues slightly decreased by CZK 1.3 million. As in the previous period, the reason was the focus on individual services, in particular missions and Sourcing Days events.

The funds created by the Agency in previous years were used to pay, to a significant extent, expenses not covered by the founder's contribution or the wage limit within budget measures.

The total agency expenses amount to CZK 417 million including structural funds; the majority of expenses were used for services (CZK 256.3 million), personal expenses (CZK 73.8 million) and depreciation (CZK 14.5 million). Last year, the agency was again entrusted with the financial support of the CIE 2019 exhibition in Shanghai with total expenses of nearly CZK 5 million. Utilisation of expenses by individual quarters was balanced and cost-effective.

In the monitored year, investment purchases of approx. CZK 23.6 million were made, mainly for the modernisation of IT equipment, costing CZK 4.1 million, followed by the acquisition of software for the BusinessInfo.cz portal, technical improvement of the CRM system IS Sinpro, Intranet on the Sharepoint 2019 platform and other software solutions, totalling CZK 19.5 million.

In 2019 the agency continued three projects from the OPPIK structural funds, which also contributed to increasing the organisation's expenses and revenues.

ECONOMIC RESULTS OF CZECHTRADE IN 2015–2019 (CZK 000)

Items	2015	2016	2017	2018	2019
Total revenues	451,711	331,715	487,716	416,449	418,408
Revenues from services	51,165	61,353	58,421	59,509	58,193
Other revenues*	81,214	10,156	17,278	16,979	27,176
Contribution for operation	319,332	260,206	412,017	339,961	333,039
Including the contribution for the agency operation	246,230	253,044	284,239	290,518	285,891
<i>including Astana EXPO 2017</i>		1,073	85,560		
including structural funds financing	73,102	6,089	42,218	49,443	47,148
Total expenses	437,813	328,429	469,199	402,924	416,957
Consumed purchases	8,029	8,155	8,165	8,703	7,950
Services	210,657	233,649	243,260	243,359	256,272
Personal expenses	55,261	56,285	60,783	66,170	73,752
Amortisation	11,581	14,882	15,414	15,044	14,456
Other expenses, incl. funds clearing	152,285	15,458	141,577	69,648	64,527
<i>including Astana EXPO 2017</i>		226	86,397		
Including EU funds clearing	144,509	6,172	48,220	62,291	56,036
Profit/Loss	13,898	3,286	18,517	13,525	1,451

*Including structural funds



6.

WHAT THEY SAID ABOUT CZECHTRADE

... REPRESENTATIVES OF BUSINESS ASSOCIATIONS

“The Confederation of Industry and Transport has long strived for the maximum institutional state support for Czech exporters. For this reason, we are very pleased that the foreign network of CzechTrade and the professional competence of its experts working abroad have been on the rise recently. It has in particular strengthened activities of foreign offices in the area of daily contact with local companies. CzechTrade has thus proved its indispensable role in defending interests of Czech companies in their negotiations with foreign partners.”

Lukáš Martin, Director of the Department of International Relationships, Confederation of Industry and Transport of the Czech Republic

“CzechTrade has become an essential part of export activities. To me it is a reliable partner for Czech companies. It helps them with its services and experience to orientate especially in territories that are distant and more difficult regarding business and helps us keep up with the best. I would like to thank the whole CzechTrade team for their flawless work.”

Eva Svobodová, member of the Board and CEO of AMSP ČR (Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic)

... REPRESENTIVES OF COMPANIES

“When we participate in a fair together with CzechTrade, we know in advance who we are going to meet at the fair. We are able to define partners we are looking for, and CzechTrade helps us a lot with its knowledge of the local market. We know in advance who we are going to meet and what kind of company it is. This all makes our work easier and faster too.”

Karel Semerák, SENSE Vital Air owner and founder

“I have repeatedly been convinced of the high level of professionalism of CzechTrade’s people. They help an exporter to quickly orientate himself regarding basic aspects of the market, society and culture specific to a particular country, and thus contribute to more efficient communication and presentation in relation to potential business partners.”

Martin Landa, Garden Praha

“I would like to thank [CzechTrade] for the project we implemented together in 2019. The main target was to support our company in its efforts aimed at entering the Romanian IT market. The preparation and the actual implementation of the project were very professional on [their] part, and I also appreciated the reasonable human approach. The compilation of a database of companies to be addressed, positive response and interest in cooperation completely met my expectations.”

Pavel Vlk, Business Development Manager, SEFIRA

“Without the help of your colleague in Casablanca, we would never have been able to start our business in Morocco so quickly. We would like to praise him for his professional approach and diligence. He speaks the language perfectly, and I also appreciate his willingness and flexibility to help us in Morocco. He did for us everything we wanted and for which we came to Morocco.”

Jaroslav Haršany, E-qualit system

“We have been cooperating with Mr. Aleš Červinka, the director of the CzechTrade regional centre in China and the man in the right place. In China as in Arabic countries, the help of the government is

important. If you exhibit at a shared stand under the auspices of the Czech Republic, your Chinese partners perceive you better.”

Tomáš Haase, Director of TOMST

... THE AGENCY’S EMPLOYEES

“I really appreciate working in a foreign office as the work here is varied and enormously diverse. During the organisation of trade missions or individual services here in Turkey, I meet interesting and inspiring people across industries. The feedback I receive from companies, for example, in the form of a report on a successful business case makes my work more meaningful.”

Vladislav Polách, Head of the CzechTrade foreign office in Istanbul

“Creativity, changes, dynamism and working with people – these things have made me like the work in CzechTrade and kept me motivated even after 13 years. A company and its culture are shaped by people. That is why I am very glad that CzechTrade has been lucky in this respect, both regarding employees and clients.”

Monika Dostálová, Head of the CzechTrade Export Education

“I joined my professional life with the CzechTrade agency in 2006, and I still find my work here meaningful and fulfilling. I have a great regard for all our clients and consider it an honour to assist them with the development of their business activities and to contribute to their business success. My clients active in the field of Czech food exports have repeatedly convinced me that there is a large number of capable and fair entrepreneurs in the Czech business who are both successful businessmen and splendid representatives of our country. In addition to my clients also my colleagues at the CzechTrade headquarters and in foreign offices are a great inspiration to me, both professionally and beyond.”

Zuzana Jesenská, CzechTrade exports consultant



www.czechtradeoffices.com
info@czechtrade.cz

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