AUTOMOTIVE INDUSTRY IN THE CZECH REPUBLIC

BASIC DATA AND FACTS

UPDATE FOR **2021**

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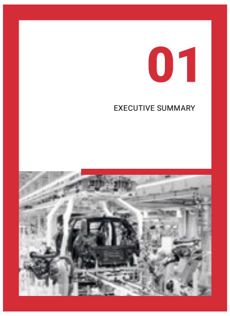
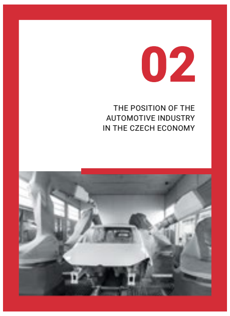
CONTENTS



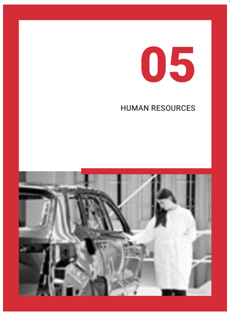
Executive summary



The position of the automotive industry in the Czech economy

Development of vehicle production

Results according to the main pillars of the automotive industry

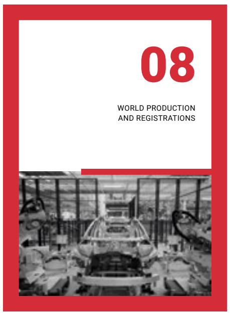


Human resources

CONTENTS

First vehicle registrations in the Czech Republic

Fleet composition in the Czech Republic



World production and registrations

Awarded companies

Current issues and priorities

01

EXECUTIVE SUMMARY

to the pre-crisis year of 2019, bus production only decreased by 270 pieces (-5.2%). For the other final manufacturing segments, last year proved successful.

The shortage of chips mainly affected the production of passenger vehicles. In the ŠKODA AUTO, Hyundai Motor Manufacturing Czech (HMMC) and Toyota Motor Manufacturing Czech Republic (TMMCZ) plants, 1,105,223 cars were produced, i.e. 4.1% less than in the previous year. More than 91% of the produced cars were exported.

Nevertheless, the effects of the chip shortage were different within the Czech Republic. While production at ŠKODA AUTO, the biggest domestic car manufacturer, decreased by 9.2% year-on-year to 680,287 cars, and production at Toyota in Kolín dropped by 8.9% year-on-year to 149,936 cars, production of Hyundai vehicles increased by 15.2% to 275,000 vehicles compared to 2020.

The trend towards clean mobility began to be felt more significantly in Czech production in 2021. Of the total number of passenger vehicles produced, 121,262 featured an electric drivetrain, which represents 11.0% of total production. The number of battery-powered electric vehicles produced amounted to 72,169 pcs (i.e. 6.5%) and plug-in hybrids (PHEV) 49,093 pcs (i.e. 4.4%). In addition, 60 electric buses were produced under the SOR Libchavy brand (i.e. 1.2% of total production).

The results of main manufacturer groups

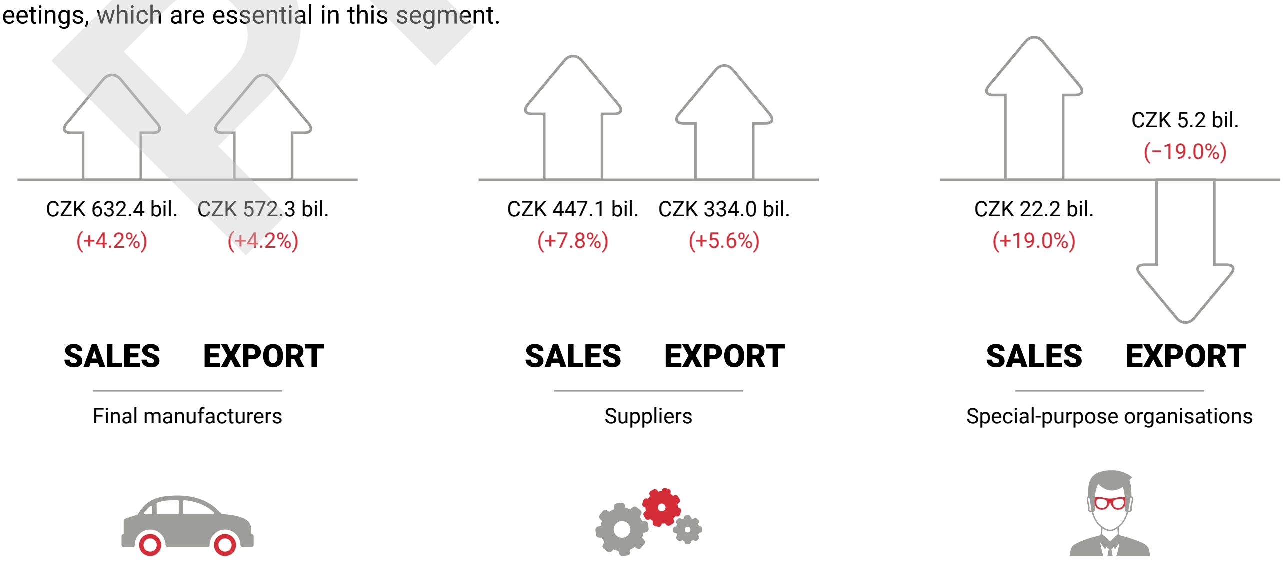
The key factors affecting the Czech automotive industry's performance are foreign ownership/business partners and customer demand. More than 90% of final production is exported; for sub-deliveries, this share has been approximately 75% over the long-term. European car manufacturers recorded another decline in sales compared to the pre-crisis years. However, this decline was not due to lower consumer purchasing power, but mainly due to supply side issues, i.e. problems in production.

According to data provided by ACEA, production in the previous year decreased by 5.7% year-on-year to 13.3 million vehicles; in 2019, 18.5 million vehicles were produced, i.e. 28.1% more. In Germany, which is the most important region for the Czech Republic, 2.9 million cars were produced (2019: 4.7 million). Despite this, the revenues of domestic companies did not match the decrease in sales and production volumes.

The total revenues of final manufacturers active in the Czech Republic reached CZK 632.4 billion, i.e. CZK 25.3 billion more than in the previous year (+4.2%) and by 4.1% less than in 2019. The export of final production increased by 4.2% to CZK 572.3 billion.

Also in the supply sector, which contributes approx. 40% to total performance, total revenues exceeded the level for the previous year. Due to the lower basis of comparison from the previous year, this segment also experienced higher growth than the final manufacturing segment. In 2021, total supplier sales reached CZK 447.1 billion, i.e. 7.8% more year-on-year; in comparison with 2019, it represents a decrease of 6.5%. The export of domestic suppliers increased by 5.6% to CZK 334 billion.

The sales generated by special-purpose organisations totalled CZK 22.2 billion (+19.0%). However, their services were used mainly by domestic companies. Exports by these companies dropped by 19.0% to CZK 5.2 billion, the lowest level since 2012. The reason for this was the ongoing Covid-19 pandemic, which substantially restricted travel and personal meetings, which are essential in this segment.



02

THE POSITION OF THE AUTOMOTIVE INDUSTRY IN THE CZECH ECONOMY

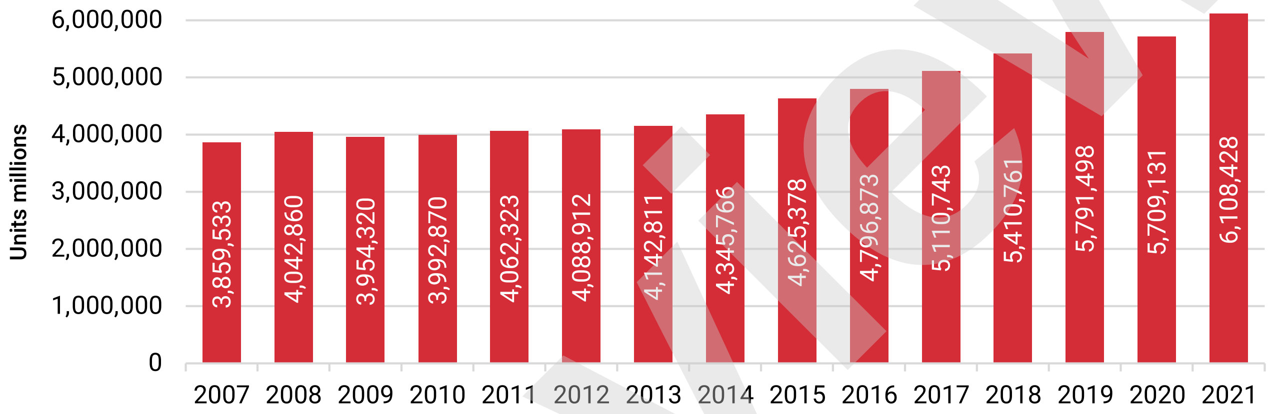
Developments in the basic macroeconomic indicators of the Czech Republic (GDP, industrial production, exports, average wages and possibly others) form a regular part of this publication.

These diagrams may differ partially from those in previous editions (the CSO adjusts the values). Aggregate data for AutoSAP are compiled from data provided by member firms via database sheets, or from expert estimates and publicly available sources (in particular the Business Register). Diagrams and brief comments highlight the position of AutoSAP member companies and the automotive industry as a whole within Czech industry and the Czech economy.

Gross Domestic Product (GDP)

The development of GDP in current prices is shown in Diagram 2.1.1. Diagram 2.1.2 shows the change in GDP compared to the previous year, calculated at constant prices.

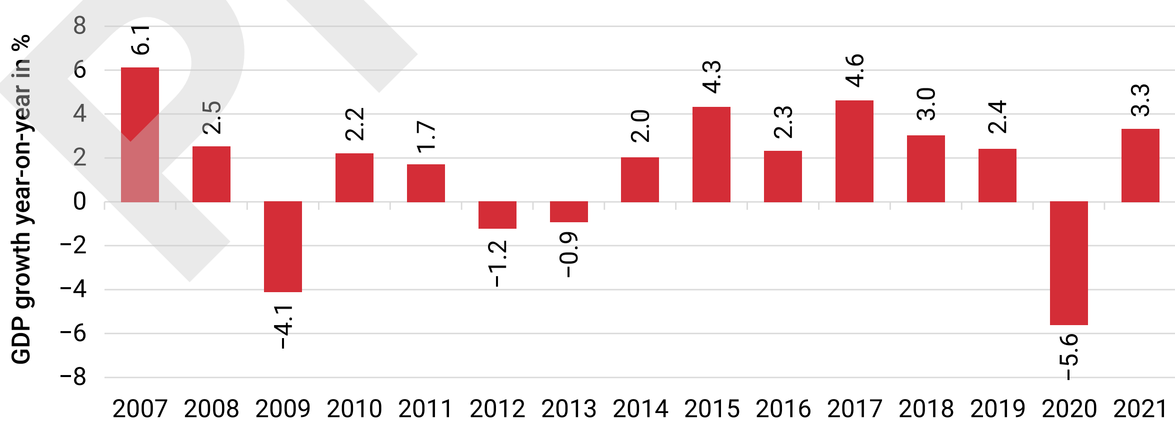
GDP of the Czech Republic using the income method at current prices D 2.1.1



Source: CSO – File "GDP – Time series of quarterly accounts indicators" of 30 June 2022

The domestic economy recovered in 2021, with gross domestic product rising slightly. The main drivers of full-year GDP growth were household consumption and changes in inventories.

Change in GDP compared to the previous year calculated at constant 1995 prices D 2.1.2

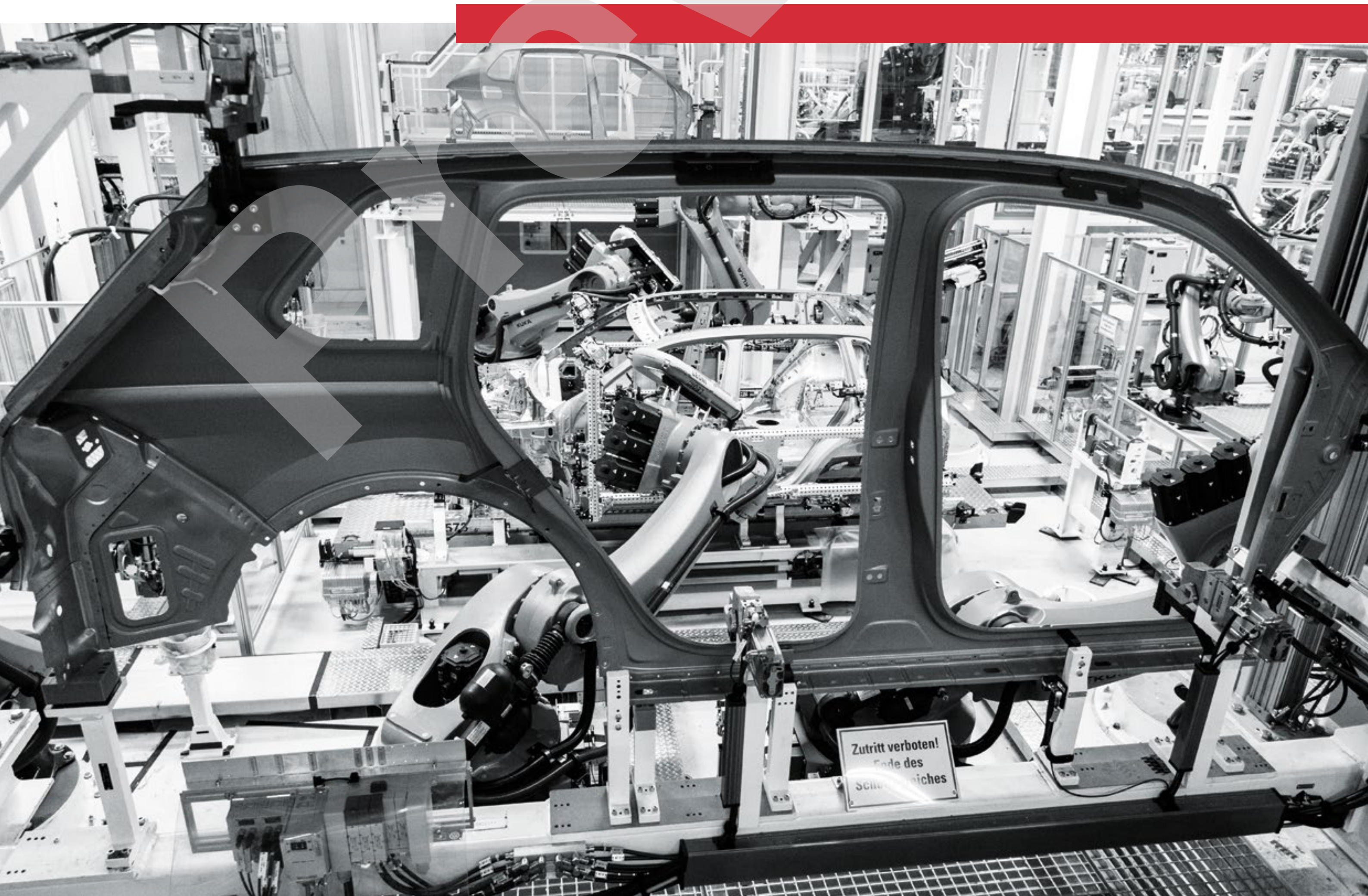


Source: CSO – File "GDP – Time series of quarterly accounts indicators" of 30 June 2022

For the full year 2021, the domestic economy grew by 3.3% compared to 2020.

03

DEVELOPMENT OF VEHICLE PRODUCTION

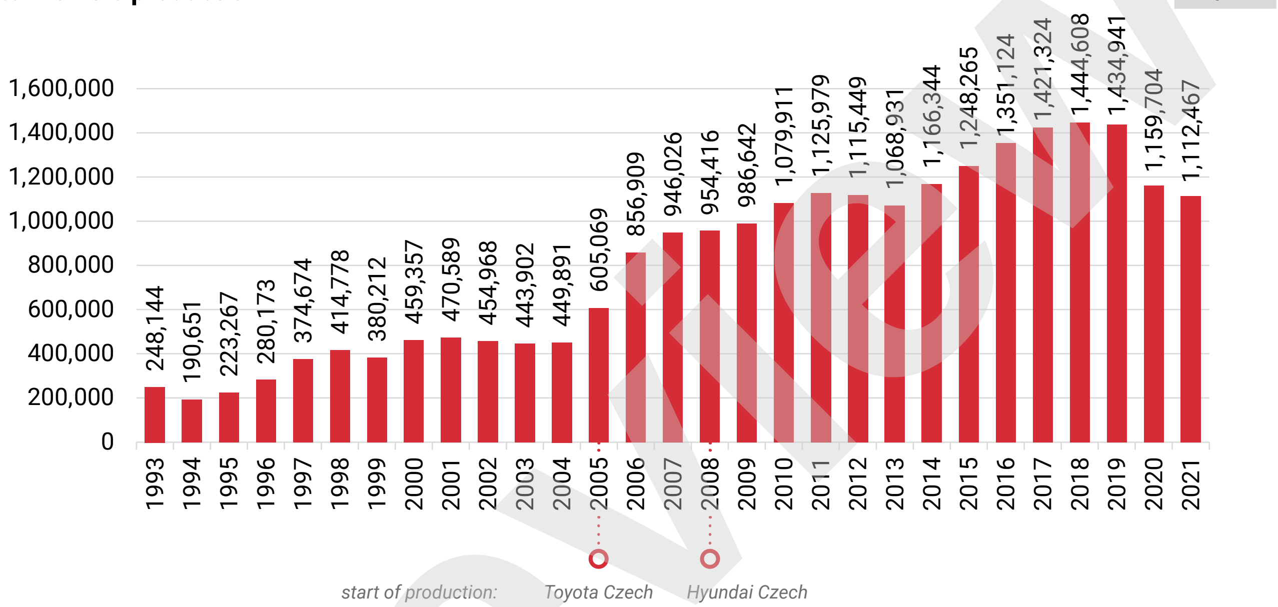


Development of vehicle production

From 1993 to the end of 2021, 23,468,715 motor vehicles were produced in the Czech Republic. The year 2021 added 1,112,467 newly produced motor vehicles to that total (see Diagram 3.1.1), a 4% reduction in production compared to the previous period. Compared to previous years, there has been a further decrease in production due to the disruption of supplier-customer relationships, in particular the shortage of chips and the ongoing Covid-19 pandemic. 3.1.2. The diagram shows that the largest year-on-year drop in production to date occurred in the early 1990s and, on the contrary, the largest increases were in 2005 and 2006 in connection with the start-up of production at the new Kolín plant of Toyota Peugeot Citroën Automobile Czech. The year 2021 was unfortunately marked by the aforementioned problems, which brought production to a halt in many places.

Motor vehicle production

D 3.1.1



Year-on-year changes in motor vehicle production

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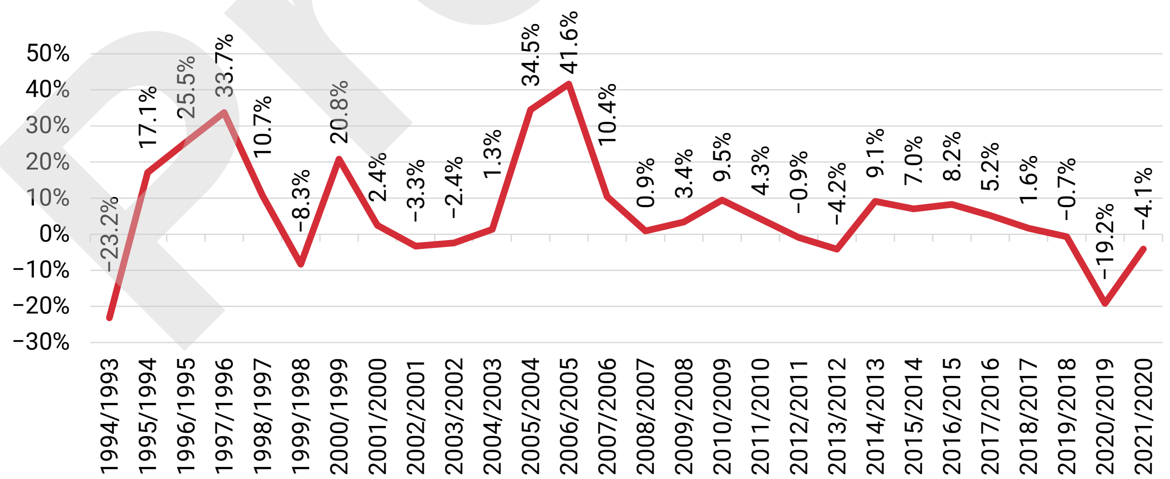

Domestic passenger vehicle manufacturers produced a total of 1,105,223 units. Passenger vehicle production once again accounted for the majority of the volume of motor vehicles produced. ŠKODA AUTO retained the largest share of total production in the Czech Republic with 61.5%, followed by HYUNDAI with 25% and TOYOTA with 13.5%. Production fell by

Automotive industry in the Czech Republic – basic data and facts / update for 2021

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