

ECB Innovation Barometer: The Czech Republic has improved, although it is still mainly attracting investors with cheap labour

- ⇒ **The Erste Corporate Banking Innovation Barometer monitors competitiveness, innovation potential and the future prosperity of countries**
- ⇒ **The Czech Republic came 17th in the barometer, two places higher than last year**
- ⇒ **The Czech Republic is lagging behind in, for example, the number of applications for international patents, or the percentage of households with a broadband internet connection**

For the fifth year, Ceska sporitelna has issued a unique tool for comparing the attractiveness of the 28 economies in the European Union – the Erste Corporate Banking Innovation Barometer. This assesses the economic performance of individual countries in terms of their innovation capability and future competitive ability. This year’s assessment confirmed that if European Union member states want to succeed in the growing competitive environment, they will have to concentrate on innovation, science, research and ensuring a high level of added value.

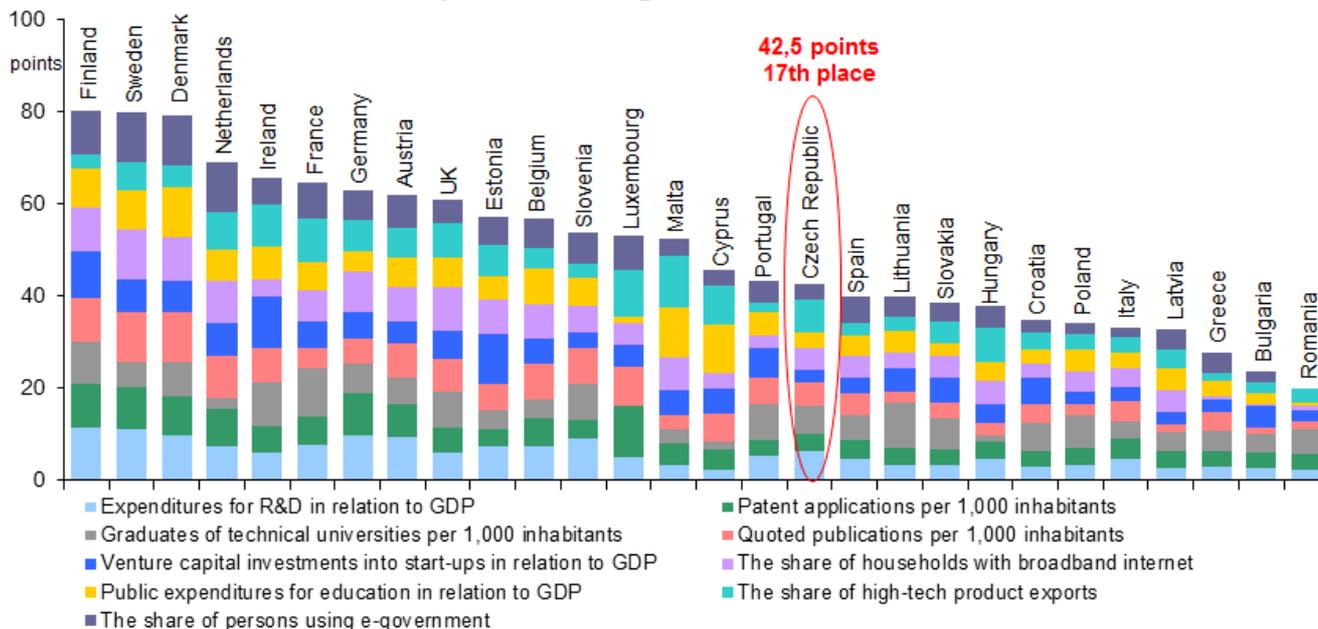
The analysis also showed that European countries maintain their competitive ability in two ways. Either they are leaders in the field of innovation, thanks to which they can afford to pay higher salaries without losing their competitiveness, or they lag behind in the introduction of innovations and compensate for this lack by paying lower salaries.

“Countries which are not sufficiently innovative, yet still pay high salaries sooner or later find themselves in a macroeconomic crisis, as happened in over-indebted Greece, Italy and Spain. If we want higher salaries in the Czech Republic, we must improve the environment for innovation,” says Jan Jedlička, Manager of the Ceska sporitelna EU Office.

For the time being, the Czech Republic still belongs to the group of less innovative countries with lower salaries, but is slowly climbing up the table. The Czech Republic is doing well, i.e. above the EU average, in its share of hi-tech exports, in expenditure channelled into research and development and in the number of graduates of technical disciplines at universities. In contrast, it is lagging behind in the share of investments by venture capital funds into start-ups and seed companies, public expenditure on education, in the share of individuals communicating with public

administration via the internet, in the percentage of households with broadband internet connection and in the number of applications for international patents.

Erste Corporate Banking Innovation Barometer 2014



Source: Erste Corporate Banking Innovation Barometer - EU Office

More information and the full version of the ECB Innovation Barometer analysis can be found [here](#).

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Ceska sporitelna's profile

Ceska sporitelna is the largest bank in the Czech Republic • More than 5 million clients use its services: individuals, small and medium-sized enterprises, and municipalities, but we also finance large corporations and provide financial market services • Ceska sporitelna has been a member of Erste Group since 2000, and under that brand, it serves affluent and corporate clients • It boasts the most extensive branch and ATM networks in the Czech Republic • It also plays an important role as an innovator: for example, it was the first bank on the Czech market to start issuing contactless cards comprehensively, and to develop a network for their use • For additional interesting information about Ceska sporitelna, read [here](#).

Erste Corporate Banking – an exceptionally strong partner in corporate and investment banking and financial markets

The largest provider of loans to corporations in terms of the aggregate loan amount • Major arranger of syndicated, club, acquisition, and project financing solutions • A leader in arranging domestic and foreign bond issues for local as well as international clients • A major advisor on mergers and acquisitions • The largest trader on capital markets in the Czech Republic, measured in terms of the number of stocks issued (IPOs and SPOs) and their volume • One of the most important partners of the European Investment Bank in Central Europe • A leading M&A consultant for local and regional clients from the business and public sectors • The largest EUR/CZK trader and a leading provider of Treasury services to corporate and public sector clients • The largest asset manager for corporate and institutional clients • *For additional interesting information about Ceska sporitelna's corporate banking, read here.*

Erste Group's Profile

Erste Group is the leading financial services provider in the Eastern part of the EU • Approximately 46,000 employees serve 16.4 million clients in more than 2,800 branches in 7 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia) • As of Q1 2014 Erste Group has reached EUR 203.9 billion in total assets, a net profit of EUR 103,3 million and a cost-income-ratio of 57.0%.