



Czech Republic

Supporting innovation with public policy

The Czech people welcome new technologies with open arms, earning their country the title of Innovation Champion. Despite its small size, the Czech Republic has seen big tech success stories, including security firm Avast, which is valued at as much as \$4 billion.

The Czech Republic spends almost two percent of its GDP investing in research and development activities. An automaker there recently unveiled a self-driving concept car, and officials in Prague have signed a deal with neighboring Slovakia to test self-driving vehicles on a highway that runs between their countries.

Short-term rentals are also popular in the Czech Republic. Between January and September 2016, more than two million tourists used these sharing economy platforms during their visits to the country, and in 2017, Prague notched a spot as one of Airbnb’s 10 most popular destinations.

Despite the rentals’ popularity, however, operators in the capital face some government restrictions, including value-added taxes on some owners and licensing requirements that surpass those of other countries.

Czech ridesharing drivers are considered taxi drivers and can be fined for providing illegal taxi services, but they nonetheless operate widely throughout the country.

Sources: (Europa) (Autofox News) (Radio CZ) (Prague City Hall)

WHAT DID WE DO RIGHT?

The Czech Republic encourages self-driving vehicle testing, and recently joined the European Union’s C-Roads Platform, implementing the smart infrastructure that will help make the vehicles a reality.

WHAT CAN WE DO BETTER NEXT YEAR?

The Czech Republic can produce more new companies. The country’s rate of new business creation stands at a mediocre 3.42 per 1,000 people.

Diversity	B
Freedom	B+
Broadband	B-
Human Capital	B
Tax Friendliness	B
R&D Investment	B+
Entrepreneurial Activity	C+
Drones	B
Ridesharing	B
Short-Term Rentals	B
Self-Driving Vehicles	A
Environment	B



Human Capital

Boasts a workforce with 38.4 percent of employees in highly-skilled jobs and awards 25.5 percent of degrees in the country to STEM graduates.



R&D Investment

Steadily increased its research and development spending over the past several years, growing from 1.34 percent of its GDP in 2010 to nearly two percent in 2015.



Drones

Drone use is allowed throughout the Czech Republic with common-sense rules, such as reasonable registration processes for commercial drone pilots.



Broadband

Broadband is relatively affordable in the Czech Republic, but with average internet speeds of 12.15 mbps, there is room for improvement.

PRAGUE

In 2012 the Czech Republic became a net exporter of technology and digital products, thanks in part to strong ties with Berlin. In recent years, the capital city of Prague has attracted attention for its growing start-up scene and a crop of successful companies.

The city's best-known unicorn, software security company Avast, has made a name for itself in cybersecurity. In 2017 the company acquired rival AVG to create a global giant, and it recently took steps toward an initial public offering as high as \$4 billion.

Content delivery network company CDN77 started in Prague in 2012 with an eye to challenging industry giants Amazon and Akamai. Since then it has attracted more than 11,000 companies and provides its services to the European Space Agency and NASA to transmit images from the Hubble telescope.

Another Prague tech company, Cognitive Security, attracted the attention of technology giant Cisco for its deployment of artificial intelligence to detect malware and other cyber threats. After Cisco acquired Cognitive Security, it added a research and development center in Prague.

Sources: (VentureBeat) (VentureBeat) (CNBC) (CDN77) (Silicon Republic) (Cisco) (Radio CZ)



A crop of successful startups have sprung from the streets of Prague in recent years, including local standouts Avast, which could seek a public offering as high as \$4 billion, and Cognitive Security, which has attracted the attention of Cisco for its use of artificial intelligence to identify cybersecurity threats.