

Czech Republic

An overview of the economy and of the business environment



Few dishes are as closely associated with the Czech Republic as Vepřo knedlo zelo, the traditional combination of roast pork, bread dumplings and sauerkraut that has long been a symbol of Czech culture and identity. Like many national dishes, it reflects a close connection with local agricultural traditions and the ability to transform simple ingredients into something distinctive and enduring.

This balance between tradition, expertise and value creation can also be seen in the Czech economy. Over the past three decades, the country has successfully transformed itself into one of the most advanced economies in Central and Eastern Europe, combining a modern industrial base, a highly skilled workforce, strong export performance and an increasingly sophisticated service sector.



Strategically located at the heart of Europe and deeply integrated into European supply chains, the Czech Republic today offers a stable and competitive business environment for both domestic and international companies.

Although agriculture today represents a relatively modest share of the Czech economy, it continues to play an important role in rural development, food security and industrial supply chains. Agricultural activities account for roughly 2% of GDP, reflecting the country's transition towards a modern industrial and service-based economy.

Although agriculture today represents a relatively modest share of the Czech economy, it continues to play an important role in rural development, food security and industrial supply chains. Agricultural activities account for roughly 2% of GDP, reflecting the country's transition towards a modern industrial and service-based economy.



The Czech Republic benefits from fertile agricultural land, particularly in Bohemia and Moravia, where cereals, sugar beet, potatoes and oilseed crops are widely cultivated. Livestock farming, especially cattle and pig breeding, also remains significant. Recent data from the Czech Statistical Office indicate growth in both crop and animal production, highlighting the sector's resilience despite rising input costs and environmental challenges.

Czech Republic

An overview of the economy and of the business environment



Beyond its direct economic contribution, agriculture supports several downstream industries, including food processing, brewing, logistics and retail. The sector is also increasingly embracing modern technologies such as precision farming, automation and sustainable resource management to improve productivity and respond to evolving environmental regulations.

Industry remains the true backbone of the Czech economy and has been the main driver of the country's economic success since its transition to a market economy. Manufacturing and industrial activities contribute approximately one third of national GDP, a considerably higher proportion than in many Western European economies.

The automotive industry represents the flagship sector. Home to major producers such as Škoda Auto as well as manufacturing facilities operated by Toyota and Hyundai, the Czech Republic has become one of Europe's leading automotive production centres. The sector generates substantial employment, attracts foreign investment and accounts for a significant share of exports.



However, Czech industry is far more diversified than its automotive reputation may suggest. Machinery, precision engineering, electronics, chemicals, metallurgy, glass production, food processing and advanced manufacturing all contribute substantially to economic output. The country has built a strong reputation for technical expertise and engineering excellence, supported by a long tradition of vocational training and scientific education.

In recent years, Czech companies have accelerated investments in digitalisation, automation and Industry 4.0 technologies. Businesses are increasingly focusing on productivity improvements, energy efficiency and technological innovation in order to remain competitive within global markets.

While industry remains central to the Czech economy, services have become its largest sector, accounting for more than half of GDP and playing an increasingly important role in employment and value creation.

Czech Republic

An overview of the economy and of the business environment



The Czech service economy has evolved significantly over the past two decades. Traditional activities such as trade, transportation, finance and tourism continue to be important, but knowledge-based services are growing rapidly. Information technology, software development, research and development, business consulting and financial services have become key areas of expansion. Prague and Brno have developed into important hubs for technology companies, start-ups and international shared-service centres.



The information and communication sector has shown particularly strong growth, supported by increasing demand for software, digital infrastructure and business technology solutions. This evolution reflects the broader transformation of the Czech economy towards higher-value and innovation-driven activities.

Tourism also remains an important contributor. Prague is among Europe's most popular destinations, attracting millions of visitors every year and generating significant revenues for hospitality, retail, cultural services and transportation providers. Although the sector experienced challenges during the pandemic, it has progressively recovered alongside international travel.

The Czech Republic's strength lies in the balance and integration of its economic sectors. A productive agricultural base supports domestic supply chains, a highly developed industrial sector drives exports and investment, and an increasingly sophisticated service economy supports innovation and long-term competitiveness.

Czech Republic

An overview of the economy and of the business environment



Combined with low unemployment, strategic geographic positioning, strong links with European markets and a well-qualified workforce, these features have made the Czech Republic one of the most attractive business destinations in Central Europe. While challenges such as demographic pressures, labour shortages and the ongoing industrial transition remain, the country continues to demonstrate resilience and adaptability in a rapidly changing global economy.

The Czech Republic is one of the most open economies in Europe, with international trade playing a fundamental role in economic growth, industrial development, and employment. Its strategic location at the heart of Europe, combined with its integration into the European Union's Single Market, has enabled the country to become an important manufacturing and export hub within regional and global supply chains. Goods account for approximately 83% of Czech exports, highlighting the continued importance of industrial production in the national economy.

Germany is by far the Czech Republic's largest trading partner, acting as both the main export destination and the principal source of imports. Other major trading partners include Slovakia, Poland, France, Austria, and the United Kingdom on the export side, while China, Poland, Slovakia, and Italy rank among the country's most important suppliers. The close economic relationship with Germany is particularly significant, as many Czech manufacturers are integrated into German industrial and automotive value chains.



The country's export basket is dominated by manufactured goods with a high degree of value added. Road vehicles and automotive components represent the largest export category, reflecting the importance of the automotive industry and the presence of major manufacturers such as Škoda Auto and international car producers operating in the country. Machinery, industrial equipment, electrical devices, electronics, and precision engineering products also account for a substantial share of exports, demonstrating the Czech Republic's strong industrial capabilities.

Imports are similarly concentrated in industrial and technological products. Machinery, electrical equipment, telecommunications devices, automotive parts, energy products, and raw materials are among the most important imported goods.

Czech Republic

An overview of the economy and of the business environment



These imports support the country's manufacturing sector, which relies heavily on integrated European and global supply chains to maintain its competitiveness.

This strong international orientation has been one of the key drivers of Czech economic development over the past decades. At the same time, it exposes the economy to fluctuations in global demand, supply chain disruptions, energy market volatility, and economic conditions in major trading partners. Nevertheless, thanks to its diversified industrial base, highly skilled workforce, and central position within Europe, the Czech Republic remains one of the region's most competitive export economies and an attractive destination for international business and investment.

In today's increasingly interconnected and dynamic business environment, access to reliable local business information is essential for making informed decisions and developing secure commercial relationships. SkyMinder supports companies operating in the Czech market through close collaboration with leading local business information providers.



Thanks to the expertise, market knowledge, and continuous data updates delivered by CRIF CCB, SkyMinder provides comprehensive and up-to-date reports on companies registered in the Czech Republic.

SkyMinder's online Full Reports offer a detailed overview of Czech companies, combining information gathered from trusted local sources and official records. These reports typically include:

- Comprehensive company identification details, including company name, registered address, contact information, and available communication channels.
- Company registration data obtained from local registries, including registration numbers, tax identification details, legal form, and incorporation information.
- Information on ownership and corporate structure, including directors, shareholders, subsidiaries, and affiliated entities.
- Financial information, including balance sheets, profit and loss statements, and other financial indicators where publicly available.
- Risk indicators and recommended credit limits.

Czech Republic

An overview of the economy and of the business environment



- Business activity details, including industry classification, company operations, employee data, and, where available, international trade activities.
- Negative information and adverse events that may affect the company's creditworthiness or business profile.

To support ongoing risk management, SkyMinder also offers a Full Monitoring service, enabling users to track significant changes affecting Czech companies. Subscribers receive timely alerts and updated company information whenever relevant events occur.

In addition to the Full Report, SkyMinder provides a range of specialised solutions designed to address different business requirements:

- Executive Reports combine all the information available in the Full Report with an AI-generated executive summary that highlights the most relevant factors influencing the company's credit profile.
- Slim Reports provide a concise overview of a company's financial and credit situation for quick risk assessment.
- Verification Reports focus on ownership structures, shareholders, and key corporate relationships.
- Compliance Check and Extended Check Reports provide access to LexisNexis Risk Solutions screening tools to evaluate potential involvement in financial crime, corruption, bribery, sanctions, and money laundering.
- Cyber Risk Reports assess a company's exposure to cyber threats through website and domain vulnerability analysis.

Sources: <https://www.czso.cz>; <https://economy-finance.ec.europa.eu>; OECD; <https://www.cnb.cz>; <https://www.mpo.gov.cz>; CRIF Czech Credit Bureau; World Bank Data; <https://taxsummaries.pwc.com/czech-republic>; <https://ec.europa.eu/eurostat>; CzechInvest.