



Basic Data

Official Name	Czech Republic
Population	10,516,125
Area	78,867 km ²
Currency	Czech crown (Česká koruna, CZK)
Ethnics	Czech 88.0%, Moravian 6.8%, Slovak 1.9%

Structure of GDP and Labour Market

	Agriculture	Industry & Construction	Services
GDP	2.4%	37.8%	59.8%
Employment	3.2%	36.2%	60.6%

Exchange Rate and Government Bond Yields

Ø for period	2010	2011	2012	2013	2014
CZK/EUR	25.4	24.6	25.2	25.7	27.4
Yield – 10 Years GB (%)	3.88	3.71	2.80	2.11	2.13

Key Characteristic of Labour Code

- Employment contracts must be concluded in written form
- Common working time: 40 hours per week and 8 hours per day
- Overtime work: max. 150 hours per year
- 3 months' probation period (6 month for managers)
- Severance payments: 1 – 3 months' average earnings

Basic Data – Labour Market

Unemployment Rate (2013)	7.0%
Labour Productivity to Ø EU (2012)	66.4%
Monthly Labour Costs (2013)	1,574 EUR
Minimum Wage (1H/2014)	327.6 EUR

Average Labour Costs in Selected Sectors

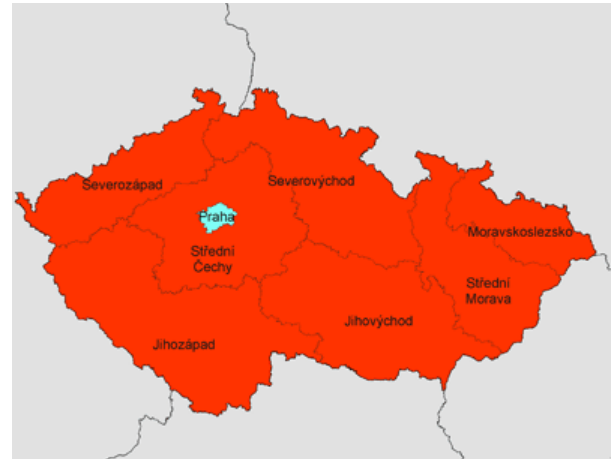
2012	Average Monthly Labour Costs
Manufacturing	1,473 EUR
Information and Communication	2,848 EUR
Construction	1,475 EUR
Wholesale and Retail Trade	1,519 EUR

Incentives and Subsidies

- Supported areas for foreign investors: industry, business support services centres
- EU Structural Funds 2014–2020: 24 Operational Programmes with total allocation of EUR 21.98 bn

Taxation

- Personal income tax: 15%; solidarity surcharge additional 7%
- Corporate income tax: 19%; 5% (for specific financial institutions)
- Value added tax (VAT): basic rate 21%, reduced rate 15%
- Social security and health insurance contributions – employer 34% + employee 11% of employee's gross wage

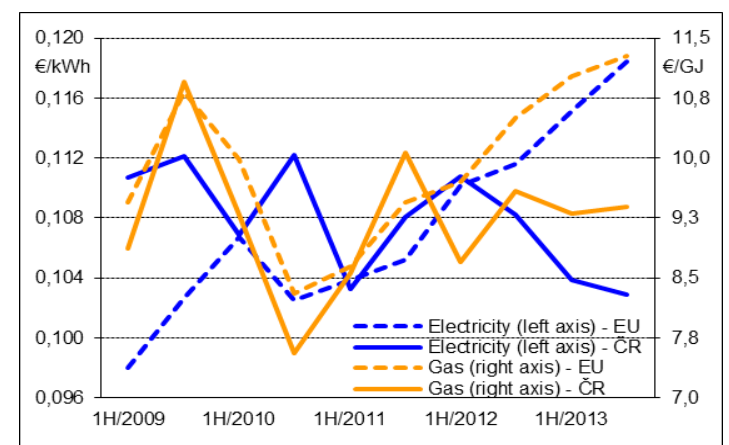


Key Macroeconomic Indicators

	2012	2013	2014	2015
Real GDP Growth (% yoy)	-1.0	-0.9	2.0	2.4
Unemployment Rate (%; ILO)	7.0	7.0	6.7	6.6
Inflation Rate (% yoy; HICP)	3.5	1.4	0.8	1.8
Trade Balance (% GDP)	3.8	4.9	5.9	6.3
Pub. Budget Deficit (% of GDP)	-4.2	-1.5	-1.9	-2.4
Public Debt (% of GDP)	46.2	46.0	44.4	45.8

Source: Eurostat, 2014-15 is outlook of European Commission

Energy Prices



Most Common Types of Companies

	Capital Required
Limited Liability Company (s.r.o.)	1 CZK
Joint Stock Company (a.s.)	cca 80,000 EUR

Setting up a Company

- According to "The Doing Business Project 2014" incorporation of a limited liability company requires usually 9 procedures and takes approximately 17 days