

International Conference:
The challenges and perspectives in Regional and Local Development
Skopje, November 2015

Panel on : How to achieve sustainable local growth and development

*Innovation based development –
lessons learned from the Czech Republic
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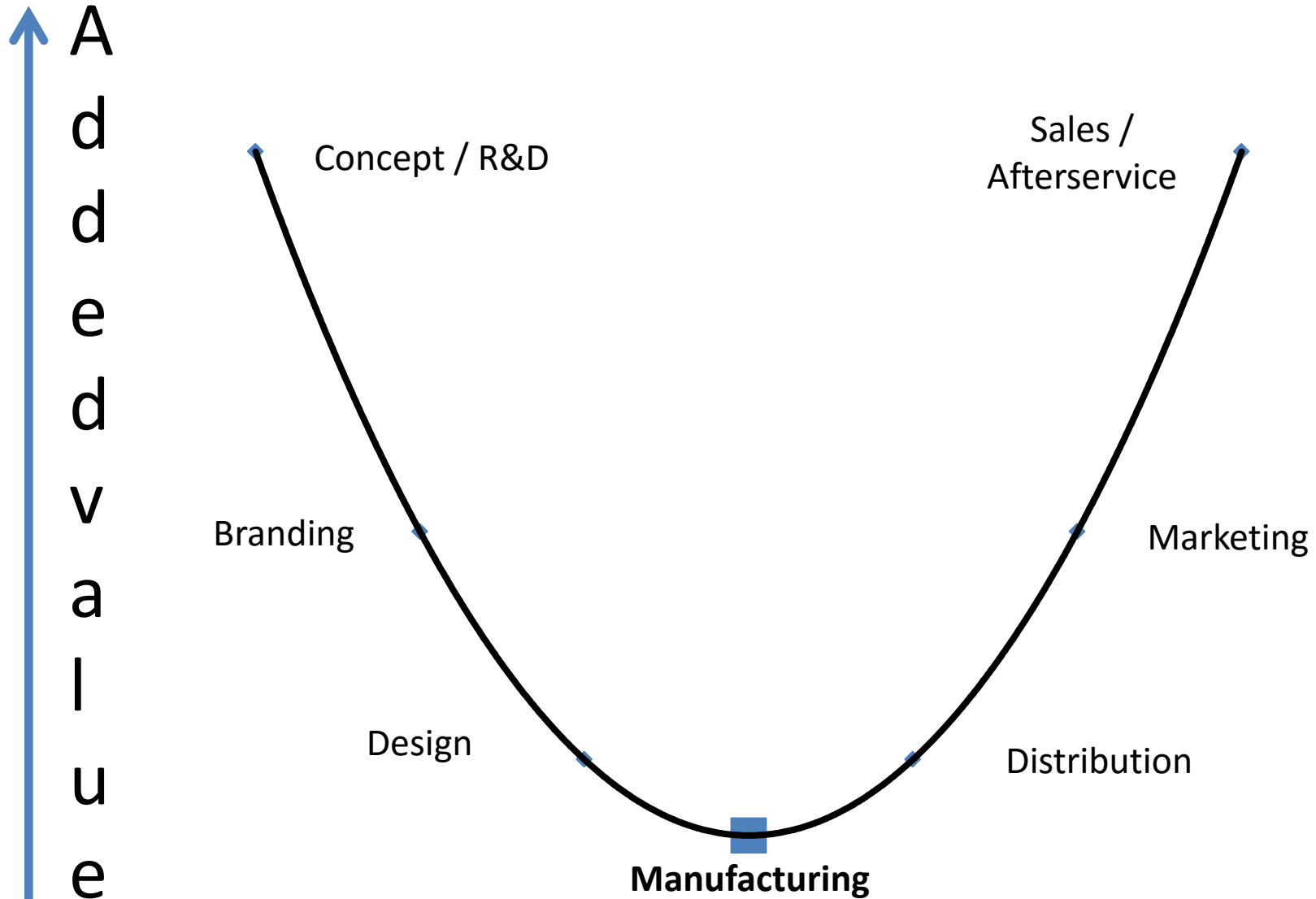




Innovation Performance of the Czech Republic

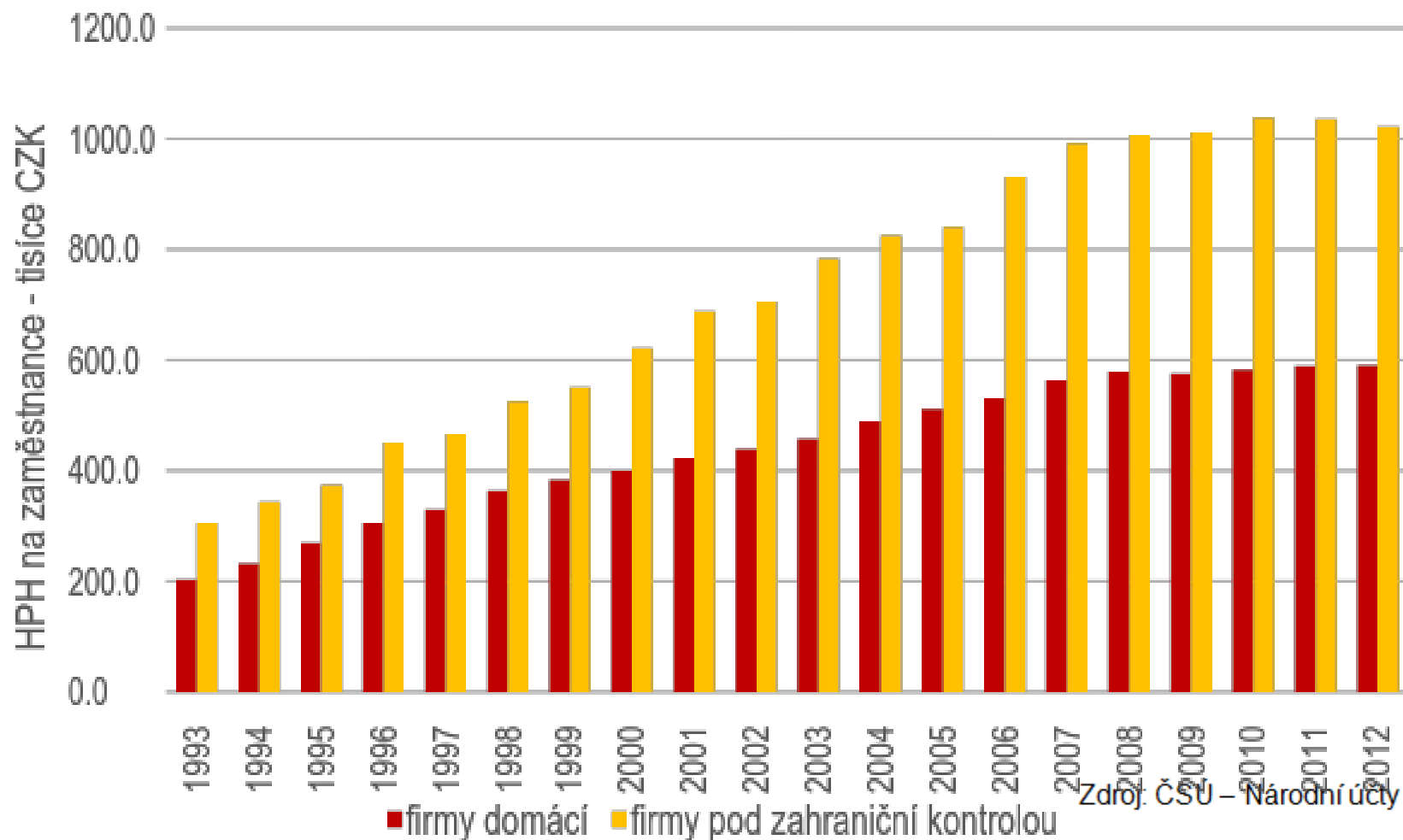
- The most industrial country in Europe
- Highest share of employment in high tech and medium high tech industry (Eurostat)
- Below EU average and in the middle of EU members (Innovation Union Scoreboard 2015)
- Low number of patents (country of origin – Honeywell case)
- „Depandance“ of Czech economy

Production chain and „smiling curve“






Productivity gap

Firms „under foreign control“ are more productive / higher gross added value per 1 employee



Imported Value Added

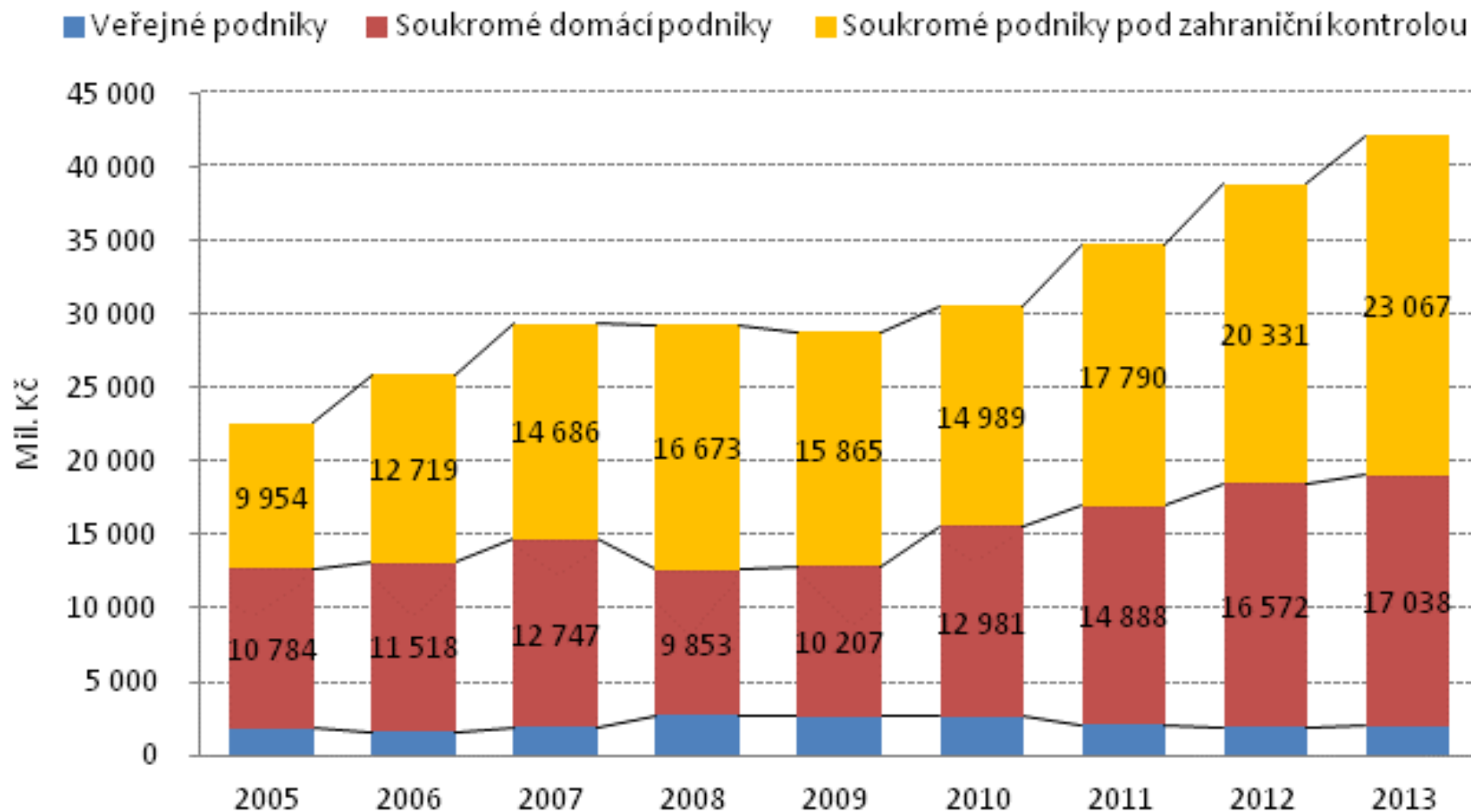
Numbers in table: Share of export created abroad (imported)

			
Car production (NACE 29)	48	31	53
Machine industry (NACE 28)	33	27	46
Electrotechnical industry (NACE 27)	35	26	53
Production of electronics (NACE 26)	25	25	67

Main barriers for innovation

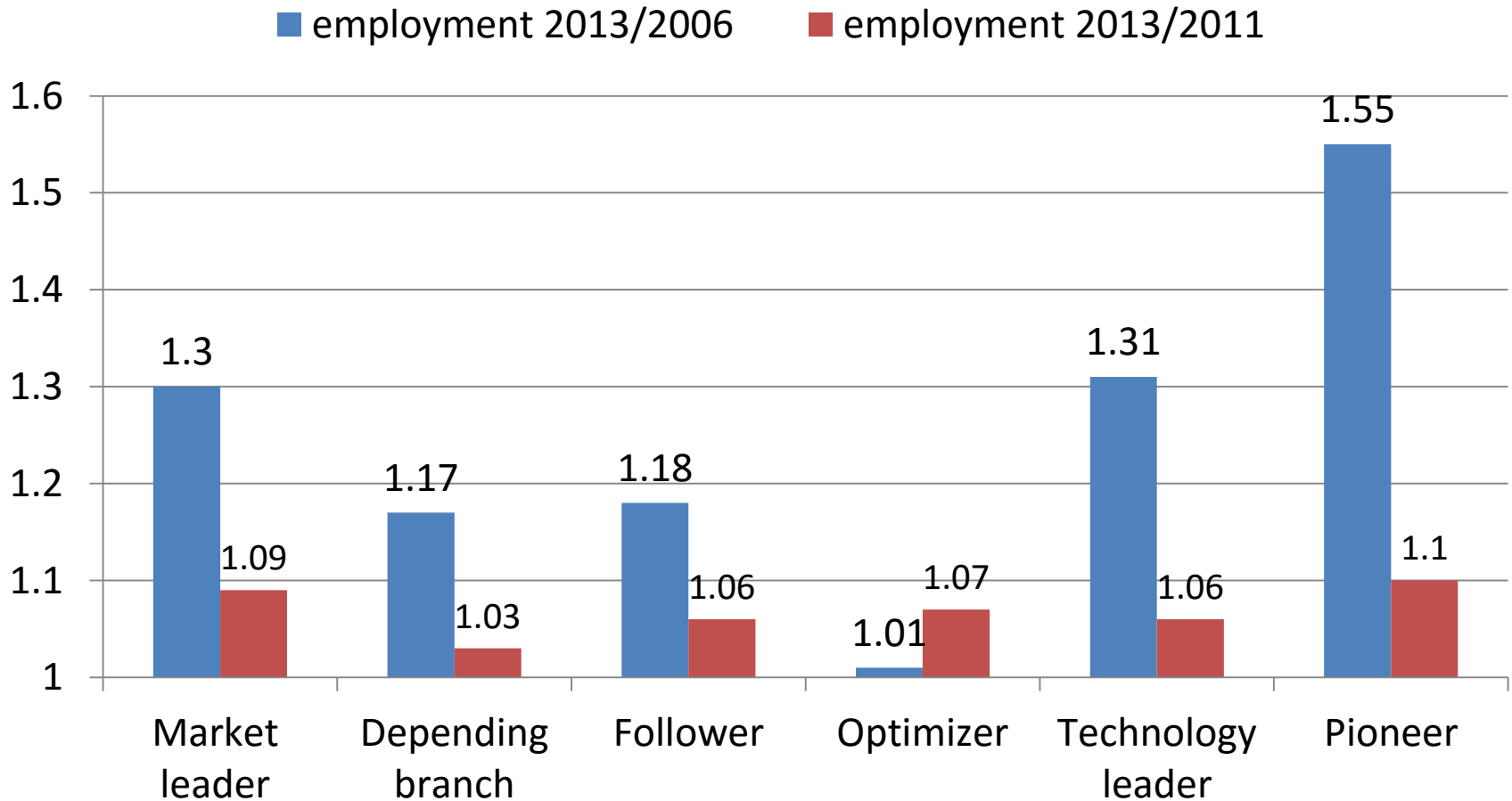
- Lack of highly motivated people with necessary skills
- Under-developed market competence of companies compared to technical competence:
- Financial capacity (size) of Czech companies
- Position in value chain

R&D expenditure of Czech companies



Source: Czech Statistical Authority

Aspiration and Employment



What will increase the innovation performance?

- **Growth / transfer of (not only) R&D activities of global leaders (Honeywell, ABB, Siemens, Bosch, AVX...)**
- **Growth of number of endogenous companies investing into innovation projects / motivation; market skills**
- **Cooperation with (public) research institutions and technology transfer**



Thank you for your attention!



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