



Ministry of Foreign Affairs
of the Czech Republic

Updating the Export Strategy of the Czech Republic 2012 – 2020

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Introduction

The purpose of this document is an update of the 2012-2020 Export Strategy of the Czech Republic that sets out the basic framework for the pro-export policy and summarises the activities of the state to support the exports.

The presented update has, therefore, the ambition to improve the utilisation of the pro-export policy tools, so that the allocated resources of the state to promote exports and economic diplomacy are used efficiently and effectively, and fulfil the newly defined vision of:

The creation of new jobs and business growth through increased trade and the internationalisation of business, in strengthening the prestige of the Czech Republic worldwide and in international organisations, the use of global business opportunities for the growth of the Czech Republic's prosperity.

The Czech open and export-oriented economy must increasingly cope with global trends that operate worldwide and mean new challenges as well as opportunities for the Czech Republic. The adopted Foreign Policy Concept of the Czech Republic characterises the main factors that operate at the economic, strategic, political and demographic level. Czech foreign policy is focused on security, prosperity, sustainable development and human dignity, including the protection of human rights, service to the citizens and a good reputation abroad. The Czech Republic does not perceive those objectives in isolation, but rather as goals that are interrelated and interdependent.

To cope with global world trends, it is important for each economy to understand the foreign policy context. Exploiting the potential of both external and internal cooperation is a prerequisite in this regard, for all parties to export policy. Solutions, the finding of which is a great opportunity for Czech businesses, should be both unique and easily expandable to world markets. A situation when Czech producers and service providers are able to deal to a greater extent with international competition and global markets is not only a contribution to building prosperity in the Czech Republic but also highlighting the Czech Republic as an important player in the field of international cooperation. A prerequisite for achieving that state is the clever linking of export, innovation and development policy based on the understanding of global needs and demand that has already arisen on their basis.

An important factor in promoting the prosperity and sustainable development is the Czech Republic's membership in the European Union, which is the main area for the implementation of our foreign economic interests. The core of the European integration as of yet remains the internal market of the European Union, founded on the free movement of persons, goods, services and capital. The export strategy focuses on the full utilisation of the main European Union tools to support the Czech exports - the Common trade policy, the Free Trade Agreements, and the Single Internal Market.

The 2012 - 2020 Export Strategy of the Czech Republic remains a strategic document in the pro-export policy. The Export Strategy Update focuses on the description of the main export policy tools, a more precise specification of the goals and the ways of achieving them, a simplified implementation structure, and is based on the cooperation of the export-oriented state organisations and ongoing communication with the company's representatives and social partners.

Changes associated with the Export Strategy update

Vision and Goals of the updated Export Strategy

Although the updated Export Strategy stems from the original vision of the 2012 - 2020 Export Strategy, the vision was modified due to the developments and changes that have occurred since 2012. To implement the new vision and knowing the operation of the specific pro-export measures, the main objective, the achievement of which assumes a balanced structure of the offered services, their efficient rendering, and a focus on innovative exporters, was reformulated.

The main objective of the updated Export Strategy:

Increasing the number of exporters, especially among innovative companies, ensuring the sustainability of their export activities, increasing the volume and value of the added value of their exports and the number of jobs.

How this objective is fulfilled should be demonstrated through its specification:

- 1. Increasing the volume of export of firms using state aid for export**
- 2. Increasing the number of jobs in companies benefiting from the state aid for export**
- 3. Increasing the volume of exports of the supported innovative companies**

The original objectives of the 2012-2020 Export Strategy that should be achieved by 2020:

- a) Increasing per capita exports by 25% by 2020
- b) Increasing the number of exporters by 15% by 2020
- c) Increasing the number of exporters among small and medium-sized enterprises by 50% by 2020 will continue to be monitored, but the decisive criterion will be the achievement of the targets under the updated Export Strategy.

Identifying key markets

One of the reasons for updating the 2012 - 2020 Czech Republic Export Strategy is also adding a territorial approach through a sector-specific approach where the key markets are defined on the basis of the established sector-specific opportunities.

The dominant territorial approach in identifying the key markets is historically based on the 2006-2010 export strategies, and the update to 2012, and is decisive for the 2012 to 2020 Czech Republic Export Strategy. The main aim of the concept was the diversification of Czech exports with a focus on the state pro-export activities to multiple markets with the significant growth potential of exports and, in the case of the 2012-2020 Strategy, mainly a focus on markets outside of the EU countries. Countries that were divided into two levels - priority and interest - were determined based on the growth potential of their economies, and the absorption capacity of their markets measured by the share of global imports and the compatibility in relation to the Czech economy. They are usually big economies that offer significant potential for increasing Czech exports; markets where Czech goods are already present and known services or markets where the Czech Republic needs to build its position and lags behind the competition from other countries. Only in the second step were sector-specific/export opportunities sought in these countries. The sector-specific approach offers a new, more flexible view of the search for export opportunities. The Ministry of Foreign Affairs, in collaboration with other institutions, drew up a "map of global sectoral opportunities", which aims to identify promising possibilities for Czech businesses in foreign markets and approximate an overview of

specific export opportunities to specific territories to potential exporters.

The identified sectoral opportunities and the key markets based on these should lead to the setting up of pro-export activities of the state and subsequently assist in the actual decision making process of companies on the selection of an export territory. Focusing on sectoral opportunities abroad and the expected future demand should support the introduction of innovations in enterprises and thus their competitiveness. MIT may use this information for greater influence of the activities of innovative agencies, such as the Technology Agency of the Czech Republic (TACR) and subsequently in the implementation of the "Industry 4.0" goals which should also stimulate the innovation potential of companies and increase their competitiveness through changing the tendering model (companies' offers to a certain market) to the demand model (companies' respond to the demand of a particular market).

Development of digital market and the digitalisation of the economy, including Industry 4.0

A significant opportunity and a challenge associated with finding sector-specific opportunities in the coming years will certainly be the implementation of the processes associated with the development of the digital market, including Industry 4.0, the fourth industrial revolution based on a complex system of changes in a range of human activities not only in industrial production. One of the opportunities is to create conditions for the dual role of Industry 4.0, i.e. supporting modern industrial production in the Czech Republic, as well as of the export of the solutions or research results to global markets. Digital technologies will get to be applied there in other sectors of the economy, e.g. e-commerce, ICT development, etc.

Pillars of the updated Export Strategy

Also the export strategy pillars have got modified to better reflect the focus of the updated Export Strategy towards better specification of export-oriented activities. Given that the approach oriented towards meeting the demand of exporters for state support and services related to internationalisation is crucial to the Export Strategy; there was a change of priorities vis-à-vis the original pillars, as a result of which they adapted to this very demand. The guideline for setting the priorities were also the results of sessions with business representatives that showed the main interest of entrepreneurs in financial instruments, in particular underwriting and lending, and high-quality information.

1. Financial instruments

- 1.1. Export insurance and finance with state support
- 1.2. Development cooperation

2. Information and the development of services for exporters

- 2.1. Information
 - 2.1.1. IS SINPRO
 - 2.1.2. BusinessInfo.cz
 - 2.1.3. Map of global sectoral opportunities
 - 2.1.4. Summary of territorial information
 - 2.1.5. Export opportunities
- 2.2. Assistance and consultancy services
 - 2.2.1. Unified foreign network
 - 2.2.2. Client centre for export/single point of contact
 - 2.2.3. Catalogue of Services
- 2.3. Development of services in regions
- 2.4. Education for export

3. Developing business opportunities

- 3.1. Promotion and expansion of demand for Czech exports
 - 3.1.1. Fairs and exhibitions
 - 3.1.2. PROPED - Projects supporting economic diplomacy
 - 3.1.3. Presentation and the Czech Republic brand
 - 3.1.4. Business missions
- 3.2. Trade policy
 - 3.2.1. Common trade policy
 - 3.2.2. Bilateral trade relations
- 3.3. Internal market
- 3.4. Economic migration projects
- 3.5. Investments for export

Slimmer implementation

The crucial factor in achieving the objectives of the strategy is to set and manage the implementation process. Shifting the coordination and management of the adopted measures into systematically enshrined tools, management and control mechanisms, use of the existing functional and interdepartmental workgroups, along with setting up a limited number of workgroups in terms of their needs, contents and according to the recommendations of partners, will ensure an efficient and conceptual implementation process. The coordination of pro-export activities should in this way have a more systemic nature and thus longer sustainability. The existing 11 project teams will be dismissed and 3 new workgroups set up (Workgroup Financial Instruments, Workgroup for Information and Development of Services to Exporters, Workgroup for the Development of Business Opportunities). These workgroups will then work closely with the existing coordination, control platforms, bodies and interdepartmental groups.

The Export Strategy Steering Committee is the supreme body for the implementation of that strategy, addressing specifically the strategic and conceptual issues. The Chairman of the Export Strategy Implementation Steering Committee is the Minister of Industry and Trade, and the members are representatives of corresponding ministries, trade associations and trade unions. The Export Strategy Implementation Steering Committee reports to the Government of the Czech Republic to which the Minister of Industry and Trade annually submits a report on the implementation of the Export Strategy.

The implementation process is coordinated by a competent MIT department, i.e. the Department for the Management of Export Strategies and Services. Its main tasks are to monitor the implementation of the Export Strategy measures, coordinating the activities of workgroups, active communication with social partners and implementing the instructions of the Steering Committee.

1. Financial instruments

1.1. Export insurance and finance

Objective: Ensuring the sustainability of the export insurance system and financing in favour of the effective support of export.

Financing and insurance of exports with state support provided by the Czech Export Bank (the CEB) and the Export Guarantee and Insurance Corporation (EGAP) remains one of the most important instruments of state export support for Czech exporters, especially to markets outside of Europe. Despite the low share of exports funded and insured by state support as a share of total export volume, the implementation of these projects is important for the creation and maintenance of jobs, as well as for maintaining the position of Czech businesses, particularly in challenging territories. This, however, does not mean that those supported exports will be implemented regardless of the cost to the state budget; on the contrary, it is necessary to evaluate their efficiency to avoid the deterioration of credit or, more precisely, the insurance portfolio and increased demands on the state budget.

Since 2012 when the Export Strategy of the Czech Republic was approved, the system was rounded out by a third pillar in the form of the topping up of interest rates (Interest Make-Up Scheme - IMU). The Ministry of Finance has been preparing an executive decree which should, if necessary, and in the context of the export financing system revision, allow the execution of the IMU system.

Another key area is the offer of CEB and EGAP products for exporters or their subcontractors among small and medium-sized enterprises. Although the CEB and the EGAP have been able to partly respond to that challenge in recent years, there is room for improvement in that activity. Therefore, the task ahead for both institutions remains to be more focused and offer products that are better fit to small and medium-sized enterprises. In general, it is necessary to constantly streamline the communication flows of the export bank and insurance company towards the business sphere. The question remains as to what extent the system parameters that were defined more than twenty years ago and then modified only partially, remain relevant; what the options of their readjustment are, and how to increase the efficiency of the system in terms of Czech export's needs. These issues are discussed by the representatives of ministries (MIT, MF, MFA, MA) representing the rights of the state as a shareholder of both companies, both the CEB and the EGAP.

1.2. Development cooperation

Objective: Effective development cooperation creating opportunities for further activities of businesses on the market.

The objective of the foreign development cooperation (FDC) is primarily to combat poverty and improve the environment (including the business one) in developing countries. Following the approval of Agenda 2030 for sustainable development, for both developed and developing countries, due to greater sustainability, place an emphasis on new forms of cooperation involving the private sector, including the creation of conditions for external investments and their subsequent implementation. Ideally, this is a so-called win-win situation (profit for the investor often accompanied by exports to the surrounding markets, jobs for the local population, improved trade balance of the developing country).

To increase the awareness of the potential involvement of Czech entities in the international development cooperation, therefore MFA, in collaboration with the CDA, organises seminars and enforces strengthening interdepartmental information exchange in this area. The Czech Republic government welcomes the trend for greater involvement of the private sector in development cooperation and supports the introduction of relevant tools into practice. To that purpose, the Czech Development Agency (CDA), established by MFA as the leading manager of the FDC, has successfully been implementing two programmes through which Czech companies with financial, information and logistic support from the state can gain access to new markets in developing countries. While the Development partnership programme for the private sector has so far focused on the priority countries of the CR FDC, the feasibility study programme expanded the geographic possibilities to all developing countries according to the OECD classification. Another, now quite a rare option on the part of private entities, is their involvement in the development projects at the multilateral level. Under certain conditions, Czech entities may apply for drawing funds from international development funds, banks and institutions. Also on this level, MFA and CDA, along with other ministries, try to raise the awareness and interest of Czech entities. To be more specific, the above-mentioned Feasibility Study programme has also been used for this purpose.

2. Information and development of services for exporters

2.1. Information

Objective: Exporters making decisions on the basis of available and quality information.

The provision of an information service within the support of export remains a priority of the export strategy since the access to information is a prerequisite for good decision making of both businesses and pro-export institutions. Further development of those services should be primarily managed by the real needs of various user groups, including internal users, pro-export organisations and the business community and, at the same time, it should be focused on the quality and usefulness of the information.

2.1.1. IS SINPRO

IS SINPRO is the main internal information system providing support to the pro-export activities of the CzechTrade agency, MFA and MIT. With its help, data about companies and contacts are shared, as well as the interaction with them (CRM functionality - Customer Relationship Management); it creates support to the processes of rendering services and internal communication. The interface for embedding and sharing certain types of information into IS SINPRO accessible to other pro-export institutions outside the state administration is known as the Partner Zone. Significant potential of this environment is precisely the possibility of displaying some data from IS SINPRO, which can be used, e.g. in the coordination of export- oriented events.

2.1.2. BusinessInfo.cz

Since it was launched in 2001, the BusinessInfo.cz portal has been built as an informational one-stop-shop for entrepreneurs with a strong focus on foreign trade.

Adjustments to and development of the portal (specifically the Foreign Trade section) will be based on gradual updates to the information and services provided by the pro-export institutions based on user requirements and the inspiration of new opportunities and trends from the commercial sector and the practice of TPO (Trade Promotion Organisation) in the world. Greater emphasis will be placed on the target group of small and medium-sized enterprises (SMEs) and innovative companies, as well as on greater coherence with other concepts and areas in the BusinessInfo.cz information portal (Innovation Strategy, Action Plan for the support of economic growth - the promotion of small and medium-sized enterprises, an Action Plan for the development of the digital market and Measures to reduce the administrative burden on businesses).

The contents of the Foreign Trade section and its development will focus primarily on the information with greater added value for SMEs, innovative companies and emerging exporters. Greater emphasis will be placed on the publication of sectoral analyses in response to the identified departmental opportunities according to the Map of Global Sectoral Opportunities. Within the BusinessInfo.cz portal the Client Zone will be further developed so as to provide businesses with easier access to services and their ordering and generally to create an environment with a high degree of customisation (targeting), whilst providing information and interactive communication options.

A printed publication of Export in a Nutshell containing concise information on all the provided services, including their characteristics and a reference to the relevant contact points, continues to be updated. The publication is on BusinessInfo.cz, in its electronic form.

2.1.3. Map of global sectoral opportunities

One of the updated Export Strategy tasks is to define the export and investment opportunities in foreign markets. The modern trends of economic diplomacy prefer the sectoral approach in searching for opportunities. The Map of Global Sectoral Opportunities (MSO) is just such a tool to search for sectoral opportunities in foreign markets, which also utilises the synergies between the various ministries and agencies. The Map of Global Sectoral Opportunities contains an analysis, identifying promising possibilities of Czech businesses in foreign markets and approaching a report on specific occasions of exports or investments in specific territories to potential exporters.

In order to use the data for territorial and industry-targeted searches, the current version of the Map of Global Sectoral Opportunities is available in an interactive interface on the web portal for entrepreneurs at www.businessinfo.cz.

2.1.4. Export opportunities

Another information service rendered by the unified foreign network, the outcome of which is an offer of specific export opportunities in given territories, is searching for inquiries, tenders, projects and investment opportunities. To increase the effect of providing such information and the potential of utilising these opportunities, the search of Czech companies should be actively targeted at the identified sectoral opportunities in a given territory.

Within the sectoral approach and the demand-like understanding of the markets, the foreign network and the entire export system should uncover future trends and possible developments as well, especially those sectoral and technology, as well as economic and political conditions, and the emerging opportunities for businesses to which it will then facilitate orientation in the global markets, setting the process of innovation and thus the flexible response to the emerging opportunities and demand. The information of the unified foreign network will be used, along with other available data and information, for trend analysis conducted by MIT and used for further linking the innovation strategy to the export promotion system and strengthening the state's influence in either sector.

2.2. Assistance and consultancy services

Objective: Increasing the number of business transactions through assistance and consultancy services to a binding quality standard.

The primary elements of the assistance and consultancy services system provided to businesses within the export policy of the state are Unified Foreign network, Client Centre for Export and Catalogue of Services. Together, they are supposed to provide navigation and access to the assistance and consultancy services to exporters.

2.2.1. Unified foreign network

The former two-track foreign networks of MIT and MFA was removed due to the emergence of a **Unified Foreign Network** consisting of Czech Republic embassies and CzechTrade foreign offices in accordance with the Framework Agreement between the Ministry of Industry and Trade and the Ministry of Foreign Affairs on the principles of cooperation in the provision of support to the export and economic diplomacy of the Czech Republic signed in 2014. The creation of the network allows the coordination of the activities of export-oriented representatives of the Czech Republic abroad, cooperation and the complementarity of competencies in the fields of B2B, B2G, G2G and also results in a unified system of Czech representation abroad with a joint offer of services.

The support of export is among the long-term priorities of the Czech Republic's Government, in particular the activities in the major and emerging markets, and it was therefore decided to strengthen certain embassies, especially overseas.

Based on an agreement between the Ministry of Foreign Affairs and the Ministry of Agriculture, the network is complemented on the part of the embassies by diplomats focused on the agriculture, food industry and related technologies. Other specialists sent in cooperation with the Government Office should be diplomats operating in the sphere of research, development and innovation. Specialised diplomats are directed to countries with high potential in their respective fields, and because of their expertise they can efficiently search for specific opportunities for Czech businesses.

For more intense actions in the territories, a useful complementary tool is the Enterprise Europe Network and other EU representatives (EU SME Centre, European Business and Innovation Center Network).

2.2.2. Client Centre for Export

The Client Centre for Export (CCE) established under the Agreement between the Ministry of Industry and Trade and the Ministry of Foreign Affairs as a single point of contact for entrepreneurs, forms together with the Unified Foreign Network essential elements of the pro-export and economic diplomacy support system. The establishment of CCE as a single service place for the existing and potential exporters is a reaction to the lack of clarity in the provision of services to exporters by multiple institutions. The services for Czech entrepreneurs cover direct business relationships (business-to-business, B2B), relationships in which a foreign government or general public entity participates (business-to-government, B2G), and projects of international economic cooperation (government-to-government, G2G).

2.2.3. Catalogue of Services

To simplify the navigation in the export-oriented state services offer abroad, a **Catalogue of Services** of the Unified Foreign Network and of the Client Centre for Export was founded in 2014, containing an integrated and linked offer of the Unified Foreign Network, the Client Centre for Export, MFA, MIT, and CzechTrade. The Catalogue of Services contains an individual offer of services, within which are the basic services provided by the Unified Foreign Network for free; whilst other individual specific services provided by the CzechTrade offices abroad are then charged.

The process of modification of the existing services, changing their content or adding new services should be carried out in relation to the demand of businesses, analysis of their needs, capabilities of the pro-export activities of the state, or within a strategic focus on certain segments. It is mainly the support of companies from emerging sectors with a potential for innovation, whose products and services have high added value and are unique. The system of export promotion should be connected to other supports in the areas of science, research and innovation (S&D&I) in order to strengthen the effect of the already "invested" state and EU funds that were provided to those companies within the support in other areas. The export orientation of businesses itself stimulates their potential for innovation; greater orientation of the export support towards the cooperation in S&D&I (searching opportunities, identifying trends) would have the effect of strengthening and increasing the competitiveness of Czech companies. The aim is to promote the results of the Czech research and development for their subsequent commercialisation in the form of export.

2.3. Development of services in regions

Objective: Increasing the number of emerging exporters from regions.

The CzechTrade Agency extends its services to regions (i.e. REC - Regional Export Consultants). Gradual expansion of the regional action should reflect the concentration of businesses in the regions. The main objective of regional export consultants will be mapping the demand for services and their offer in the segment of small and medium-sized companies with a potential for export activities. Expected is the cooperation of REC with the Client Centre for Export and provision of its activities (primarily offer of services) in the regions. An important part of activities in the regions includes export conferences and seminars prepared in cooperation with other pro-export institutions, addressing specific needs and interests of businesses in the given region and territory.

2.4. Education for export

Objective: Increasing export competencies of companies.

Enhancing the readiness of Czech firms to export and increasing their export potential, particularly through education, is among the tasks of the pro-export institutions, such as CzechTrade, MIT, MFA, MA and others. It is a CzechTrade export education, professional and territorial seminars organised by CzechTrade, MIT, MFA, the Chamber of Commerce etc. Export conferences provide current and practical information on business environment and possibilities of financing exports in selected territories. Seminars especially for entrepreneurs among SME are also organised by the CEB and EGAP.

3. Developing business opportunities

3.1. Promotion and expansion of demand for Czech exports

Objective: Facilitating the expansion by exporting to new markets and maintaining existing ones.

3.1.1. Fairs and exhibitions

Promoting fair participation is a desired promotional service among the business community, facilitating personal meetings and discussions with the relevant trade partners, contact with the expert community, analysis of new markets and their specifics, mapping the competition, or maintaining a permanent position on the market. The feedback from businesses shows that the support of the state is usually one of the important impulses for the participation in a selected trade fair.

In the field of supporting the participation of businesses in trade fairs and exhibitions, there are currently parallel programmes of Czech official participations, joint participation in trade fairs and exhibitions and individual participation in the Marketing programme (Operational Programme Enterprise and Innovation for Competitiveness - OP PIK) and CzechTrade commercial events that work side by side. The programmes should be complementary and assist in fulfilling the strategic objectives of the Export Strategy in both maintaining the existing markets and penetrating new markets through the use of sectoral opportunities. To control the allocation of funds to individual programmes, consistent measurement of pro-export impacts of individual programmes and compatibility/harmonisation of that measurement is necessary. Choosing fairs in joint participations should be run and coordinated in cooperation with the MIT, MFA, MA, CzechTrade and verified by corporate representatives - associations, unions. All programmes should allow for participation of companies mainly in fields with high added value, traditional ones and also newly advancing ones.

Part of official Czech participations are national exhibitions that are held in selected territories (e.g. Iran, China, Brazil, India), which could contribute to the promotion of the Czech Republic and its export potential. The question of the implementation of these exhibitions, the selection of territories and their concept, will be assessed by the cooperation of the relevant ministries (MIT, MFA, MA, MRD, MF) with business representatives.

3.1.2. PROPED - Projects supporting economic diplomacy

Projects to promote economic diplomacy under the auspice of the MFA have become a very effective and flexible export supporting tool specifically targeted at certain fields of business and territories. Projects of economic diplomacy are an integral part of the pro-export activities of MFA, annually offering the option, e.g. to establish or deepen contacts with foreign partners, demonstrate products and services at specialised trade fairs as well as gaining new contracts, via Czech embassies abroad (CRE) to Czech companies.

Projects of economic diplomacy (ED) are drafted by CRE and approved for implementation by the Commission for the selection of ED projects set up by MFA. They are effectively targeted at sectors that have been on the Map of Sectoral Opportunities identified as promising for a given country. The economic diplomacy projects have a variety of forms, e.g. matchmaking seminar, catalogue exhibition, conferences, business forums, and business presentations.

Introducing of other institutions, as Ministry of Industry and Trade, Ministry of agriculture, Ministry of Defense, Ministry of Health, Ministry of Regional Development contributes to a better targeting and effectiveness of this tool.

3.1.3. Representation and the Czech Republic brand

Uniform representation and the building of the Czech Republic brand have long been perceived as inadequate, even though a number of steps were taken in the past that should have led to the remedy of that situation. Although there is currently no detailed Czech brand concept, there is a visual marketing style created by the CzechTourism agency that has been offered to all ministries for a wide range of promotional activities abroad. It is however apparent, that it is highly desirable to create a functional, professional and universally accepted concept of presenting the Czech Republic, just as it is in other countries, which will be promoted in the long term. For promotional purposes it is also important to start regularly using the one-word name of the Czech Republic, i.e. "Czechia", especially in different language versions. The implementation of this task concerns MFA, MIT, MRD; the topic of the C.R. brand employs several academic centres and naturally individual businesses within the microsphere.

The promotion of the Czech Republic is further linked to the incoming tourism. This topic is dealt with in the 2014 -2020 State Tourism Policy Concept.

3.1.4. Business missions

Business missions accompanying the highest elected officials on their trips abroad are among the effective tools of export promotion. The trips of elected officials to countries with dynamic emerging markets with trade association representatives and exporters help Czech firms to build positions in these markets. Besides them performing a very successful role in "opening" the door for Czech exporters in foreign markets, they are also important in terms of promoting and strengthening the reputation and brand of the Czech Republic. The implementation of sectoral missions has proven successful on the occasion of other various activities, such as fairs, trips of deputy ministers of foreign affairs, trade and industry, agriculture and defense which have proven to be effective and powerful action in this context. The participation of businesses in the missions is provided by business representatives (Chamber of Commerce, Confederation of Industry of the Czech Republic).

Proposals on the implementation of these business missions rely on both the territorial and the sectoral specialisation so as to effectively contribute to exporters in penetrating foreign markets. The results of each such mission are evaluated in terms of benefits for Czech entrepreneurs, whilst the evaluation methodology is different in every mission organiser. In order to achieve the rationalisation of these missions, a standardisation of that evaluation will be drawn up so that the results can be used to improve the objectives and contents of the business missions.

3.2. Trade policy

Objective: Creating new business opportunities for Czech businesses by improving the international trade environment.

3.2.1. Common trade policy

In multilateral trade relations under the World Trade Organisation, the Czech Republic will aim for concrete improvements in the conditions of international trade for Czech businesses. The closest targets of the Czech Republic are the implementation of the existing commitments, particularly the Agreement on the Facilitation of Trade (TFA), which will simplify the customs rules and regulations, the revised Information Technology Agreement (ITA), which will lead to a gradual reduction of the customs tariffs for ICT products, and new rules for export competition in agriculture. As part of the

ongoing multilateral negotiations the Czech Republic's priority is the conclusion of an agreement on environmental goods (EGA), leading to the liberalisation of the trade in industrial products with a positive impact on the environment, and the Trade in Services Agreement (TiSA), which aims to open up foreign markets for service providers. For future multilateral negotiations, it is necessary to choose such topics and new ways of negotiation that will enable making the commitments in at least the medium term. The Czech Republic further promotes the expansion of the binding rules of international trade through the admission of new members to the World Trade Organisation.

As a result of negotiating deepened and comprehensive free trade agreements **in the bilateral area**, the access of Czech businesses to third country markets will simplify and their costs reduce, ensuring cheaper production inputs. These agreements cover all major areas of trade - goods, services, investments, protection of intellectual property rights, public contracts, elimination of technical barriers to trade, sanitary and phytosanitary barriers. They also address the cooperation in regulatory issues (certificates, licenses, etc.). Negotiations on trade and investment agreements and their implementation is not only a matter of large strategic partners (USA, Canada, Japan, China, etc.), but also the neighbouring countries (Georgia, Moldova, Ukraine, Tunisia), emerging developing countries (Mexico, Vietnam, other countries of ASEAN, MERCOSUR groupings and others) and commercially oriented developed countries (Australia, New Zealand).

Trade policy is also a tool that provides effective assistance to companies in initiating or defending against trade defence measures. A valuable tool for obtaining information is a database for market access (Market Access Database - MADB), used for a preliminary analysis of export markets via the information on customs tariffs and other import formalities applicable to individual countries and products.

Within the process of shaping the approach of the Czech Republic to the individual agendas of the common trade policy, which is based on the liberal concept of trade in the Czech Republic, important role plays, besides MIT, the opinion of other ministries, interest groups, embassies, associations, companies or nongovernmental organisations. The result is a comprehensive position of the Czech Republic, which is promoted in the European institutions into the final position across the EU. As pertains to the activities and functioning of the common trade policy, these are attitudes that have been approved for the long term.

3.2.2. Bilateral trade relations

Joint bodies/intergovernmental commissions/committees/workgroups are an instrument for promoting the Czech Republic's export interests in relation to the growing markets with significant potential, and usually with the state playing a significant role in the economy of the country. The significance of joint commissions lies in supporting individual interests projects of concrete Czech companies, whose representatives can attend the meeting if possible and if agreed so by the other party, as well as in the promotion of commercial and economic interests of the Czech Republic, including trade policy within the confines of the membership in the EU and in accordance with the Czech foreign policy towards a given territory in more general terms, in establishing or strengthening the contacts with the representatives of the other party for the current and future needs of businesses. Joint bodies are the main communication tool between MIT, the partner ministry and the entrepreneurs on either side of the relation. They enable or facilitate the resolution of bilateral issues, if any occur, preparing the economic dimension of state visits or a business dialogue beyond regular sessions, which is their added value.

3.3. Internal market

Objective: Removing obstacles to the internal market.

In order to support exports to the EU internal market, it is important to continue in providing an integrated service for citizens and businesses in the internal market, which includes Points of Single Contact (PSC), the SOLVIT service and the Product Contact Point (ProCoP). These three services are part of the pan-European network and in the Czech Republic they are combined into a single advisory system; entrepreneurs and citizens thus need not try hard to find out which service they may turn to if they need.

The export to EU countries is facilitated by a well-functioning internal market; the Czech Republic has therefore long sought, at both the national and European level, to remove any persistent and newly created obstacles that still prevent the exploitation of its potential to the fullest. The crucial document of the European Commission determining the future development of the EU internal market is the new **Strategy for the internal market in goods and services**, which reflects a range of requirements of the Czech Republic pursued either separately or within a group of like-minded states. The key objectives of the internal market are defined by the document "Priorities of the Czech Republic in the agenda of the Internal Market 2015-2020" at the national level, which sets the priorities of the Czech Republic in the EU internal market, including cooperation with other states in their promotion.

3.4. Economic migration projects

Objective: Provision of a skilled workforce for Czech companies abroad in the event of its shortage in the Czech labour market, especially for businesses with export orientation.

Economic migration is one of the integral aspects supporting the development of investments, including foreign, foreign trade and the competitiveness of the Czech economy. Migration policy should be an effective tool for controlling the migration of skilled workers from third countries so as to ensure sufficient consistency between the demand and supply on the Czech labour market, i.e. to ensure a balanced sufficiency of skilled workers for Czech businesses and to encourage the coming of highly skilled workers and foreign investors. The economic migration policy should be able to adequately respond to the transformation of internal factors related to the availability of certain industries in the Czech labour market, as well as to the need of Czech businesses and foreign investors operating in the Czech Republic to get enough qualified labour from abroad, if absent in the C.R. Projects, such as Training or Pilot Project Ukraine are intended primarily for businesses with export orientation; the Fast-Track project enables conversion to established foreign investors operating in the region, as well as to Czech companies with subsidiaries abroad. The Welcome Package project is directed primarily to foreign investors.

The Ministry of Industry and Trade, in close cooperation with the Ministry of Interior, the Ministry of Foreign Affairs and the Ministry of Labour and Social Affairs, has been implementing or guaranteeing several economic migration projects aiming to offer, in a transparent manner, reduced administrative complexity, time savings and flexibility for selected operators whose migration the state is interested in, since it brings less available know-how to the Czech Republic and typically generates higher added value. For its activities MIT also uses Workgroups as a consultation tool for economic migration, composed of representatives of entrepreneurs.

3.5. Investments for export

Given that foreign and domestic investments in manufacturing and services destined for export are crucial to the internationalisation of Czech businesses, there will still be the need to ensure the coordination of the activities of MIT, CzechTrade and CzechInvest. Not only are the activities of CzechInvest in attracting investors to the Czech Republic important, but so are the programmes to support innovative businesses in order to guide those businesses so that they have a clear vision of directing their production to foreign markets.

CzechInvest keeps systematically cooperating with the Czech daughters of their foreign mothers, when it's been trying to help the already established foreign companies with their daily business, discussing with them the possibility of expansion in the Czech Republic and investments in projects with high added value.

Through the EU structural funds (Operational Programme Industry and Innovation for Competitiveness) it supports the pro-export investments of domestic companies. Through the project implementation of the CzechLink project, investments are being attracted in highly innovative export enterprises in the C.R. In the frame of the project, CzechInvest is trying to help Czech companies to find a foreign partner for joint-venture projects or a merger or acquisition, and thus promote the growth of the company and its export.

CzechInvest supports innovative Czech startups in penetrating foreign markets within the CzechAccelerator projects or via the czechstartups.org website.

Conclusions

Updating the Export Strategy is based on the wording of the 2012-2020 Export Strategy on the grounds that it modifies some aspects of it to fit the present environment. The MIT and MFA cooperation in the implementation of the updated Export Strategy is needed in many areas, which are specified in the Framework Agreement of both ministers. In the near term, attention will be focused on:

- a) Ensuring competitive export financing (state-supported) and the consolidation of both institutions (CEB and EGAP)
- b) supporting the further development of the BusinessInfo.cz portal, a successful and influential portal for entrepreneurs and an information source for exporters
- c) the successful implementation of the SINPRO information system upgrade and its use at both MIT and MFA, as well as within the Unified Foreign Network
- d) improving the quality of services provided by the Client Centre for Export and by the Unified Foreign Network
- e) promoting business missions, their rational preparation and evaluation of results
- f) using specific pro-export tools based on sectoral occasions in updating territorial strategies
- g) applying the sectoral approach in the system of territorial priorities and ensuring the concurrence of both approaches; using these principles of searching for alternative markets to those for which there is a decline in exports
- h) connection of companies benefiting from the support of the R&D&I projects with the system of export promotion

List of abbreviations

AMSP CR	Association of Small and Medium-Sized Enterprises and Crafts
ASEAN	Association of Southeast Asian Nations
B2B	Business-to-Business
B2G	Business-to-Government
CRM	Customer Relationship Management
CT	CzechTrade
CEB	Czech Export Bank
CDA	Czech Development Agency
ED	Economic Diplomacy
EEN	Enterprise Europe Network
EGA	Environmental Goods Agreement
EGAP	Export Guarantee and Insurance Corporation
EU	European Union
G2G	Government-to-government
GK CR	Consulate General of the Czech Republic
HK CR	Chamber of Commerce of the Czech Republic
ICC	International Chamber of Commerce
IS SINPRO	Information system SINPRO (Shared Information Space)
ITA	Information Technology Agreement
PSC	Point of Single Contact
UFN	Unified Foreign Network

CCE	Client Centre for Export
MADBS	Market Access Database
MERCOSUR	Mercado Comúndel Sur (Common Market of the South)
MF	Ministry of Finance
MRD	Ministry for Regional Development
MD	Ministry of Defence
MOP	Map of Global Sectoral Opportunities
MIT	Ministry of Industry and Trade
MI	Ministry of Interior
MA	Ministry of Agriculture
MFA	Ministry of Foreign Affairs
OECD	Organisation for Economic Cooperation and Development
OPPIK	Operational Programme Enterprise and Innovation for Competitiveness
ProCop	Information network for product requirements
PROPED	Projects supporting economic diplomacy
REC	Regional Export Consultant
SME = MSP	Small and Medium-Sized Enterprises
Solvit	Resolving disputes with authorities in EU countries
SP CR	Confederation of Industry of the Czech Republic
TACR	Technology Agency of the Czech Republic
TFA	Trade Facilitation Agreement

TISA	Trade in Services Agreement
TPO	Trade Promotion Organisation
TTIP	Transatlantic Trade and Investment Partnership
S&R&I	Science, Research and Innovation
CT FO	CzechTrade Foreign Office
FDC	Foreign development cooperation
CRE	Czech Republic Embassy