

Introduction

The Czech Republic, also known as Czechia, is a landlocked country in Central Europe that borders the countries of Poland, Germany, Austria, and Slovakia. Czechia is strategically located astride some of the oldest land routes in Europe. The geography of Czechia consists of rolling hills and plains. The government system is a parliamentary democracy; the chief of state is the president, and the head of government is the prime minister. Czechia has successfully transformed from a centrally planned economy to a market economy in which the prices of goods and services are determined in a free price system. Czechia is a member of the European Union (EU).



Location: Eastern Europe

Capital City: Prague (+1 GMT)

Chief of State: President Petr Pavel

Head of Govt.: Prime Minister Petr Fiala

Currency: Czech Koruna (CZK)

Major Languages: <p>Czech (official) 88.4%, Slovak 1.5%, other 2.6%, unspecified 7.2% (2021 est.)</p>

Primary Religions: <p>Roman Catholic 7%, other believers belonging to a church or religious society 6% (includes Evangelical United Brethren Church and Czechoslovak Hussite Church), believers unaffiliated with a religious society 9.1%, none 47.8%, unspecified 30.1% (2021 est.)</p>

Calling Code: 420

Voltage: 230

Key Websites

Main Government Page: vlada.cz

Commerce Ministry: mpo.cz

Export Promotion Agency: czechtradeoffices.com

Investment Promotion Agency: czechinvest.org

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$525.73 billion (2022)
GDP growth (annual %):	2.46% (2022)
GDP per capita, PPP (current international \$):	\$49,945.50 (2022)
Manufacturing, value added (% of GDP):	21.18% (2022)
Current account balance (BoP, current US\$):	-\$17.37 billion (2022)
Inflation, consumer prices (annual %):	15.10% (2022)
Labor force, total:	5,320,617 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	2.37% (2022)
Imports of goods and services (current US\$):	\$218.03 billion (2022)
Exports of goods and services (current US\$):	\$217.73 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	48 / 178
EY Globalization Index	18 / 60
Global Competitiveness Index	31 / 141
Global Enabling Trade Index	25 / 136
Global Manufacturing Competitiveness Index (GMCI)	23 / 40
Global Services Location Index	34 / 60
Index of Economic Freedom	21 / 176
International Logistics Performance Index (LPI)	22 / 160
Inward FDI Potential Index	39 / 139
KOF Index of Globalization	15 / 185
Networked Readiness Index (NRI)	36 / 139
Open Budget Index	36 / 114

Risk Assessment (Provided by Coface)

Country rating: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

Business Climate rating: A2 - The business environment is good. When available, corporate financial information is reliable. Debt collection is reasonably efficient. Institutions generally perform efficiently. Intercompany transactions usually run smoothly in the relatively stable environment rated A2.

Strengths

- Central geographic location at the heart of industrial Europe
- Tightly integrated into the international production chain, and more particularly the German one
- Preferred destination for FDI in Central Europe
- Significant industrial potential
- Robust public accounts and banking system

Weaknesses

- Small, open economy: exports account for 80% of GDP
- Dependent on European demand: 64% of exports are to the Eurozone, one third to Germany
- High foreign intermediate inputs in exports and low contribution of services to locally value-added in exports
- The automotive sector occupies a large share of the economy
- Lack of rapid transport links with the rest of Europe
- An aging population and shortage of skilled labor

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