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THE SWEDISH TRADE & INVEST COUNCIL



AUTOMOTIVE SECTOR IN THE CZECH REPUBLIC

BASIC INFORMATION PACKAGE

1 December 2016

Prague

CZECH REPUBLIC IS TECHNICALLY ADVANCED AND THE FASTEST GROWING ECONOMY IN THE EU

- ▶ **The most developed industrialized economic system in the CEE**
- ▶ 4,7% GDP growth y-o-y in 2015, making the Czech Republic the fastest growing in Europe (2% GDP growth in 2014)
- ▶ Solid match with the Swedish supply in the most developed market segments, including:
 - ▶ Automotive
 - ▶ Aerospace
 - ▶ High-tech mechanical engineering
 - ▶ Energy & environment
- ▶ European hub for knowledge & technology intense sourcing
- ▶ **Spread on the areas of interest for Sweden:**

Automotive	Aerospace	Mech. engineering	Energy & Environ.	Sourcing
<ul style="list-style-type: none"> ▶ 2nd biggest car producing nation in the world – ca 1,3 vehicles per annum ▶ Strong local OEMs, eg. Skoda ▶ Pull of around 750 suppliers, 150 of which are Tier 1 ▶ Focus on improvement of Tier 1-3 supply chain ▶ Expansion of established OEMs 	<ul style="list-style-type: none"> ▶ Historically one of the key industry sectors ▶ Ca 20 local OEMs, eg Aero Vodochody ▶ European base for GE Aviation and Honeywell Aerospace ▶ 30-40 strong local Tier 1-3 suppliers ▶ Gripen cooperation program in place for 10y 	<ul style="list-style-type: none"> ▶ The biggest manufacturing sector with ca 6000 producers ▶ Focus on power engineering, machine tools, transport engineering ▶ Automation is the industry trend ▶ Rolling stock production hub – Skoda Transportation 	<ul style="list-style-type: none"> ▶ Getting greener with the pull of national and EU structural funds ▶ Focus areas: renewables, waste to energy, cogeneration, generation and transmission infrastructure ▶ Ongoing and planned cleantech programs for the coming 10 years 	<ul style="list-style-type: none"> ▶ Close destination for quality sourcing in Europe ▶ Focus – mechanical engineering and automotive ▶ Labour cost is three-four times lower than in Sweden ▶ Small series and short delivery times with the pull of local SMEs

SOURCE: NATIONAL BANK OF THE CZECH REPUBLIC, BUSINESS SWEDEN ANALYSIS



CZECH AUTOMOTIVE – SNAPSHOT

Output



1,3 mln

1 303 603 units produced in 2015

6 OEMs: 3 cars, 2 buses, 1 trucks
Additionally 1 tractor producer

Per capita



107,5 cars produced per 1000 inhabitants

Biggest car producer in the CEE

Per capita, smaller than Slovakia

Export and added value



85% of the automotive production is exported

23% share of the total export of the country

USD 48 billion – revenues

7,5% of GDP

Suppliers



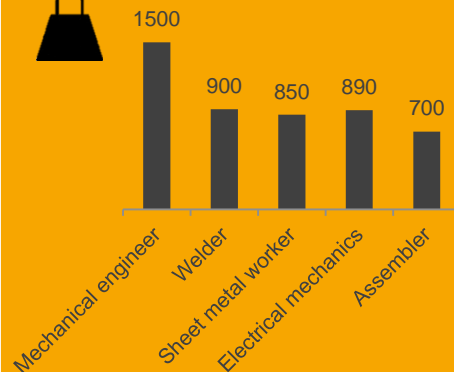
850

Approximately 850 suppliers

250 of them are on Tier 1 level

60 of top global Tier 1 have production in the CR

Salaries €



Industry employment



150 000 people employed by the industry (3,1% of the total number of employees)

R&D



One of the world's most attractive automotive R&D locations

60 companies have established automotive R&D facilities in the Czech Republic

Education



94 579 students with technical major

20 573 technical graduates

8238 PhD graduates with technical major

The average wage in the automotive industry in the Czech Republic is ca 30-40% of that in Germany



OEMS IN THE CZECH REPUBLIC 1(2)



13 plants – Škoda Auto operates 13 plants in six countries in Europe and Asia

1895 established (s.1991 – VW)

1,055,500 – output, units (2015)

25 000 More than employees worldwide (2015)

12.37 billion USD – revenue (2015)

Models: Yeti, Superb, Octavia, Rapid, Fabia, Citigo, Kodiaq (newly-launched)

2006 established

350,000 vehicles capacity (2016)

3,400 employees (97% Czech)

Models ix 20, i30, i30 wagon, i30 3D, Tucson

€ 1,12 total investment into production facilities in CR

Transmissions – produced in CR and supplied also to KIA in Slovakia and Hyundai in Russia

Development - Hyundai Technical Center in Rüsselsheim, Germany



50%-50% JV Toyota Motor Corporation and PSA Peugeot Citroën

2002 established (750 MEUR invest., 60 km from Prague)

300 000 - capacity/units (**303, 025** vehicles produced)

3000 number of employees

Models: Toyota Aygo, Peugeot 108 and Citroën C1, city cars with low fuel consumption and reliability

80% components purchase from the Czech Republic

1895 established

3, 727 units produced in 2015

Largest bus factory of Iveco Group in Europe with focus on city and intercity buses

5000 people employed directly and indirectly in the Czech production

60% - Iveco Bus announced in 2015 that it intended to expand its production capacity in Vysoke Myto by 60%





OEMS IN THE CZECH REPUBLIC 2(2)



1850 established

850 – units output in 2015

Production programme: heavy duty off-road trucks, vehicles for

combined off-road and on-road transport

3000 employed by the group of companies (owns several automotive suppliers)

SEK 3 billion - revenues

Segments: defence, construction, mining, forestry, oil & gas, utilities, firefighting

1991 established

741 units produced in 2015

50% output goes for export

Production program: city, intercity, tourist and low-floor city

Buses in the length of 8.5m, 9.5m, 10,5m, 12 m, 12.5m and 18m in the design of urban, intercity and distant traffic





LIST OF TIER 1 SUPPLIERS IN THE CZECH R.

56 OF THE TOP GLOBAL TIER 1 AUTOMOTIVE SUPPLIERS HAVE PRODUCTION IN THE CZECH REPUBLIC

Automotive Electronics

Akuma
Continental
Draka
Furukawa
Johnson Controls
KES – kabelove a el.
Systemy
Kostal
Leoni
Mitsubishi Electric
Satrema Int.
Takata
Tesla Blatna
Tesla Jihlava
Tokai Rika
TRW Automotive
TVM
TYCO Electronics
Yazaki

Airbag & safety

Car Trim
Global Safety Textiles
GST Automotive Safety
Indet Safety Systems (Nippon Kayaku)
Takata
Tokai Rika
Toyoda Gosei
TRW Automotive

Brakes

Brembo
Continental
Cooper-Standard
Federal Mogul
FTE Automotive
Knorr-Bremse
TI Group
TRW Automotive

Chassis

Benteler
Brano Group
Hyundai Mobis
Koyo Bearings
KYB Manufacturing
Monroe Tenneco
Mubea
Schaeffler Group

Fuel Systems

Continental
Cooper-Standard
Motorpal
Robert Bosch
TI Automotive
Toyoda Gosei

Engine Systems

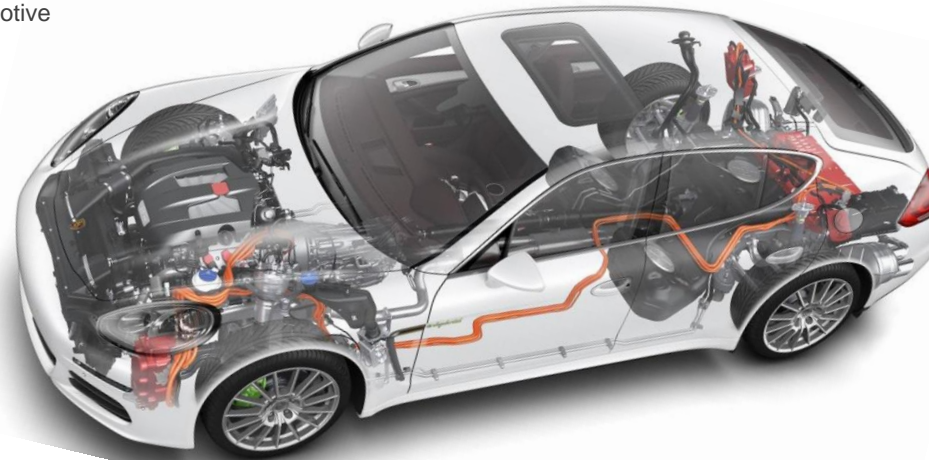
Aisin Seiki
Alfmeier
Almet
Bontaz-Center
Brabant Alucast Czech
Brisk
CZ Strakonice
Honeywell Turbo
Jihostroj
Kolbenschmidt Pierburg
Magneton
Metalis Nejdek
Nemak
PBS Turbo
Robert Bosch
Strojirna
TRW

Exterior Systems

AGC
Aoyama
CIE Automotive
Duve
Essa – Grupo
Estampaciones Sabadell
Futaba
Key Plastics
Klein&Blazek
Kovovyroba Hoffmann
Magna International
Massag
Plakor Czech (ARRK)

Rubber & plastics

Avon Automotive
Gumarny Zubri
Hutchinson
Kautex-Textron
Plakor Czech
Saar Gummi
ZPV



Ca 850 suppliers
420 suppliers – Czech capital
20-30% of global suppliers take
decisions in the Czech Republic

Interior

EuWe Eugen Wexler Int.
Faurecia Interior Systems
Bohemia
Gruppo Antolin
Gumarny Zubri
Gumotex
Hyundai Mobis
Inteva Products
Key Plastics
Magna International
Megatech Industries
Recticel
Rieter CZ
Tomatex

HVAC

Behr
Denso
Eberpacher Int.
Fujikoki
Ingersoll Rand
Keihin
Senior Automotive
TI Automotive
Valeo
Varroc Automotive

Door Systems & Car Locks

Assa-Abloy
Brano Group
Brose
Construct Czech
Defend
Edscha
Inteva Products
Kiekert
Pyeong-Hwa
Tokai Rika
Witte

Exhaust Systems & Filters

Bosal
Donaldson
Eberpascher Int.
Faurecia Exhaust Systems
Karsit
Mann+Hummel
Monroe Tenneco
Tyll
Witzenmann

Infotainment

Continental
Kyocera Display
Panasonic Automotive
TVM Acoustics

Lighting Systems

Automotive Lighting
Hella Autotechnik
Koito
Halla Visteon Autopal

Seatings

Brose
Car Trim
Commercial Vehicle Group
Dymos
Faurecia
Fehrer Bohemia
Fezko Thierry
Johnson Control
Karsit
Lear
Magan International
Viza Automocion

Wheels & Tyres

Barum Continental
Hayes Lemmerz Aluk.
Mitas
Ronal CZ

Steering & Drive Control Systems

Dura
JTEK Corporation
TRW Automotive



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