

## 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 Miloš Zeman

**Head of Govt.:** Prime Minister Andrej Babiš

**Currency:** Czech Koruna (CZK)

**Major Languages:** Czech (official) 95.4%, Slovak 1.6%, other 3%

**Primary Religions:** Roman Catholic 10.4%, Protestant (includes Czech Brethren and Hussite) 1.1%, other and unspecified 54%, none 34.5%

**Calling Code:** 420

**Voltage:** 230

## Key Websites

Main Government Page: [vlada.cz](http://vlada.cz)

Commerce Ministry: [mpo.cz](http://mpo.cz)

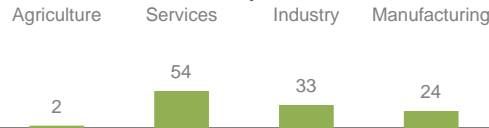
Export Promotion Agency: [czechtradeoffices.com](http://czechtradeoffices.com)

Investment Promotion Agency: [czechinvest.org](http://czechinvest.org)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$384.75 billion (2017)
GDP growth (annual %):	4.29% (2017)
GDP per capita, PPP (current international \$):	\$36,327.25 (2017)
Manufacturing, value added (% of GDP):	24.28% (2017)
Current account balance (BoP, current US\$):	\$1.92 billion (2017)
Inflation, consumer prices (annual %):	2.45% (2017)
Labor force, total:	5,371,439 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	2.89% (2017)
Imports of goods and services (current US\$):	\$155.84 billion (2017)
Exports of goods and services (current US\$):	\$171.40 billion (2017)

## 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	42 / 178
EY Globalization Index	18 / 60
Global Competitiveness Index	29 / 139
Global Enabling Trade Index	25 / 136
Global Manufacturing Competitiveness Index (GMCI)	23 / 40
Global Services Location Index	16 / 55
Index of Economic Freedom	23 / 179
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	25 / 115

## Risk Assessment (Provided by Coface)

**Country rating: A2** - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low 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 in the international, especially German, production chain
- 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: 65% of exports are to the eurozone, one third to Germany
- Automotive sector occupies a large share of the economy
- Lack of rapid transport links with the rest of Europe
- Ageing population and shortage of skilled labor

## U.S. Embassy

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