



# Czech Republic

Overview

**EIB INVESTMENT SURVEY**

**2020**



EIB Group survey on investment  
and investment finance 2020  
Country overview

# Czech Republic

## **EIB Group survey on investment and investment finance 2020.**

### **Country overview: Czech Republic**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment and Investment Finance, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and 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. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom 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**

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports 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](mailto: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](http://www.eib.org/eibis).**

### **About the Economics Department of the European Investment Bank**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in 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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### **Disclaimer**

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# EIBIS 2020 – Czechia

## KEY RESULTS

### Investment Dynamics

As in the rest of the EU, the COVID-19 pandemic is depressing investment in Czechia. In 2020 Q2, investment was 7.4% lower than in 2019 Q4. This is not unlike what happened two quarters into the global financial crisis. In 2008Q3, investment had dropped by 7.4% relative to 2008Q1. At the time, it took almost 5 years until a sustained recovery of investment activity started.

Against this background, this survey shows that the outlook for corporate investment is bleak. A net balance of 25% of firms expect their investment to contract this year.

### Investment Focus

The reduction in investment is taking different forms. About a third of firms report that they will abandon or delay at least some of their investment projects as a result of the COVID-19 pandemic, just as in the rest of the EU. Equally prevalent are cases in which investment plans continue to be implemented but at reduced scale or scope.

In the long term, COVID-19 will likely give rise to further investment needs. Among the areas that COVID-19 is likely to affect in the long term, the service or product portfolio and the supply chain are most frequently cited. Manufacturing, service, and infrastructure firms are particularly likely to make more use of digital technologies.

### Investment Needs and Priorities

Most firms intend to prioritise the development or the introduction of new products and services over the next three years. Replacement is the priority for around a third of firms, capacity expansion for a fifth.

### Innovation Activities

In 2019, around one-third of firms (34%) have developed or introduced new products, processes or services that were either new to the firm or the country/global market. This is lower than the EU average (42%).

### Drivers and Constraints

Most firms expect that the outlook will deteriorate over the next twelve months. Relative to EIBIS 2019, many more firms are pessimistic about the overall economic climate. This is the case across the EU. Pessimistic firms outnumber optimistic ones in particular when assessing the economic climate, the political/regulatory environment, and the business prospects within their sector.

Among long-term barriers to investment, uncertainty about the future (cited by 84% of firms) and availability of skilled staff (80%) stand out.

### Investment Finance

Internal funds continued to account for the highest share of investment finance (71%) in the past financial year, above the EU average (62%).

Most external finance took the form of bank loans. But the importance of bank loans has declined over the preceding year as firms made greater use of grants. Indeed, grants accounted for the second highest share of external finance in Czechia (18%) in the past financial year, above the EU average (6%). Grants were particularly important for large firms (24% of external finance) and infrastructure firms (34%).

### Access to Finance

The share of finance constrained firms has remained fairly constant over the past years (7% in 2019), as in the rest of the EU.

Firms that used external finance were generally satisfied with what they received. Construction firms tended to be more dissatisfied with the amount of finance (15%); service firms more with the collateral requirements (11%).

### Energy Efficiency

44% of firms in Czechia invested in measures to improve energy efficiency in the past financial year. On average, firms dedicated about 10% of their investment spending to energy efficiency, similar to the EU. The share is higher among infrastructure firms (18%) than among service firms (7%).

### Climate Change

Most firms report that changes in the climate and in weather patterns had at most a minor impact on their business in the past financial year. Only 14% believe that the impact is major, less than the EU average (23%).

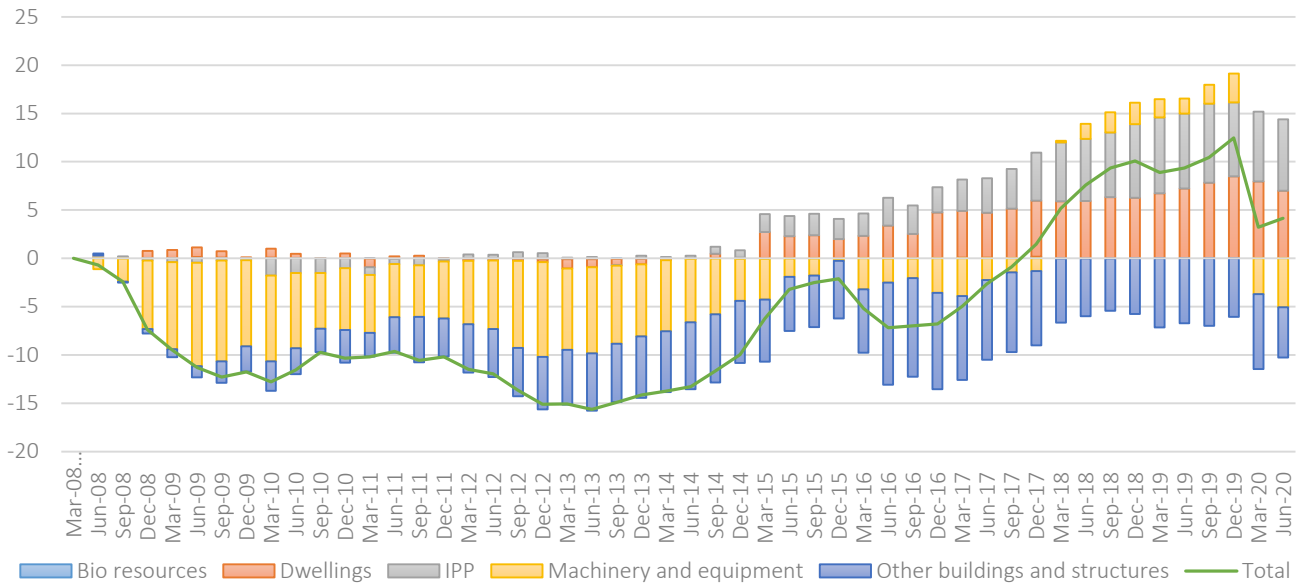
Most firms believe that a reduction in carbon emissions will have a negative impact on their supply chain (on balance -14%), and a positive impact on their reputation (10%).

# Investment Dynamics

## INVESTMENT DYNAMICS BY ASSET TYPE

As a consequence of the COVID-19 pandemic, investment, investment in Q2 2020 fell by 7.4% relative to its pre-crisis level.

The aftermath of the global financial crisis suggests that private sector investment may take time to recover. In Czechia, it took about ten years for investment to return to its pre-crisis level.

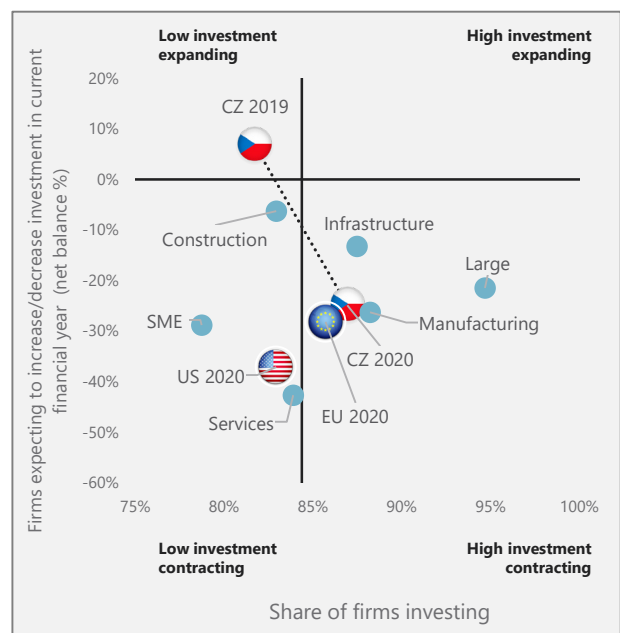


The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by asset type. The data has been indexed to equal 0 in 2008. Source: Eurostat.

## INVESTMENT CYCLE

Compared to a year earlier, an even larger share of firms reported significant investment activity for the financial year 2019. Almost all large firms invested.

However, for the current financial year, most firms expect their investment to contract, in line with the EU average. Especially in the service sector, the investment outlook is particularly bleak.



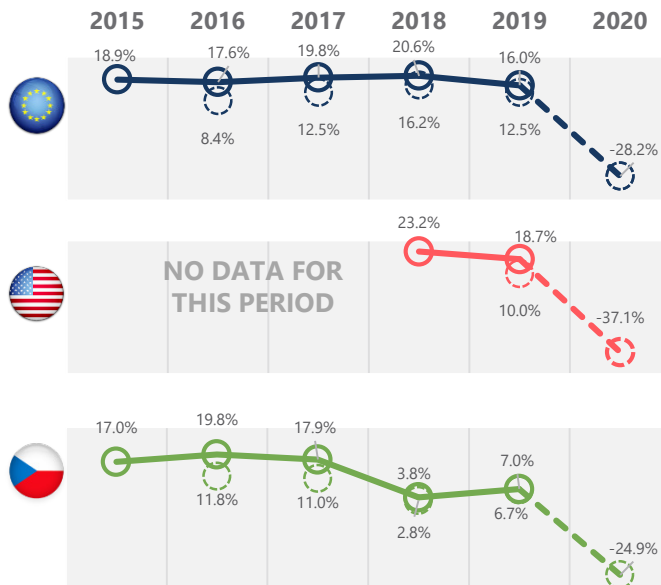
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

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

# Investment Dynamics

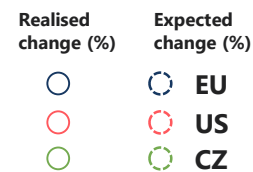
## EVOLUTION OF INVESTMENT EXPECTATIONS

### Realised/expected change in investment



For 2019, more firms reported increasing rather than reducing investment (net 7%). This was in line with expectations but only half EU average (16%).

Against the background of the COVID-19 pandemic, most firms expected investment to decline in 2020. This pattern is common across EU countries.

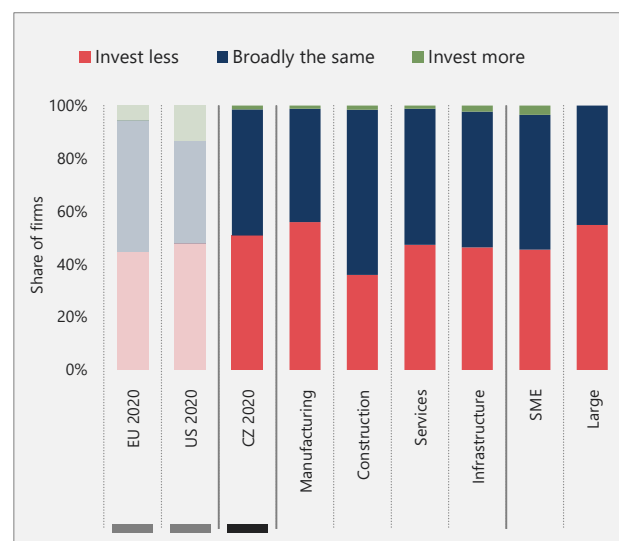


'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

## IMPACT OF COVID-19 ON INVESTMENT

Around half of firms (51%), with investment plans, have revised their investment plans downwards in response to COVID-19, similar to the EU average (45%). Downwards revisions are particularly frequent in manufacturing, infrastructure, and services.



Q. Have your company's overall investment expectations for 2020 changed due to coronavirus?

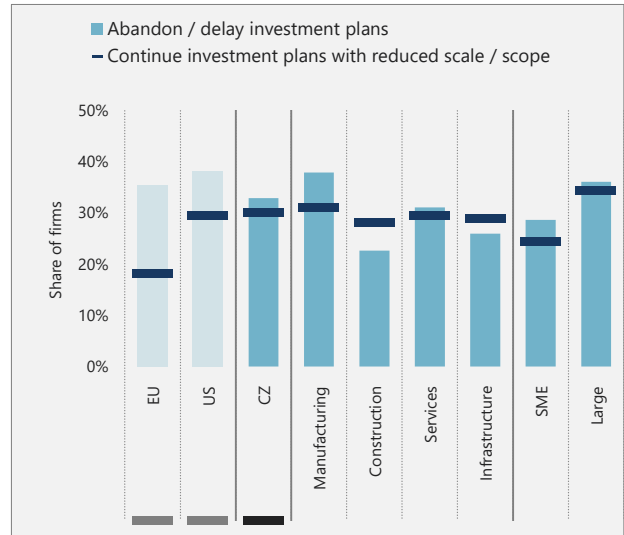
Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

# Investment Focus

## ACTIONS AS A RESULT OF COVID-19

A third of firms in Czechia plan to abandon or delay at least some of their investment as a result of COVID-19 (33%), in line with the EU average (35%). Construction sector firms appear more upbeat in this regard.

A net 30% of firms plan to continue at least some of their investment but with a reduced scale or scope, more than the EU average (18%).

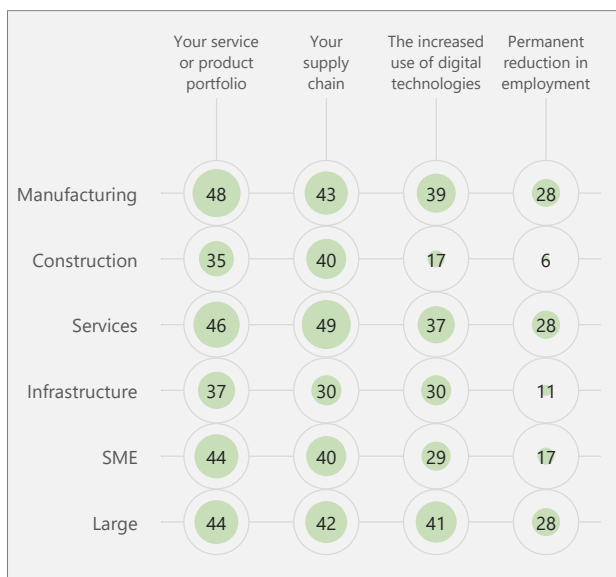


Q. You said you will invest less due to coronavirus. Can I just check which of the following actions will your company undertake?

Please note some firms may be taking multiple actions i.e. abandoning/delaying some investment plans whilst continuing with other plans at a reduced scale or scope.

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

## LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE



Among the areas that COVID-19 is likely to affect in the long term, the service or product portfolio (44%) and the supply chain (41%) are most frequently cited.

Manufacturing, service, and infrastructure firms are particularly likely to make more use of digital technologies. The same is true for large firms.

More than a quarter of manufacturing, service and large firms expected a permanent reduction in employment in the longer term as a result of COVID-19.

Q. Do you expect the coronavirus outbreak to have a long-term impact on any of the following?

Base: All firms

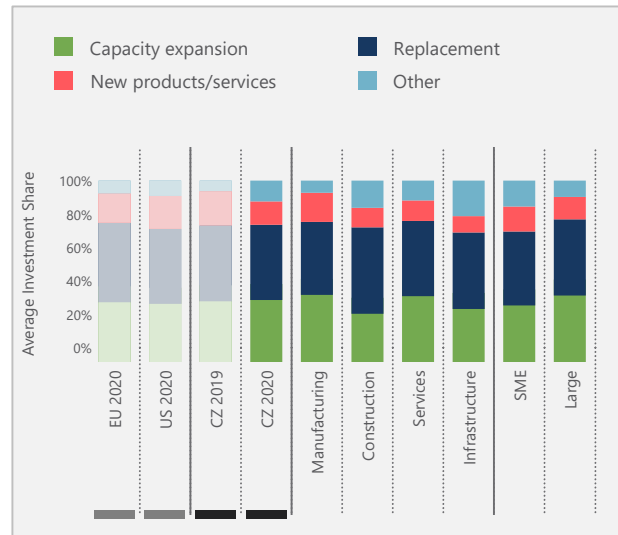


# Investment Focus

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

Just over two-fifths of firms' investment (45%) served to replace buildings and equipment in 2019. Next in importance was the expansion of capacity (29%). This is similar to the EU averages (47% and 27%).

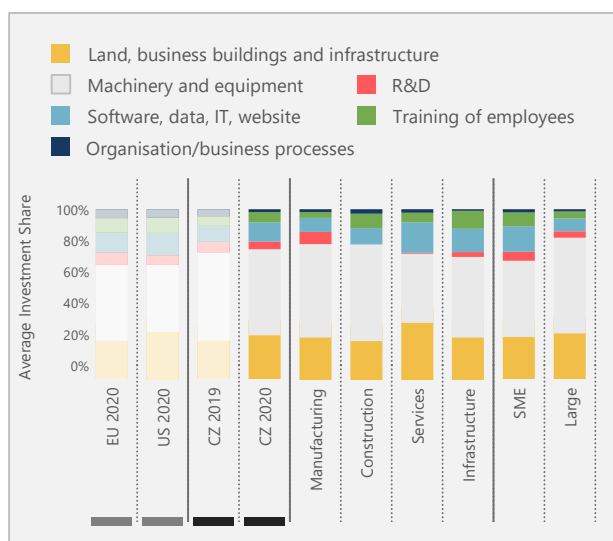
Relative to the previous financial year, the share of investment in new products or services has declined (14% versus 21%).



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



Most investment was in machinery and equipment (55%), followed by land, business buildings and infrastructure (19%), software, data, IT and website activities (12%), and training of employees (7%). This pattern is broadly in line with EIBIS 2019 findings.

Firms in the service sector (19%) and SMEs (16%) tended to allocate a larger share of their investment to software, data, IT and websites than manufacturing (9%) and large firms (8%).

Manufacturing and construction firms were more likely to invest relatively more in machinery and equipment than service sector firms (60%, 62% versus 44%).

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)

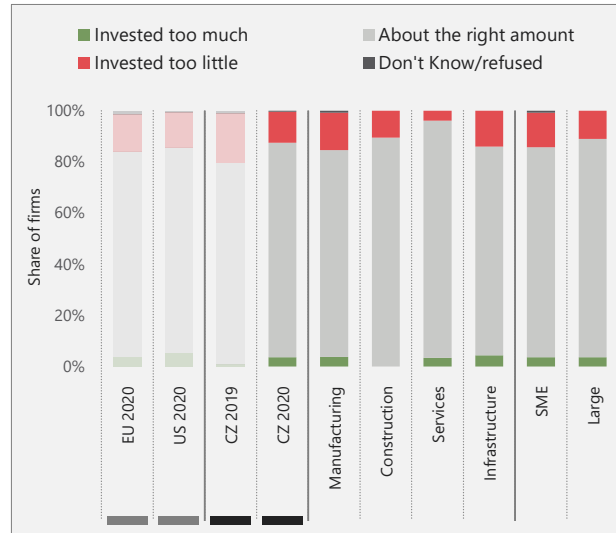
# Investment Needs and Priorities

## PERCEIVED INVESTMENT GAP

Eight in ten firms believe their investment over the last three years was about the right amount (84%), while four per cent report investing too much. These figures are in line with the EU average.

The share of firms that believed they invested too little declined in 2020 to 12% from 19% in 2019.

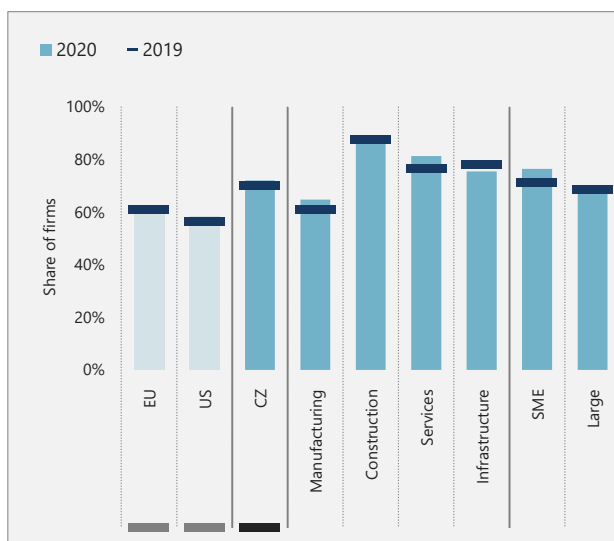
Service firms are more likely than manufacturing firms to report investing about the right amount (93% versus 81%).



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)

## SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

Around three-quarters of firms (72%) were operating at or above full capacity in the last financial year, in line with EIBIS 2019 (70%). In contrast, the EU average remains lower (61%).

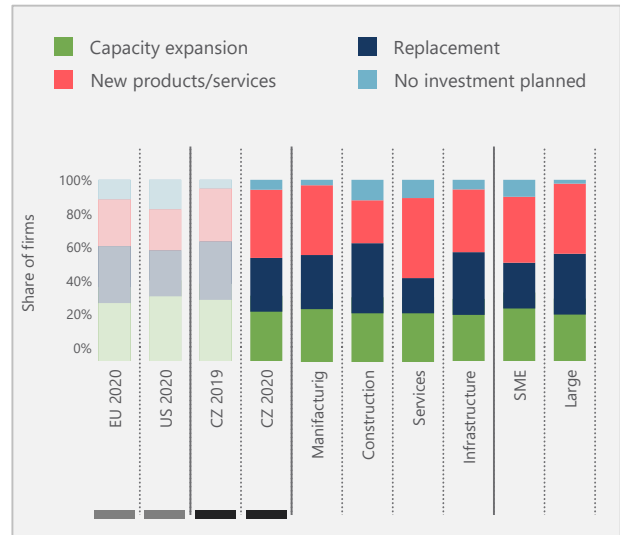
Firms in the construction sector were more likely to be working at full capacity than those in the manufacturing sector (89% versus 65% respectively).

# Investment Needs and Priorities

## FUTURE INVESTMENT PRIORITIES (% of firms)

The largest share of firms intend to prioritise the development or the introduction of new products and services over the next three years. This share is even higher than in the previous year (41%).

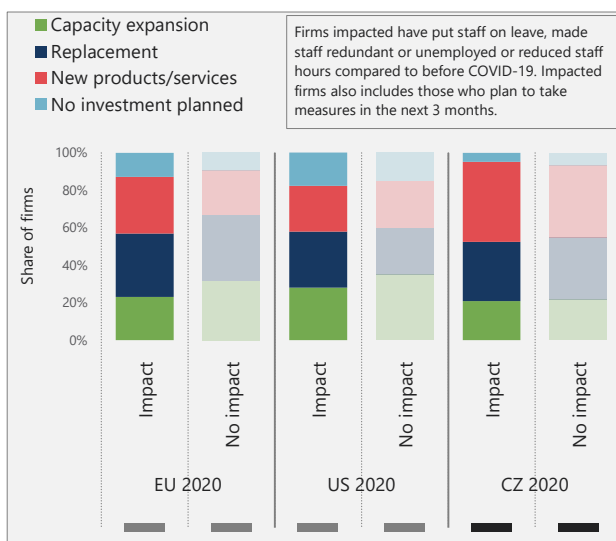
Replacement is the priority for around a third (32%) of firms (more for those in construction), and capacity expansion for a fifth (21%).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing 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)

## COVID-19 IMPACT ON PRIORITIES



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Q. Thinking about the impact of coronavirus, have you had to put staff temporarily on leave, make staff redundant or unemployed or reduce the number of hours they work compared to before the coronavirus pandemic?

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

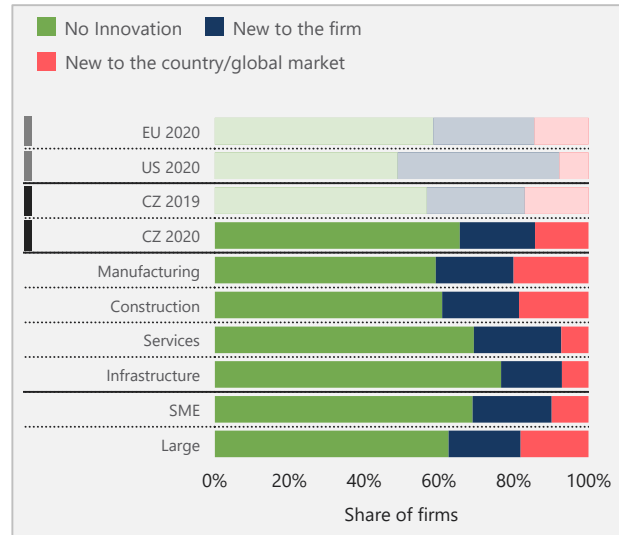
These investment priorities do not appear to have been influenced by COVID-19: their ranking is the same for firms impacted and those not impacted by COVID-19.

# Innovation Activities

## INNOVATION ACTIVITY

Around one-third of firms (34%) have developed or introduced new products, processes or services that were either new to the firm or the country/global market. This is lower than the EU average (42%).

Firms in the infrastructure sector are least likely to have innovated.

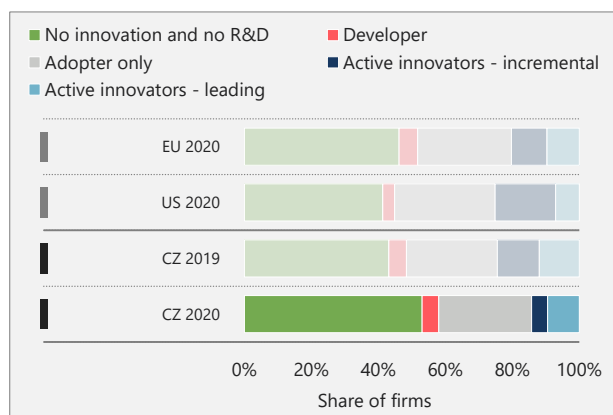


Q. What proportion of total investment was for developing or introducing new products, processes, services?

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



Only 14% of firms in Czechia were 'active innovators', fewer than in EIBIS 2019 (24%).

Five per cent of firms are classified as 'developers' and around one-quarter (28%) 'adopters'.

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'.

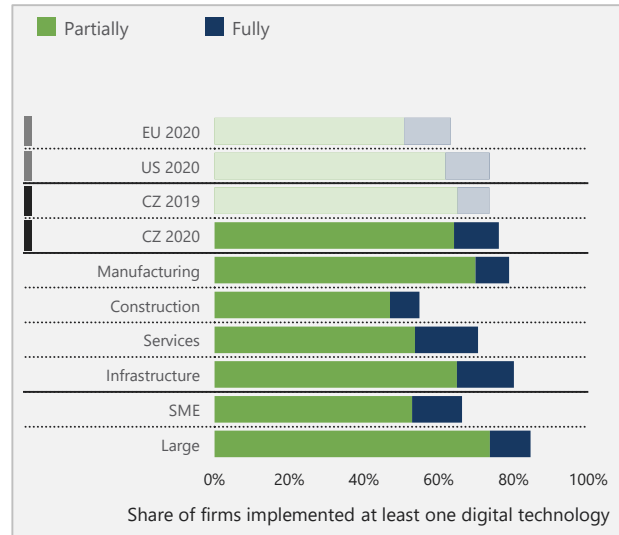
# Innovation Activities

## IMPLEMENTATION OF DIGITAL TECHNOLOGIES

Around three-quarters (76%) of firms have at least partially implemented at least one digital technology (see the graph below for the list of technologies firms were asked about). This is much higher than the EU average (63%).

Firms in the construction sector and SMEs are relatively less likely to have implemented digital technologies.

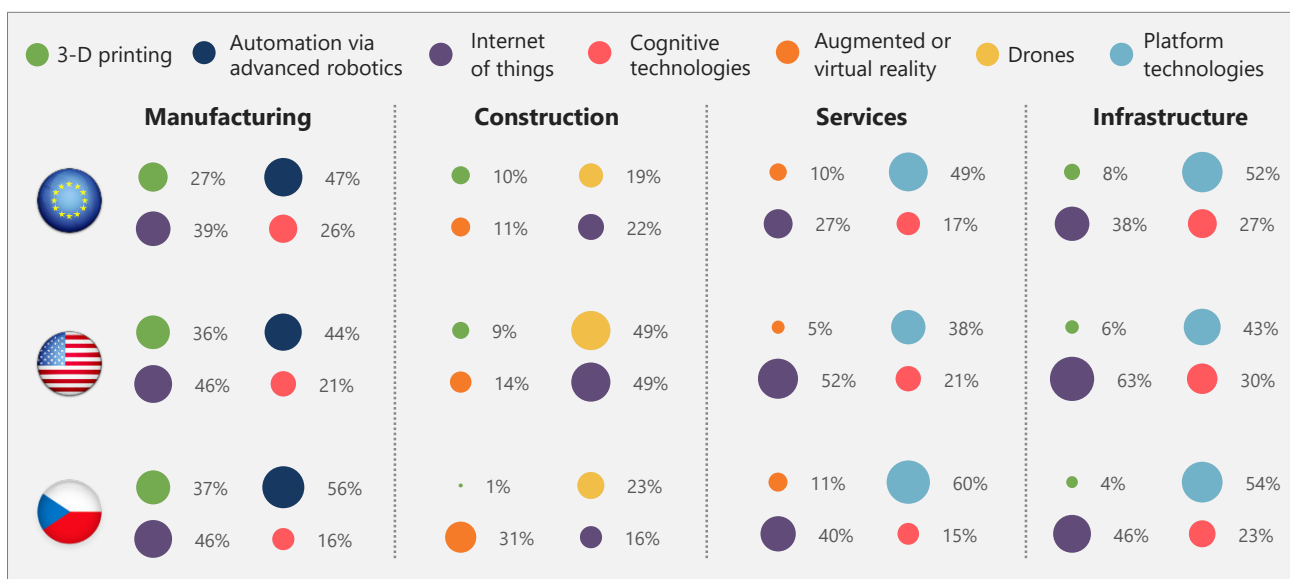
Czechian construction firms report relatively high take-up of augmented or virtual reality when compared with all EU manufacturers.



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)

## DIGITAL TECHNOLOGIES BY SECTOR



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)

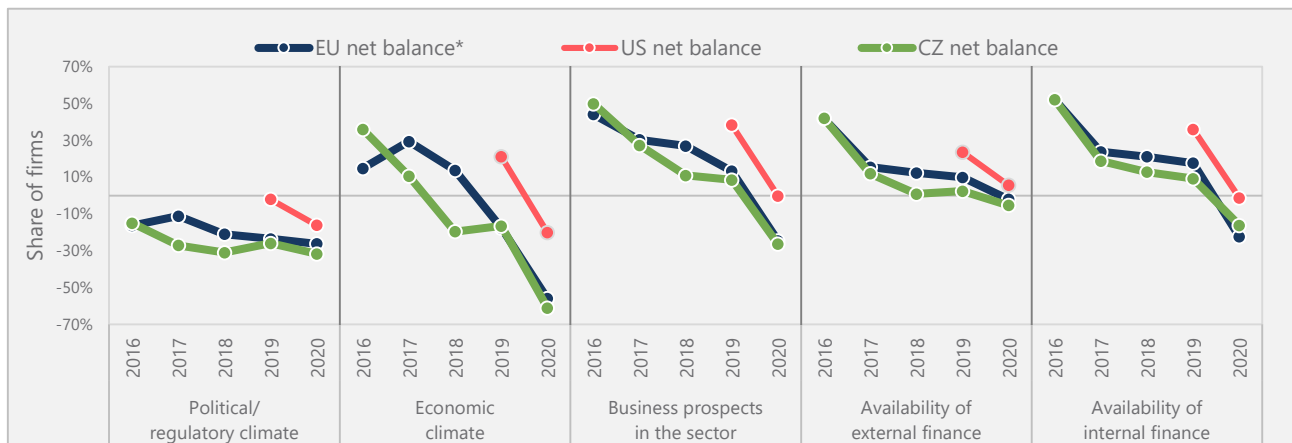
Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

# Drivers And Constraints

## SHORT TERM FIRM OUTLOOK

Most firms expect that short term barriers to investment will rise over the next twelve months. Relative to 2019, they are far more pessimistic

about the overall economic climate compared (-61% versus -17%). This is the case across the EU.

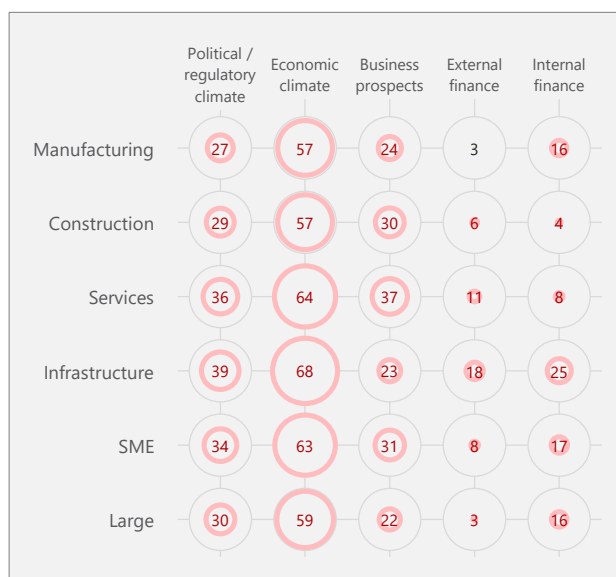


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

\*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?

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

Base: All firms

Across sectors, most firms are pessimistic about the short-term outlook. Pessimistic firms outnumber optimistic ones in particular when assessing the economic climate (with net balances ranging from -57% to -68%), the political/regulatory environment (-27% to -39%), and the business prospects within their sector (-22% to -37%).

Pessimism about external and internal finance is most widely spread among infrastructure firms.

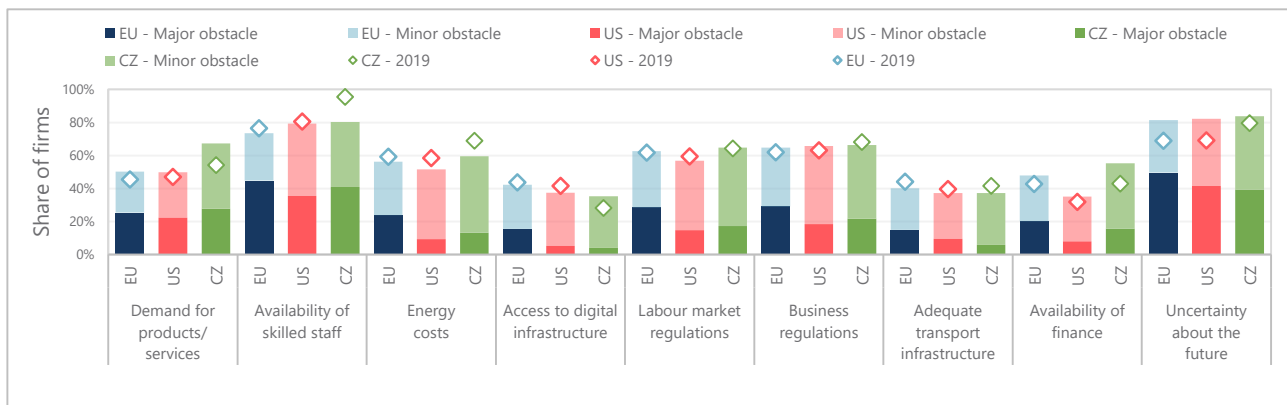
# Drivers And Constraints

## LONG TERM BARRIERS TO INVESTMENT

Uncertainty about the future (84%) and a shortage of skilled staff (80%) are the two most commonly cited long term barriers to investment.

The share of firms citing the availability of skilled staff (80% down from 95%) and energy costs (60%

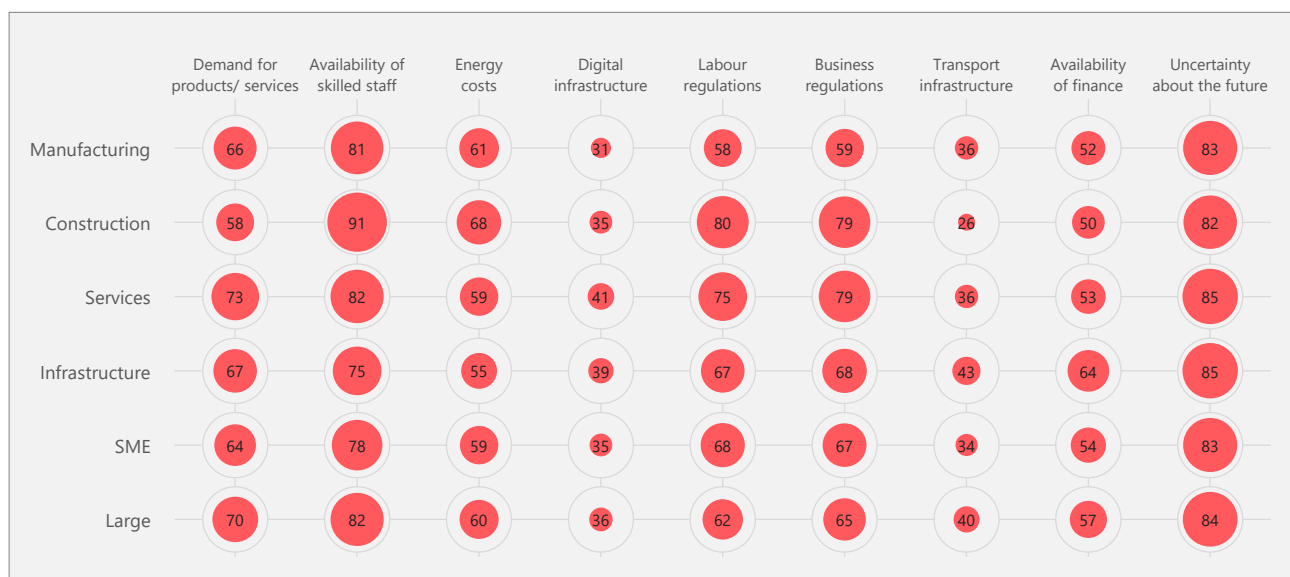
down from 69%) as a barrier has declined since EIBIS 2019. In contrast, firms are more likely to cite demand for products and services as barrier (67% up from 54%).



Q. Thinking about your investment activities in Czechia, 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



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

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

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

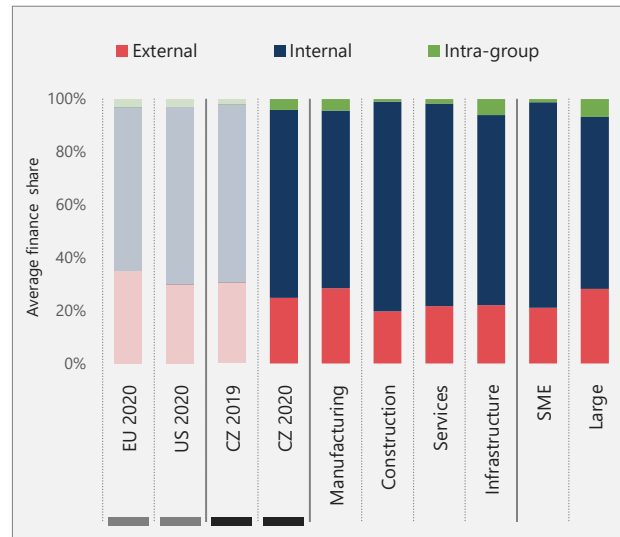
# Investment Finance

## SOURCE OF INVESTMENT FINANCE

As in EIBIS 2020, firms across Czechia continued to fund the majority of their investment through internal financing (71%) in 2019. This is higher than the share across the EU (62%).

External finance made up around one-quarter of the share of investment finance in Czechia (25%). This is below the EU average of 35%.

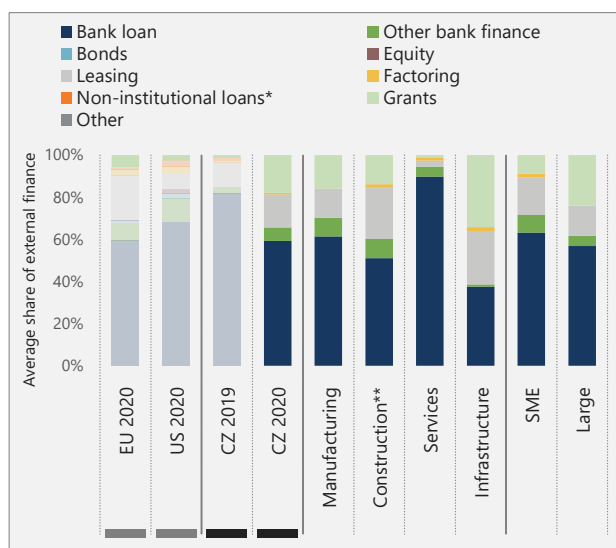
Intra-group finance accounted for four per cent of the investment share in Czechia. Large firms reported a higher share of intra-group finance than SMEs (7% versus 1%).



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)

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses) \*\* Caution low base size less than 30

Most external finance took the form of bank loans, equal to the EU average (59%). This is less than in EIBIS 2019 (82%) as firms made more use of grants.

In EIBIS 2020, grants accounted for the second highest share of external finance in Czechia (18%), above the EU average (6%). Grants were particularly important for large firms (24% of external finance) and infrastructure firms (34%).

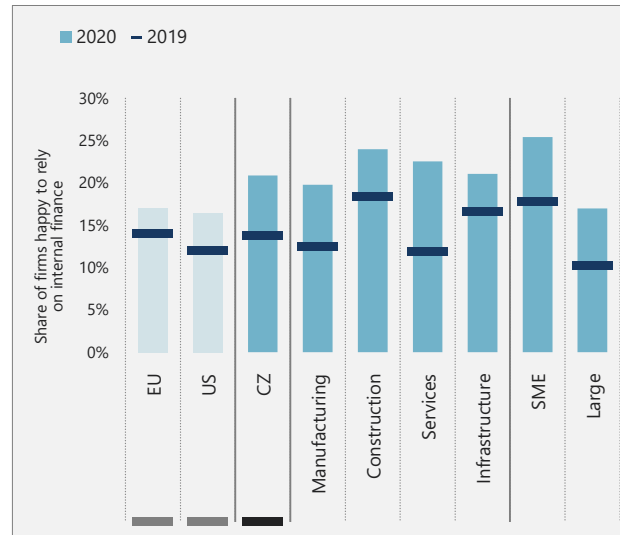


# Investment Finance

## SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

For around a fifth (21%) of firms, the main reason for not applying for external finance in the last financial year is that they are happy to use internal funds or do not have a need for external finance. This is higher than in EIBIS 2019 (14%) but at a similar level to the EU average (17%).

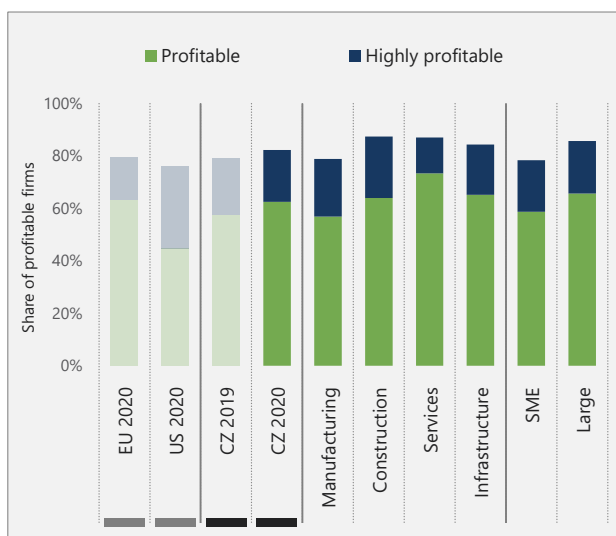
There are no significant differences in the share of firms happy to rely exclusively on internal sources to finance investment by sector or size.



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

## SHARE OF PROFITABLE FIRMS



More than four-fifths (82%) of firms report generating a profit in the last financial year. This is in line with both EIBIS 2019 (79%) and the EU average (80%).

One-fifth (20%) of firms claim to be highly profitable, defined as generating a profit level at least 10% of firm turnover. This is similar to EIBIS 2019 (21%).

Large firms are more likely to be profitable than SMEs (86% versus 78%).

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

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

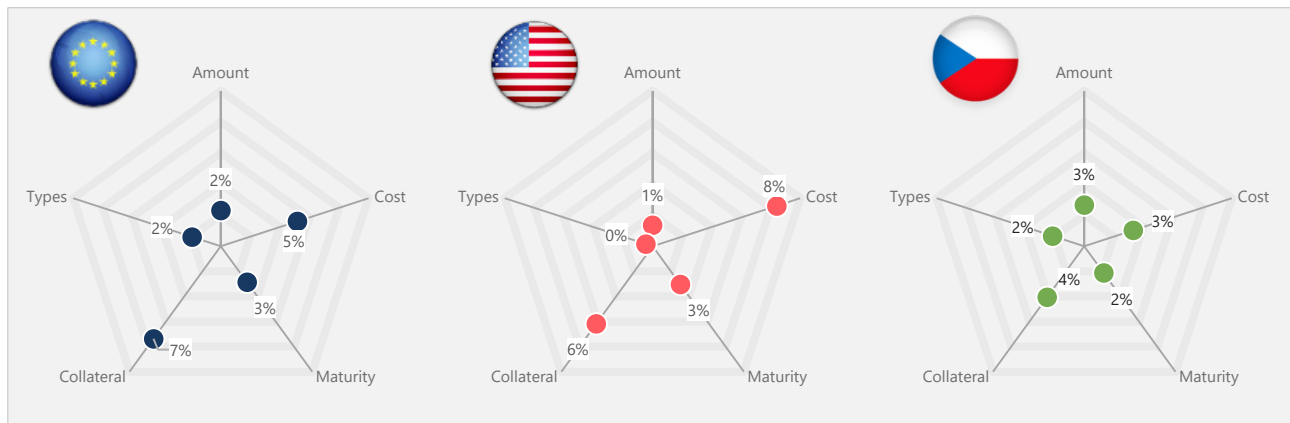
# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms using external finance in 2019 are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

The highest levels of dissatisfaction recorded among firms in Czechia is with the collateral requirements (4%), cost of finance (3%) and amount of finance (3%).

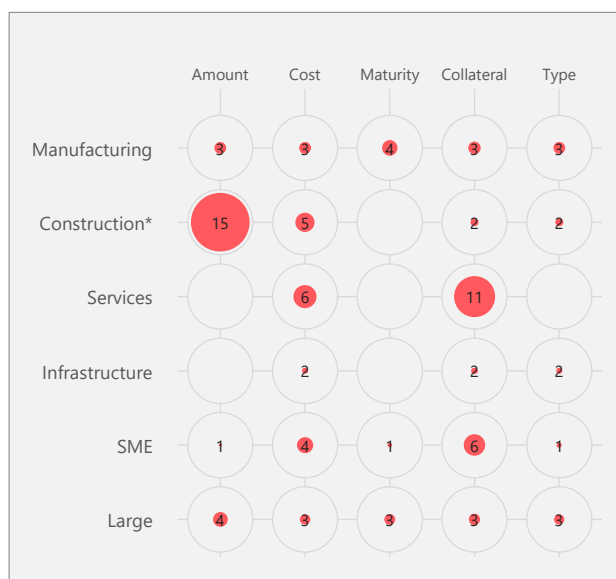
### Share of dissatisfied firms



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 (%)



Firms that used external finance are generally satisfied with what they receive. Construction firms tend to be more dissatisfied with the amount of finance (15%); service firms more with the collateral requirements (11%).

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

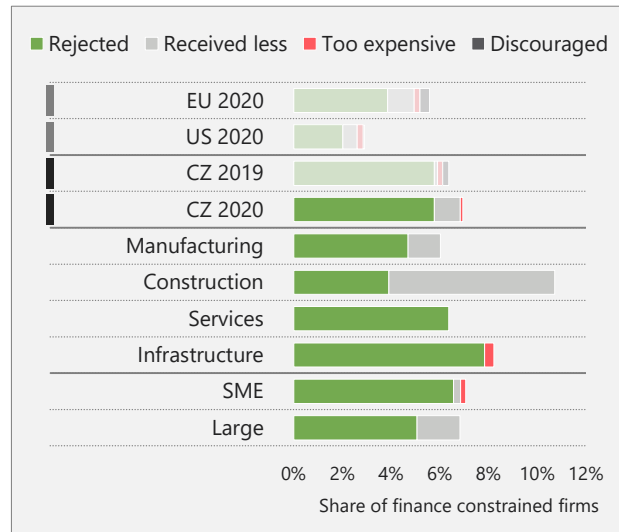
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses) \*Caution low base size less than 30

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

Seven per cent of all firms in Czechia could be considered finance constrained in 2019, similar to EIBIS 2019 (6%) and the EU average (6%).

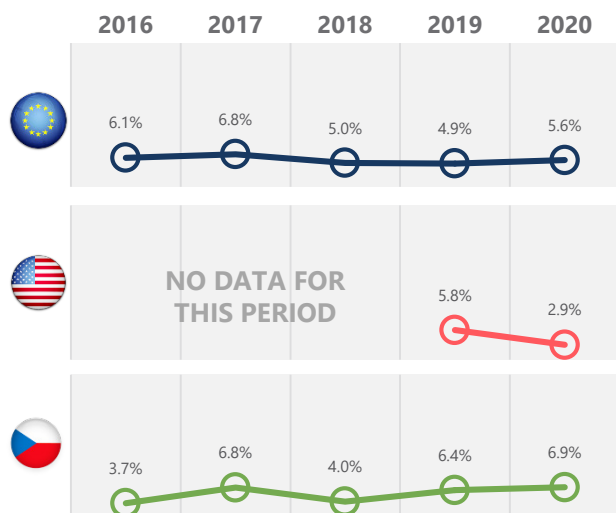
Firms in the construction sector in Czechia have the largest share of financially constrained firms (11%).



*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

## FINANCING CONSTRAINTS OVER TIME



The share of finance constrained firms has remained fairly constant over the past years, as in the rest of the EU.

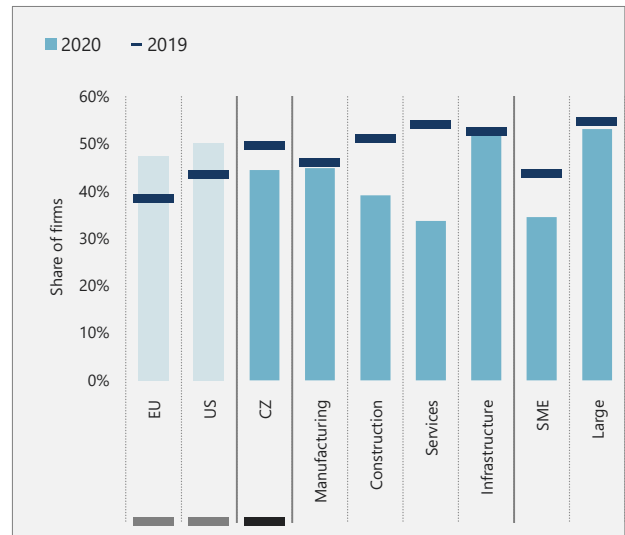
Base: All firms

# Energy Efficiency

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

More than two-fifths (44%) of firms in Czechia have invested in measures to improve energy efficiency.

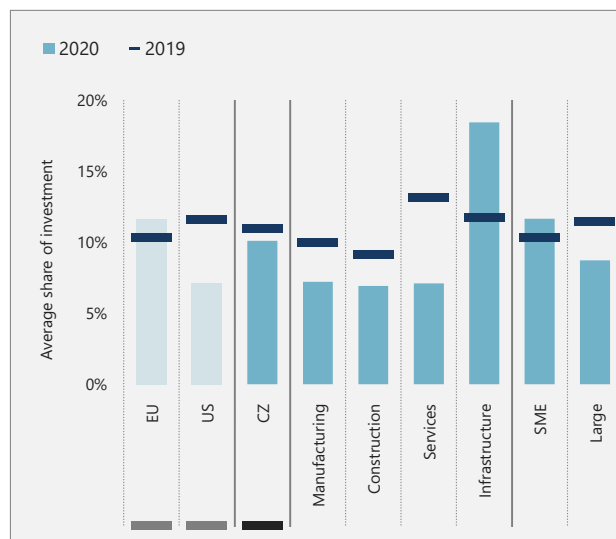
Large firms were more likely to have invested in energy efficiency measures than SMEs (53% versus 35%). Firms in the infrastructure sector were more likely to invest in energy efficiency measures than those in the service sector (53% versus 34%).



Q. What proportion of 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



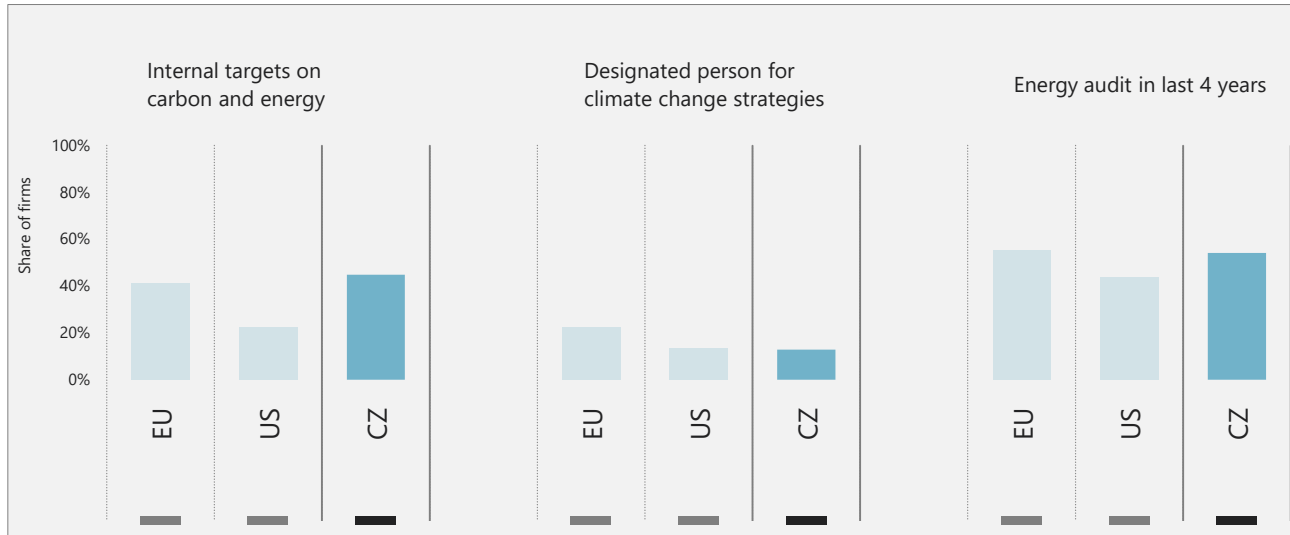
On average, 10% of firms' investment spending was for measures to improve energy efficiency, close to the EU average (12%). The share is higher among infrastructure firms (18%) than among service firms (7%).

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

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

# Energy Efficiency

## ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT



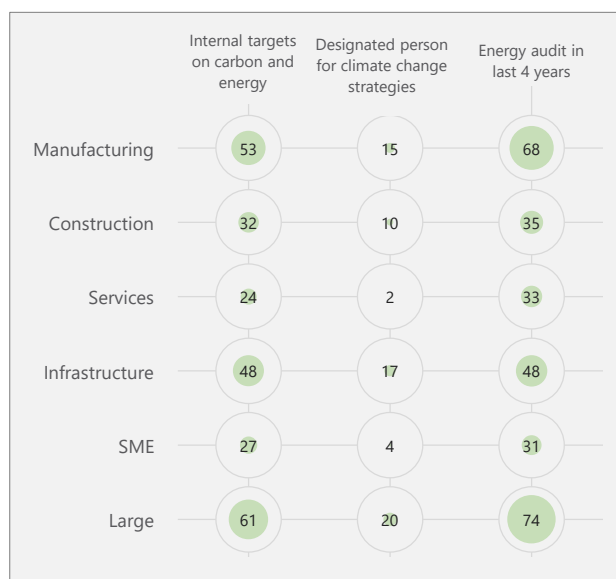
Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

## ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE



More than a half of firms had an energy audit in the last four years (54%) and over two-fifths of firms had set internal targets on carbon emissions and energy consumption (45%). This is in line with the EU average (55% and 41% respectively).

Around one in ten firms had a designated person for climate change strategies (13%), below the EU average (23%).

Firms in the manufacturing and infrastructure sectors, as well as large firms, are more likely to have had an energy audit in the last 4 years and set targets on carbon emissions and energy consumption.

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

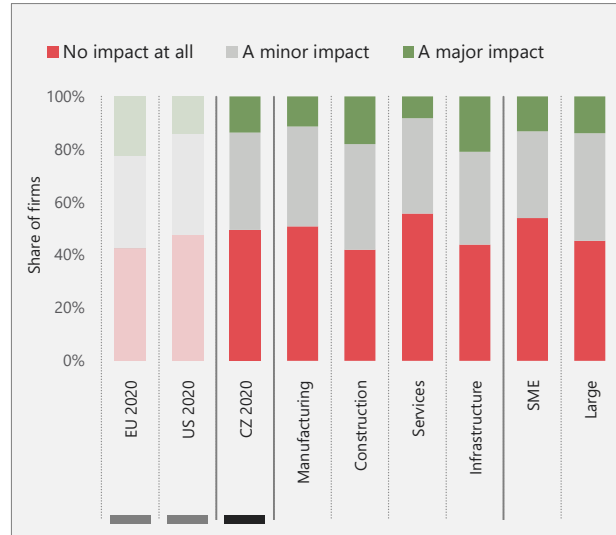
Base: All firms

# Climate Change

## CLIMATE CHANGE IMPACT

Most firms report that changes in the climate and in weather patterns currently have at most a minor impact on their business. Only 14% believe that the impact is major, less than the EU average (23%).

The pattern of responses in Czechia is similar across all sectors and sizes of firms.



Q, Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

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

## REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT %)



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

Q. What impact will the transition to a reduction of carbon emissions have on the following aspects of your business over the next five years?

Base: All firms

Most firms believe that a reduction in carbon emissions will have a negative impact on their supply chain (on balance -14%), and a positive impact on their reputation (on balance +10%).

Firms in the infrastructure sector are the most positive about the impact on market demand (+11%) and their reputation (18%) and the least negative about the impact on their supply chain (-2%).

\*Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact

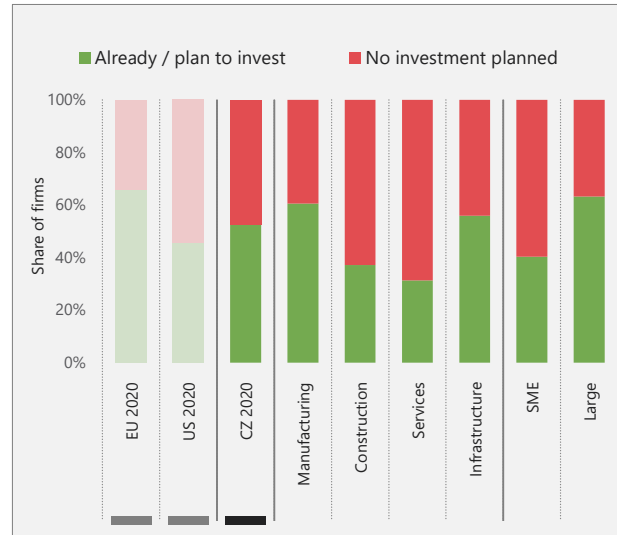
# Climate Change

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Just over half of firms at least planned to invest to tackle the impact of climate change on their business (53%) in the past financial year. This is less than the EU average (67%).

Firms in the construction and service sectors were least likely to invest, with 63% and 69% having no plans at all. SMEs were much more likely than large firms to have no investment planned (60% versus 37%).

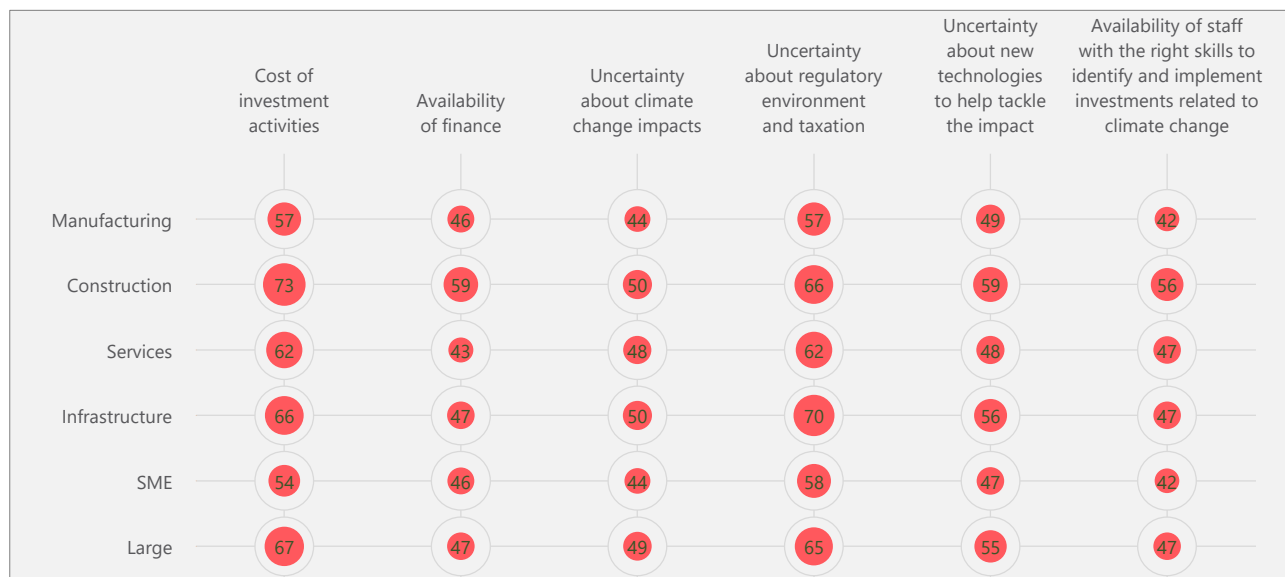
The main barriers to investment are its cost (61%) (particularly often quoted by construction firms) and the uncertainty about taxation and about the regulatory environment (62%).



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

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

## BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE



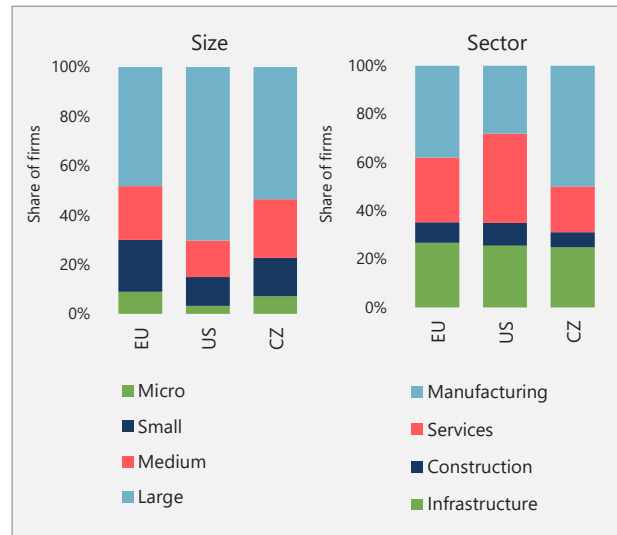
Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

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

# Profile of Firms

## CONTRIBUTION TO VALUE ADDED

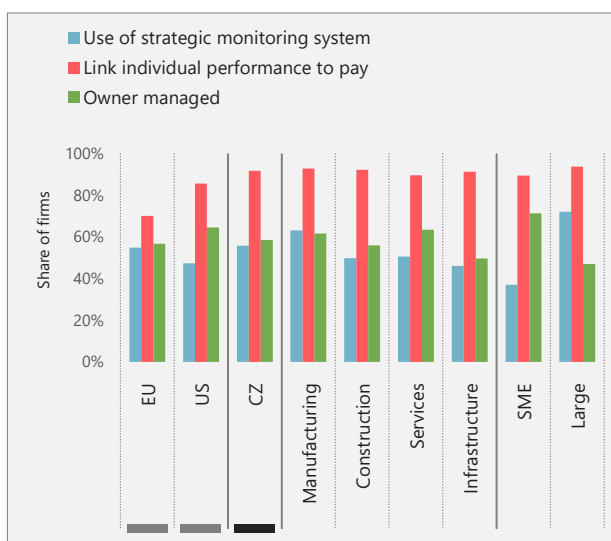
Large firms with 250+ employees (54%) and the manufacturing sector (50%) continue to account for the greatest shares of value-added in Czechia. Manufacturing accounts for a larger share of value added in Czechia than it does across the EU as a whole (50% versus 38%).



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

## FIRM MANAGEMENT



Firms in Czechia are as likely as EU firms to report using a formal strategic monitoring system (56% versus 55%) and being owner managed (59% versus 57%).

Linking individual performance to pay is more common among firms in Czechia than across the EU (92% versus 70%).

SMEs are more likely than large firms to be owner managed (71% versus 47%).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?  
Q. Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

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



# EIBIS 2020 – 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 Czechia, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	CZ	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs CZ	Manuf vs Constr	SME vs Large
	(11971)	(800)	(481)	(161)	(91)	(122)	(107)	(391)	(90)	(11971 vs 481)	(91 vs 161)	(391 vs 90)
10% or 90%	1.1%	3.5%	3.1%	4.8%	7.0%	5.9%	6.4%	2.7%	5.3%	3.3%	8.4%	5.9%
30% or 70%	1.7%	5.3%	4.7%	7.3%	10.7%	9.1%	9.7%	4.2%	8.1%	5.0%	12.9%	9.1%
50%	1.9%	5.8%	5.2%	8.0%	11.7%	9.9%	10.6%	4.6%	8.8%	5.5%	14.1%	9.9%

## GLOSSARY

<b>Investment</b>	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.
<b>Investment cycle</b>	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.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
<b>Infrastructure sector</b>	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).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.
<b>EIBIS 2019</b>	The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.
<b>EIBIS 2020</b>	The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

*Note : the EIBIS 2020 overview refers interchangeably to 'the past/last financial year' or to '2019'. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.*

# EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 481 firms in Czechia (carried out between May and August 2020).

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

Base definition and page reference	EU 2020/2019	US 2020/2019	CZ 2020/2019	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 6, p. 10, p.11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20	11971/12071	800/803	481/482	161	91	122	107	391	90
All firms (excluding don't know/refused responses), p. 2	11634/11417	748/711	446/468	151	84	113	98	369	77
All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3 (bottom), p. 4 (top)	9606/NA	643/NA	403/NA	144	76	94	89	316	87
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10138/9716	682/624	397/397	132	76	100	89	321	76
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	9874/9506	683/620	341/401	115	63	83	80	286	55
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11949/12042	799/802	481/482	161	91	122	107	391	90
All firms (excluding don't know/refused responses), p. 7 (top)	11727/11757	787/775	475/475	159	91	120	105	386	89
All firms (excluding don't know/refused responses), p. 7 (bottom)	11608/0	780/0	473/0	159	91	118	105	384	89
All firms (excluding don't know/refused responses), p. 8 (top)	11720/11770	769/772	477/465	160	89	121	107	387	90
All firms (excluding don't know/refused responses), p. 8 (bottom)	9039/8380	600/516	307/336	99	59	76	73	257	50
All firms (excluding don't know/refused responses), p. 9	11938/11937	799/800	480/482	160	91	122	107	390	90
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9255/9008	648/587	371/381	119	78	90	84	306	65
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4354/4369	314/252	152/193	60	27	34	31	113	39
All firms (excluding don't know/refused responses), p. 13	10711/10490	637/605	421/402	141	78	107	95	342	79
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4310/4292	314/245	150/196	58	27	35	30	113	36
All firms (excluding don't know/refused responses), p. 18	11898/NA	794/NA	478/NA	159	91	121	107	389	89
All firms (excluding don't know/refused responses), p. 19	11739/NA	772/NA	470/NA	157	91	116	106	383	87
All firms (excluding don't know/refused responses), p. 20*	11740/11627	777/762	468/475	156	89	118	105	383	85





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# Czech Republic

Overview

## EIB INVESTMENT SURVEY

# 2020