Czech Republic
Association of Chemical Association of the Czech Republic (SCHP CR)

<table>
<thead>
<tr>
<th>Number of companies</th>
<th>Turnover</th>
<th>National contact</th>
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<tbody>
<tr>
<td>1851</td>
<td>€19.77 billion</td>
<td>Ivan Soucek</td>
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<td>Director</td>
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<td><a href="mailto:ivan.soucek@schn.cz">ivan.soucek@schn.cz</a></td>
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<td>Direct employees</td>
<td></td>
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<tr>
<td>129,500</td>
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CHEMICAL INDUSTRY SNAPSHOT

The Republic’s second-largest manufacturing industry

Chemicals (NACE 20) play a key role in the Czech economy. Integrated sector (Nace 19.2, 20, 21, 22) is the second-largest manufacturing industry in the Czech Republic by sales, after automotive. The main chemical clusters are in North-West Bohemia, North Moravia and Central Bohemia, but plants can be found throughout the Republic.

The Czech chemical industry spans petroleum refining, chemicals, pharmaceuticals and rubber and plastics processing (NACE 19.2, 20, 21, 22).

From motor fuels to tyres

Products include motor fuels, heating oils, lubricants, paraffin and asphalt, inorganic and organic bulk chemicals,
fertilizers, basic petrochemicals, plastics, synthetic resins and rubbers, as well as paints, dyestuffs and pigments, agrochemicals, pharmaceuticals, tyres and other rubber products.

A leading employer

In 2018 Czech chemical industry (Nace 20, 21, 22) sales at current prices were €19.67 billion and the industry employed 129,500 people. But nevertheless chemical imports exceeded exports by €13,3 billion – a deficit that had increased by €6 billion year-on-year. In 2018, 1851 chemical companies were registered.

Annual investment reached €1.98 billion (for only Nace 20: €0.49 billion), and Czech companies financed 50-70 % of R&D themselves, with the balance from EU and state funding in total €43,2 million. Collaboration between industry and academia is working well.

HOW ARE WE DOING?

Strengths

- Well-educated workforce
- Strategic central European location
- Unique national pipeline network crude oil, motor fuels, ethylene, ethylbenzene
- Longstanding history of chemical production
- Ongoing investment
- A significant manufacturer of industrial and agricultural tires and plastic automotive parts
- Excellent cooperation between companies and unions
Weaknesses

- Relatively high energy and input costs natural gas, electricity and water
- Dependence on imported raw materials, especially crude oil and natural gas
- Burdensome Czech and EU legislation
- Limited availability of experienced workforce
- Insufficient scale economies

OUR CONTRIBUTION TO A COMPETITIVE EUROPE

The Czech Republic favours a market-led economy, enabled by framework conditions in energy, research, education, infrastructure and other areas. These are backed by a national Smart Specialisation strategy and 14 regional Smart Specialisation strategies. Chemical recycling is becoming one of the key focus for development and implementation.

Industry leads

The Association of Chemical Industry of the Czech Republic promotes links with research and other industries via the Czech Technology Platform for Sustainable Chemistry, the Czech Technology Platform PLASTICS and the Czech Bio Technology Platform. These focus on new (nano) materials, effective and flexible processes, biotechnologies, renewable resources, bioplastics and recycling of plastics and other materials.

Chasing added value

Opportunities for growth lie in the production of high value added products, notably nanomaterials, bioplastics, polymers, epoxy resins. There is scope for more polyethylene, polybutadiene and ethylbenzene capacity.

Source: Panorama zpracovatelského průmyslu ČR, 2018; Ročenka 2018 o vývoji chemického průmyslu v ČR

Landscape of the European Chemical Industry Website:
http://www.chemlandscape.cefic.org/country/czech-republic/