

Update on Investment Incentives and Open Grant Opportunities for Japanese Companies

ČSOB EU Center



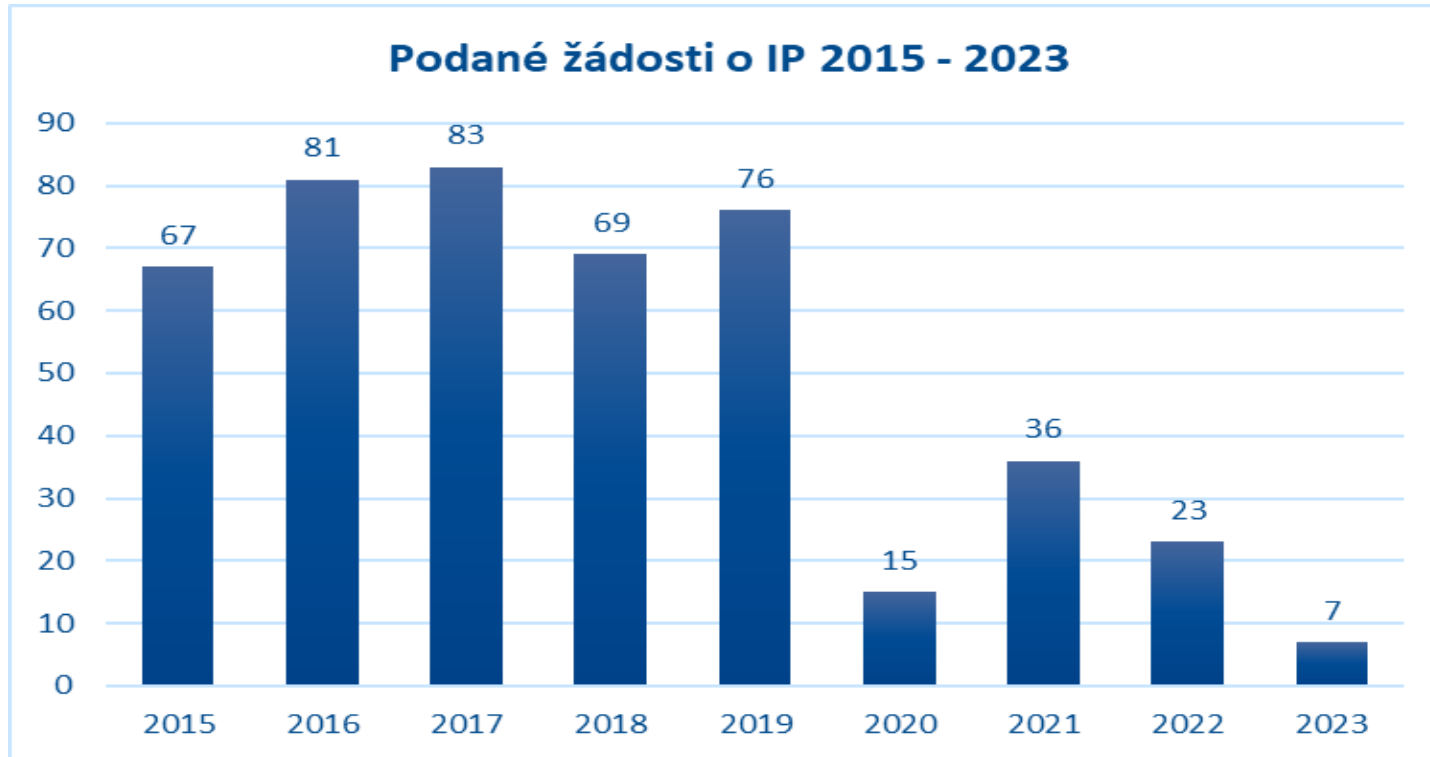
EU CENTRUM



INCENTIVES

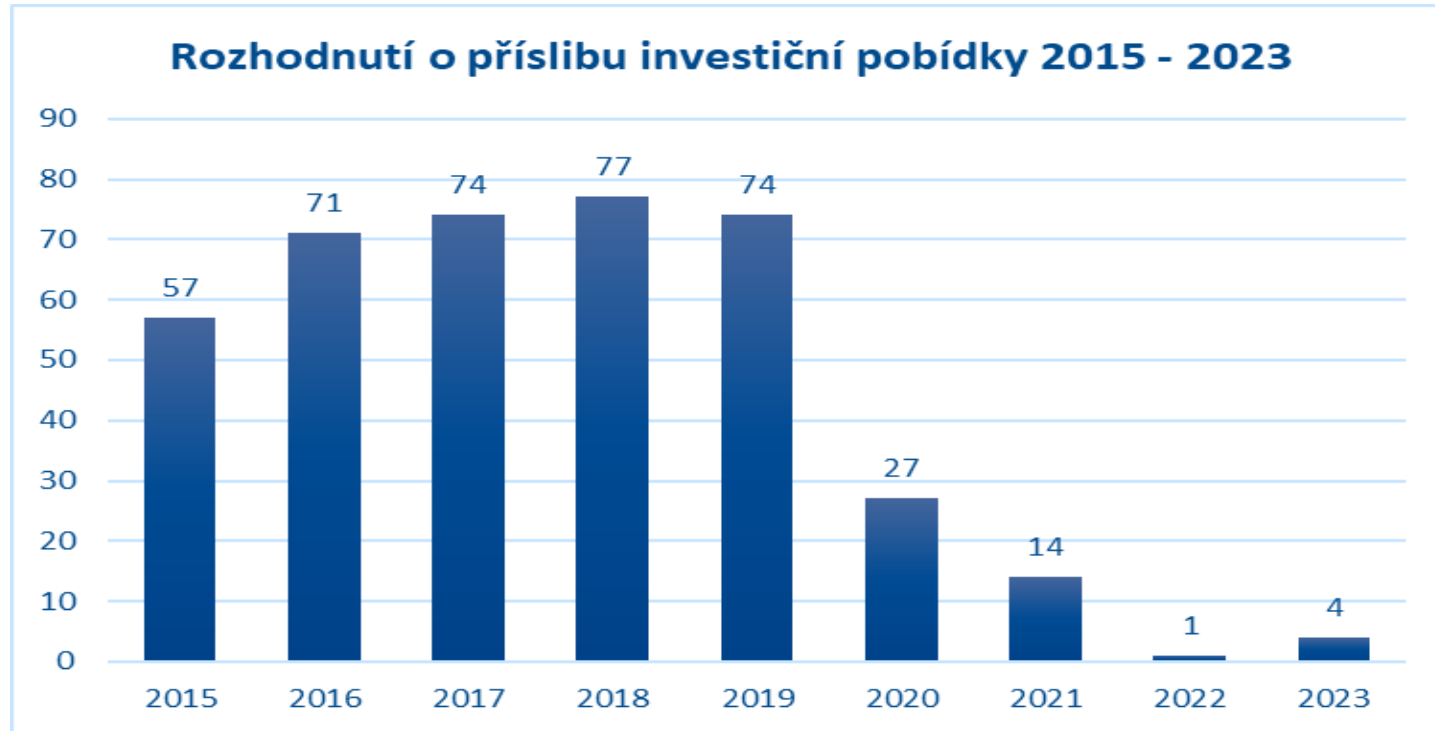


Submitted Applications for Incentives 2015-23



Source: Annual Evaluation Report on Investment Incentives 2023 by the Ministry of Industry and Trade

Approved Applications for Incentives 2015-23



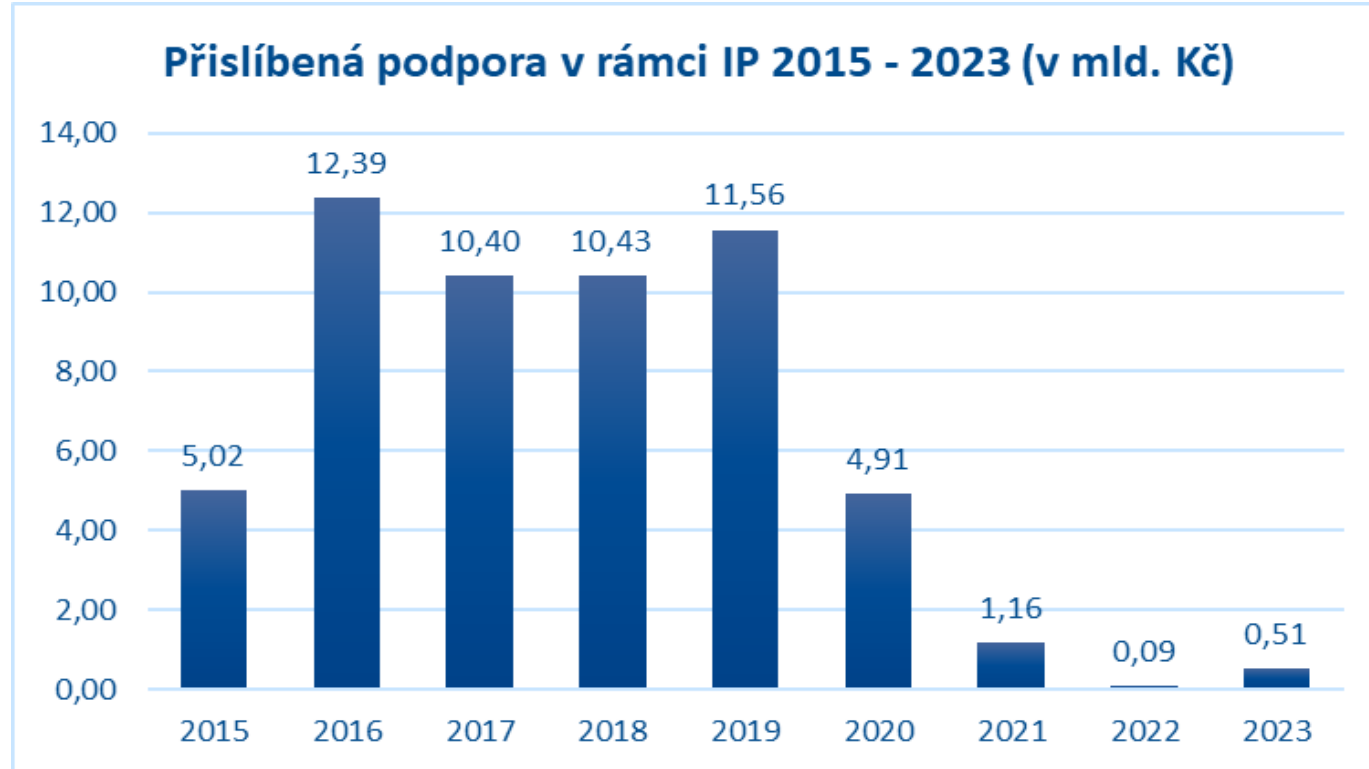
Source: Annual Evaluation Report on Investment Incentives 2023 by the Ministry of Industry and Trade

Volume of Investments in Submitted Apps



Source: Annual Evaluation Report on Investment Incentives 2023 by the Ministry of Industry and Trade

Volume of Investments in Approved Apps



Source: Annual Evaluation Report on Investment Incentives 2023 by the Ministry of Industry and Trade

VITESCO TECHNOLOGIES ANNOUNCES 188 MILLION EURO FACILITY IN OSTRAVA- HRUŠOV, CZECH REPUBLIC

- > Exceeding 188 million EUR, this project is a key part of Vitesco Technologies' commitment to invest over 576 million EUR into sustainable mobility across the Czech Republic by 2027
- > Launching operations on a 38,000 m² site by late 2024, the facility will initially employ 150 staff to manage highly automated production and storage areas
- > The facility's production line will focus on advanced high-voltage electronic components, essential for the electrification of drive systems in exclusively battery-powered vehicles

Ostrava, Czech Republic, January 25, 2024. Vitesco Technologies, a leading international manufacturer of modern drive technologies and electrification solutions, is set to start operations at its new state-of-the-art manufacturing and automated logistics center in Ostrava-Hrušov by year's end. This move represents a significant stride in sustainable mobility and the evolution of the Czech automotive sector. Initially employing 150 individuals, the workforce is projected to expand to over 1,000 by 2027. Complementing this is



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DOWNLOADS

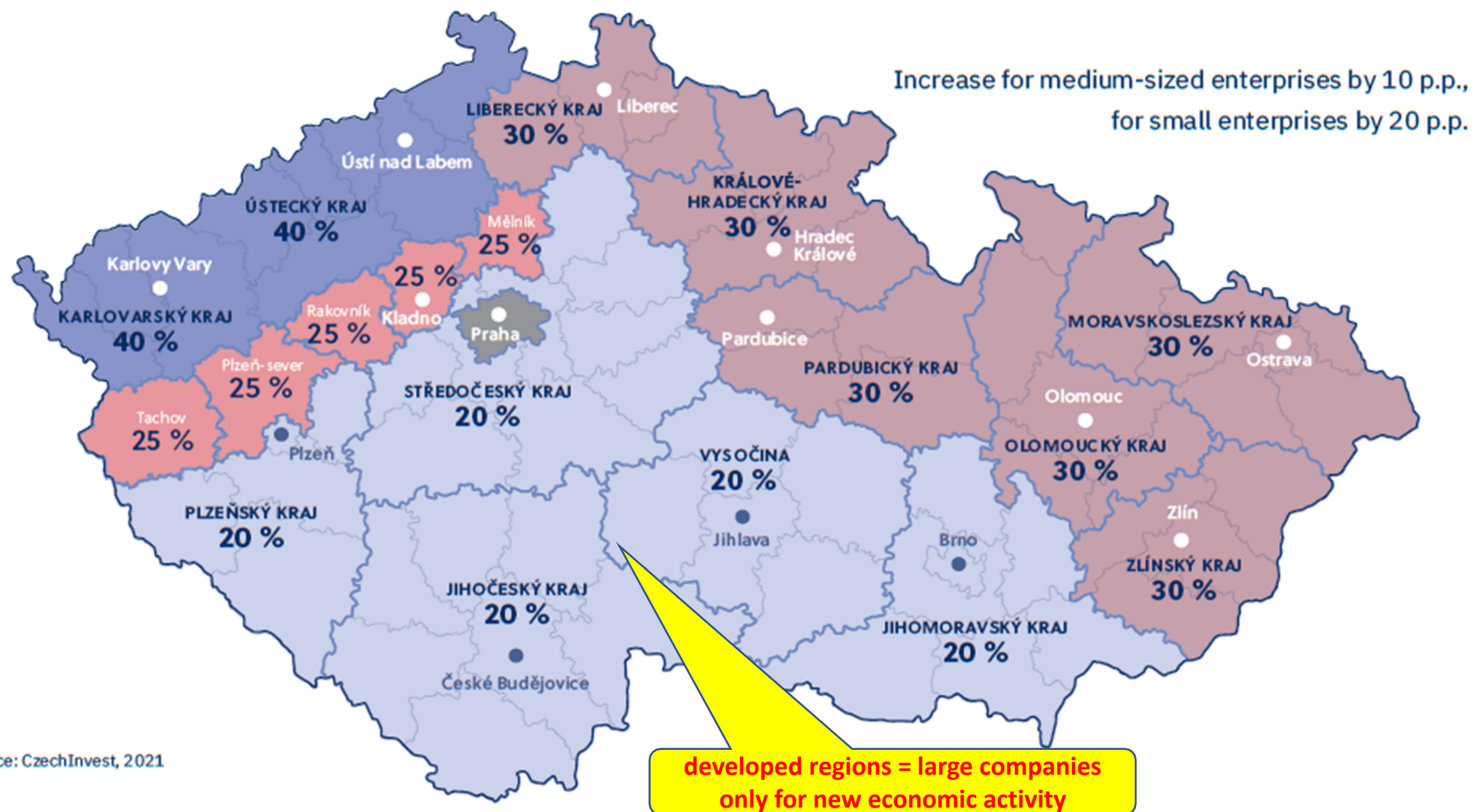
 [Press release](#)



Important Changes from January 13, 2024

- **Act on Investment Incentives** came into force on January 13, 2024 = SIGNIFICANTLY HIGHER CHANCES OF APPROVAL FOR ELIGIBLE PROJECTS!
 - Applications submitted prior to this date will still be decided by the Government.
 - Only three applications have been submitted after January 13.
- **New Working Group on Investment Incentives** set up by the Ministry of Industry and Trade to evaluate investment incentives program on a regular basis and propose changes to make the program more attractive. The report shall be sent for information in April to the regular meeting of the Government.
- **Tasks from the first meeting:**
 - Methodology for evaluating Benefits for region and state
 - Complete revision of conditions and incentives for Technology centers

2/ State aid for large enterprises



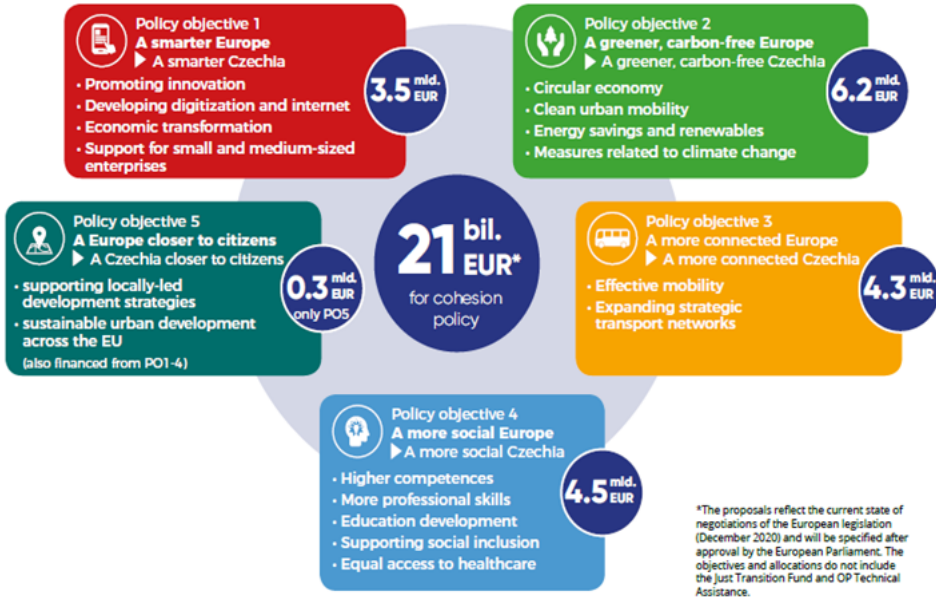
New categories of strategic investments eligible for 20% financial support (Appendix 4)

1. Heat pumps including control systems.
2. Photovoltaic systems including control systems.
3. Solar thermal systems including control systems.
4. Solar hybrid systems, recuperation units and hot-air solar panels.
5. Nuclear reactors and non-irradiated fuel cells for nuclear reactors.
6. Steam generators and condensers.
7. Water turbines, water wheels and their regulators.
8. Wind turbines.
9. Generator sets powered by wind energy.
10. Electrolyzers for the production of hydrogen from renewable energy sources, hydrogen fuel cells.
11. Gas, liquid and electric energy supply or consumption meters.
12. Battery storage for electricity from renewable energy sources including control systems.
13. Insulating materials used as thermal insulation of construction and distribution systems in the construction industry.
14. Charging stations for electric cars, filling stations for hydrogen electric vehicles.
15. Hot water boilers for biomass and electricity for heating internal spaces.
16. Performance Chips.
17. Traction batteries for electric vehicles including control systems.
18. Electric engines for electric vehicles.

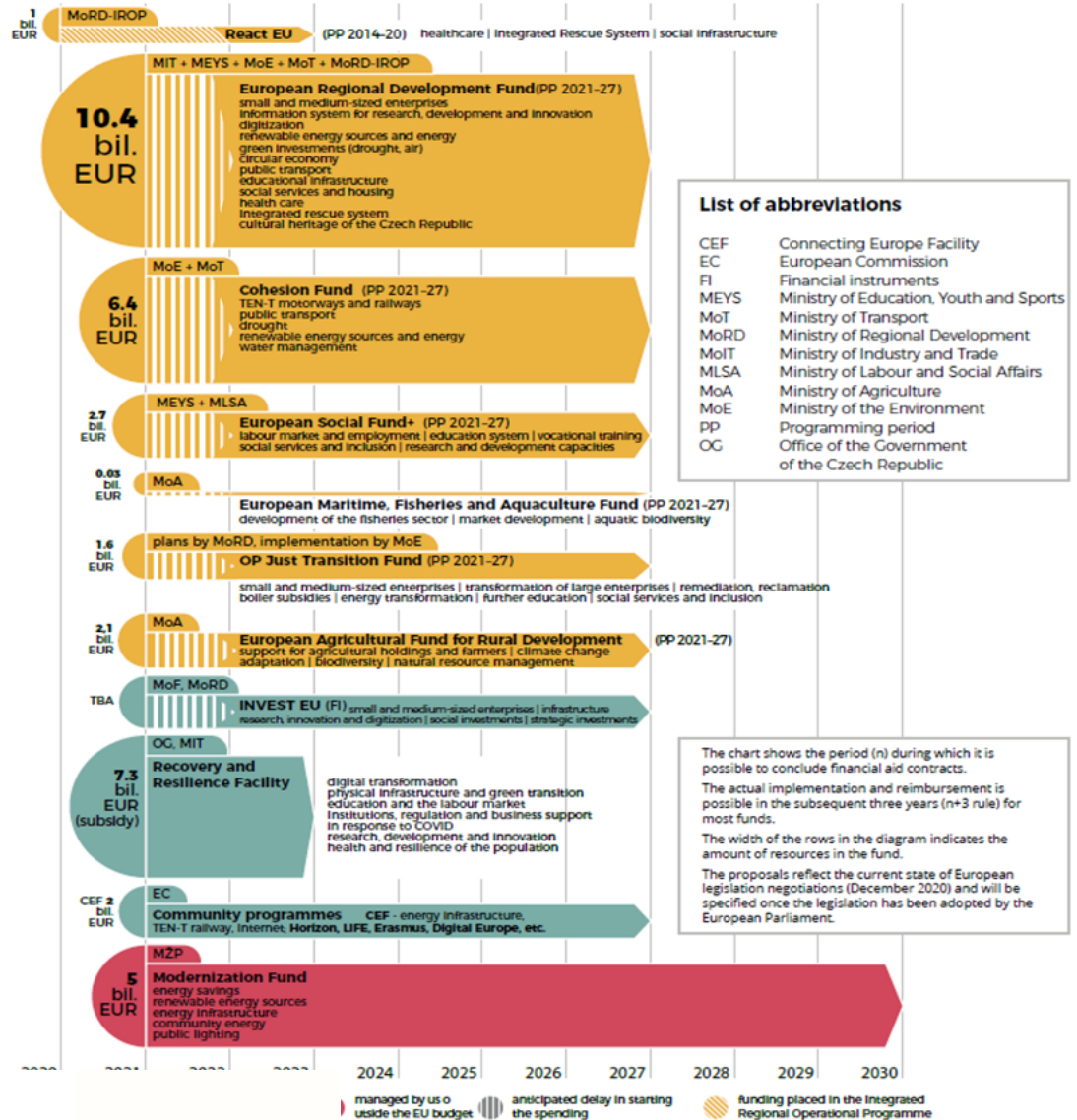


Czech Republic will receive over EUR 40 bn from EU in 2021 - 2030

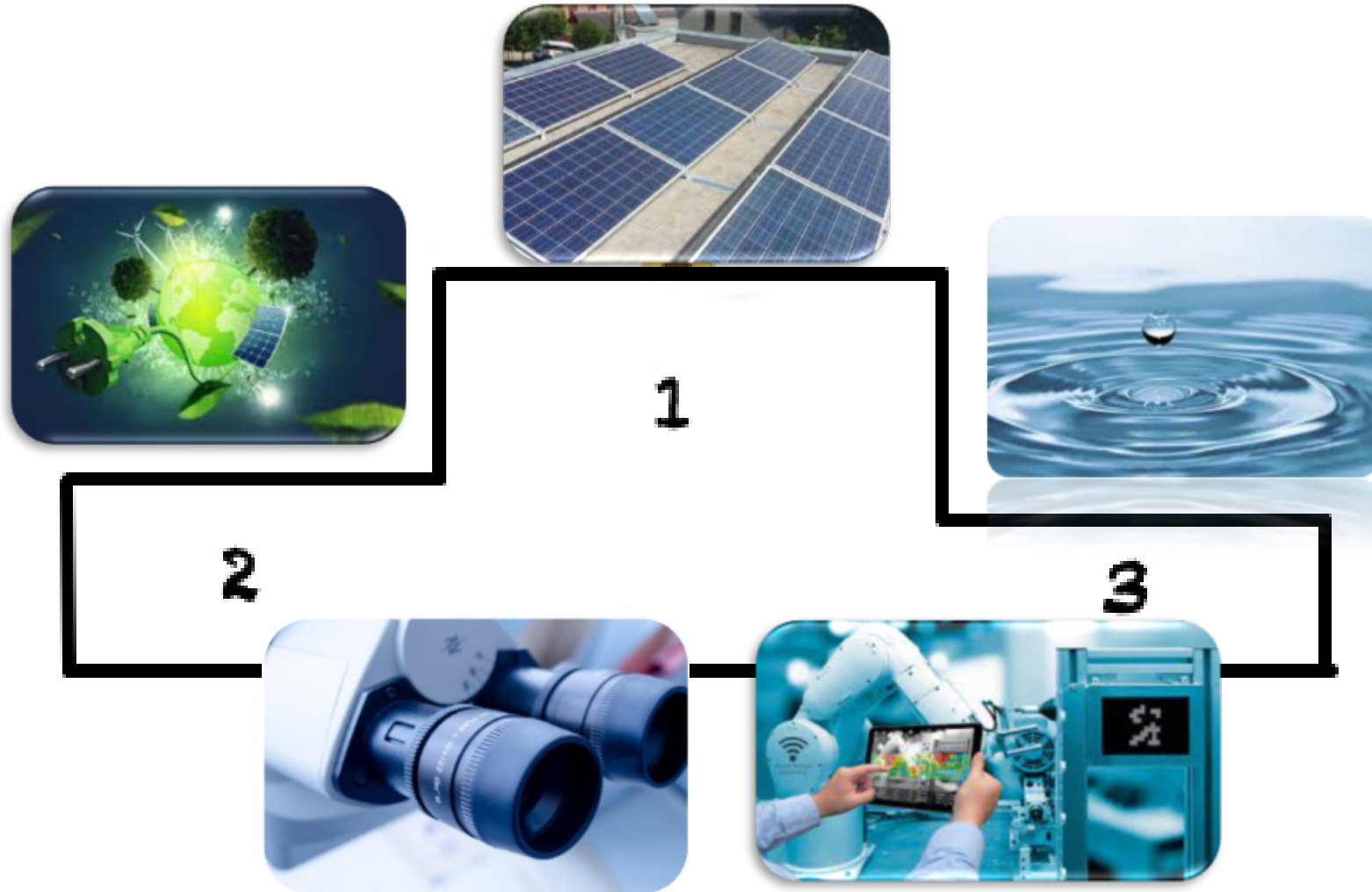
Priorities of cohesion policy 2021-2027 Five objectives of the main EU investment policy



Overview of EU financial resources for the Czech Republic for 2020–2027 (estimates)



TOP 5 EU SUBSIDY PROGRAMS FOR JAPANESE COMPANIES



PHOTOVOLTAIC SYSTEMS WITH OR WITHOUT ACCUMULATION

- Support of **photovoltaic power station**, including **accumulation** of electricity (on business buildings, including shelters, land installations also possible)
 - Only 1 supply point per project, primarily for own consumption (70%)
 - No need to run a tender for supplier of PV technology



What and who is supported

- projects **10/50 kWp – 5 MWp**
- Small, medium and large companies – including Prague (except companies 100% owned by a public entity)

Level of support

- 30 % for solar panels
- 30 % for accumulation

Receipt of applications

- **1.3. – 31.10. 2024**
- Allocation: CZK 3bn
- **Building permit required!**

PROGRAM ENERGY SAVINGS – CALL NO. 2

Subsidy of up to CZK 200 million to reduce energy consumption and support usage of new Renewable Energy Sources for company own needs.



Modernisation and reconstruction of distribution networks



Measurement and regulation systems



Energy generation equipment



Lighting



Building insulation



RES installation

What is supported?

- Construction works
- Technological equipment
- Project documentation
- Energy Audit

How much can be obtained?

- **0,5 – 200 mil. CZK** per project
- Location outside Prague
- **35-65%** according to the size of the company

What is necessary?

- **Energy Audit**
- Project documentation for building permits
- Itemized budget

Receipt of applications?

- **21.4.2024 – 31.10.2025**
- Allocation: **CZK 5 billion**

PROGRAM ENERGY SAVINGS: What exactly is supported?

The logo for 'OP TAK' is located in the top right corner. It consists of the text 'OP TAK' in white, bold, sans-serif capital letters, centered within a red rectangular background. The red background has white curved shapes on its top and right edges, suggesting a stylized arrow or a modern graphic element.

OP TAK

- **Reducing the energy demand of buildings of business entities:**
 - Insulation of the perimeter shell, replacement and renovation of opening fillings, other construction measures having a demonstrable effect on the energy efficiency of the building in accordance with the minimum requirements resulting from the directive on the energy efficiency of buildings, including the installation of external shading elements;
 - Increasing the energy efficiency of technical building systems (cooling, forced ventilation including recuperation, air humidity control, hot water preparation and lighting of the building's interior);
 - Introducing management elements for efficient energy management in buildings
 - Elements of adaptation of building to climate change respecting the requirements for the quality of the indoor environment (vegetated roofs and facades)
- **Use of renewable energy sources** and highly efficient cogeneration of heat and electricity from solid biomass, biogas and biomethane and electric heat pumps to cover own energy needs of buildings and energy management of business operations;
- **Modernization of distribution** of electricity, gas, heat, cold and compressed air in the energy management of companies in order to increase efficiency;
- **Accumulation** of all forms of energy within complex projects for increasing energy efficiency;
- **Waste energy utilization;**
- **Reducing the energy intensity/increasing the energy efficiency** of production and technological processes (only for new equipment that must have zero direct (exhaust) CO2 emissions);
- Modernization of traction power stations and traction power network;
- **Implementation of elements of efficient energy management** and operation optimization to regulate its consumption, including support for the implementation of energy management tools.

Success story: ENERGY SAVINGS



Large Czech company in Northern Moravia

Economic activity:

Production of railway locomotives



Supported investments:

- Insulation of skylights
- Replacement of compressors
- Reconstruction of heating
- Modernization of lighting
- Utilization of waste heat from production
- Measurement and regulation systems

budget
CZK 130 mil

grant
CZK 39 mil



WATER SAVINGS IN INDUSTRY

- The process of optimizing water consumption within the production process itself
- Direct water recycling in industries with high water consumption
- Reuse of polluted/used process water
- Optimization of water use in company service operations
- Reduction of water losses in closed circuits or water distributions systems
- Utilization of waste steam potential
- Optimization of cooling technology
- Collection, accumulation and use of rainwater and utility water, and more



What and who is supported

- Small, medium and large companies investing outside Prague
- **WATER AUDIT**

Level of support

- **40 - 60%** for all sizes of enterprises
- Subsidy max. **CZK 100 mil**

Receipt of applications

- **02. 10. 2023 do 28.6.2024**

OP TAK

Success story: WATER SAVINGS IN INDUSTRY



Large Austrian Company

Economic activity:

Manufacturing of wooden boards

Supported investments:

- Technology
 - Retention and pumping of rain water from sewerage
 - Treatment of retained rain water
 - Accumulation of retained rain water
 - Pumping of treated rain water
- Trucks for distribution of rain water

Implementation period:

- 2022 - 2024



budget
CZK 58 mil.

grant
CZK 23 mil



OPERAČNÍ PROGRAM TECHNOLOGIE A APLIKACE PRO KONKURENCESCHOPNOST

POTENTIAL - call II

Suitable for groups up to 3 000 employees

What is supported

- Establishment or development of centers of industrial research, development and Innovation consisting in the acquisition, machinery/equipment, intangible assets, new buildings and other equipment of the center necessary to ensure the activities of this center
- Supported activities are not production activities!
- The level of support is determined by the **Regional Map of Public Support**; unlike OP PIK, it depends on the size of the company and its location in the region.
- Beneficiaries are **SMEs and midcaps**, i.e., companies with no more than 3000 employees
- **It is not necessary to „open“ the infrastructure to other entities.**
- The cost of the acquisition of the building and new construction is then a maximum of 40 % of the total eligible investment expenses.
- Eligible expenses can only include costs for the acquisition of long-term intangible assets up to 50 % of the total eligible investment expenses for the project.

Receipt of applicatons

- **2Q**

Level of support

- Allocation of **CZK 1 billion**
- **20% - 70%** depending on the region and size of the company

Success story: POTENTIAL



Large American Company in Central Moravia

Economic activity:

Manufacturing of optical equipment

Project:

„Expansion of R&D center for the development and manufacturing of prototypes in the semi-conductor industry“

Supported investments:

- machining technology for the production of prototypes



budget
CZK 49,5 mil

grant
CZK 24,7 mil

support
50%



OPERAČNÍ PROGRAM TECHNOLOGIE A APLIKACE PRO KONKURENCESCHOPNOST

INNOVATION – call II

Suitable for groups of up to 499 employees

What is supported

- Increasing the technical and utility values of products, technologies and services (**product Innovation**)
- Increasing the efficiency of production processes and providing services (**process innovation**)

The project has a direct link to completed R&D results that reach a minimum level of **TRL 5**, i.e., technology verified in a relevant environment (in the case of key enabling technologies, verified in an industrially relevant environment).

The project has a direct link to R&D activities, i.e., the projects must use the results of own R&D, the results of R&D created in cooperation or the results of R&D in the form of technology transfer, which must be contractually documented.

Receipt of applicatons

- **7.5. – 31.7. 2024**

Level of support

- Allocation **CZK 1 billion**
- **20% - 60%** depending on the region and size of the company
- Max. **CZK 40 mil.**

Ravensburger



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