



# Czech Republic

Overview

**EIB INVESTMENT SURVEY**

**2021**



EIB INVESTMENT SURVEY 2021

# Czech Republic

Overview

## **EIB Investment Survey Country Overview: Czech Republic**

© European Investment Bank (EIB), 2021. All rights reserved.

### **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 13 500 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 firms face, such as climate change and digital transformation. 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 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.

### **Main contributors to this publication**

Jochen Schanz, Julie Delanote, Irene Rizzoli.

### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

### **About Ipsos Public Affairs**

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Our research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, [www.eib.org](http://www.eib.org). You can also contact our InfoDesk, [info@eib.org](mailto:info@eib.org).

Published by the European Investment Bank. Printed on FSC® Paper.

# EIBIS 2021 – Czech Republic

## KEY RESULTS

### Investment Dynamics and Focus

EIBIS 2021 results shows that while less firms have invested in 2020 in Czech Republic, a larger share has become more willing to increase investment for 2021, representing a substantial positive shift from EIBIS 2020.

On average, firms across the Czech Republic spent 44% of their investment on replacing buildings and equipment in 2020, followed by capacity expansion (30%) and new products or services (17%). Tangible capital, in particular machinery and equipment (58%), attracted the largest share of investment in the Czech Republic during 2020.

### Impact of COVID-19

Around half of firms in the Czech Republic (47%) report that their sales have declined since the beginning of 2020. Only 18% report an increase. Around a quarter of firms in the Czech Republic (24%) report revising investment plans downwards as a result of COVID-19.

When asked about any short-term actions in response to COVID-19, digitalisation stood out with 40% of firms reporting that they have taken action or made investment to become more digital.

### Investment Needs and Priorities

Overall, firms are less likely to expect COVID-19 to have lasting impacts on their product portfolio and employment than they were in EIBIS 2020.

The majority of Czech firms do not perceive gaps in terms of investment. Most firms believe that they invested about the right amount over the last three years. Looking ahead to the next three years, developing or introducing new products or services is the most commonly cited investment priority among firms (40%), well above the EU average (26%).

### Innovation Activities

Around one-third of all firms developed or introduced new products, processes or services in 2020, including 13% who undertook innovation that is new to the country or the global market. This is broadly in line with the EU average.

Three-quarters (77%) of firms have implemented at least one of the advanced digital technologies they were asked about. This is well above the EU average.

### Drivers and Constraints

Relative to 2020, firms in the Czech Republic report that their short-term prospects have considerably improved. Business prospects have improved most among manufacturing firms.

The availability of skilled staff, uncertainty about the future and labour market regulations are the three most commonly cited barriers to investment.

### Investment Finance

Firms using external finance are on balance satisfied with the finance received. 7% of firms in the Czech Republic appear finance constrained. This is 2 pp higher than in the rest of the EU.

As a result of the COVID-19 pandemic, only a few firms (6%) have taken on more debt. The share is slightly higher for SMEs than for large firms (9% versus 4%), and overall lower than the EU average (16%). 57% of firms in the Czech Republic have received some kind of financial support in response to COVID-19, in line with the EU average.

### Climate Change and Energy Efficiency

Almost half (45%) of firms report that their business has been impacted by climate change. This is broadly in line with what was reported in EIBIS 2020 (51%) but lower than the EU average (58%). The share is somewhat higher for infrastructure firms.

One third (32%) of firms believe the transition to stricter climate standards and regulations over the next five years will be a risk to the company. Slightly fewer see the transition as an opportunity, considerably less than in the rest of the EU (15% versus 28%).

On average, four in ten firms have already invested to tackle the impact of climate change. This is in line with the EU average. However, only one-third (34%) of firms plan to invest, considerably below the EU average of 47%. Around 39% of firms have invested in measures to improve energy efficiency in 2020. Just below half (47%) of firms set and monitored internal targets on carbon emissions and energy consumption.

### Firm management, gender balance and employment

A third of firms (half of the EU average) strove for gender balance in 2020.

Ignoring sector-specific differences, firms did not materially adjust the number of their part- and full-time staff between January 2020 and their interview date (generally Q2 2021).

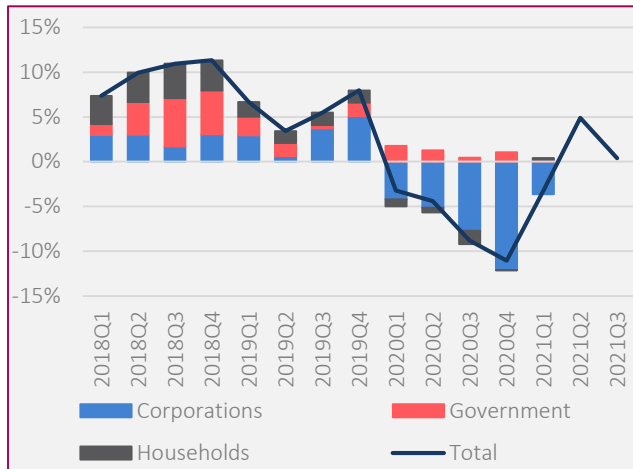
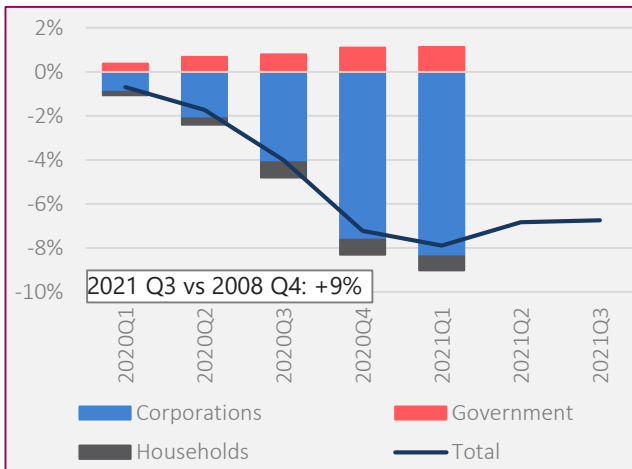


# Investment Dynamics and Focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

With the COVID-19 crisis abruptly affecting the economy, investment plunged below pre-crisis levels and kept decreasing throughout 2020. This fall was mainly driven by corporate investment. Public investment, on the other hand, remained above pre-crisis levels.

From 2021 onwards, investment started rising again, nevertheless consistently remaining below pre-crisis levels in the third quarter of 2021 (-7%).

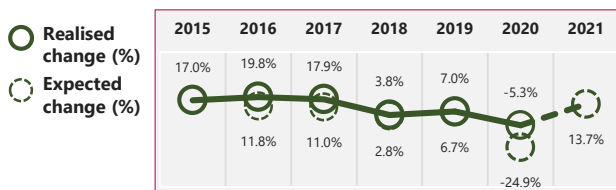


The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat  
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

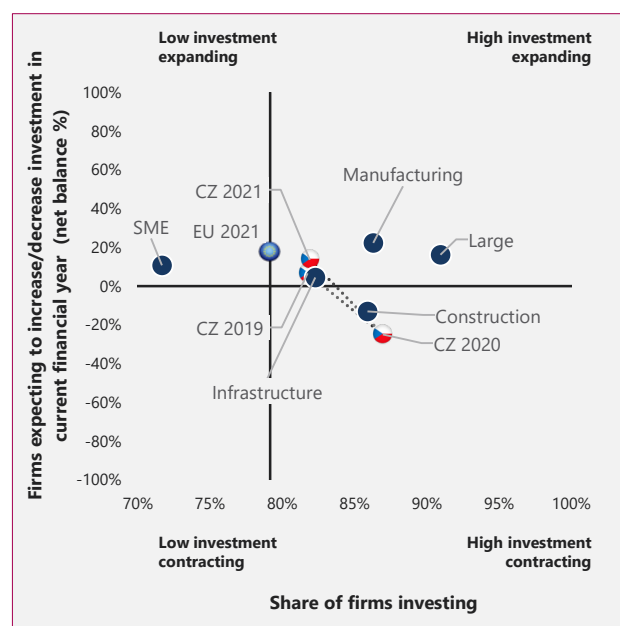
Czech firms have become more willing to increase investment. A net balance of 14% expect to increase rather than decrease investment for 2021 (bottom panel). The share of firms in the Czech Republic investing remains similar (82% versus 87% in EIBIS 2020).

In 2020, SMEs invested less than large firms. For 2021, a higher net balance of firms expect to increase investment in manufacturing than in construction (right panel).



'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



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses the x-axis on the EU average for EIBIS 2021.

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

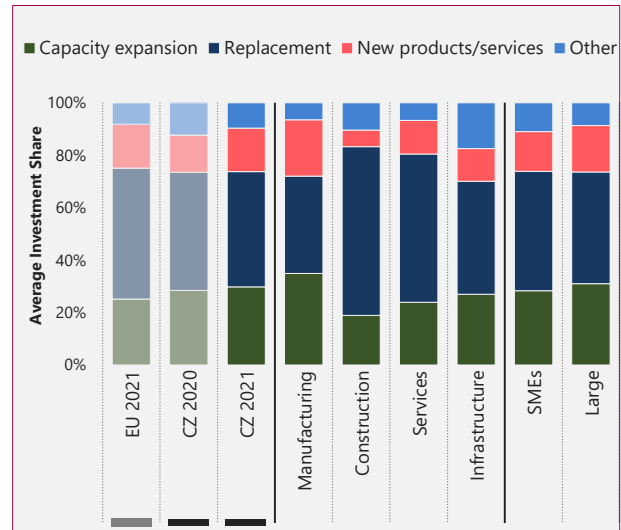
# Investment Dynamics and Focus

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

On average, firms across the Czech Republic spent 44% of their investment on replacing buildings and equipment in 2020, followed by capacity expansion (30%) and new products or services (17%). This is similar to what they reported for 2019 in EIBIS 2020 and broadly in line with the EU average.

Construction firms allocated most of their investment expenditure to replacing capital. For manufacturing firms, replacement and capacity expansion were of about equal importance.

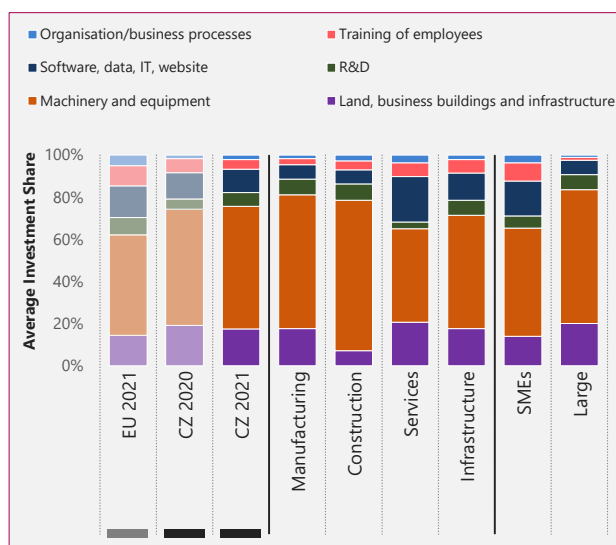
Firms' investment share for the different purposes was broadly similar across SMEs and large firms.



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



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?

\*\*Caution small base size

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

Tangible capital, in particular machinery and equipment (58%), attracted the largest share of investment in the Czech Republic during 2020. Investment in intangible capital was considerably smaller: for example, software, data, IT and websites attracted only 11%. On average in the EU, firms invested more in intangible capital than in the Czech Republic.

Construction firms tended to allocate a larger share of their investment to machinery and equipment (71%), while services firms tended to allocate a larger share to software, data, IT and websites (22%).

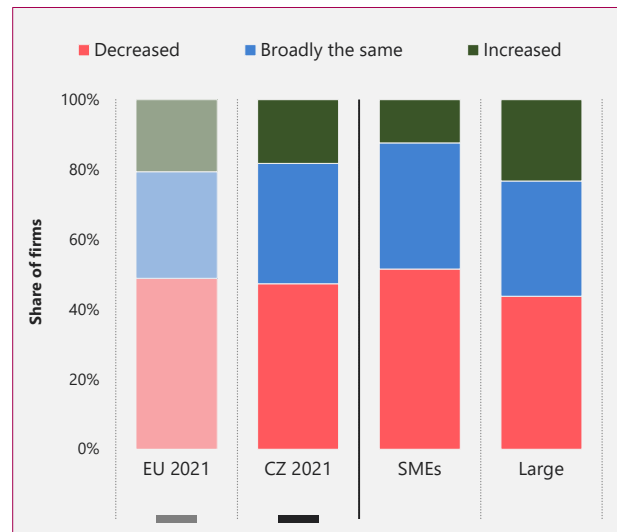
SMEs had a higher share of investment in software, data, IT and websites (17%) and training of employees (9%) than large firms (7% and 1% respectively).

# Impact of COVID-19

## IMPACT OF COVID-19 ON SALES

COVID-19 hit firms in various ways. Around half of firms in the Czech Republic (47%) report that their sales or turnover have declined since the beginning of 2020. Only 18% report an increase. This is similar to the EU average (49% and 21% respectively).

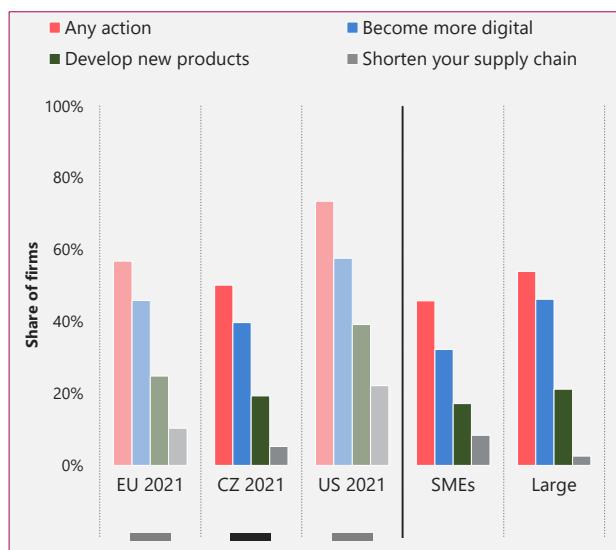
Large firms are more likely to report an increase in sales or turnover due to COVID-19 than SMEs (23% versus 12% respectively).



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

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

## SHORT-TERM ACTIONS AS A RESULT OF COVID-19



Half of firms in the Czech Republic (50%) have taken at least one of the short-term action(s) that they were asked about as a result of COVID-19, below the EU average (57%). 40% of firms in the Czech Republic report that they have become more digital in response to the pandemic, which is broadly similar to the EU average (46%).

Large firms are more likely to say they have become more digital (46%) and less likely to have shortened their supply chain (3%) when compared to SMEs (32% and 8% respectively).

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)



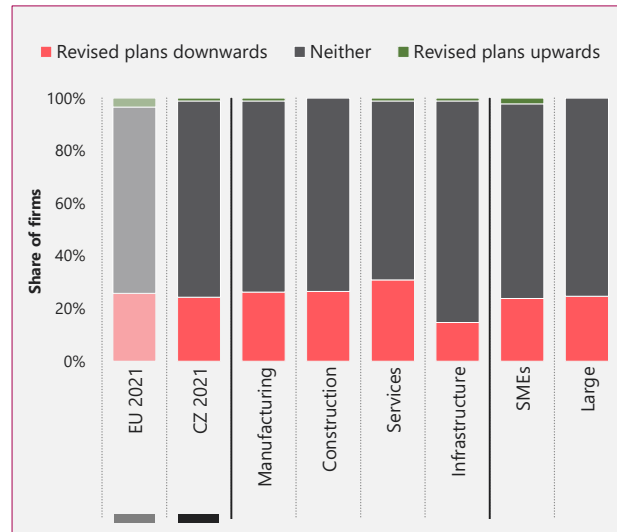
# Impact of COVID-19

## IMPACT OF COVID-19 ON INVESTMENT

When asked about whether they made any changes to their investment expectations during the pandemic, 75% of Czech firms report no change, slightly above the EU average of 71%.

Around a quarter of firms in the Czech Republic (24%) report revising investment plans downwards as a result of COVID-19. Only very few (1%) report revising plans upwards. This is in line with the EU average (26% and 3% respectively).

Services firms are more likely to report a downward revision of their plans (31%) compared to infrastructure firms (15%).

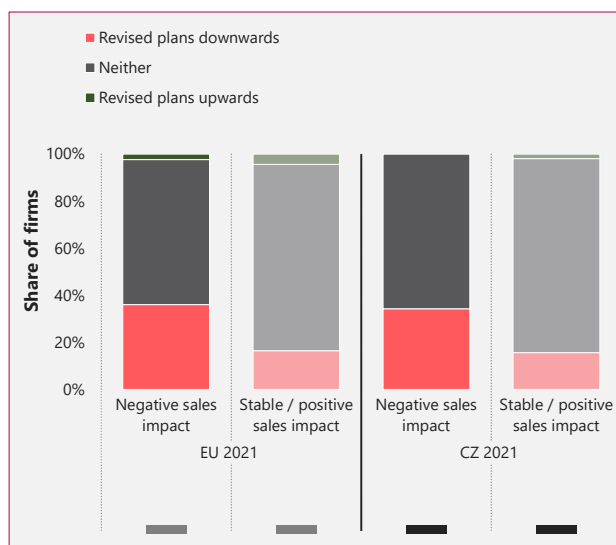


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

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

## DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



In the Czech Republic, firms whose sales or turnover have been negatively impacted by COVID-19 are more likely to report revising investment plans downwards compared to those who experienced a stable or positive sales impact. This pattern is similar to the EU average (36% and 16% respectively).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

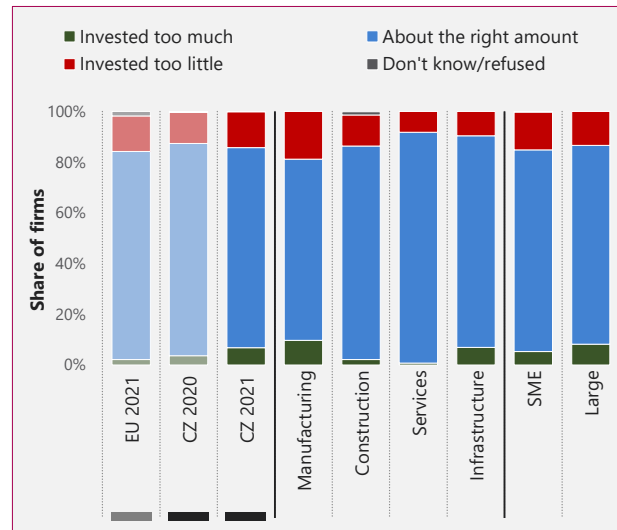
Base: All firms (excluding don't know/refused responses)

# Investment Needs and Priorities

## PERCEIVED INVESTMENT GAP

The majority of Czech firms do not perceive major investment gaps. In spite of the difficult economic circumstances, most firms in the Czech Republic believe that they invested about the right amount over the last three years. This is similar to the EU average (82%) and firms' assessment in EIBIS 2020 (84%).

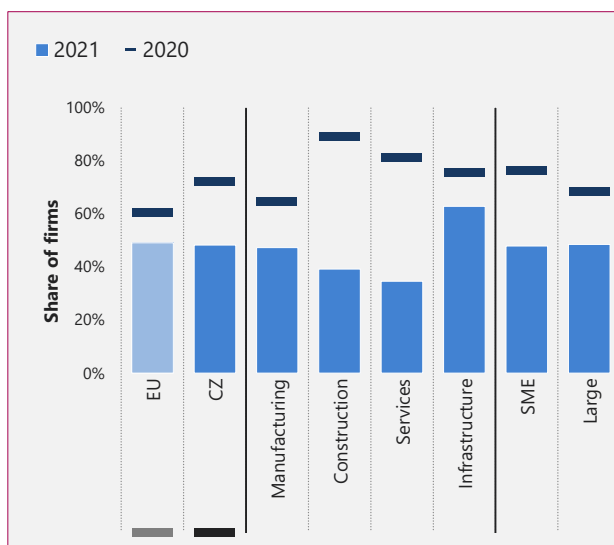
Services firms are the most likely to say their investment was about the right amount (91%). Among manufacturing firms, 10% report that they invested too much.



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 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?

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

The share of firms operating at or above full capacity has sharply declined since EIBIS 2020 (48% versus 72% EIBIS 2020). This share is in line with the EU average.

Infrastructure firms were the most likely to be operating at or above full capacity (63%). The share of firms operating at or above full capacity has fallen much more in construction and services, by 50 and 47 percentage points respectively, than that in manufacturing and infrastructure.

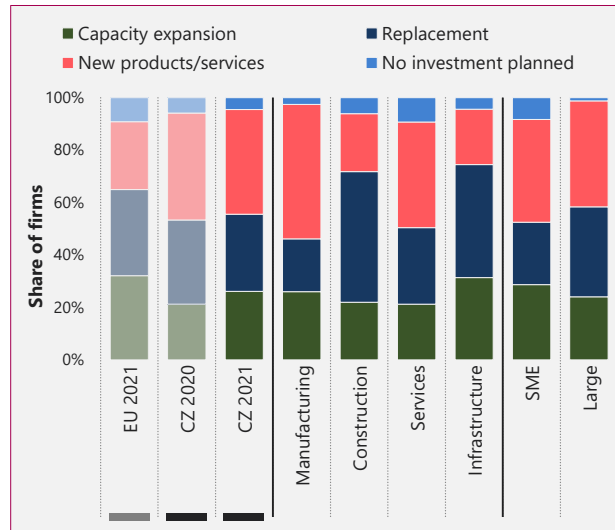
# Investment Needs and Priorities

## FUTURE INVESTMENT PRIORITIES (% of firms)

Developing or introducing new products or services is the most commonly cited investment priority among Czech firms (40%), well above the EU average (26%). This is followed by the replacement of existing buildings and equipment (29%) and capacity expansion (26%). Firms in the Czech Republic are less likely to prioritise capacity expansion than the EU average (32%).

Construction and infrastructure firms are less likely to prioritise developing new products or services (22% and 21% respectively), and more likely to prioritise replacing capacity (50% and 43% respectively).

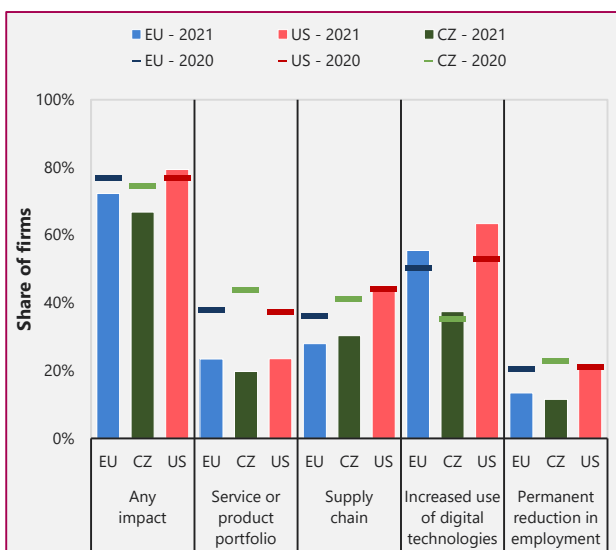
SMEs are more likely than large firms to have no investment planned (8% versus 1%).



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 LONG-TERM IMPACT



Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Base: All firms

Overall, firms in the Czech Republic are slightly less likely than in EIBIS 2020 to expect COVID-19 to have a long-term impact on their business activities.

This is true for all the aspects they have been asked about, with the exception of the increased use of digital technologies, which is cited as a long-term impact of COVID-19 by 37% of the firms, in line with what was reported in EIBIS 2020.

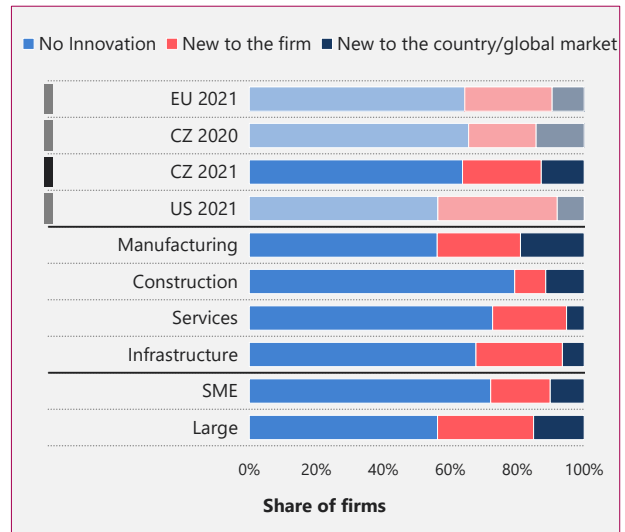
# Innovation Activities

## INNOVATION ACTIVITY

Around one-third of firms in the Czech Republic (36%) developed or introduced new products, processes or services as part of their investment activities in 2020, including 13% who have undertaken innovation that is new to the country or the global market. This is broadly in line with what they reported for 2019 in EIBIS 2020, and with the EU average for 2020.

Construction firms were the least likely to be innovating in 2020 (21%), while manufacturing firms are most likely to have undertaken innovation that is new to the country or the global market (19%).

Large firms were more likely to have undertaken innovation activities than SMEs (44% versus 28% respectively).

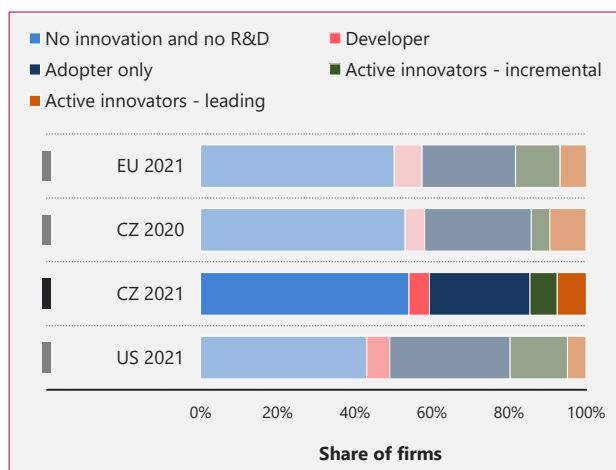


Q. What proportion of total investment was for developing or introducing new products, processes, services?

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



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)

When firms' innovation and research and development behaviour is profiled more widely, 15% of firms in the Czech Republic can be classified as 'active innovators' as they have introduced new products, processes and services in 2020 and invested in research and development. A further 5% of firms can be classified as 'developers' as they have not introduced new products, processes or services but allocated a significant part of their investment activities to research and development ('developers').

This breakdown is broadly in line with what was reported in EIBIS 2020 and with the EU average.

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

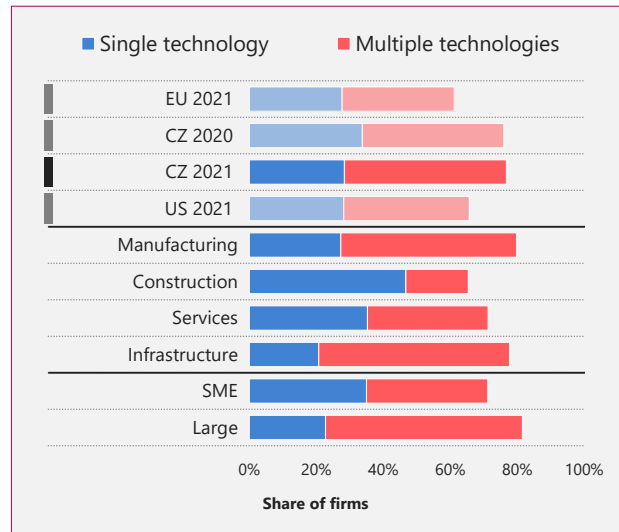
## IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

Overall, 77% of the firms in the Czech Republic have implemented at least one of the advanced digital technologies they were asked about. This is in line with EIBIS 2020 (76%) and well above the EU average (61%).

Firms in the Czech Republic are more likely to have implemented multiple technologies than the EU overall (48% versus 33% respectively). Construction and services firms are the least likely to have implemented multiple technologies (19% and 36% respectively).

Large firms are more likely to have implemented multiple technologies than SMEs (59% versus 36% respectively).

The uptake of advanced digital technologies in the Czech Republic is higher than in the EU for internet of things, 3-D printing, platforms and robotics.

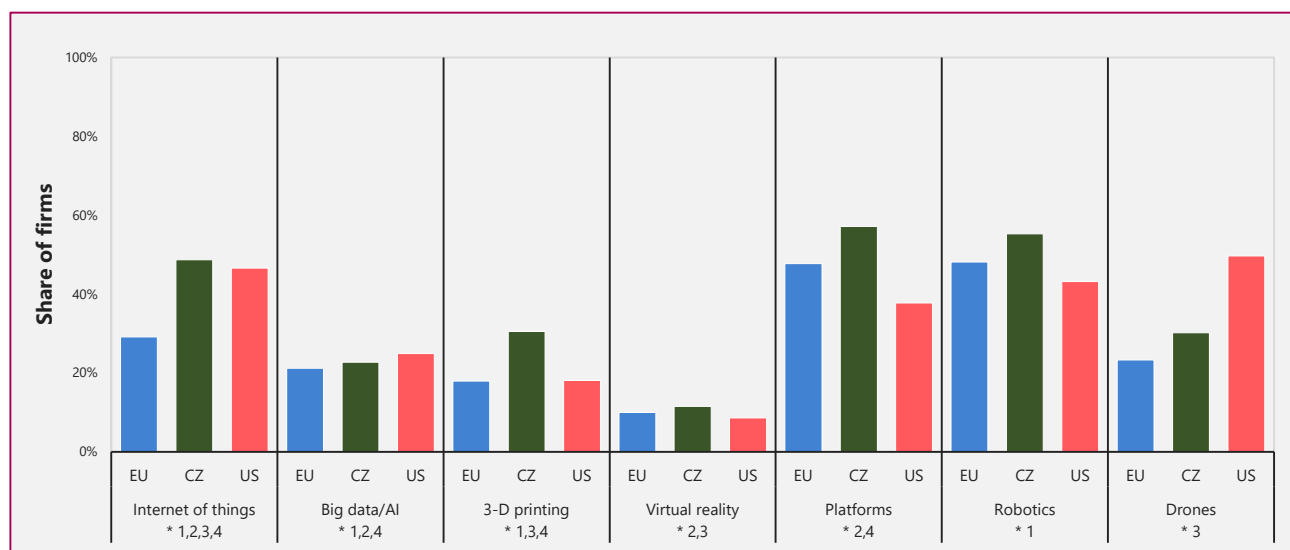


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

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

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

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

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?

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

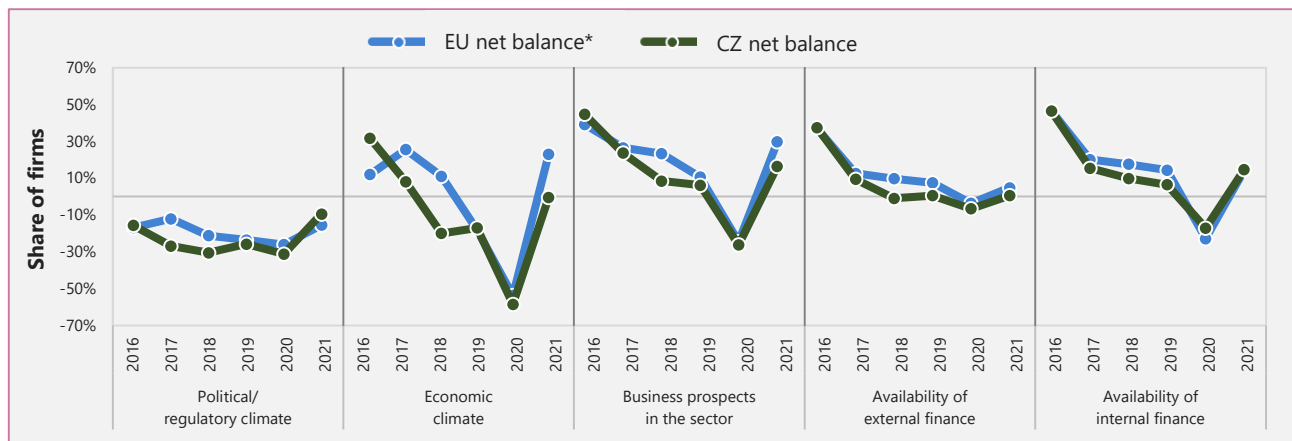
Base: All firms (excluding don't know/refused responses);  
Sample size CZ: Manufacturing (160); Construction (90); Services (122); Infrastructure (108)

# Drivers And Constraints

## SHORT-TERM FIRM OUTLOOK

Relative to EIBIS 2020, firms in the Czech Republic report that their short-term prospects have considerably improved. Expectations for business prospects in their sector have become positive again (rising from -26% to 20%) as has the assessment of the economic climate (-61% to 1%).

The availability of internal finance (-16% to 18%) and external finance (-5% to 2%) have also improved. That said, firms remain on balance pessimistic about the political and regulatory climate.

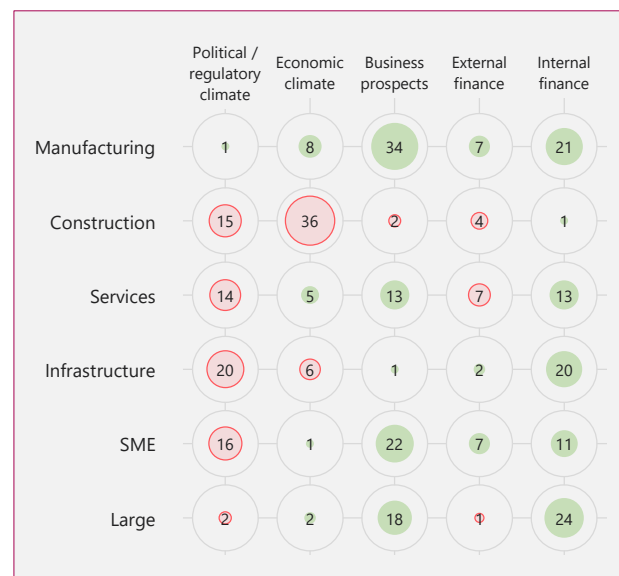


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

\*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?

Base: All firms

Business prospects have improved most among manufacturing firms. Together with infrastructure firms, they are also more optimistic that internal finance will improve.

Overall, construction firms are the most pessimistic, particularly with regard to the economic climate. Large firms are less pessimistic about the political or regulatory climate and more optimistic about the availability of internal finance compared to SMEs.



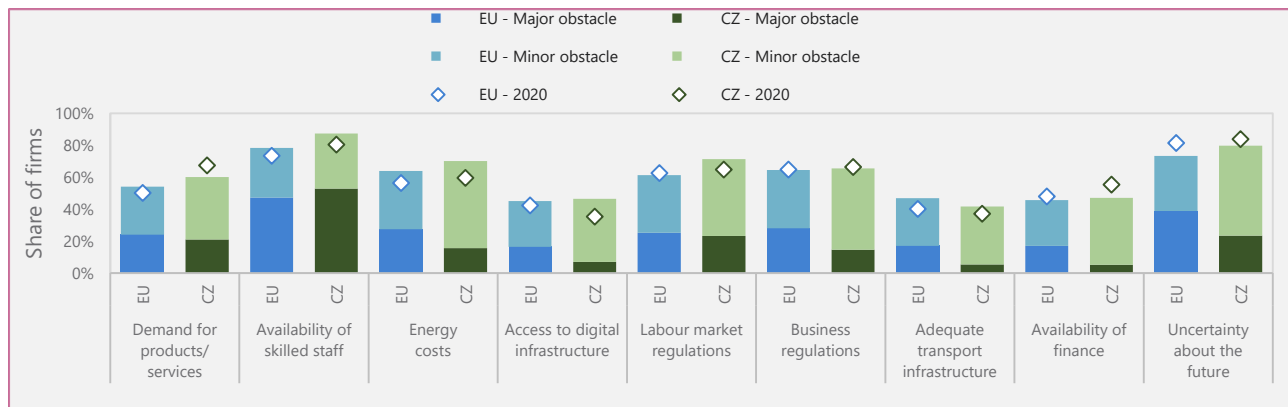
# Drivers And Constraints

## LONG-TERM BARRIERS TO INVESTMENT

Overall, in EIBIS 2021 Czech firms seem to perceive obstacles to investment similarly to how they did in EIBIS 2020. The availability of skilled staff, uncertainty about the future and labour market regulations are the three most commonly cited barriers to investment (87%, 80% and 71% respectively). These shares are higher than the EU

average (79%, 73% and 61% respectively).

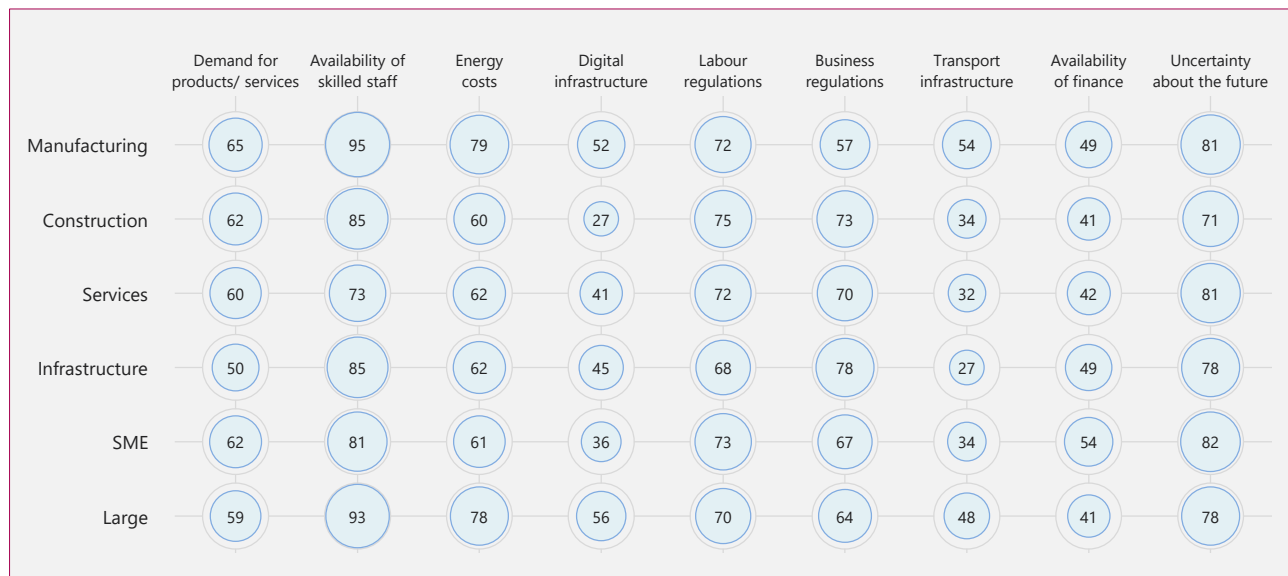
Firms in the Czech Republic are now more likely to view the availability of skilled staff (rising from 80% to 87%), energy costs (rising from 60% to 70%) and access to digital infrastructure (rising from 35% to 47%) as barriers to investment.



Q. Thinking about your investment activities in the Czech Republic, 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 the Czech Republic, 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)

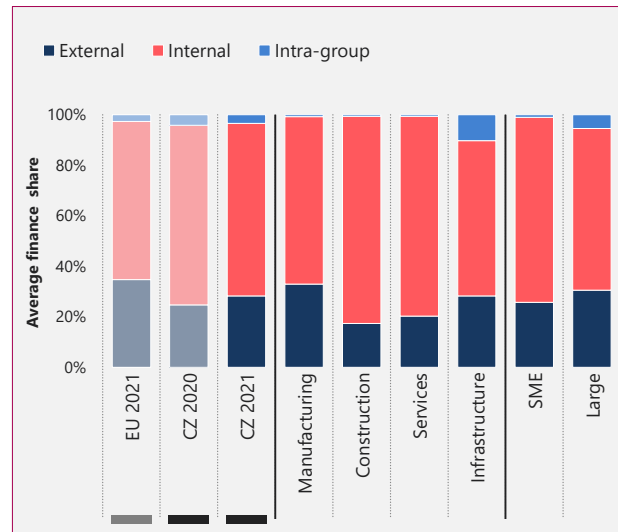
# Investment Finance

## SOURCE OF INVESTMENT FINANCE

Firms in the Czech Republic continued to fund around two-thirds (68%) of their investment activity in 2020 through internal financing. This is broadly in line with the EU average (63%). Just over one-quarter (28%) was financed by external sources, below the EU average (35%).

Construction and services firms had the highest share of investment funded through internal finance (82% and 79% respectively).

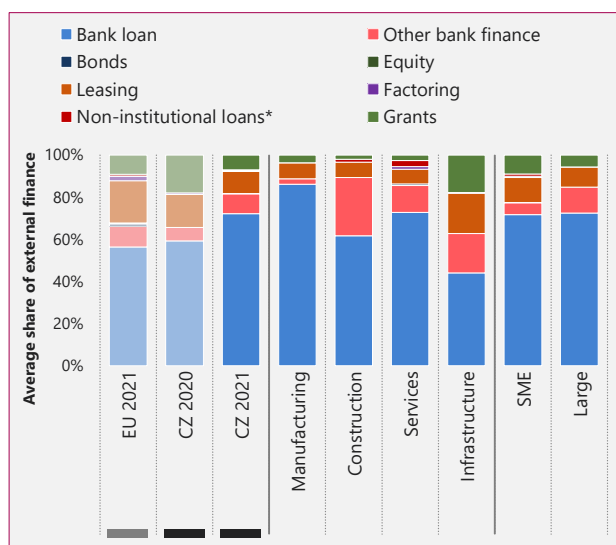
Infrastructure firms financed a greater share (10%) of their investment activity using intra-group funding compared to other sectors (all below 1%).



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



The largest share of external finance used by Czech firms in 2020 were bank loans (72%), well above the EU average (56%). Together, bank loans and other bank finance made up 82% of firms' external finance, higher than EIBIS 2020 (66%).

The pattern of finance used varies by sector with banks loans making up a greater share of external finance among manufacturing firms (86%).

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

\*Loans from family, friends or business partners

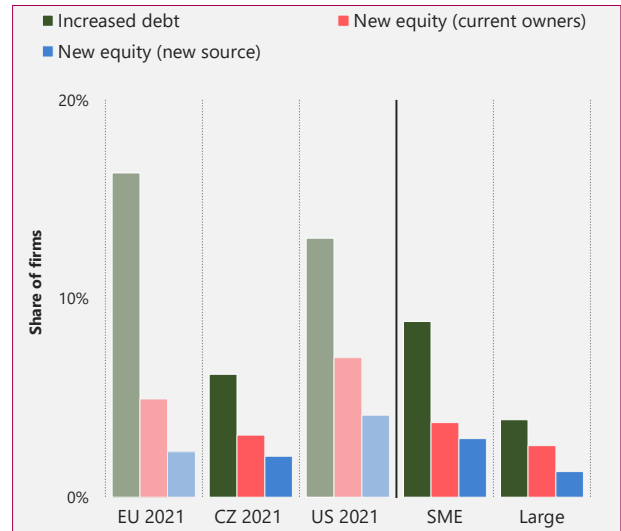
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

# Investment Finance

## ACTIONS TAKEN AS A RESULT OF COVID-19

As response to the COVID-19 pandemic, only a few firms (6%) have taken on more debt, less than the EU average (16%). An even smaller share of firms have raised new equity (3% from the current owners and 2% from new owners), also a slightly lower share than the EU average (5% and 2% respectively).

Among SMEs the proportion of firms that have taken on more debt is slightly higher (9%) than among large firms (4%).



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

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

## SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Public support was important: more than half of firms in the Czech Republic (57%) have received some kind of financial support in response to COVID-19, in line with the EU average (56%).

Half of firms (49%) have received subsidies or other financial support that did not need to be paid back, above the EU average (36%). The proportion of firms that have received new subsidised or guaranteed credit (4%) and deferral of payments (10%) are lower than the EU average (17% and 16% respectively).

Large firms are most likely to have received subsidies that did not need to be paid back (53%).

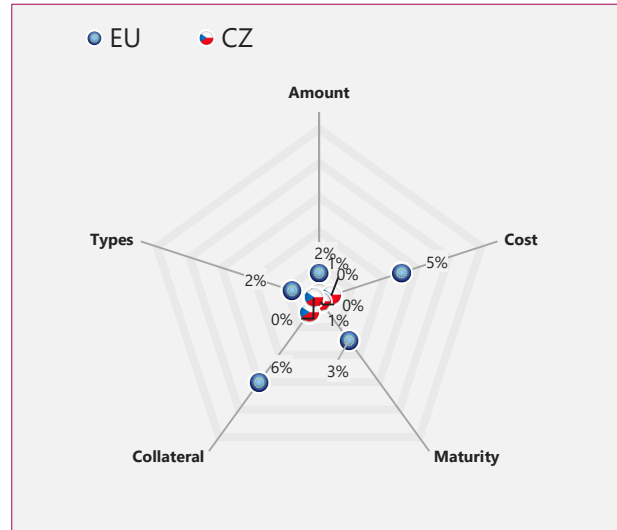
Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

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

# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Overall, levels of dissatisfaction are extremely low among firms in the Czech Republic that received external finance in 2020. Firms report that they are, on balance, satisfied with the amount, cost, maturity, collateral and the type of external finance received, in line with the EU average.



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 (%)



Overall dissatisfaction levels are very low across all sectors. SMEs are slightly more likely than large firms to be dissatisfied.

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

\*Caution small base size

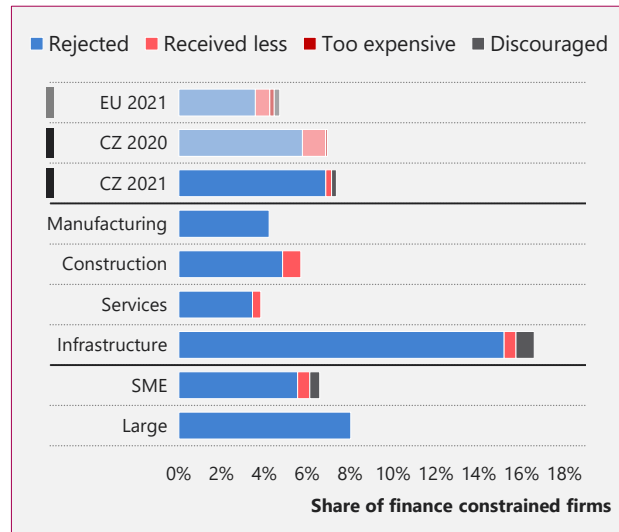
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

7% of all firms in the Czech Republic can be considered finance constrained, in line with the EU average (5%) and what was reported in EIBIS 2020 (7%).

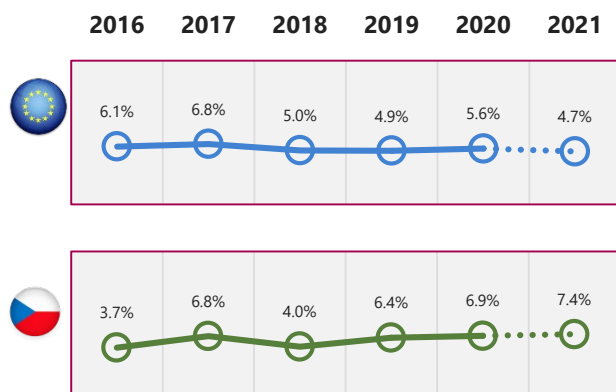
Infrastructure firms are most likely to appear finance constrained (17%). Most had sought external finance but did not receive it. Large firms are slightly more likely than SMEs to be finance-constrained (8% against 7%), the main cause being rejection.



*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



There has been little change in the share of finance constrained firms over the years.

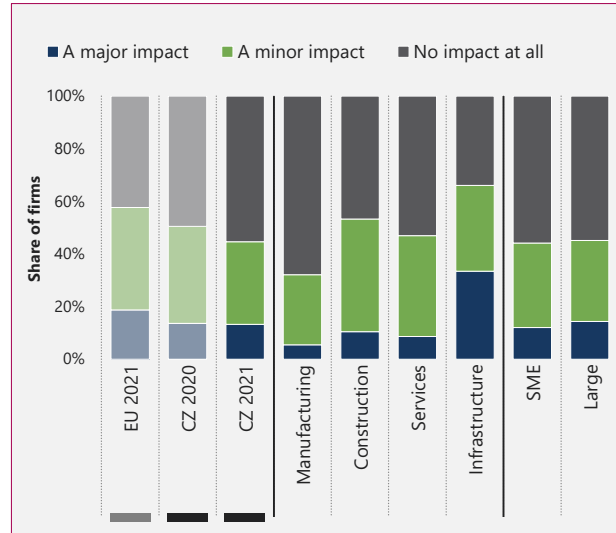
Base: All firms (excluding don't know/refused responses)

# Climate Change and Energy Efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

Almost half of firms (45%) report that their business has been impacted by climate change and the related changes in weather patterns. This is broadly in line with what was reported in EIBIS 2020 (51%) but lower than the EU average (58%).

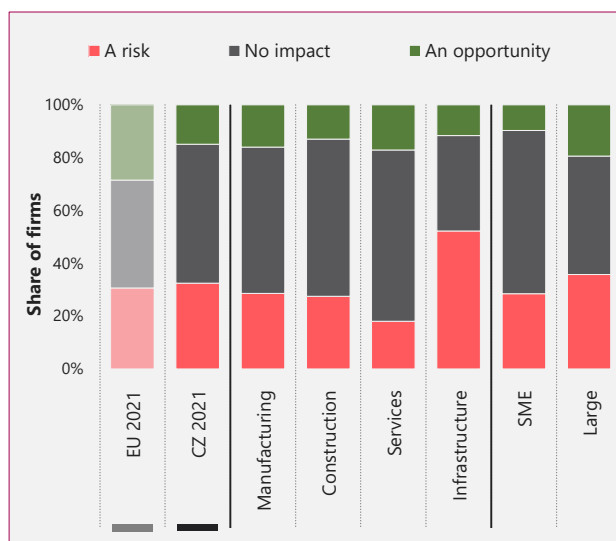
Infrastructure firms are more likely than firms in other sectors to report being impacted at all (66% versus other sector ranging from 32% to 53%) and a third (33%) report a major impact (other sectors ranging from 5% to 10%).



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)

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



Czech firms are starting to internalise the risks associated with a transition to net zero, as 32% of firms believe the transition to stricter climate standards and regulations over the next five years will be a risk to the company, in line with the EU average (31%). Firms in the Czech Republic are also less likely to believe the transition will be an opportunity compared to the EU (15% versus 28%).

Infrastructure firms are more likely to consider the transition to stricter climate standards and regulations to be a risk (52%) compared to other sectors (ranging from 18% to 29%).

Large firms are more likely than SMEs to think the transition will be an opportunity for their business (19% versus 10%).

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)



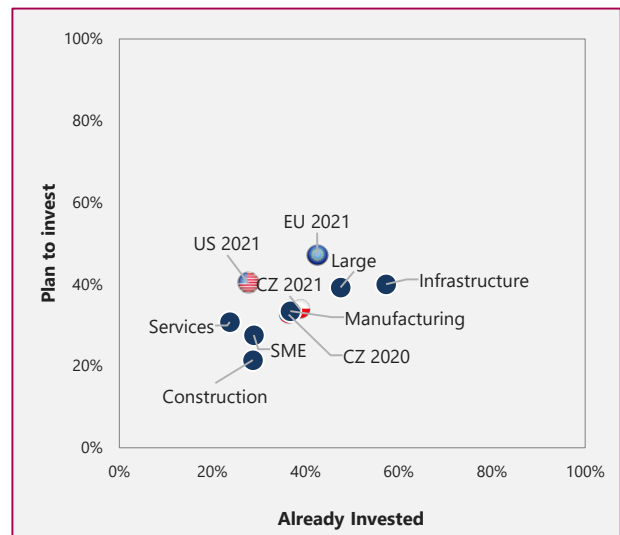
# Climate Change and Energy Efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

On average, 39% of Czech firms have already invested to tackle the impact of climate change, in line with the EU average (43%), while one-third of firms (34%) plan to invest, which is below the EU average (47%). This is similar to the answers given in EIBIS 2020.

Infrastructure firms are the most likely to have already invested (57%), while infrastructure and large firms are the most likely to be planning to invest (40% and 39% respectively).

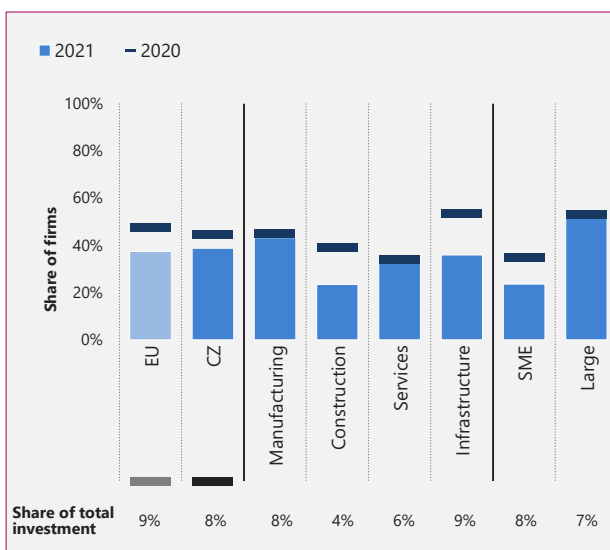
Large firms are also more likely to have already invested in plans to tackle climate change impact compared to SMEs (48% versus 29%).



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?

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

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



Investments in energy efficiency were fairly widespread among Czech firms: 39% invested in measures to improve energy efficiency in 2020, with an average of 8% of their total investment going towards such measures. This is in line with the EU average.

Construction firms were less likely to invest in measures to improve energy efficiency (23%), and they dedicated the lowest share of their total investment towards such measures (4%).

Large firms were more likely than SMEs to be investing in energy efficiency improvements (52% versus 24% respectively).

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 (for share of firms investing)

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

# Firm management, climate targets, gender balance and employment

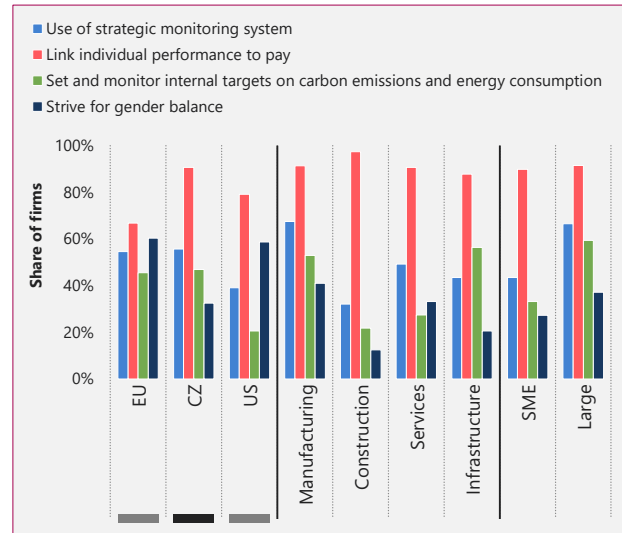
## FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

Firms in the Czech Republic are more likely than EU firms to report having linked individual performance to pay in 2020 (91% versus 67% respectively) and less likely to have striven for gender balance (33% versus 60%).

Around half (56%) of firms used a strategic monitoring system, manufacturing and large firms are particularly likely to have done so (67% and 66% respectively).

Fewer than a half (47%) set and monitored internal targets on carbon emissions and energy consumption. Construction and services firms are the least likely of all the sectors to have done so (22% and 27% respectively).

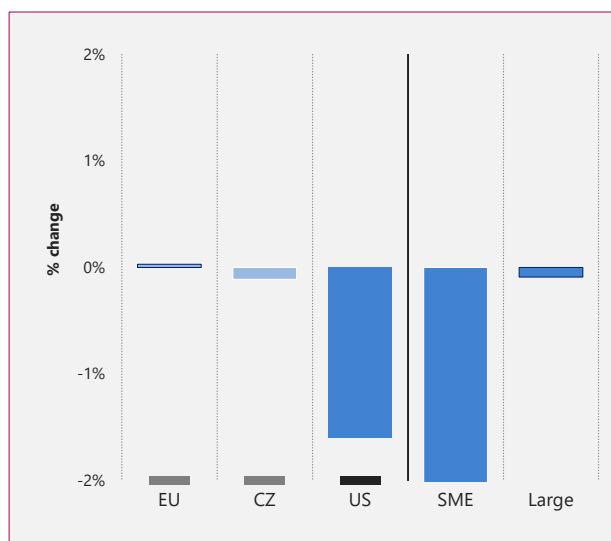
Large firms are more likely than SMEs to have set and monitored internal targets on carbon emissions and energy consumption (59% versus 33% respectively).



Q. In 2020, did your company...?

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

## CHANGE IN EMPLOYMENT DURING COVID-19



Overall, the workforce among the Czech firms interviewed in EIBIS 2021 has remained relatively stable and in line with the EU average. SMEs experienced the greatest decrease in employment (-2%).

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 2020, before the COVID-19 pandemic?

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

# EIBIS 2021 – 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 the 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	US	CZ	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs CZ	Constr vs Manuf.	SME vs Large
	(11920)	(802)	(480)	(160)	(90)	(122)	(108)	(406)	(74)	(11920 vs 480)	(90 vs 160)	(406 vs 74)
10% or 90%	1.1%	3.5%	3.4%	5.1%	7.6%	6.6%	7.0%	2.7%	5.8%	3.5%	9.1%	6.4%
30% or 70%	1.7%	5.3%	5.1%	7.8%	11.6%	10.1%	10.7%	4.2%	8.9%	5.4%	13.9%	9.8%
50%	1.8%	5.8%	5.6%	8.5%	12.6%	11.0%	11.7%	4.5%	9.7%	5.9%	15.2%	10.7%

## 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.

*Note: the EIBIS 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.*

# EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in the Czech Republic (carried out between March and July 2021).

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

Base definition and page reference	EU 2021/2020	US 2021	CZ 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	480/481	160	90	122	108	406	74
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	480/481	160	90	122	108	406	74
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	462/446	154	88	115	105	392	70
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	478/NA	159	90	122	107	404	74
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	480/NA	160	90	122	108	406	74
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	479/481	160	90	121	108	405	74
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	477/0	159	90	121	107	403	74
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	478/475	160	89	122	107	404	74
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	477/477	158	90	122	107	404	73
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	355/307	119	72	83	81	294	61
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	480/480	160	90	122	108	406	74
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	480/NA	160	90	122	108	406	74
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	480/NA	160	90	122	108	406	74
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	464/461	153	89	119	103	394	70
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	479/478	160	90	122	107	405	74
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	468/NA	153	88	121	106	395	73
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	478/470	159	90	121	108	404	74
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	474/NA	155	90	121	108	404	70
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	474/444	160	89	117	108	400	74
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	390/397	132	76	90	92	323	67
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	367/341	125	75	84	83	303	64
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	355/371	114	76	81	84	300	55
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	480/481	160	90	122	108	406	74
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284	153/152	60	27	31	35	123	30
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	153/150	60	27	30	36	123	30








**Economics Department**  
U economics@eib.org  
www.eib.org/economics

**Information Desk**  
3 +352 4379-22000  
U info@eib.org

**European Investment Bank**  
98-100, boulevard Konrad Adenauer  
L-2950 Luxembourg  
3 +352 4379-1  
www.eib.org

 [twitter.com/EIB](https://twitter.com/EIB)  
 [facebook.com/EuropeanInvestmentBank](https://facebook.com/EuropeanInvestmentBank)  
 [youtube.com/EIBtheEUBank](https://youtube.com/EIBtheEUBank)

© European Investment Bank, 01/2022

PDF: ISBN 978-92-861-5163-7

# Czech Republic

Overview

## EIB INVESTMENT SURVEY

# 2022