



Czech Trade 
Promotion Agency 
2012 

CzechTrade

is an allowance organization of the Ministry of Industry and Trade. It has been a partner for Czech companies on their way to export success for more than 15 years. |



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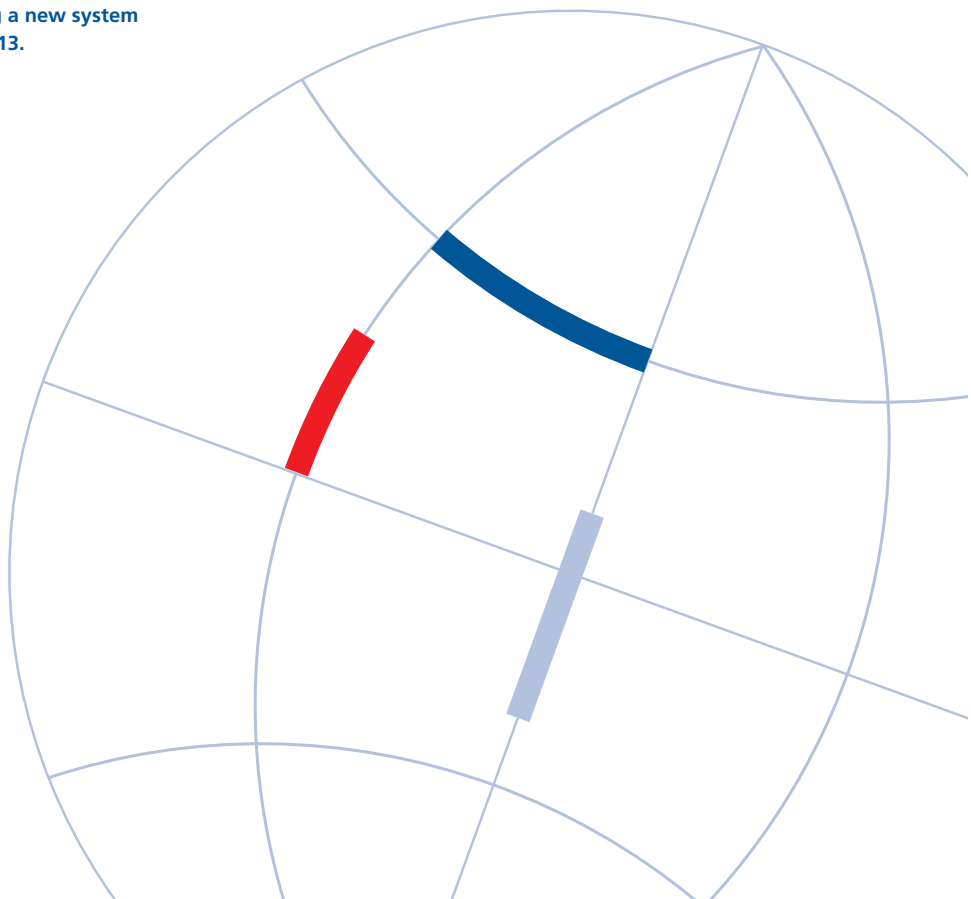
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Important Events of 2012

- | | On 14 March 2012, the Export Strategy of the Czech Republic was approved for the period 2012-2020.
- | | In April, Zdeněk Vališ, M.A. was appointed to agency management.
- | | On 1 August 2012, international offices of CzechTrade and CzechInvest were united into a single foreign network of the Ministry of Industry and Trade.
- | | At the end of 2012, the agency is preparing a new system of services to be launched from January 2013.



Financial Results for 2012

In 2012 the Agency reported the profit of CZK 1.8 million. This was achieved by efficient management and the achieved amount of revenues. This reflects the positive fact that even under the year-to-year decline of state contributions for operations (excluding projects with EU funds), funds arising from the sale of services and especially the use of the reserve fund are able to significantly contribute to the coverage of the costs of the Agency.

CzechTrade Financial Results for the period 2008-2012 (in thousand CZK)

	2008	2009	2010	2011	2012
Total revenues	267 674	258 016	455 768	461 598	445 369
Revenues for services	24 170	26 923	26 289	26 046	24 451
Other revenues and incomes including the clearing of EU funds	6 423	5 988	16 450	119 140*	117 517*
Contribution to operation	237 081	25 105	413 029*	316 412*	303 401*
Total costs	251 849	256 594	455 767	458 395	443 616
Consumer purchases	19 979	9 420	9 908	10 003	7 687
Services	173 968	177 222	142 452	137 758	135 716
Personnel costs	53 043	54 651	50 025	49 447	48 263
Depreciation	10 583	11 691	11 142	10 835	11 337
Other expenses including clearing of EU funds	3 276	3 610	242 240*	250 352*	240 613*
Profit (loss)	15 825	1 422	1	3 203	1 753

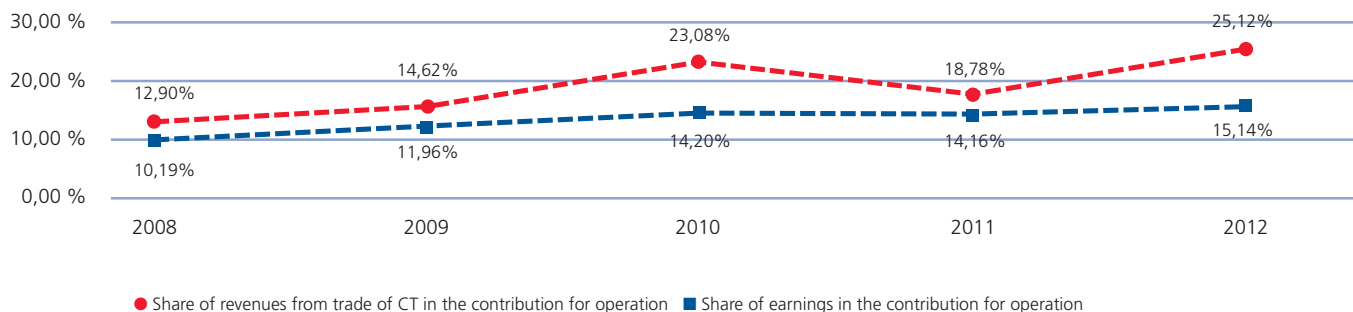
*note. The amount of incomes and expenses in 2010-2012 includes resources associated with financing of Structural Funds projects (2010 – CZK 227,836,000; 2011 - CZK 243,154,000; 2012 - CZK 243,337,000)

Development of sales and other revenues of CzechTrade and the contribution of the Ministry of Industry and Trade from 2008 (in thousand CZK)

	2008	2009	2010	2011	2012
Own sources of Czech Trade					
Revenues for services	24 170	26 923	26 289	26 046	24 451
Other revenues*	6 423	5 988	16 450	8 486	16 116
Total	30 593	32 911	42 739	34 532	40 567
Contribution to operation of the Ministry of Industry and Trade	237 081	225 105	185 193	183 912	161 465

*use of reserve fund, fund of bonuses etc.

Share of revenues from sales for services and earnings of CzechTrade in the contribution of the Ministry of Industry and Trade (in %)



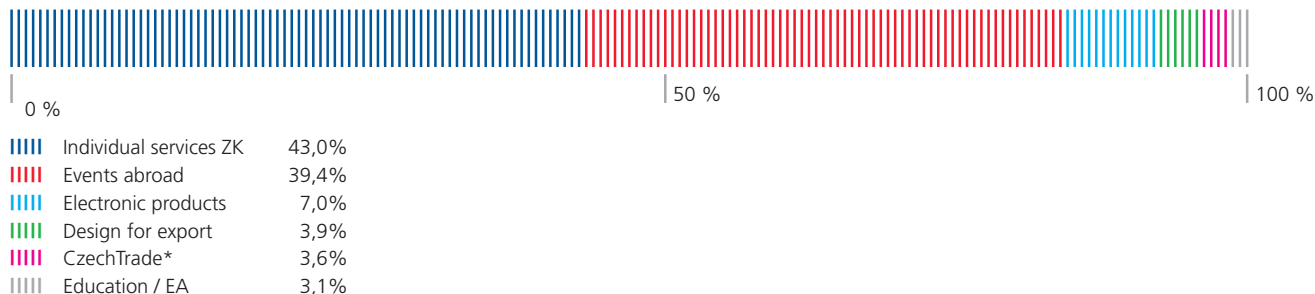
Total sales volume reached nearly CZK 24.5 million. The international offices of the Ministry of Industry and Trade (MIT) accounted for the major share of revenues from sales primarily through their individual contracts and events abroad for Czech exporters. Their share was 82.4%, which is 9% higher when compared to 2011. Also the share of revenues from sales in the operating grant increased - to 15.1%. The share of all revenues generated by the agency to the contribution of MIT reached 25.1%, which is the second highest value in the sixteen-year history of CzechTrade.

The amount of revenues from sales by individual types of services in 2012

Service	Total in CZK
Individual services of missions abroad	10 524 169
Events abroad	9 634 448
Electronic products	1 721 273
Design for export	946 100
Other services*	870 096
Export education	755 040
Total	24 451 126

*services provided for Export Guarantee and Insurance Corporation and Czech Export Bank

Revenues from sales for individual services of CzechTrade – in per cent



Selected Indicators of the Business Activity of the Agency

COOPERATION WITH COMPANIES

During 2012, CzechTrade cooperated intensely with 3,308 Czech companies. A total of 4,652 meetings were held, of which a record is kept in the SINPRO Information System.

In 2012, CzechTrade staff developed 2,020 new contracts with 1,042 firms. In that, the representatives of the MIT worked on 1,018 contracts.

CzechTrade generated revenues from sales by realizing 1,385 sales contracts for 851 Czech firms.

CzechTrade Exporters Directory, designed for the presentation of Czech firms abroad, was used by 915 new businesses in 2012.

To communicate with firms, CzechTrade also employs electronic business messaging. Consent to receiving business messages has been obtained from 5,774 firms, and electronic communications are therefore distributed to 7,396 email boxes.

Export opportunities were sent through the “CzechTrade Daily” to 3,524 email addresses.

Overview of revenues, number of orders and number of customers for different types of CzechTrade services

	Number of paid orders	Number of unique clients
Individual services of missions abroad	575	347
Events abroad	368	307
Electronic products	160	110
Design for export	85	73
Export education	229	174

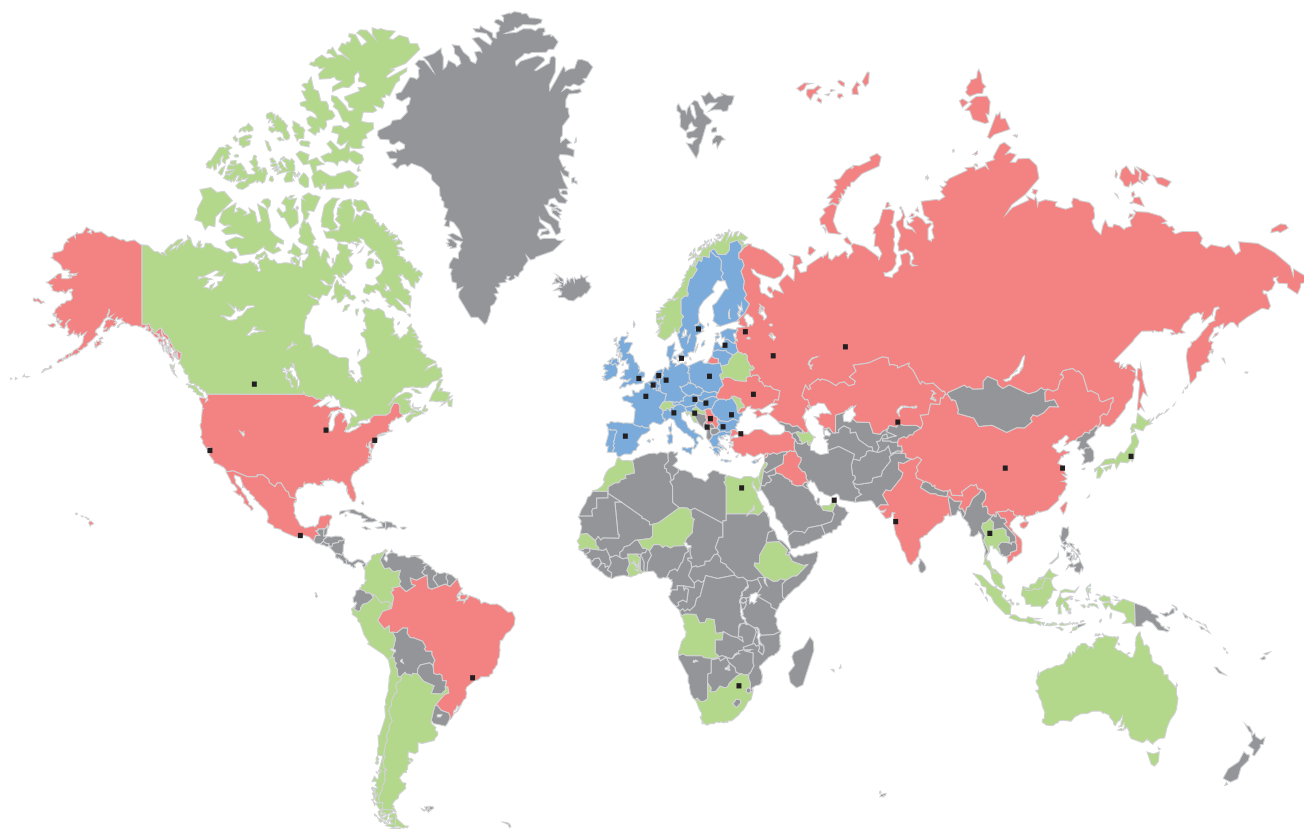
INTERNATIONAL NETWORK FOR EXPORTERS CAN COVER MOST OF THE WORLD

In connection with the implementation of the Export strategy international offices of CzechTrade and CzechInvest have been, since 1 August 2012, unified into a single integrated international network of the Ministry of Industry and Trade, CzechTrade became their service organization.

In 2012, CzechTrade offered the services of international missions of Ministry of Industry and Trade in 37 countries:

Asia: 7 / Russia: 3 / Americas: 6 / Africa: 2 / Europe: 19

In these countries the total of 40 employees worked for Czech companies.

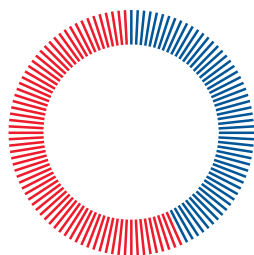


- ||||| 2012–2020 Czech Export Strategy priority countries
- ||||| 2012–2020 Czech Export Strategy interest countries
- ||||| European Union countries
- ||||| Other countries

Services of foreign representatives CzechTrade offers to Czech companies include mapping of the foreign market, competition, business possibilities, local legislation and import conditions through searching for potentially suitable business contacts. Addressing selected entities and the verification of interest in the cooperation. Organization of business meetings including interpreting, picking suitable foreign fairs and providing presentations in selected fairs to individual assistance services.

I Utilization of International Missions

This indicator represents the share of the work on particular contracts of clients in the total.



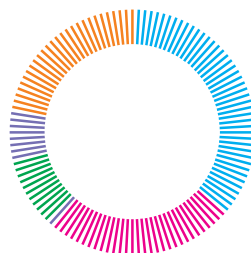
||||| Outside EU – 55%
 ||||| EU – 45%

SUCCESSFULNESS OF CZECHTRADE CLIENTS IN FOREIGN MARKETS

We appreciate clients who have used the services of CzechTrade and subsequently inform us about their success in foreign markets. Most export cases have been confirmed by firms to the international mission in Germany (19) worth a total of CZK 50 million, the international mission in Brussels has 3 confirmed successful cases worth about CZK 47 million. Third place is occupied by the international mission in Chicago, which two companies confirmed successful cases with a total value of almost CZK 30 million.

Examples of successful cases include SVCS Process Innovation s.r.o. (CZK 40.3 million CZK, horizontal furnaces for production of semiconductor devices, the Netherlands), Karlovarské minerální vody, a.s. (29.5 million CZK, Mattoni sparkling mineral water, USA) or SOPO s.r.o. (CZK 11,300,000, electric motors, generators, Germany).

I Branch structure of confirmed successful cases



||||| Electro, ICT, transportation and handling equipment – 34%
 ||||| Energetics, sources, environment – 27%
 ||||| Construction, consumer goods and services – 12%
 ||||| Machinery and metal industry – 5%
 ||||| Living sciences, chemistry and plastics – 22%
 ||||| Not specified – 0%

I Satisfaction of CzechTrade clients with services of the international missions of Ministry of Industry and Trade

684	generated satisfaction questionnaires
345	completed questionnaires of satisfaction
50%	satisfaction response rate
1,31	average grade rating

(1 = the best, 4 = the worst)

The system of corrective measures from 2009 has continued to be used – where contracts are individually addressed with the assessment of the client with no worse grade than 3. In these assessments, in cooperation with the staff of the section of services for exporters, corrective measures are suggested. These are consequently discussed with the client.

We would like to thank all of our clients, who completed a satisfaction questionnaire. Every opinion is valuable to us and helps us to improve our services.

EXPORT EDUCATION

In 2012, CzechTrade implemented the total of 44 professional and territorial workshops in Prague and in the regions of the Czech Republic, two training courses and 5 export conferences. Seminars and courses were attended by 540 participants from Czech companies and export conferences were attended by a total of 420 participants.

The seminars focused on topics of logistics in international trade, marketing, finance, business meeting specifics, competitiveness, etc. Both courses consisted of 6 sub seminars. These were the Successful Exporter and the Introduction to Export Courses. Territorial workshops covered for the USA, Scandinavia, South Africa, France and Italy. The export conferences covered the territories of Turkey, Russia, Kazakhstan, Ukraine, the Baltic States, China and India.

Satisfaction with educational events is expressed by an average rating of 1.16 (on a scale of 1 = the best, 4 = the worst) at a questionnaire return rate of 73%.

Within the in-house training another year of the business diplomacy course took place in 2012, which was attended by 35 participants from the CzechTrade and CzechInvest agencies, Ministry of Industry and Trade and the Ministry of Foreign Affairs.

EXPORT OPPORTUNITIES AND ON-LINE INFORMATION

BusinessInfo.cz – business and exports web portal

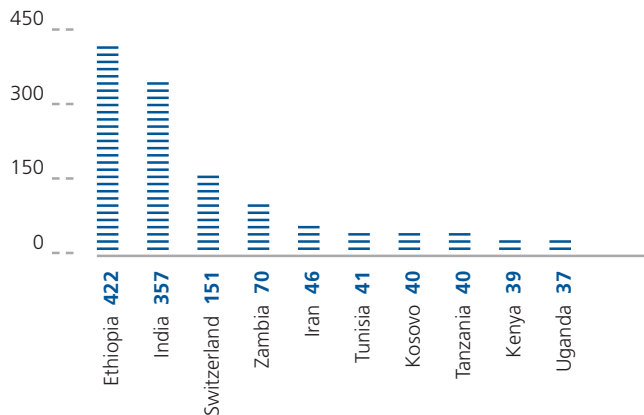
The portal is a joint project of CzechTrade and the Ministry of Industry and Trade of the Czech Republic aimed to integrate and provide summary information for businesses from different places and areas. Thanks to its involvement in the Smart Administration governmental strategy of electronic administration development, the portal contributes to reducing administrative barriers between businesses and public administration. Integrated at one location is all the important information for businesses, including public administration events and seminars, current export opportunities, strategic documents, subsidy schemes or online forms required at the beginning and during the business cycle.

Export Opportunities

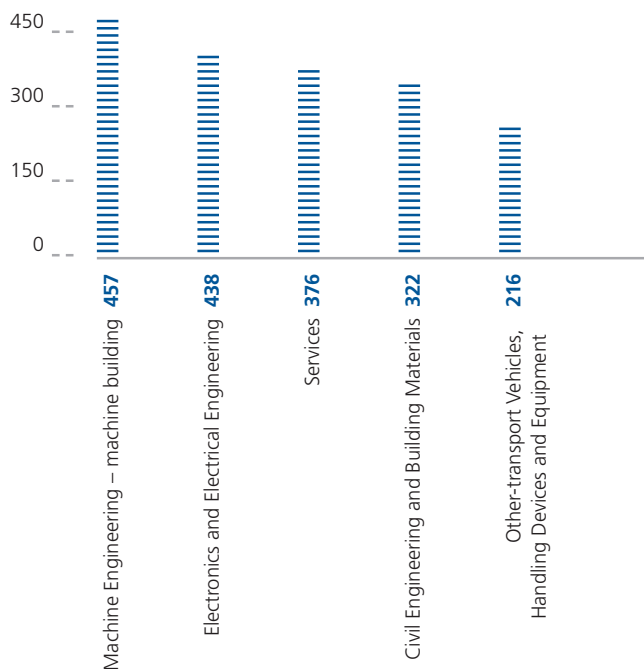
International missions, the trade and economic departments of Czech representation offices abroad, and foreign representation offices in the Czech Republic are all exclusive sources of export opportunities. CzechTrade also gains foreign inquiries using the on-line service called "Czech Business Partner Search". An on-line form for foreign companies is available on all websites of international missions of Ministry of Industry and Trade.

In addition these sources, CzechTrade also obtains information about projects and published tenders from renowned databases of the EU, World Bank and international organisations (CERN, ESO, ESA).

Tenders and Projects



Most common Tender Areas



CzechTrade obtained the most demands from Germany, Russia, Belgium, France, Turkey and the Netherlands in 2012. The most common products were from the areas of machined components and metal structures, machine engineering, glassware and the food industry.

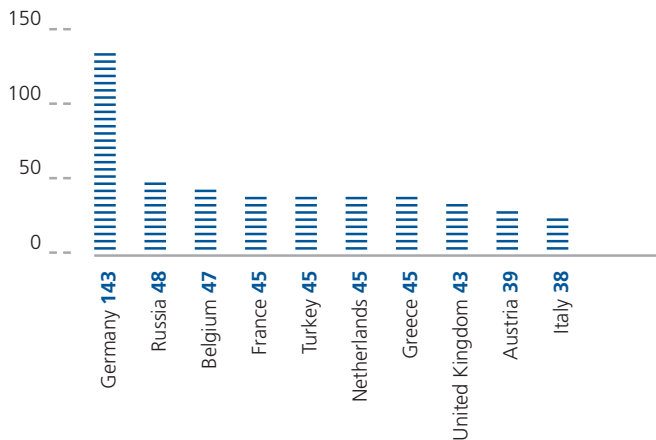
CzechTrade has been engaged in the processing of export opportunities since its inception. Over time, the demands for the provision of this free service have been changing, primarily, in the direction for relevance of provided information and usefulness for Czech companies. Currently CzechTrade provides information on foreign inquiries, foreign tenders, investment opportunities and offers of cooperation from abroad. The way of the distribution of this information and further working with them has been changing. Since 2002, this information has been according to the selected preferences regularly sent to registered companies by the CzechTrade service on a daily basis.

In 2008, publications of export opportunities moved fully to the Business-Info.cz portal, which further connects this information to other relevant information for exporting firms. Since 2011, the processing of export opportunities has been fully connected to the provision of other more personalized services of CzechTrade and in this way the added-value of this information service increased.

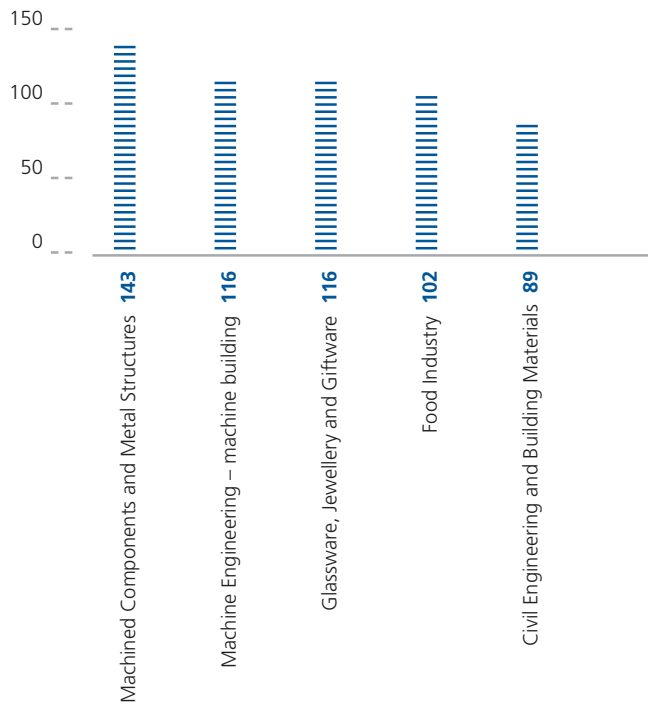
Export Opportunities

In 2012 CzechTrade published on the BusinessInfo.cz website a total of 974 foreign enquiries and 1,879 information posts on tenders and projects.

2012 enquiries - TOP 10 countries



Most common areas of demands



Projects Financed from the EU Funds

THE UNIVERSE PROJECT CONTINUED WITH ITS THIRD STAGE

In the beginning of 2012 the last phase of comments on the study called the White Paper for Space, prepared during the second phase of the project took place. The final version was presented at the second review proceedings on 7 February 2012, which recommended the study for approval.

Within the implementation of the third phase of the project, working meetings of selected companies took place at places of their registered office (e.g. Frentech from Brno, Toptec from Turnov) and the future cooperation in the Space project including the provision of standard services of CzechTrade was outlined. Furthermore, companies with no previous experience from tenders by the European Space Agency, which are interested in participating in tenders of the European Space Agency, have been contacted (such as Gina Software, Brno).

Due to the fact that the study White Paper for Space is the basic document of this project the internal database of clients (CzechTrade companies and the cooperation with the Ministry of Transport have been used to identify other companies or institutions that have potential) are interested in joining the Space project. The process of participation in tenders by the European Space Agency is challenging both in terms of administration and content. It is necessary to determine the financial health of companies / institutions. For this reason, financial analysis of these applicants has been created for the purpose of CzechTrade using the Albertina database, has at its disposal.

All activities are always prepared in close cooperation between the implementer (CzechTrade) and the founder (MIT - sections 08200 and 06300), which also coordinates the communication with the relevant departments of the Ministry of Transport.

CONTINUATION OF THE SPECIALIZED FAIRS AND EXHIBITIONS PROJECT

In 2012, the Czech Trade Agency continued to implement the fifth and sixth stages of the project called the "Common participation in Specialized Exhibitions and Fairs Abroad for 2009-2012" This is an internal project of the Enterprise and Innovations Operational Programme project.

The Specialized Exhibitions and Fairs Abroad in 73 international trade fairs, including 37 for the fifth phase and 36 for the sixth stage, were implemented in order to increase the chances of companies from the Czech Republic in foreign markets and establish new business contacts. On the whole, trade fairs in the monitored year were attended by 1,216 participated subjects, including the CzechTrade agency. This also includes 670 participants in the common exhibition, i.e. 55.1%. In separate exhibitions, 546 participants were presented by their production programs. In average, 16.7 companies attended one fair in 2012. Small and medium-sized enterprises accounted for the major share of supported entities (82.2%) followed by large enterprises with 15.6% and professional organizations with 2.2%.

Out of the total cost of the project in 2012, 57.48% accounted for the direct support to exhibitors and the remaining costs were associated mainly with the accompanying publicity and project administration.

Other Activities

At the end of the year, the Agency prepared a new structure of services offered by CzechTrade, which is a part of the implementation of the Export Strategy of the Czech Republic from 2012 to 2020. On 18 December 2012 new service packages - BASIC, BUSINESS and PLUS were approved. The main change in the structure of offered services consists of the fact that the services will be paid for by a flat-rate, unlike the current hourly rate. The prices reflect the size of firms, because CzechTrade wants to be in line with the export strategy to help small and medium-sized enterprises. Lower prices are set for small and medium-sized businesses and individuals, with higher prices for larger enterprises.

In the second half of 2012, CzechTrade began working on a new project Specialized Exhibitions and Fairs Abroad 2 for the years 2013-2014. The support of a total of 90 exhibitions is expected, whereas the support for 2013 is planned for the amount of CZK 49,320,000 for 30 fairs (within support of de minimis the support of companies will be possibly up to CZK 120,000 excluding VAT for one company per event). The project will be implemented by CzechTrade.

In December 2012, we began working on the concept of an internal project Design for Competitiveness 2013-2014. New, the service should be offered to Czech companies within this project funded by EU funds. Expected date of commencement of the project is planned for mid- 2013.

Annual Report of Activities in the Field of the Provision Information

ANNUAL REPORT OF THE CZECH TRADE PROMOTION AGENCY / CZECHTRADE ON ACTIVITIES IN THE FIELD OF THE PROVISION INFOR- MATION UNDER THE PROVISIONS OF § 18 OF THE ACT NO. 106/1999 COLL. ON FREE ACCESS TO INFORMATION, AS AMENDED, FOR THE YEAR 2012

Number of filed requests for information	1
Method of processing a request for information	a decision to reject the request in full
Number of issued responses	0
Number of issued statements on request postponement	0
Number of issued appeals against decision for request rejection	0
The number of complaints filed pursuant to §16a	0
List of granted exclusive licenses	0
Number of chargeable requests for information	0
Number of decisions to refuse the request reviewed by court	0

In 2012, the Agency received a total of 1 written request for the provision of information pursuant to Act no.106/1999 Coll., On Free Access to Information. The provision of the requested information was refused referring to the provisions of 9, paragraph. 1 of the Act no. 106/1999 Coll., On Free Access to Information, as amended.

Disclosure of information through the website of CzechTrade

On the website of CzechTrade (www.czechtrade.cz) the remote access is used in the Published information section for the disclosure of all information within the meaning of the Act no. 106/1999 Coll. as well as any responses to requests for information, including information on any decision to reject the request.

In the Mandatory Information section the information is disclosed, the list of which is provided by Decree no. 442/2006 Coll. establishing the structure of the information published on compulsory subject in a manner allowing remote access and further the Annual Reports of CzechTrade.

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