

Automotive Industry



The automotive sector is a powerful engine of the Czech economy; it belongs to the key and most successful segments of industrial production in the Czech Republic. The automotive sector accounts for more than 20 per cent of manufacturing output and over 20 percent of Czech exports. It directly employs over 120 thousand employees. The production of personal vehicles in the Czech Republic totalled almost one million in 2009 and the country ranks nineteenth in the world production " of vehicles.

Most production facilities are owned by foreign investors, most of them renowned companies who were attracted by the entry of the Volkswagen group into the Škoda Auto plant in the early 1990s. The abundance of trained labour and highly competitive sub-suppliers attracted two other major OEMs. The TPCA consortium built its green-field investment in Kolín

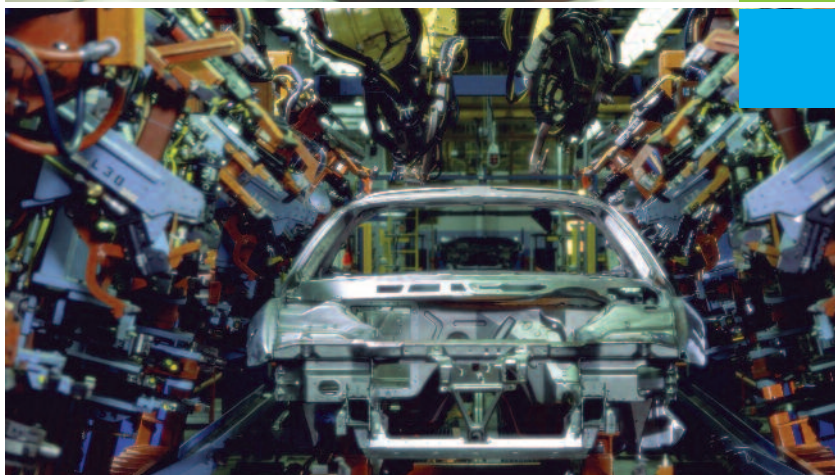
and launched commercial production of small vehicles like the Toyota Aygo, Peugeot 107 and Citroën C1 in February 2005. The production capacity of 300,000 cars ranked the company among the top exporters in the Czech Republic. Another car manufacturer, Hyundai from South Korea, built its first European production facility in the north-east of the country in Nošovice and started its production with a capacity of 200,000 cars per year in November 2009. The capacity should rise to 300,000 in 2011. The Hyundai Motor Company invested over one billion euros in the Nošovice plant.

Besides the production of personal cars, the Czech Republic has a strong position in supplying trucks (Tatra, Avia Ashok Layland), buses (Irisbus Iveco, SorLibchavy, Ekobus) and trams (Siemens, Škoda).

Production of vehicles in the CR from 2005 to 2009

Vehicles/year	2005	2006	2007	2008	2009
Personal cars	597,994	849,879	931,298	940,334	970,410
Trucks	2,050	1,993	3,168	2,737	1,091
Buses	2,198	2,948	3,182	3,496	3,068
Trailers, semi trailers	2,445	1,993	2,330	2,424	761

Source: Automotive Industry Association



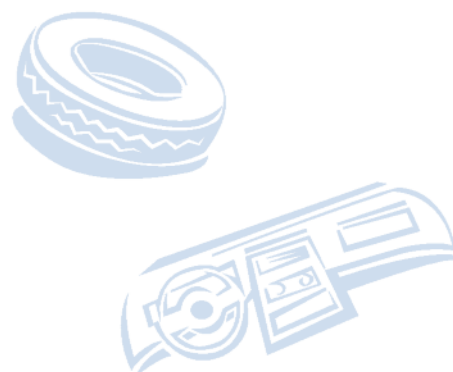
Automotive Industry

Suppliers to the automotive industry

The automotive industry consists not only of vehicle manufacturers but also part suppliers. There is no single major car manufacturer in Europe which does not utilise parts made in the Czech Republic. A strong supplier base of major suppliers specialised in the automotive sector includes names such as the world-known Bosch, Continental, Magna and Denso. Alongside these international groups, there are a whole number of purely Czech companies producing auto parts for the whole world. For example, the Brano Group manufactures heating systems, cockpit and door systems, horns and shock absorbers and Brisk Tábor produces automotive plugs. Other major suppliers include AGC Automotive Czech, one of the top automotive glass producers; Automotive Lighting, manufacturer of headlights for most European car manufacturers; Behr, the European number one producer of air conditioning systems and engine cooling; Faurecia, producing seats, doors, and exhausting systems; Johnson Controls, involved in the development and production of vehicle interiors; Lucas Vario, manufacturing braking systems; Bosch and Visteon-Autopal which, following the entry of the multinational company Visteon-Corporation into the Czech company Autopal in 2000, has become the hub of the world development and production of lighting, climate and cooling products for the automotive industry.

Research, development and education in related sectors

The Czech Republic is one of the most attractive automotive research and development locations in global terms. Companies like MB Tech, Ricardo, Swell, Valeo, Visteon, Bosch, and Siemens built their R&D centres here. Due to the high quality technical education at a large number of technical universities spread all over the country, the Czech Republic has a sufficient number of professionals for such a type of research. There are over 80,000 university students in technical and science related departments. Roughly 17,000 graduates enter the labour force every year and the number of technical graduates increases by hundreds each year. Most of the technical universities operate their R&D centres specialized in tasks related to the automotive sector and they closely cooperate with companies in this sector. Apart from the universities, the Czech education system features other sources of qualified labour, including specialised four-year technical secondary schools, whose students graduate with the near equivalent of a university bachelor's degree.



Czech Trade Promotion Agency

Head Office
Dittrichova 21, Prague 2
Czech Republic
info@czechtrade.cz
www.czechtradeoffices.com

Automotive Industry Association www.autosap.cz
Czech Exporters Directory <http://exporters.czechtrade.cz/en>