



Czech Republic

Overview

EIB INVESTMENT SURVEY

2022

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Czech Republic

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EIB Investment Survey Country Overview 2022: Czech Republic

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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EIBIS 2022 – Czech Republic

KEY RESULTS

Investment Dynamics and Focus

Responses to EIBIS 2022 suggest that on average, at the time of interviews (April-July 2022), Czech firms were exiting from COVID-19 in a relatively good shape but expected the investment environment to deteriorate substantially. Nevertheless, a net balance of 8% of firms are expecting to increase rather than decrease investment in 2022.

A similar proportion of Czech firms are investing in EIBIS 2022 as in previous waves, with only a slight decrease since EIBIS 2020. This situation could continue as the balance of firms expecting to increase investment (8%) is similar to the previous year, although much higher than during the pandemic in EIBIS 2020. The planned investment figure is below the EU average (20%).

Investment Needs and Priorities

Czech firms do not perceive major investment gaps with the majority believing they invested the right amount over the past three years (79%). Looking ahead to the next three years, new products and services (37%) will be the biggest investment priority for Czech firms. Only 6% of firms have no investment planned, in line with EIBIS 2021 (5%) and below the EU overall (11%).

Covid-19 Impact

The pandemic was a major shock for Czech firms, but policy support was sizable and helped them to survive and transform. Sales declined for 44% of Czech firms in 2020-2021. By 2021, sales had reached or exceeded their pre-pandemic levels, or were expected to recover in 2022, for 30% of firms. The impact was uneven across firms and sectors. Overall, the immediate effect of the pandemic on sales was smallest for construction and infrastructure firms.

Six in ten Czech firms (63%) received some form of financial support as a response to COVID-19, in line with the EU overall (60%). Half of firms received subsidies, more than in the EU. Only 3% of Czech firms were still receiving financial support at the time of the interviews, fewer than on average in the EU.

About half of Czech firms have responded to COVID-19 by shortening their supply chain, developing new products, or becoming more digital. This is below the EU average (63%). The most frequent response has been to become more digital, followed by a transformation of supply chains.

Firms' Transformation, Innovation and Digitalisation

Around a third of Czech firms developed or introduced new products, processes or services as part of their investment activities, similar to the EU average. 46% of manufacturing firms reported investing in innovation, more than firms in other sectors. Manufacturing firms were also most likely to introduce products, processes or services that were not only new to the firm but also new nationally, or even globally (16%).

International Trade

Fewer Czech firms were and are facing disruptions associated with international trade compared to the EU overall (76% versus EU 87%), mostly because of the pandemic or the Russia-Ukraine conflict. Just over half of firms facing trade disruptions are taking action to mitigate the impact of the international trade disruptions, mostly by diversifying their supply chain.

EIBIS 2022 – Czech Republic

Drivers and Constraints

After last year's general improvement in sentiment, Czech firms are now more pessimistic about the investment conditions they will face in the year ahead. Economic climate expectations have turned negative again in net terms (declining from +1% to -63%) as have business prospects (declining from +20% to -7%). The most frequently mentioned long-term barriers to investment in the Czech Republic are energy costs (91%), uncertainty about the future (86%) and availability of skilled staff (83%). Energy costs are a barrier for an increasing number of firms over the past year (91% versus 70% in EIBIS 2021).

Investment Finance

The share of financially constrained firms in the Czech Republic (5.2%) is similar to EIBIS 2021 (7.3%) and the EU average (6.2%). However, while this may suggest Czech firms have broadly the same level of access to investment funds, other data point to finance being harder to access. While one third (33%) of Czech firms that invested in the last financial year financed at least some of their investment through external finance, this is much lower than in EIBIS 2021 (50%). Meanwhile the proportion of total investment that is financed from external sources has decreased since last year (from 28% to 18%).

Climate Change and Energy Efficiency

Almost half of firms in the Czech Republic report that weather events are currently having an impact on their business, below the EU average (57%), with 14% of Czech firms reporting it is having a major impact.

Almost four in ten (38%) Czech firms see the transition to stricter climate standards and regulations as a risk, while 18% see it as an opportunity. This is similar to EIBIS 2021. Eight in ten Czech firms are taking actions to reduce greenhouse gas emissions, below the EU average (88%). In 2021 alone, 35% of Czech firms invested to improve their energy efficiency, in line with EIBIS 2021 and the EU average.

Over half (54%) of Czech firms have already invested to tackle the impacts of weather events and to deal with the process of reducing carbon emissions, in line with the EU average (53%). Six in ten (59%) Czech firms are planning to invest in the next three years.

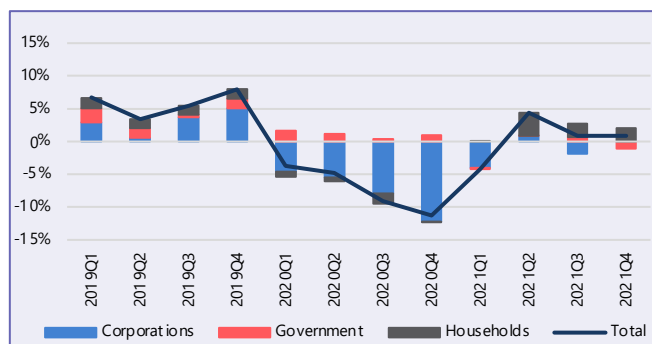
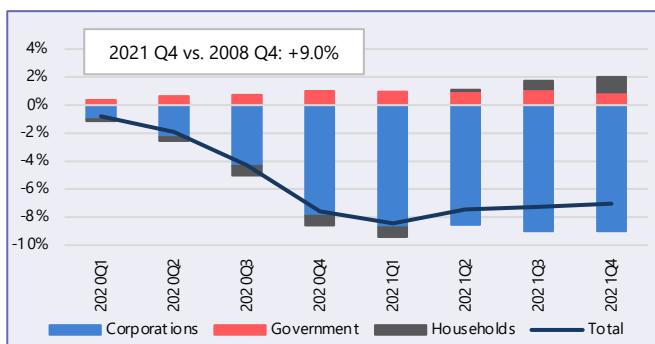
Firm Management, Gender Balance and Employment

Almost half of Czech firms (46%) use a strategic monitoring system that compares the firm's current performance against a series of key performance indicators. This is in line with the EU average (51%). One third of the Czech Republic's firms (33%) are also striving for gender balance within their business, below the EU average (58%).

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

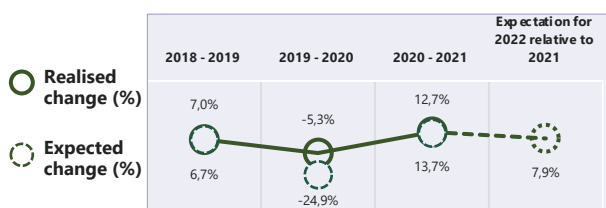
- After a strong recovery in 2022, aggregate investment had almost reached its pre-pandemic level in 2022Q3 in the Czech Republic.
- The breakdown by institutional sector is only available until 2021Q4. At the time, corporate investment remained considerably below its pre-pandemic level.
- Reflecting a strong real estate market, household investment had surpassed its pre-pandemic level.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- The proportion of Czech firms that reported having invested in the past financial year (82%) is like the EU average (81%) and has not changed since the preceding year. The balance of firms expecting to increase investment in 2022 (8%) is below the EU average (8% versus 20%).
- Services and construction firms are less likely to increase investment in 2022. In these sectors, the balance of firms expecting to increase investment is negative (-1% and -14% respectively, showing that more firms are expecting to decrease rather than to increase investment).



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base for expected and realised change: All firms



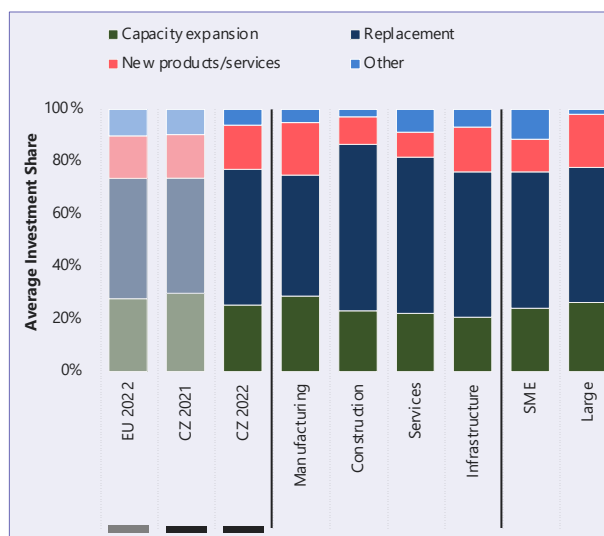
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

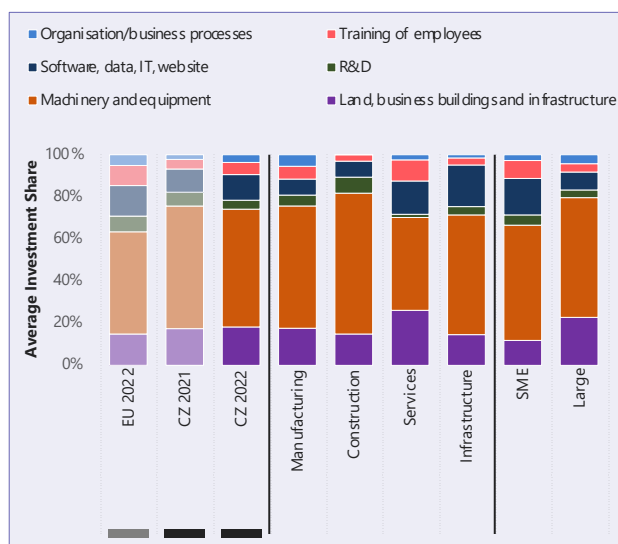
- Currently, half of Czech firms' investment is directed towards replacement (52%), and one quarter is directed towards capacity expansion (25%). The share of investment directed towards replacement is above the EU average (46%).
- New products and services account for a relatively high level of investment spending among firms in manufacturing (20%) and infrastructure (17%).
- Large firms direct a larger share of their investment towards new products and services compared to SMEs (20% versus 12%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



- The most common area of investment by Czech firms remains machinery and equipment (56%). This is in line with EIBIS 2021 (58%) and higher than the EU average (49%).
- A quarter of Czech firms' investment was in intangible assets (R&D, software, training and business processes). This is virtually unchanged since EIBIS 2021 (24%) but lower than the EU average (37%).
- Construction firms have the lowest level of investment in intangible assets (18%) compared to 24% or more in the other sectors.
- Large firms are less likely than SMEs to be investing in intangible assets (21% versus 33%).

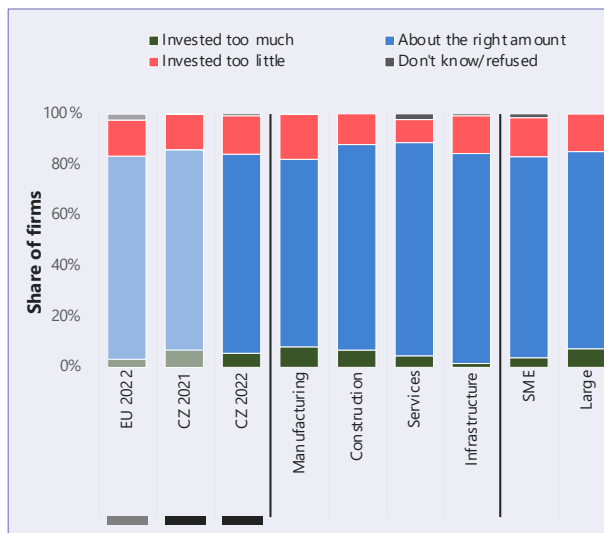
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- Czech firms do not perceive major investment gaps with the majority believing they invested the right amount over the past three years (79%), in line with EIBIS 2021 and the EU overall.
- Manufacturing (18%) and infrastructure firms (15%) are most likely to report that they had not invested sufficiently.

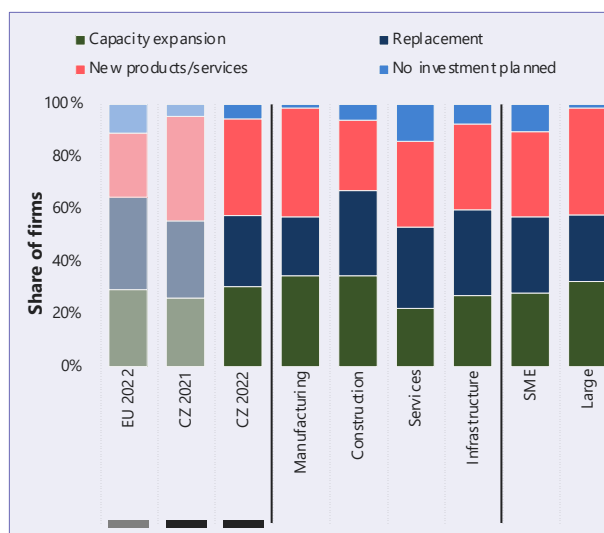


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

FUTURE INVESTMENT PRIORITIES

- New products and services (37%) is the most widespread investment priority for Czech firms over the next three years. This is in line with EIBIS 2021 and far higher than the EU average (24%).
- The focus on innovation is particularly strong among Czech manufacturing firms (42%). Other sectors prioritise more often the replacement of capacity.
- SMEs are much more likely than large firms (10% versus 1%) to have no investment planned for the next three years.

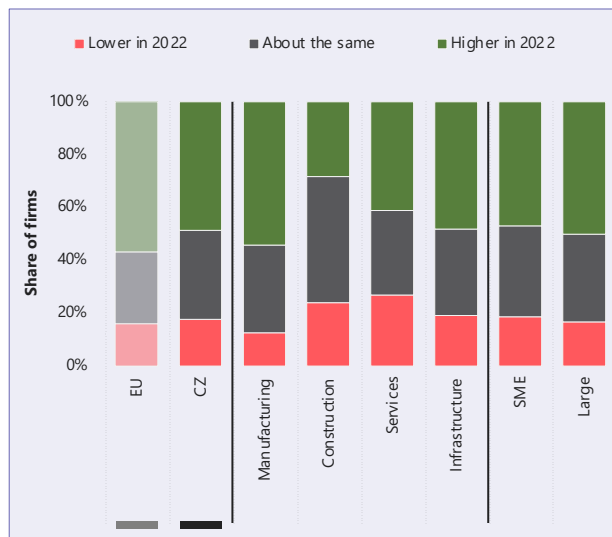


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



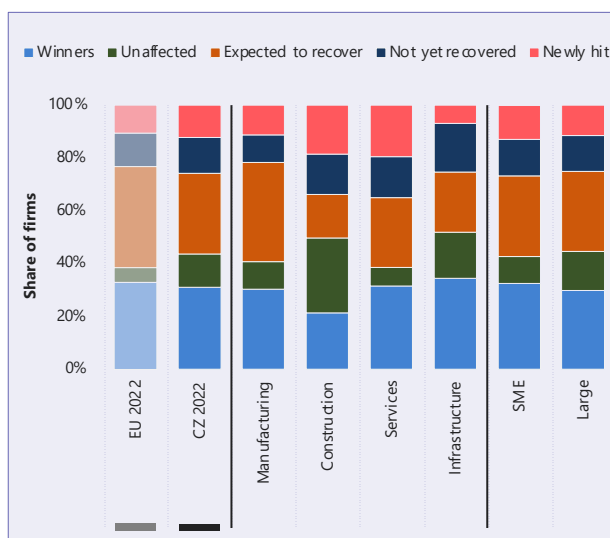
- Half of Czech firms (49%) expected their 2022 sales to be above those achieved prior to COVID, a smaller share than in the EU overall (57%).
- Manufacturing is the only sector where a small majority of firms (54%) said sales in 2022 would be higher than those achieved in 2019.
- The share of firms with expected sales below the pre-pandemic levels is highest in construction and services. About one quarter of firms in construction (24%) and services (27%) expected sales in 2022 to be lower compared to those in 2019.

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- This graph classifies firms depending on their annual sales growth since 2020. Overall, the immediate effect of the pandemic on sales was smallest for construction and infrastructure firms.
- Sales declined for 44% of Czech firms in 2020-2021. Nevertheless, in spite of facing negative sales pressures in 2020-2021, sales was expected to recover in 2022 for 30% of firms (expected to recover).
- For 14% of firms, sales were still below pre-pandemic levels and not expected to recover in 2022 (not yet recovered). This proportion is larger than the EU average (13%).
- 31% of firms saw their sales increase consistently in 2020 and 2021 and expected positive sales in 2022 compared to 2019 (winners). This share is in line with the EU average (33%) and is particularly low among construction firms (22%).



Q. Compared to 2019, before the pandemic started, did your companies sales and turnover in 2020 decline, increase or stay the same?

Q. Compared to 2020, did your companies sales and turnover in 2021 decline, increase or stay the same?

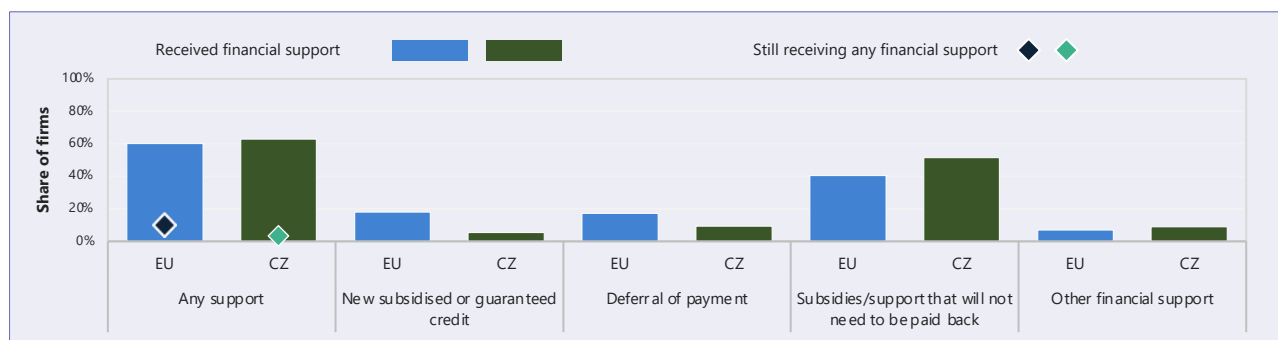
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

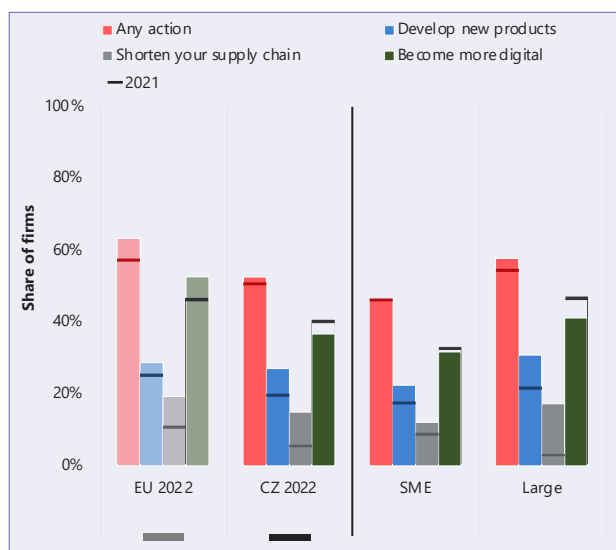
- Six in ten Czech firms (63%) received some form of financial support as a response to COVID-19, in line with the EU overall (60%).
- The most frequent type of financial support received by Czech firms is subsidies/support that will not need to be paid back (52%). This is higher than the EU average (40%).
- Czech firms are far less likely than those across the EU to have received new subsidised or guaranteed credit (5% versus EU 18%) or deferral of payment (9% versus EU 17%).
- Only 3% of Czech firms are still receiving financial support, below the EU average (10%).



Q. Since the start of the pandemic, have you received any financial support?
Q. Are you still receiving (any of) this financial support?

Base: All firms (excluding don't know/refused responses)

ACTIONS AS A RESULT OF COVID-19



- About half of Czech firms (53%) have responded to COVID-19 by shortening their supply chain, developing new products, or becoming more digital. This is below the EU average (63%).
- The most often cited area of action or investment is to become more digital, as reported by 37% of Czech firms. The proportion of Czech firms that has transformed its supply chain has tripled since EIBIS 2021, from 5% to 15%.

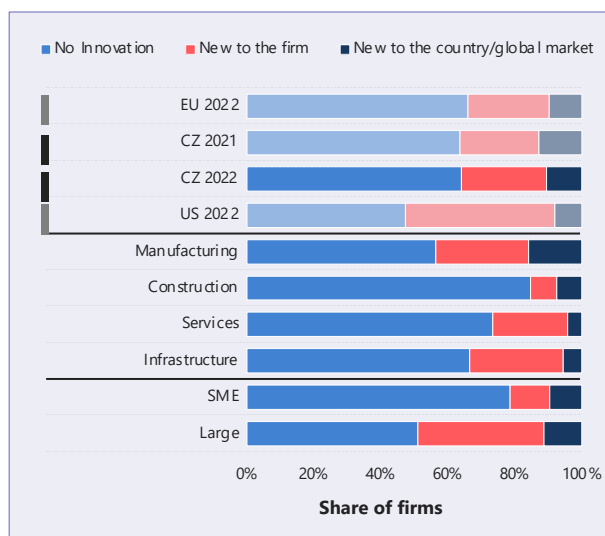
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

Innovation activities

INNOVATION ACTIVITY

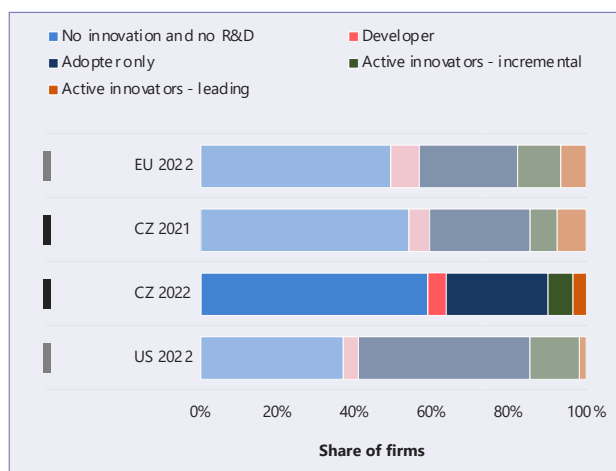
- Around a third (36%) of Czech firms developed or introduced new products, processes or services as part of their investment activities. This is similar to EIBIS 2021 (36%) and the EU average (34%).
- 44% of manufacturing firms reported investing in innovation, more than firms in other sectors. Manufacturing firms were also most likely to introduce products, processes or services that were not only new to the firm but also new nationally, or even globally (16%). Construction firms were least likely to innovate (15%).
- Innovation was more common among large firms (49%) than SMEs (21%), particularly for innovation that was new to the firm (38% versus 12%).



- Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



- One in ten Czech firms (10%) can be classified as active innovators – firms that invested significantly in research and development and introduced a new product, process or service. This is slightly lower than in EIBIS 2021 (15%) and below the EU average (18%).
- Six in ten Czech firms (59%) did not innovate or invest in R&D in 2022, similar to EIBIS 2021 (54%) and above the EU overall (49%).

- Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?
Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

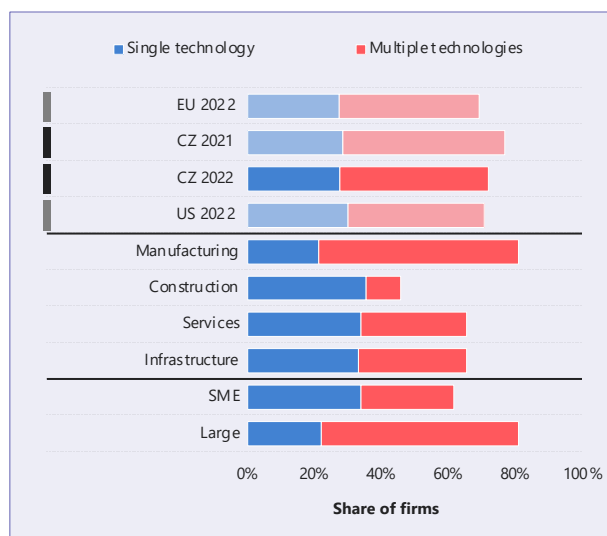
Base: All firms (excluding don't know/refused responses)

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world'.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 72% of Czech firms are using at least one advanced digital technology, in line with the EU average (69%).
- Manufacturing firms (81%) are more likely than firms in other sectors to be using digital technologies, particularly implementing multiple advanced digital technologies (60%).
- Large firms are more likely than SMEs to implement multiple technologies (59% versus 28%).
- Compared to the EU average, Czech firms are relatively strong in their implementation of Internet of Things and 3D printing. They are less likely to be employing platforms.



EIBIS 2022

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)

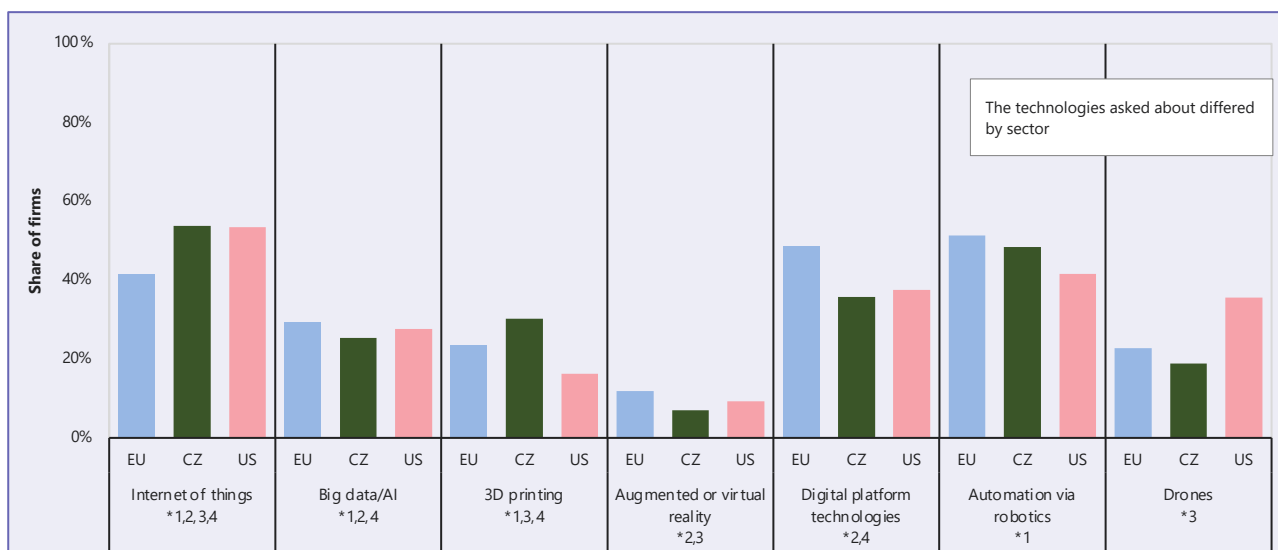
Please note: question wording and definitions changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about.

Multiple technologies is where firms have used more than one of the technologies asked about

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

Base: All firms (excluding don't know/refused responses);

Sample size CZ: Manufacturing (163); Construction (94); Services (122); Infrastructure (101).

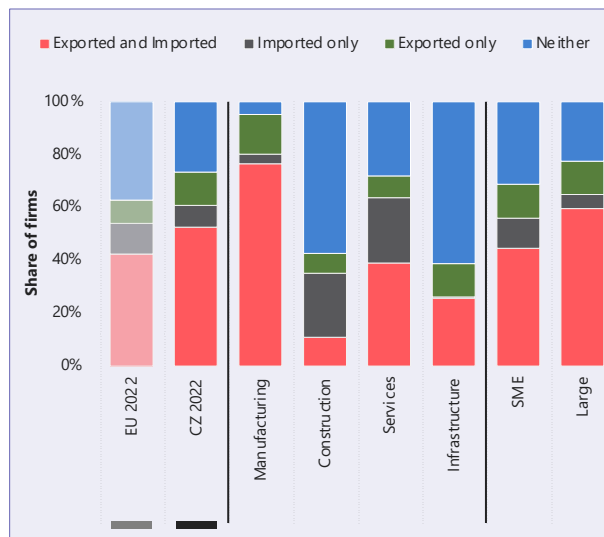
Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Three quarters of Czech firms trade internationally (73%), above the EU average (63%). Most of these are both exporters and importers.
- International trade is most prevalent among manufacturing and service firms (95% of firms and 72% respectively).
- Large firms are more likely than SMEs to be both exporters and importers (60% versus 45%).

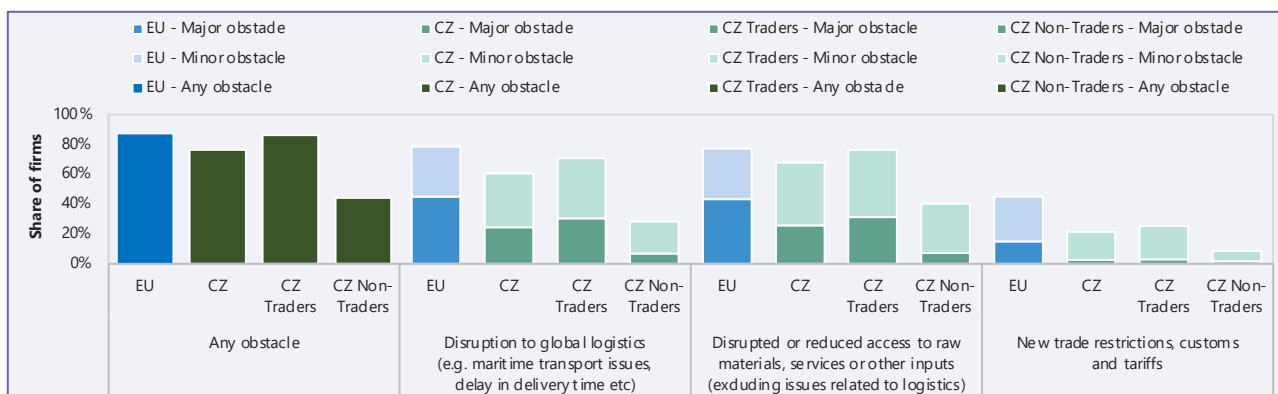


Q. In 2021, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Three quarters of Czech firms (76%) report that their business faced obstacles because of disruptions to international trade.
- Overall, fewer Czech firms are facing disruptions related to international trade than across the EU overall (76% versus EU 87%). This is true across all types of obstacle mentioned.
- Disruptions to global logistics (61%) and reduced access to raw materials, services or other inputs (68%) create the most frequent obstacles for firms in the Czech Republic.



Any obstacle combines 'minor' and 'major' obstacles into one category

Q. Since 2021, did any of the following present an obstacle to your business's activities?

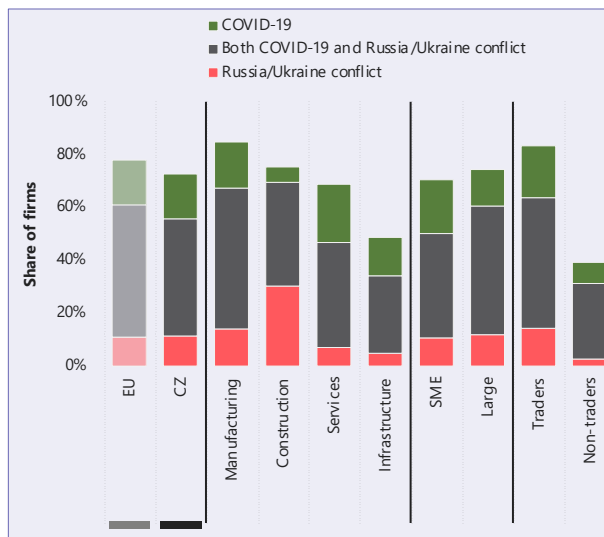
Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)

Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

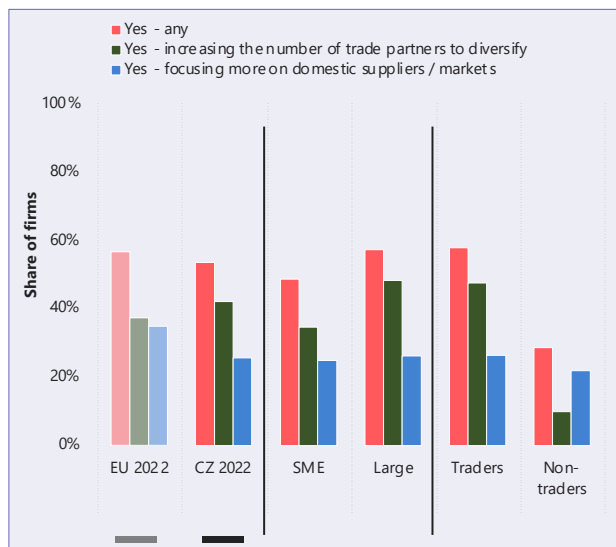
- Three quarters of Czech firms (73%) are impacted by at least one of the external factors impacting international trade.
- Over four in ten Czech firms (44%) are impacted by both the Russia-Ukraine conflict and COVID-19, similar to the EU average (50%).
- Construction firms are more likely to be impacted by the Russia-Ukraine conflict than firms in other sectors.



Q. You have just said that you experienced (an obstacle/obstacles) to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO MITIGATE INTERNATIONAL TRADE DISRUPTIONS



- Over half of Czech firms (53%) are taking action to mitigate the impact of the international trade disruptions, in line with the EU overall (57%).
- Czech firms are primarily focusing on increasing the number of trade partners to diversify their supply chain (42%). This is particularly common among the larger firms (48%).

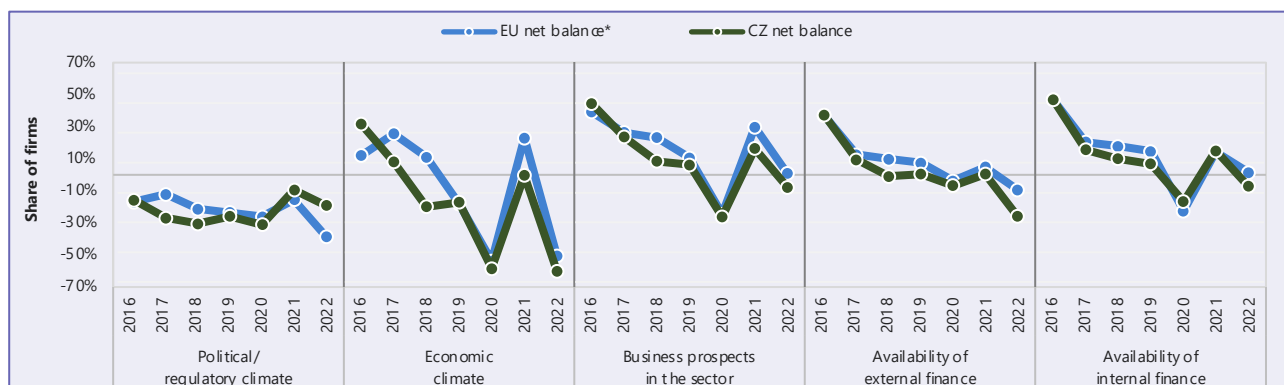
Q. Is your company taking any actions to mitigate the impact of these disruptions?

Base: All firms facing trade disruptions (excluding don't know/refused responses)

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- Czech firms are far less optimistic about investment conditions than in EIBIS 2021.
- On balance, firms expect that the economic climate will deteriorate (the balance is declining from +1% to -63%). Similarly, they expect business prospects (declining from +20% to -7%), the availability of external finance (declining from +2% to -26%) and the availability of internal finance (declining from +18% to -6%) to worsen.
- The outlook for the political/regulatory climate remains negative (-19%).
- Both the downward trend in sentiment and the absolute figures for each aspect of the wider trading environment are like those in the EU.

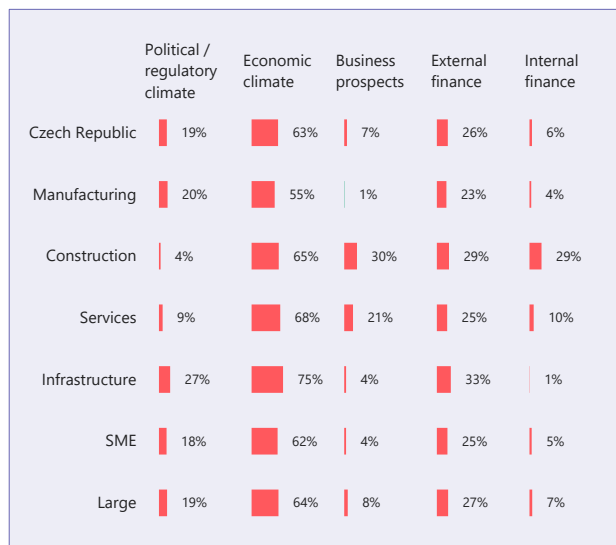


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance %)



Please note: green figures are positive, red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

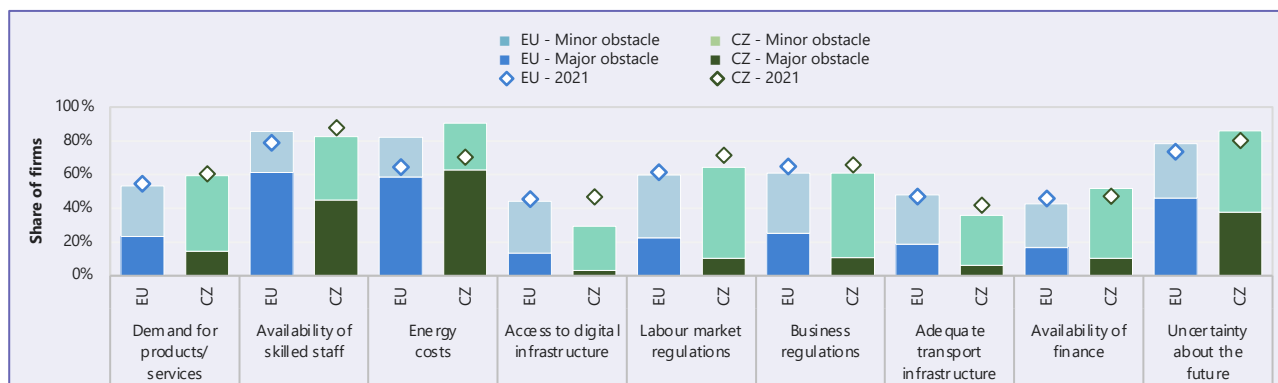
Base: All firms

- Firms are consistently more negative than positive all short-term outlook measures across different sectors and firm sizes.
- Only manufacturing firms are weakly positive (+1%) about business prospects.
- Infrastructure firms are the most pessimistic about the economic climate (-75%), while construction firms are the most pessimistic about business prospects (-30%) and the availability of internal finance (-29%).

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

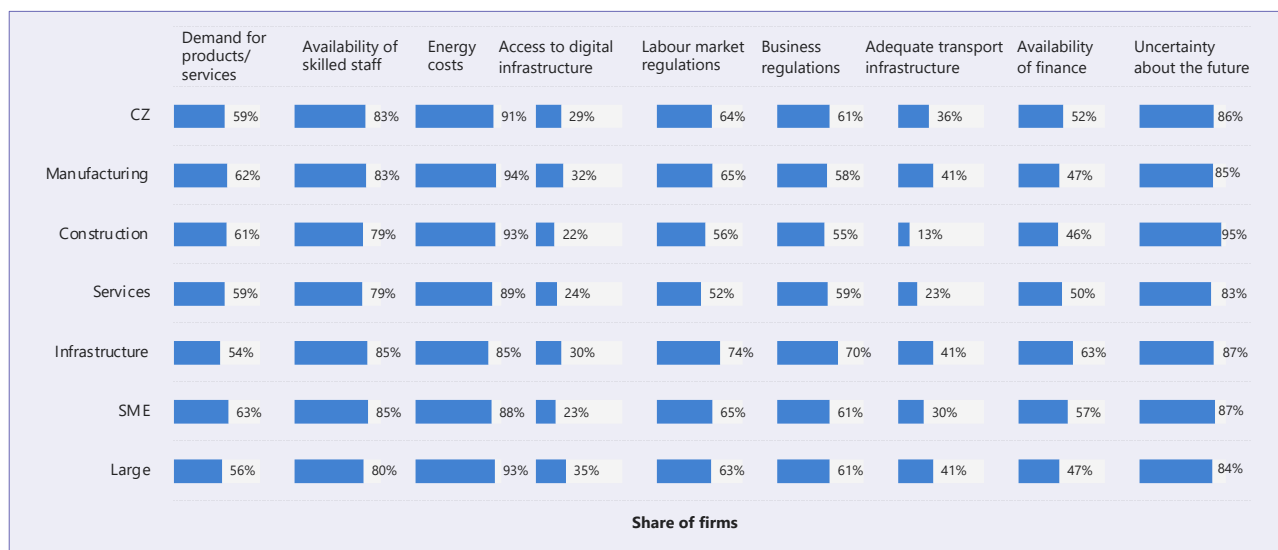
- The most frequently mentioned long-term barriers to investment in the Czech Republic are energy costs (91%), uncertainty about the future (86%) and the availability of skilled staff (83%).
- Energy costs have become a more important investment barrier (reported by 91% of firms versus 70% in EIBIS 2021), while access to digital infrastructure is now a barrier for fewer firms (29% versus 47% in EIBIS 2021).
- Compared to the EU overall, Czech firms are more likely to mention energy costs (91% versus EU 82%), the availability of finance (52% versus EU 43%) and uncertainty about the future (86% versus EU 78%) as barriers.
- Czech firms are less likely than the EU average to mention access to digital infrastructure (29% versus EU 44%) and the availability of adequate transport infrastructure (36% versus EU 48%) as barriers.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

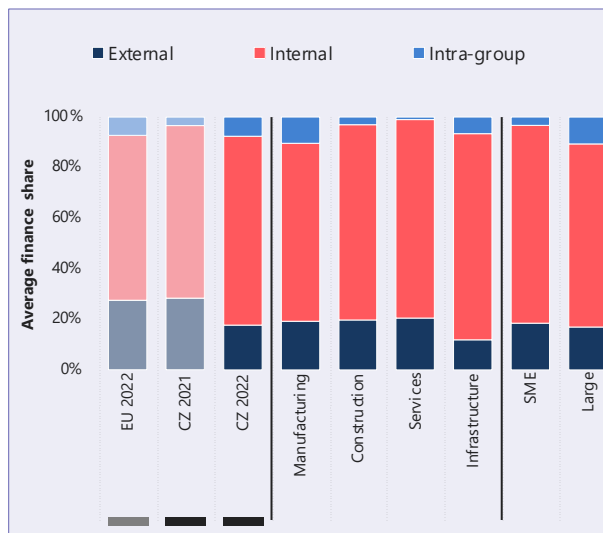
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

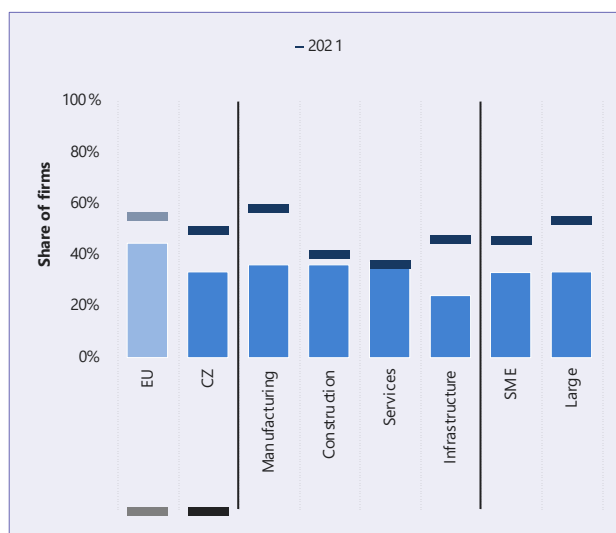
- As in the past, Czech firms source most of their funding (75%) for investment from internal sources. This is above the EU average (65%).
- The proportion of Czech firms' investment that is financed from external sources has decreased since last year (from 28% to 18%), and is below the EU average (28%).
- The sources of investment finance are similar across sectors.
- Large firms have made more use of intra-group funding than small firms (11% versus 3% of investment).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

USE OF EXTERNAL FINANCE



- One third (33%) of Czech firms that invested in the last financial year financed at least some of their investment through external finance. This is much lower than in EIBIS 2021 (50%) and below the EU average (45%).
- Infrastructure firms that had invested in the last financial year were least likely to have used external finance (24%).

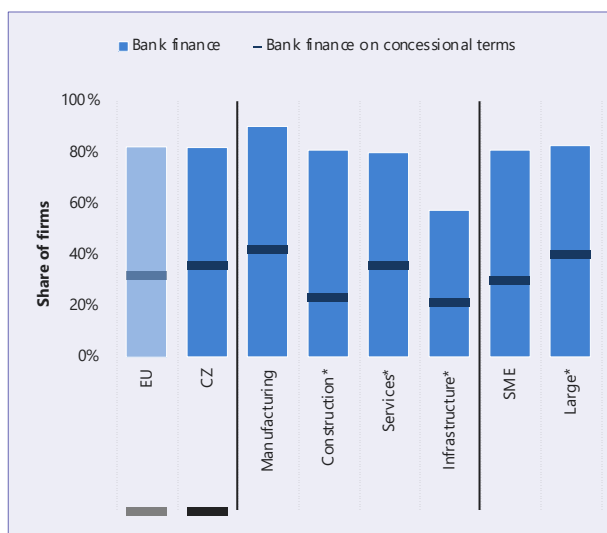
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

- Eight in ten (82%) Czech firms using external finance received bank finance, in line with the EU average (82%). One third (36%) obtained bank finance on concessional terms, in line with the EU average (32%).
- Infrastructure firms using external finance were least likely to have received bank finance (57%).
- Construction and infrastructure firms had the lowest share of firms receiving bank finance on concessional terms (24% and 21% respectively).

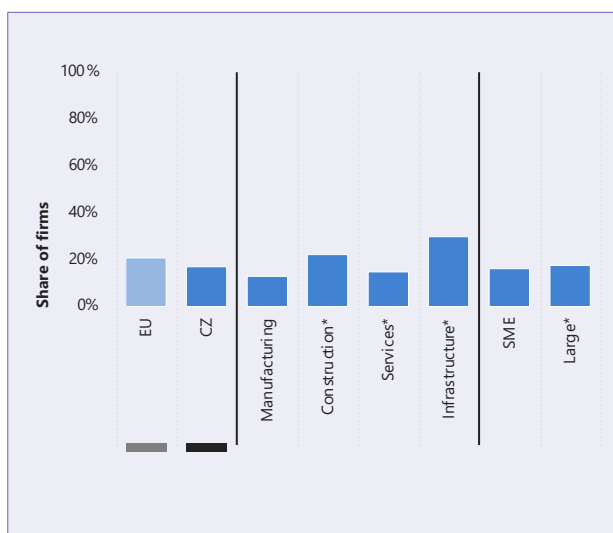


Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)
* Caution base size <30

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- One in six Czech firms (17%) using external finance received grants. This is similar to the EU average (21%).
- Firms in the infrastructure sector are most likely to have received grants (30%).

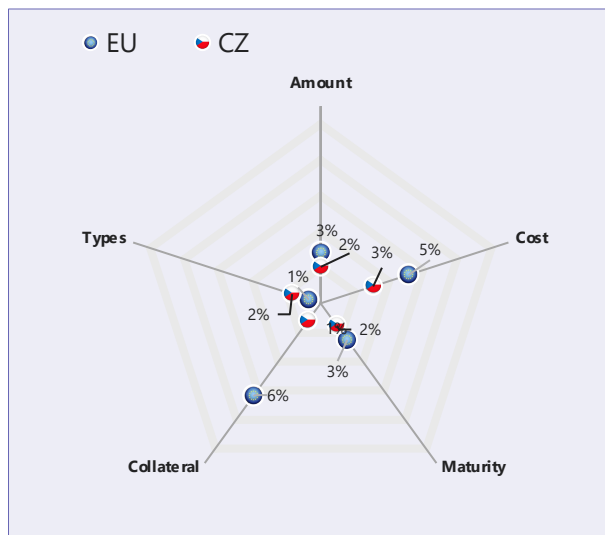
Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)
* Caution base size <30

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Almost all Czech firms that used external finance in the last financial year are satisfied with the conditions received.
- Czech firms are least satisfied with the cost of the external finance they obtained, in line with the EU average (5% of dissatisfied firms).



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (% of firms)

	Amount	Cost	Maturity	Collateral	Type
CZ	2%	3%	2%	1%	2%
Manufacturing	1%	2%	1%	0%	1%
Construction	2%	0%	0%	2%	2%
Services	4%	4%	2%	2%	2%
Infrastructure	4%	7%	4%	4%	4%
SME	5%	7%	4%	3%	4%
Large	0%	0%	0%	0%	0%

- Dissatisfaction with the cost of external finance is highest among infrastructure firms and SMEs (both 7%).
- Large firms are satisfied with all aspects of the external finance they received.

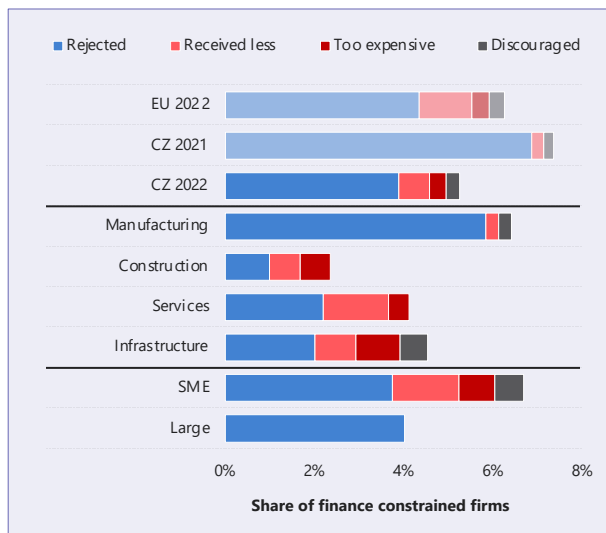
Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FINANCE CONSTRAINED FIRMS

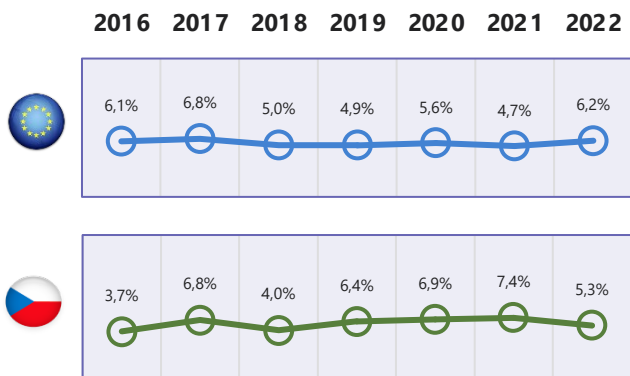
- The share of financially constrained firms in the Czech Republic (5.2%) is similar to EIBIS 2021 (7.3%) and the EU average (6.2%).
- Rejection of loan applications (3.9%) is the main source of financial constraints among Czech firms.
- SMEs (6.7%) and firms in the manufacturing sector (6.4%) are the most finance constrained.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



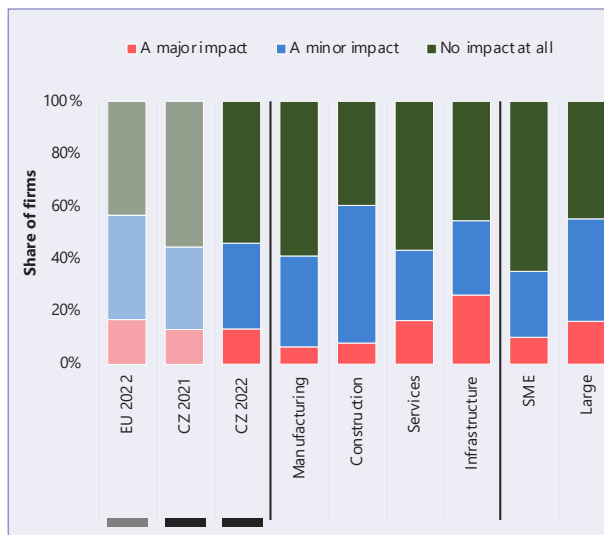
- The proportion of Czech firms that are finance constrained is similar to that recorded in EIBIS 2021 and all previous waves of the study. It is also similar to the EU average, as in previous years.

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- Almost half of firms in the Czech Republic (46%) report that weather events are currently having an impact on their business, below the EU average (57%). 14% of Czech firms report that weather events have a major impact on their business.
- A majority of firms in the construction sector (61%) and infrastructure sector (55%) report that weather events are having an impact on their business.
- Infrastructure firms are more likely to report a major impact (26%) compared to firms in manufacturing (7%) and construction (8%).
- Large firms are more likely than SMEs to report that climate change impacted their company (55% versus 35%).

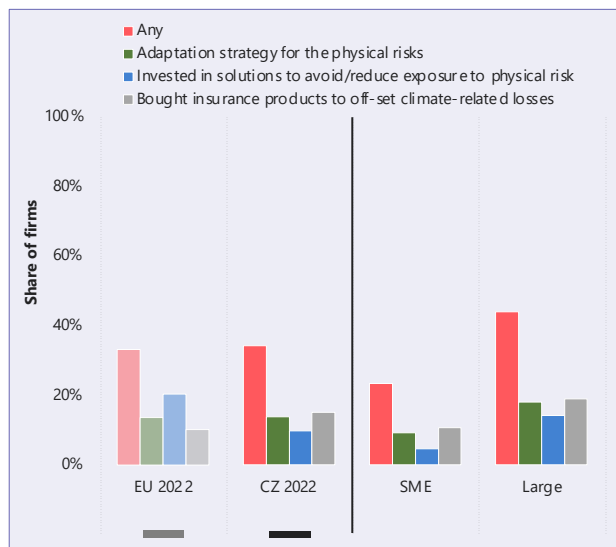


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

Base: All firms (excluding don't know/refused responses)

BUILDING RESILIENCE TO PHYSICAL RISK



- Similar to the EU average, one third (34%) of Czech firms have already developed or invested in measures to build resilience to the physical risks caused by climate change.
- Compared to the EU average, Czech firms are more likely to have bought insurance products to offset climate-related losses (15% versus EU 10%) but less likely to have invested in solutions to avoid or reduce exposure to physical risk (10% versus EU 20%).
- Large firms are almost twice as likely as SMEs (44% versus 23%) to have already developed or invested in measures to build resilience to physical risk. This difference between large firms and SMEs is seen across each measure.

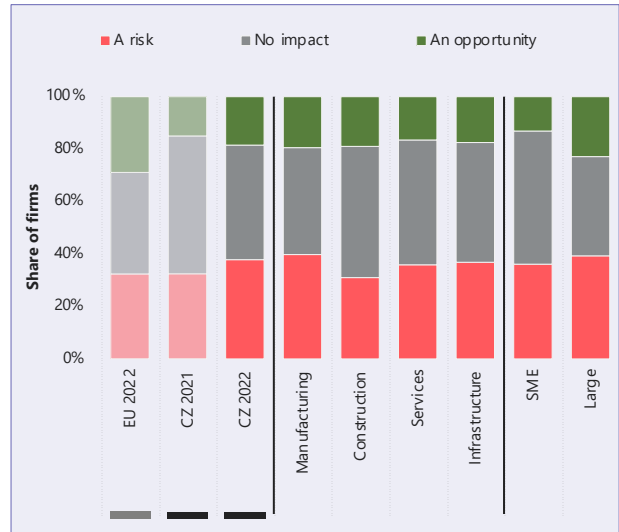
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- Almost four in ten (38%) Czech firms see the transition to stricter climate standards and regulations as a risk, while 18% see it as an opportunity. This is similar to EIBIS 2021.
- Czech firms are less likely than the EU overall to view the transition as an opportunity (18% versus EU 29%).
- The proportions that see the transition as a risk or an opportunity are similar across economic sectors.
- SMEs are more likely than large firms to say the transition will have no impact on their company (51% versus 38%).

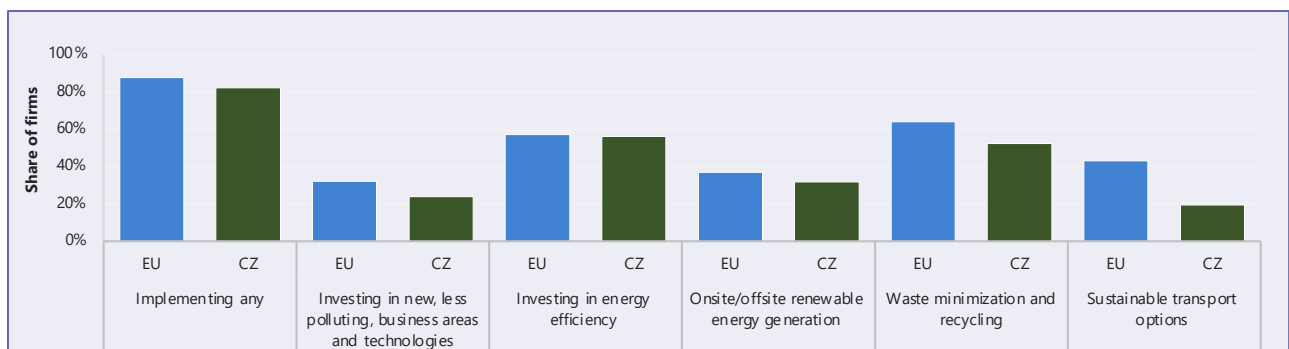


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO REDUCE GHG EMISSIONS

- Eight in ten (82%) Czech firms are taking actions to reduce Greenhouse Gas (GHG) emissions, below the EU average (88%).
- The main actions in the Czech Republic are investing in energy efficiency (56%) and waste minimization and recycling (52%).
- Czech firms are less likely than the EU overall to be investing in new, less polluting, business areas and technologies (24% versus EU 32%), waste minimization and recycling (52% versus EU 64%), and sustainable transport options (19% versus EU 43%).



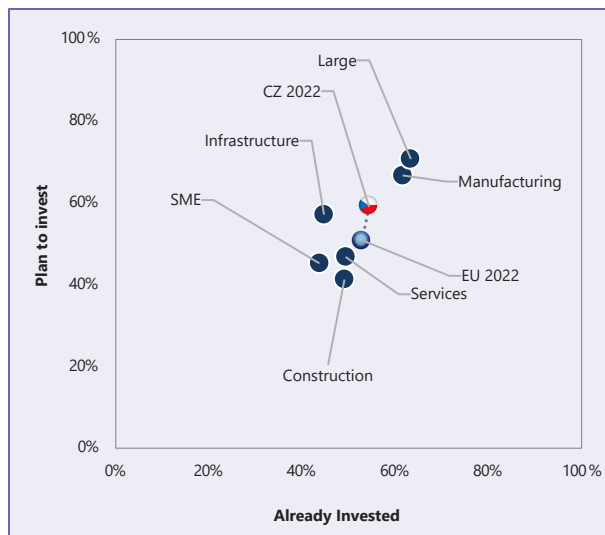
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- Over half (54%) of Czech firms have already invested to tackle the impacts of weather events and to deal with the process of reducing carbon emissions, in line with the EU average (53%). Six in ten (59%) Czech firms are planning to invest in the next three years.
- Future investment is more likely to be seen with manufacturing firms (67%) compared with firms in construction (41%) and services (47%).
- Large firms are more likely than SMEs to have already invested (63% versus 44%) and to be planning to invest in tackling climate change impacts in the next three years (71% versus 45%).



EIBIS 2022

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

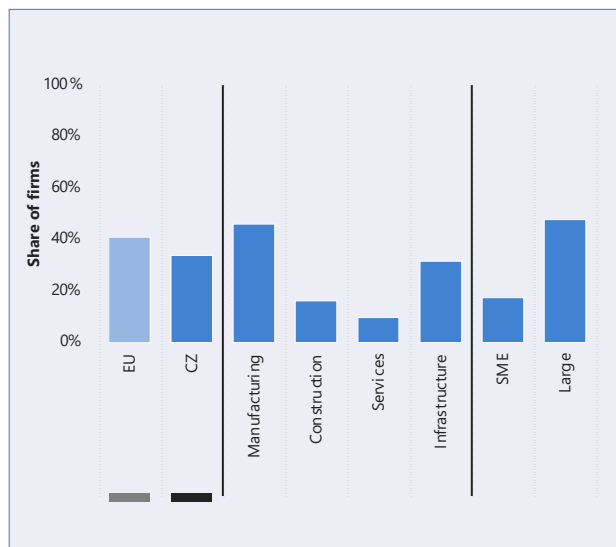
EIBIS 2021

Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

Base: All firms (excluding don't know/refused responses)

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- One third (34%) of Czech firms report that they set and monitor targets for their own Greenhouse Gas emissions, below the EU average (41%).
- Manufacturing firms (46%) are far more likely to set and monitor these targets than firms in construction (16%) and services (10%).
- Large firms are almost three times more likely than SMEs to be setting and monitoring targets for their own Greenhouse Gas emissions (48% versus 17%).

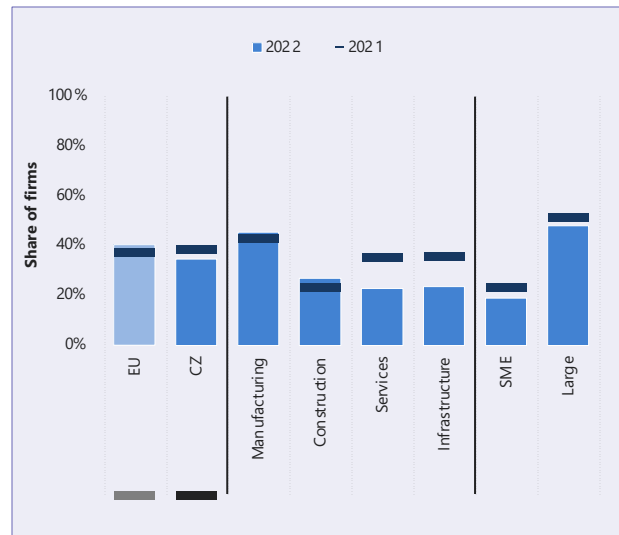
Q. Does your company... set and monitor targets for its own Greenhouse Gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

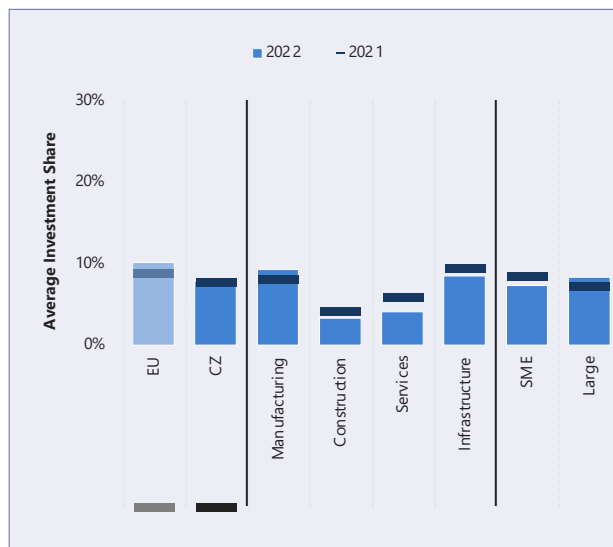
- The share of Czech firms investing in energy efficiency in 2022 (35%) is similar to EIBIS 2021 (39%) and the EU average (40%).
- Manufacturing firms (45%) are more likely than firms in other sectors to be investing in energy efficiency.
- Almost half of large firms (48%) are investing in energy efficiency, far higher than among SMEs (19%).



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



- Among Czech firms, the average share of total investment directed towards measures to improve energy efficiency is 8%. This is in line with EIBIS 2021 (8%) and the EU average (10%).
- Manufacturing and infrastructure firms dedicate the highest share of their investment spending to energy efficiency (both 9%).

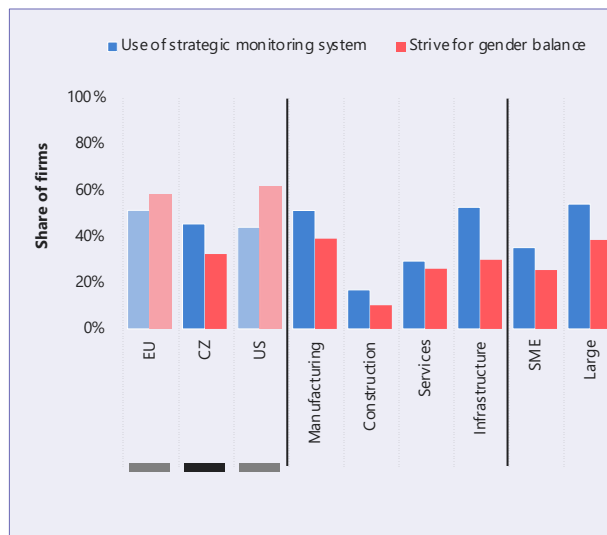
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

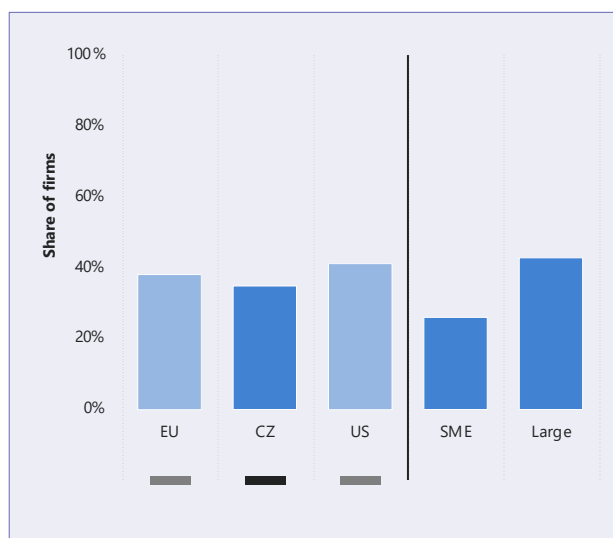
- Almost half of Czech firms (46%) use a strategic monitoring system that compares the firm's current performance against a series of key performance indicators. This is in line with the EU average (51%) and the US average (44%).
- With respect to gender balance, one third (33%) of Czech firms are striving for this within their business, below the EU overall (58%) and the US (62%).
- The use of strategic monitoring systems is higher among firms in manufacturing (52%) and infrastructure (53%) compared to those in construction (17%) and services (29%). Similarly, firms in manufacturing (39%) and infrastructure (30%) are more likely to be striving for gender balance than firms in construction (10%).
- More than half of large firms use strategic monitoring systems (54%) and four in ten are striving for gender balance (39%), both far higher than among SMEs (35% and 25% respectively).



Q Does your company...?

Base: All firms (excluding don't know/refused responses)

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- Over one third (35%) of Slovakian firms (26%) have employed more people since 2019. This is in line with the EU average (38%).
- Large firms are more likely than SMEs to have increased their staff count since 2019 (43% versus 26%).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Czech Republic, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	CZ	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs CZ	Manuf vs Constr	SME vs Large
	(12021)	(480)	(163)	(94)	(122)	(101)	(405)	(75)	(12021 vs 480)	(163 vs 94)	(405 vs 75)
10% or 90%	1.1%	3.4%	5.2%	7.6%	6.5%	7.1%	2.7%	5.9%	3.6%	9.2%	6.5%
30% or 70%	1.7%	5.2%	7.9%	11.6%	10.0%	10.9%	4.1%	9.0%	5.4%	14.0%	9.9%
50%	1.8%	5.7%	8.6%	12.7%	10.9%	11.8%	4.5%	9.8%	5.9%	15.3%	10.8%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 480 firms in Czech Republic (carried out between April and July 2022).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2022/2021	US 2022	CZ 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	480/480	163	94	122	101	405	75
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4, (top)	9704/9670	668	396/390	150	77	90	79	325	71
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	309/367	116	59	72	62	252	57
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	478/477	162	93	122	101	404	74
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	473/478	161	94	120	98	398	75
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	467/NA	161	89	121	96	392	75
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	461/NA	158	89	120	94	387	74
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	477/480	161	93	122	101	402	75
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	479/480	163	94	122	100	404	75
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	478/477	162	93	122	101	404	74
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	307/355	115	58	72	62	251	56
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	480/NA	163	94	122	101	405	75
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	478/NA	162	94	122	100	403	75
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	462/NA	162	87	119	94	389	73
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	348/NA	136	66	89	57	288	60
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	350/NA	138	66	89	57	290	60
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	393/355	149	76	89	79	323	70
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	126/153	53	21	28	24	101	25
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	126/154	53	21	28	24	101	25
All firms who used external finance in the last financial year (excluding don't know/refused responses) , p. 16	3988/3964	270	126/153	53	21	28	24	101	25
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	473/464	161	93	119	100	399	74
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	477/479	163	93	120	101	402	75
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	477/NA	163	94	120	100	403	74
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	461/468	158	91	116	96	389	72
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	475/NA	161	93	121	100	400	75
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	471/NA	163	94	116	98	396	75
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	476/NA	161	94	121	100	401	75
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	386/389	144	76	88	78	319	67
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	477/477	161	94	121	101	402	75
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	475/478	161	94	121	99	401	74






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Czech Republic

Overview

EIB INVESTMENT SURVEY

2022