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:

<table>
<thead>
<tr>
<th>Automotive</th>
<th>Aerospace</th>
<th>Mech. engineering</th>
<th>Energy &amp; Environ.</th>
<th>Sourcing</th>
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<tbody>
<tr>
<td>2nd biggest car producing nation in the world – ca 1,3 vehicles per annum</td>
<td>Historically one of the key industry sectors</td>
<td>The biggest manufacturing sector with ca 6000 producers</td>
<td>Getting greener with the pull of national and EU structural funds</td>
<td>Close destination for quality sourcing in Europe</td>
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<td>Strong local OEMs, eg. Skoda</td>
<td>Ca 20 local OEMs, eg Aero Vodochody</td>
<td>Focus on power engineering, machine tools, transport engineering</td>
<td>Focus areas: renewables, waste to energy, cogeneration, generation and transmission infrastructure</td>
<td>Focus – mechanical engineering and automotive</td>
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<td>Pull of around 750 suppliers, 150 of which are Tier 1</td>
<td>European base for GE Aviation and Honeywell Aerospace</td>
<td>Automation is the industry trend</td>
<td>Labour cost is three-four times lower than in Sweden</td>
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<td>Focus on improvement of Tier 1-3 supply chain</td>
<td>30-40 strong local Tier 1-3 suppliers</td>
<td>Gripen cooperation program in place for 10y</td>
<td>Ongoing and planned cleantech programs for the coming 10 years</td>
<td>Small series and short delivery times with the pull of local SMEs</td>
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<td>Expansion of established OEMs</td>
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<td>Rolling stock production hub – Skoda Transportation</td>
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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)**

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

**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

**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

**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.

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<td>Akuma</td>
<td>Car Trim</td>
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<td>AGC</td>
<td>Behr</td>
<td>Assa-Abloy</td>
<td>Bosal</td>
<td>Continental</td>
<td>Automotive Lighting</td>
<td>Brose</td>
<td>Barum Continental</td>
<td>Dura</td>
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<td>GST Automotive Safety</td>
<td>Cooper-Standard</td>
<td>Hyundai Mobis</td>
<td>Federal Mogul</td>
<td>Almet</td>
<td>CIE Automotive</td>
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<td>Panasonic Automotive</td>
<td>Commercial Vehicle</td>
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<td>Furukawa</td>
<td>Indet Safety Systems</td>
<td>FTE Automotive</td>
<td>Koyo Bearings</td>
<td>FTG Automotive</td>
<td>Bontaz-Center</td>
<td>CIE Automotive</td>
<td>Fujikoki</td>
<td>Defend</td>
<td>Faurecia Exhaust Systems</td>
<td>TVM Acoustics</td>
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<td>Johnson Controls</td>
<td>(Nippon Kayaku)</td>
<td>Knorr-Bremse</td>
<td>KYB Manufacturing</td>
<td>TI Group</td>
<td>Brabant Alucast Czech</td>
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**Rubber & plastics**
- Avon Automotive
- Gumarny Zubri
- Hutchinson
- KauTex-Textron
- Plakor Czech
- Saar Gummi
- ZPV

**Exhaust Systems & Filters**
- Basal
- Donaldson
- Eberpascher Int.
- Faurecia Exhaust Systems
- Karsit
- Mann-Hummel
- Monroe Tenneco
- Tyl
- Wittenmann

**Interior**
- EwWe 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
- Kehin
- Senior Automotive
- TI Automotive
- Valeo
- Varroc Automotive

**Door Systems & Car Locks**
- Assa-Abloy
- Brano Group
- Brose
- Construct Czech
- Defend
- Edscha
- Inteva Products
- Kiekert
- Pysong-Hwa
- Tokai Rika
- Witte

**Infotainment**
- Continental
- Kyocera Display
- Panasonic Automotive
- TVM Acoustics

**Lighting Systems**
- Automotive Lighting
- Hella Autotechnik
- Koito
- Halla Visteon Autopal

**Engine Systems**
- Aisin Seiki
- Alfmeier
- Almet
- Bontaz-Center
- Brabant Alucast Czech
- Brisk
- CZ Strakonice
- Honeywell Turbo
- Jhostroj
- Kolbenschmidt Pierburg
- Magneton
- Metalis Nejdek
- Nemak
- PBS Turbo
- Robert Bosch
- Stojirn
- TRW Automotive

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

**Seatings**
- Brose
- Car Trim
- Commercial Vehicle
- Dymos
- Faurecia
- Fehrher Bohemia
- Fekoz Thierry
- Johnson Control
- Karsit
- Lear
- Magan International
- Viza Automocien

**Wheels & Tyres**
- Barum Continental
- Hayes Lemmerz Aluk.
- Mitas
- Ronal CZ

**Steering & Drive Control Systems**
- Dura
- JTEK Corporation
- TRW Automotive

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

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