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GAIN Report

Global Agricultural Information Network

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Report Highlights:

This report is written for U.S. companies interested in doing business in the Czech Republic. It contains information on the economic situation, consumer buying patterns, and strategies for market entry. This report describes three major sectors: retail, food service, and food processing, and highlights the best high-value product prospects and key contacts.

General Information:

SECTION I: MARKET OVERVIEW

Trade Agreements

The Czech Republic became a European Union (EU) member on May 1, 2004. Most barriers to trade in industrial goods with the EU fell in the course of the accession process. Currently the Czech Republic participates as part of the EU in the negotiations on Transatlantic Trade and Investment Partnership (TTIP). TTIP includes chapters on market access for goods, agriculture and processed agricultural products. The Czech Republic (CR) is expected to be part of the EU's majority opinion on agricultural issues under TTIP negotiations. Once the agreement is signed, U.S. exports will benefit from a much more open European market.

Economic situation

Dynamic growth of the Czech economy continues. Real GDP increased by 0.7% in the third quarter of 2015. Economic growth remains driven exclusively by domestic demand. There was a dynamic increase in consumption of both the government (by 4.4%) and households (by 2.7%). In foreign trade, the stable growth of the CR's main trading partners' economies and increased imports, which reflect the accelerated growth of domestic demand and high import content of Czech exports, roughly offset each other. Strong economic growth is seen in a balanced macroeconomic environment.

The inflation rate reached only 0.3% in 2015, marking the lowest figure since 2003 and the second lowest in the history of the independent Czech Republic. Low inflation is mainly caused by a deep decline in world prices of mineral fuels and generally low inflation on the global scale.

On the labor market, the economic upswing is reflected in the favorable development of employment. The unemployment rate decreased to 4.8% in the third quarter of 2015, marking the second lowest value in the EU, after Germany (4.4%).

The surplus on the current account of the balance of payments probably reached 1.2% of GDP in 2015, which would be the highest value in the history of the independent Czech Republic.

Evaluation of the known facts has led to a minor revision to the estimate for real GDP growth in 2015 from 4.5% to 4.6%.

However, many of the causes of the high growth of the Czech economy in 2015 can be identified as one-off or temporary factors. They mainly concern the impulse in the form of the utilization of the EU funds from the programming period 2007–2013, which could only be used by the end of 2015.

Low price of oil should support the economy also in this year, though to a much smaller extent. The Ministry of Finance forecasts GDP growth in 2016 at 2.7%.

Demographic developments

The Czech Republic might seem like a small market, with 10.5 million inhabitants, however, its GDP per capita reached \$29,32 in 2015 (source: <http://www.tradingeconomics.com/czech-republic/gdp-per-capita-ppp>) and is among the highest in Central Europe. It has a strategic position in the very heart of Europe and is an important component of any eastward expansion, as it can augment sales in larger markets (like Poland) with less financial resources.

Agricultural Trade with the U.S.

Import and export of Consumer Oriented Agricultural Products (HTS 1-14) with the U.S. (U.S. \$ million)

| | 2013 | 2014 | 2015 |
|----------------------|-------------|-------------|-------------|
| Import from the U.S. | 50.7 | 59.6 | 58.6 |
| Export to the U.S. | 11.6 | 12.6 | 10.2 |

Source: Czech Statistical Office

Imports from the U.S. consists of dried fruits and nuts, seafood, beef, dehydrated products, etc.
Export from the Czech Republic includes dehydrated products, seeds and live animals.

Food consumption

The table below shows food consumption per capita in the Czech Republic. The year-to-year changes are minor; however, they show changes in consumption towards healthier eating (e.g. decline of sugar consumption, increase in meat, fish, fruit and vegetable consumption).

| Item | Consumption in kg per capita in 2013 | Consumption in kg per capita in 2014 | % Index (2014 compared with 2013) |
|------------------------------------|---|---|--|
| Meat total (in carcass weight) | 74.8 | 75.9 | 101.4 |
| Out of which: Pork | 40.3 | 40.7 | 101.0 |
| Beef | 7.5 | 7.9 | 104.7 |
| Veal | 0.1 | 0.1 | 100.0 |
| Poultry | 24.3 | 24.9 | 102.3 |
| Fish total | 5.3 | 5.4 | 101.5 |
| Vegetable edible fats and oils | 16.9 | 17.2 | 101.8 |
| Cheese | 12.7 | 12.8 | 100.8 |
| Eggs | 13.5 | 14.2 | 104.9 |
| Cereals (in flour, excl. rice) | 112.3 | 111.2 | 99.0 |
| Sugar | 33.4 | 31.7 | 95.1 |
| Potatoes | 68.0 | 70.1 | 103.1 |
| Pulses | 2.6 | 2.7 | 102.3 |
| Vegetables | 82.9 | 86.4 | 104.1 |

| | | | |
|---|-------|-------|-------|
| Fruit | 76.8 | 78.1 | 101.6 |
| Spirits (40% strength, Liters per capita) | 6.5 | 6.7 | 103.1 |
| Wine (Liters per capita) | 18.8 | 19.5 | 104.0 |
| Beer (Liters per capita) | 147.0 | 147.0 | 100.0 |

Source: Czech Statistical Office, www.czso.cz

Advantages and Challenges for U.S. Suppliers on the Czech Market

| Advantages | Challenges |
|---|---|
| High quality of U.S. products and growing trend toward eating what is healthier and tastes better; an opportunity for U.S. nuts, dried fruits and meat especially | Higher competitiveness of some EU products due to elimination of tariffs between the EU and CR |
| Good infrastructure, importers speak good English | Depreciation of CZK towards USD reduced purchasing power (Aug 2015: \$1=23.5 CZK, Nov 2015: \$1=25.5 CZK) |
| The number of tourists and Americans living in Prague is increasing and they demand high quality U. S. food products | Relatively small volumes with high transportation costs |
| Willingness to try new products; innovative products and packaging increase demand | Shelf life – retailers will not list a product with a “use-by-date” shorter than 2/3 of the total shelf life and transportation takes some time |
| Developed distribution system, highly integrated with Germany | Negative perception of U.S. food in general (GMO, fast food, etc.) |

SECTION II. EXPORTER BUSINESS TIPS

Local business customs

Food retailers have their own purchasing sections and buy products from either domestic suppliers or Czech importers. However, after the EU accession and free trade within new the EU 28, retail chains seek suppliers of cheaper and better quality products from anywhere in the enlarged EU. The Makro cash and carry chain, which operates in both retail (as many individuals are registered customers) and foodservice markets, has its purchasing headquarters outside of the Czech Republic – most carried food products are negotiated in the Makro/Metro Trading Office in the Netherlands. Purchase of fish and seafood products is done through their office in Boston.

Other retail chains buy food products locally from Czech importers.

There is no U.S. retail chain in the country. In the 1990s K-mart operated several supermarkets in the Czech Republic, and offered many U.S. food products, such as chips, sauces, baking mixes, cereals, juices, etc. At the end of that decade K-mart was acquired by Tesco, a UK based company, which replaced many U.S. products with British brands. However, in the comparison with other retail chains from Germany or the Netherlands, Tesco still offers the most U.S. products on the market.

In order to get a new product on the shelf, retail chains ask suppliers to pay “marketing fees”. Until recently, these fees were called “listing fees”, paid once per product. Retailers have been heavily criticized for this and renamed and recalculated the fees. Now, they are called marketing fees and are calculated from a yearly turnover of each product.

Retail chains demand that shelf life of product be longer than 2/3 of its total shelf life, otherwise they do not want to list the product. For example, if chips have a 3 year shelf life, the importer has to offer it to Tesco with a viable shelf life still over 2 years.

Once the product is listed in a retail chain, the retailer is not willing to increase price of the product for a very long time, so all price vulnerability is on the importer or exporter.

General consumers tastes and preferences

The traditional Czech cuisine contains a lot of protein and saturated fat and carbohydrates, e.g. pork with sauerkraut and dumplings, etc. The changing lifestyles of Czech consumers has led to increased interest in functional and healthier food, which includes more fresh fruit and vegetables, poultry and fish, healthier alternatives of bakery products such as wholegrain and graham flour products, cereals, vegetable oils, rice and pasta.

Czech consumers are increasingly health conscious and lead ever more dynamic lifestyles. These lifestyle developments are, however, mainly a characteristic of the urban population. This change in the eating habits of consumers, along with the boom in international restaurants and bistros and the popularity of cookery programs on television, has meant that Czech consumers are increasingly experimenting with food and trying new recipes, with the result that Italian, Indian, Chinese, Thai and Greek cuisine has become increasingly popular.

Consumer Buying Habits

Consumer buying habits are moving towards higher quality/higher price items. Even though price still plays a key role for many consumers, who are buying food products based on bi-weekly retail promotional flyers, more people are willing to pay for quality.

Consumers seek convenience. Top retailers, such as Tesco, offer internet food shopping and food delivery. Besides hypermarkets, smaller size format “express stores” are becoming more popular.

The foodservice sector offers a great variety of restaurants, ranging from Michelin star top restaurants offering high price/high quality products (in large cities, mostly in the capital city Prague) to restaurants

and pubs throughout the country offering typical Czech meals for around \$4/meal.

Food standards and regulations

Please see the [Food and Agricultural Import Regulations and Standards report no. E70048](#), prepared by USEU Brussels, and accessible on-line at the [GAIN database](#).

General import and inspection procedures

All products exported to the Czech Republic must comply with EU import regulations. Complete information on EU import rules for food products may be found at:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/>

For information on the tariff and [statistical nomenclature and on the Common Customs Tariff](#) please refer to the Official Journal of the European Union, Regulation (EU) No 927/2012.

Incoming goods go either to the customs storage or a freight forwarder's facility at the airport (the Czech Republic has only one international airport). Storage is carried out under the supervision of a customs officer who checks the documents and compares them with commodities. Food inspectors do not routinely check packaged foods, however, custom officers may take samples to check for ingredients. Veterinary certificates are bi-lingual and may be found at the State Veterinary Administration webpage:

<http://eagri.cz/public/web/en/svs/portal/trade-with-vet-commodities/>

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Retail Sector

An improved economic performance, together with consumers' growing willingness to spend, enabled grocery retailers to register current value growth of 4% in 2015, up from 3% in 2014 and 2% in 2013. Falling unemployment and real wage growth of 3% encouraged consumers to spend.

In addition, strong value growth was also driven by the heavy promotion of locally produced goods. Additionally, greater consumer attention to quality drove retailers to enhance their product portfolios. Consumers are demanding more fresh, organic and naturally healthy products, as well as goods based on traditional recipes. For example, the proportion of real meat in meat products such as ham is currently being carefully monitored.

Larger formats such as supermarkets and hypermarkets performed well in 2015, with both registering current value growth of 5%. Generally, consumers prefer hypermarkets and bigger supermarkets for their larger weekly grocery shop, while smaller supermarkets and other formats are typically used for the day-to-day purchase of smaller items. This split in usage further strengthened in 2015. Several

hypermarkets were refurbished to meet consumers' changing lifestyles. For example, Tesco refurbished one of its hypermarkets in Prague, creating a relaxation zone with Wi-Fi and floor seating for younger consumers. Larger formats remained in the hands of big international chains, with there being no independent players present.

The share of grocery products remained high in both hypermarkets and supermarkets. In terms of non-grocery, consumers in the Czech Republic mainly purchase essential items such as home care, personal hygiene and tissue products. For more sophisticated products, such as apparel, they tend to visit non-grocery specialists. The share of grocery products in supermarkets stood at 89% in 2015, while in hypermarkets it was 71%.

The best performing retail type in 2015 was convenience stores, which recorded current value growth of 5%. The key driver of this performance was a 4% increase in number of outlets, with consumers increasingly frequenting smaller stores near to their homes. Chained convenience stores are taking over the outlets of local independent retailers. Convenience stores serve consumers in suburban areas, smaller cities and villages, where competition is minimal.

Among other formats, discounters also continued to do well, posting current value growth of 4%. Discounters offer only a limited range of goods and therefore shopping is often quicker in these outlets, with this becoming a more important factor for consumers.

Food and drink internet retailing remained a very small but rapidly growing area. Historically, only one major player, Tesco, offered internet sales of groceries. However, there are rumors that in 2016 Ahold or Billa will launch their own internet grocery services. Local investors and financial groups launched various services at the end of 2014 and beginning of 2015, such as Rohlik.cz, Kolonial.cz, and Kosik.cz. These were launched mainly in Prague and are growing in strength. In 2015, food and drink internet retailing reached sales of CZK1.5 billion.

Detailed report on the retail sector can be found at USDA webpage:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

| Top retailers and their market share | Global Owner/Country | 2012 | 2013 | 2014 | 2015 |
|--------------------------------------|--------------------------------|------|------|------|------|
| Albert Heijn | Royal Ahold/Netherlands | 11.2 | 10.9 | 14.1 | 14.6 |
| Kaufland | Schwarz/Germany | 13.3 | 13.9 | 14.3 | 14.5 |
| Lidl | Schwarz/Germany | 7.3 | 8.5 | 9.0 | 9.1 |
| Penny Market | Rewe Group/Germany | 8.6 | 8.9 | 8.7 | 8.6 |
| Tesco | Tesco Plc/U.K. | 9.1 | 8.5 | 8.7 | 8.5 |
| Coop | Association of Cooperatives/CR | 6.8 | 6.7 | 7.3 | 7.2 |
| Billa | Rewe Group/Germany | 6.0 | 5.9 | 5.8 | 5.8 |
| Globus | Globus Holding/Germany | 6.2 | 6.0 | 5.8 | 5.7 |

Source: Euromonitor

Foodservice market

Due to improved economic situation improved, consumer foodservice in the Czech Republic recorded an increase in current value terms in 2015. The Czech Republic welcomes annually over 26 million tourists, out of which 8 million stay in hotels and bed and breakfasts, which also contributes to good performance of the foodservice market.

The popularity of 100% home delivery/takeaway increased among consumers in 2015. Czechs started enjoying the comforts of home and saving time.

Locations for establishing new foodservice outlets continue to reach saturation point and have led the leading consumer foodservice operators to expand into micro-regions within the country. KFC introduced a strategy of a more detailed focus on regional and district cities and attempted to open a KFC street kiosk in Kolin. Similarly, the McDonald's chain revealed its plans to introduce its quick service outlets in or around stadiums. Specialist coffee shop chain Starbucks continued with its regional expansion and after success in opening two outlets in Ostrava, Starbucks opened another new store in Brno.

Chained consumer foodservice operators recorded an increase in value sales in 2015 while independent players witnessed marginal decline. The reason was the changing business and marketing strategies, innovations, pricing policies and advantageous menu offerings of chained consumer foodservice operators. Among the largest operators of chain outlets belong AmRest, McDonald's CR, IKEA Ceska Republika, Pivovary Staropramen and AmRest Coffee.

Detailed report on the foodservice sector can be found at USDA webpage:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

Brand Shares in Chained Quick Service

| % Value of Sales | Global Brand Owner | 2011 | 2012 | 2013 | 2014 |
|-------------------------|---|-------------|-------------|-------------|-------------|
| McDonald's | McDonald's Corp | 53.4 | 52.6 | 51.5 | 52.6 |
| KFC | Yum! Brands Inc | 23.6 | 22.7 | 23.3 | 24.3 |
| Viva | OMV Tankstellen AG | 4.2 | 3.8 | 3.7 | 3.7 |
| Agip Piazza | ENI SpA | 3.9 | 3.5 | 3.4 | 3.4 |
| Paul | Holder, Groupe | 1.4 | 2.1 | 2.4 | 2.7 |
| Shell Select | Koninklijke Shell Groep/Royal Dutch Shell Group | 3.0 | 2.7 | 2.6 | 2.6 |
| Subway | Doctor's Associates Inc | 1.8 | 1.8 | 1.8 | 1.9 |
| Burger King | Restaurant Brands International Inc | - | - | - | 1.9 |
| Paneria | European United Bakeries of Luxembourg SA | 2.4 | 4.4 | 4.6 | 1.8 |
| Fornetti Cafe | Fornetti Kft | 1.5 | 1.5 | 1.5 | 1.6 |
| Bageterie Boulevard | Crocodile CR spol sro | 0.8 | 1.1 | 1.2 | 1.3 |

Source: Euromonitor

Brand Shares in Chained Coffee shops/Bars

| % Value of Sales | Global Brand Owner | 2011 | 2012 | 2013 | 2014 |
|-------------------------|---------------------------|-------------|-------------|-------------|-------------|
| Potrefena Husa | Molson Coors Brewing Co | - | 12.7 | 13.7 | 13.0 |
| Starbucks | Starbucks Corp | 13.1 | 13.2 | 13.3 | 12.8 |
| Costa Coffee | Whitbread Plc | 6.6 | 9.4 | 10.8 | 10.7 |

| | | | | | |
|-------------------------------------|-------------------------|-----|-----|-----|-----|
| Tchibo | Tchibo GmbH | 8.8 | 8.8 | 8.7 | 9.8 |
| McCafé | McDonald's Corp | 5.3 | 6.5 | 6.9 | 6.6 |
| Pilsner Urquell Original Restaurant | SABMiller Plc | 6.9 | 6.2 | 6.0 | 5.4 |
| Cross Cafe | Cross Cafe Original sro | 3.7 | 4.4 | 4.7 | 5.2 |

Source: Euromonitor

Food processing

The processed food industry is among the key industries in the Czech Republic and meets around 95% of domestic food consumption. The meat and dairy industries are among the largest food producers. The sector's share of GDP is around 2.5%. The most important sectors include meat production (almost 23% share of food production), dairy production (18%) and milling and bakery production (15%). Other sectors include fish canning, fruit and vegetable canning, production of oils and fats, and beer production. There are over 8,000 food and 1,100 beverage production plans with a turnover of \$9.5 billion in 2014 in the food sector and \$2.3 billion in 2014 in the beverage sector.

In the 1990s foreign retail chains purchased local retailers and created large chains with high market shares, which created a big pressure on domestic food suppliers that were usually small and underfinanced. In order to get local food and beverage products on the shelves into the international chains (Tesco, Ahold, Spar, Lidl etc.), producers had to lower their prices to minimal levels and pay "listing fees" for getting their products into these stores. On the other hand food processors were buying ingredients from Czech farmers, sometimes at a higher price level than in the neighboring countries. Under these conditions it was difficult for many food processors to survive. They replaced high quality ingredients with low quality low cost (for example, U.S. almonds were replaced by cheaper supplies). Another pressure on domestic producers was the necessity for major investments into the equipment and technology in order to meet high hygienic requirements of the EU prior to Czech's EU accession in 2004. Many food producers left the market. There are not as many foreign investors in the Czech food processing as there are in the retail sector (Phillip Morris, Danone to name a few examples). In the past years the trend has turned toward the vertical integration and strong Czech agribusinesses, Agrofert and Agropol, purchased many meat and dairy plants, in which they heavily invested.

The Ministry of Agriculture supports domestic production by labeling Czech-origin products with a label "Klasa" or "Regional Product". These brands are well known among Czech consumers.

Although domestic ingredients hold the largest share of this market, a significant share of ingredients is imported. About a third comes from Germany, then from Poland and Slovakia. Among imported items are fats and oils, pork, poultry, beef, cheese, chocolate, dried fruit and nuts, and various baking ingredients and mixes. Best prospects for the U.S. suppliers into this sector include cooking oils, baking mixes, dried fruit and nuts (raisins, cranberries, nuts), dehydrated products, and juice concentrates.

Food ingredients are usually bought by importers specialized on certain commodities, such as dried fruit and nuts. The importers then deliver imported products to processors. Larger processors have their own import departments.

Detailed report on the food processing ingredients sector can be found at USDA webpage:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

Trade Shows and Events

There are several trade shows in the Czech Republic.

Salima, organized by the Brno Fairs and Exhibitions (BVV), used to be the major food show in the Czech Republic. It takes place in Brno, the second largest city, at one of the biggest fairgrounds in the Czech Republic. This show, however, has shrunk in the number of exhibitors and visitors. It is now organized bi-annually in February. For more information, please look at <http://www.bvv.cz/en/salima/>. Alimpex is food trade show for professionals from the retail sector only. It is organized annually by a private company Alimpex once a year in two cities in the Czech Republic. There are almost 200 exhibitors from 8 countries and the fair is visited by 3,500 visitors. Interested parties should contact FAS Prague.

For retail and foodservice there is an annual trade show Wine and Delicatessen, which takes place in Prague. Interested parties should contact FAS Prague.

U.S. Cooperators in the Czech Republic

Some U.S. Cooperators (non-profit U.S. agricultural export-oriented organizations) are active in the Czech Republic. For example, in March 2015, two cooperators held their marketing activities in the Czech Republic: California Wine Institute along with FAS Prague organized a major wine tasting event for hotels, restaurants, importers and media and U.S. Meat Export Federation participated in U.S. beef presentation and tasting at an important gastro event in Prague.

SECTION IV. BEST PRODUCT PROSPECTS

The best product prospects include U.S. fresh beef, some fish and seafood, specialty products (branded products, craft beer, mustard, hot sauces, baking mixes etc.), and dried fruit and nuts.

- Beef Meat (HTS 02)

U.S. beef enjoys an increasing popularity at high-end restaurants especially in larger cities.

FAS office has held several promotions of U.S. beef with key importers (Makro, Fany Gastro)

U.S. beef exports to the Czech Republic increased between 2010 and 2015 from U.S. \$300,000 to over U.S. \$3 million. This is mainly for HRI sector.

- Fish, fresh and frozen (HTS 03)

The Czech Republic as a land-locked country, imports all its seafood. U.S. fresh and frozen fish imports increased between 2010 and 2015 from U.S. \$8.1 million to over U.S. \$16.1 million. It is both for HRI and retail sectors. Live lobster, scallops and fresh salmon during the season are for the high-end restaurants, while cheaper kinds of fish such as frozen salmon and frozen Pollock are sold in retail.

- Dried fruit and nuts (HTS 08)

Between 2010 and 2015 U.S. exports to the Czech Republic increased from U.S. \$21.1 million to U.S. \$27.1 million. The highest demand is for U.S. almonds followed by U.S. pistachios and U.S. peanuts. U.S. pecans are also increasingly popular. All nuts are sold in retail in small packs or loose. Some nuts are used in the bakery industry for pastries (U.S. pecans). The U.S. Embassy in Prague recently held a baking contest for the best pecan pie to celebrate the U.S. Thanksgiving holiday. Over twenty bakers from hotel schools throughout the country participated in the event. The Ambassador presented awards to the winners; the highest prize included a day with a famous Czech chef.

- Wine

Import of U.S. wine has declined between 2010 and 2015 from U.S. \$2 million to less than U.S. \$1 million, due to heavy competition of cheaper wines from South American, Australia and Europe. However, there is a growing niche market for high quality higher price U.S. wines. FAS Prague organizes wine promotions with the California Wine Institute regularly. The last promotion was held in March 2015, at the Ambassador's Residence, showcasing over 100 California wineries and 500 labels. The event was attended by over 250 guests, including wine traders, importers, restaurants, sommeliers and media.

- Spirits

Import of spirits (mainly bourbon) from the U.S. increased from U.S. \$8 million in 2010 to U.S. \$11.5 million in 2015. The market is stable and U.S. products are increasing popular in this product category.
Source: Czech Statistical Office and FAS

SECTION V. POST CONTACT AND FURTHER INFORMATION

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APPENDIX - STATISTICS

TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION - 2015

| | | |
|---|------------------|--|
| | | |
| Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%) | \$9.6 Bill/0.6 % | |
| Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%) | \$4.8 Bill/0.5% | |
| Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) | \$204 Mill/3.6% | |
| Total Population (Millions) / Annual Growth Rate (%) | 10.5 Mill/0.1% | |
| Urban Population (Millions) Annual Growth Rate (%) | 7.98 Mill/0.3% | |
| Number of Major Metropolitan Areas | 14 regions | |
| Size of the Middle Class (Millions) / Growth Rate (%) | 3.99 Mill | |
| Per Capita Gross Domestic Product (U.S. Dollars) | \$28,69 | |
| Unemployment Rate (%) | 4.8% | |
| Per Capita Food Expenditures (U.S. Dollars) | \$1,220 | |
| Percent of Female Population Employed | 81% | |

| | | |
|---------------|-------------|--|
| Exchange Rate | US\$1=24.35 | |
|---------------|-------------|--|

Source: Global Trade Atlas and FAS data

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

| HTS Number | Item | Czech total import in \$mill.in 2014 | Import from the U.S. in \$mill. in 2014 | Czech total import in \$mill.in 2015 | Import from the U.S. in \$mill. in 2015 |
|------------|---------------------------------|--------------------------------------|---|--------------------------------------|---|
| 0201 | Beef, fresh | 116.8 | 3.2 | 104.8 | 2.7 |
| 0303 | Fish, frozen, excl. fillets | 20.1 | 0.8 | 16.7 | 0.6 |
| 0304 | Fish fillets, chilled or frozen | 85.8 | 9.2 | 81.7 | 15.0 |
| 0802 | Nuts | 71.6 | 25.6 | 68.9 | 23.9 |
| 2106 | Food preparations, nonspecific. | 330.6 | 17.9 | 373.2 | 13.7 |
| 2204 | Wine | 193.5 | 0.8 | 167.9 | 0.7 |
| 2208 | Spirits and liqueurs | 141.9 | 13.9 | 140.3 | 11.6 |

Source: Czech Statistical Office

Note: The U.S. share on total import does not always reflect real numbers as transshipments through Germany and Netherlands are not included.

TABLE C. TOP SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

| Czech Republic Import Statistics | | | |
|---------------------------------------|-----------------------|------------------|------------------|
| Commodity: Ag Trade SST HS 1 thru 14, | | | |
| Annual Series: 2012 - 2014 | | | |
| Partner Country | United States Dollars | | |
| | 2012 | 2013 | 2014 |
| World | 4,394,989,997.00 | 4,633,448,979.00 | 4,789,284,817.00 |
| Germany | 1,057,052,757.00 | 1,204,276,345.00 | 1,184,720,069.00 |
| Poland | 599,374,860.00 | 666,266,411.00 | 799,512,417.00 |
| Netherlands | 532,446,719.00 | 536,519,360.00 | 541,838,999.00 |
| Slovakia | 508,215,291.00 | 467,392,542.00 | 431,827,995.00 |
| Spain | 282,349,046.00 | 311,501,512.00 | 312,823,221.00 |
| Italy | 231,240,558.00 | 226,838,670.00 | 211,066,473.00 |
| Belgium | 156,819,904.00 | 178,543,081.00 | 194,213,256.00 |
| France | 169,195,967.00 | 177,491,275.00 | 185,886,204.00 |
| Austria | 180,974,158.00 | 169,940,981.00 | 176,498,835.00 |
| Hungary | 126,518,603.00 | 121,236,159.00 | 123,222,736.00 |

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Denmark | 96,750,652.00 | 79,861,716.00 | 87,850,486.00 |
| United Kingdom | 37,005,941.00 | 39,971,945.00 | 52,202,153.00 |
| Not Determined Intra EU Trade | 34,041,317.00 | 40,582,557.00 | 45,889,603.00 |
| China | 39,143,760.00 | 41,193,606.00 | 43,838,645.00 |
| Greece | 27,211,005.00 | 28,437,892.00 | 29,112,133.00 |
| Turkey | 26,820,959.00 | 26,781,957.00 | 28,264,167.00 |
| Ireland | 20,251,344.00 | 19,719,643.00 | 28,008,789.00 |
| United States | 21,468,003.00 | 25,651,707.00 | 23,854,233.00 |
| Romania | 11,441,770.00 | 16,086,905.00 | 21,656,442.00 |
| Georgia | 7,105,054.00 | 13,102,741.00 | 17,049,529.00 |
| Vietnam | 19,499,576.00 | 16,450,250.00 | 16,570,576.00 |
| Brazil | 27,941,641.00 | 17,005,698.00 | 15,902,898.00 |
| Lithuania | 6,770,718.00 | 11,992,152.00 | 15,654,142.00 |
| Latvia | 7,374,308.00 | 19,973,593.00 | 12,974,543.00 |
| Sweden | 7,107,551.00 | 7,051,478.00 | 12,524,434.00 |
| Mexico | 11,477,547.00 | 10,179,851.00 | 11,340,841.00 |
| India | 9,948,971.00 | 10,717,032.00 | 10,640,001.00 |
| Ukraine | 7,712,538.00 | 9,185,817.00 | 10,048,115.00 |

Source: Global Trade Atlas

End of Report.