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Czech Automotive Industry Achieves Historic Success in 2017

Press Release from AIA's 2018 Annual Press Conference

Czech automotive industry has achieved excellent results in the year 2017 as a leading contributor to the growth of the Czech economy. The industry has also broken a number of historical car manufacturing records, paving the way for continued success in 2018.

AIA members in 2017

- Sales have grown by more than 7 percent in 2017, while exports have risen by over 6 percent
- 1.4 million vehicles were manufactured
- Employment has increased by nearly 6 percent, to a total of approximately 126,000 employees
- Average wage has grown by more than 7 percent, reaching CZK 37,400

The total sales of AIA members have approached CZK 1.1 billion in the past year, growing by 7.1% to the record CZK 1,094.1 billion. AIA companies generated 24.4% of the total sales of the Czech manufacturing industry. The exports of AIA members have grown by nearly 6.2% in the past year (from CZK 864.6 billion to CZK 917.9 billion), which amounted to 21.8 percent of the Czech Republic's total exports.

Results of AIA's end manufacturers

- The sales of end manufacturers have increased by 10% in 2017, same as the exports
- Road vehicle production has seen a year-on-year growth of 5.1%, to 1,446,543 vehicles
- Car production in Czechia has risen by 5.2% in 2017, to 1,413,881 vehicles
- Commercial truck production has witnessed an upsurge of 11.7%, to 1,481 vehicles
- Bus production has grown by 5.5%, to 4,631 vehicles
- Motorcycle production has expanded by 8.45, to 1,331 vehicles
- The production of trailers and semi-trailers has grown by 2.1%, to 25,219 units

Last year was the best in history for end manufacturers. We have managed to maintain our leading position, both in Europe and worldwide, in bus production per citizen. The country has become the second largest car manufacturer (per citizen) in the world. The Czech Republic is the 5th largest motor vehicle manufacturer in Europe and 17th largest manufacturer worldwide.

Results of AIA's automotive industry suppliers

- Supplier companies have contributed significantly to the growth of the Czech automotive industry in the year 2017
- Automotive supplier sales have grown by 3.4%, exports have grown by 0.6%.
- Six of AIA supplier companies rank among ten largest AIA exporters
- Suppliers provide jobs for 62% of employees in the automotive industry

For suppliers and subcontractors in the automotive industry, 2017 has been a very successful year. Sales in the

segment have seen a year-on-year increase of 3.4%, which clearly illustrates its continued robust growth and development. Suppliers still rank among AIA's leading exporters. Czech auto parts manufacturers account for more than 42 percent of exports in the Czech automotive industry.

Suppliers also provide much of the employment in the automotive industry: 62%, or 77,918 employees of AIA members work for supplier businesses.

Note: Changes in AIA membership structure have resulted in a slightly less dynamic sales and exports growth.

Results of AIA's specialized organizations

- The sales of specialized organizations have grown by 10.4% to CZK 19.8 billion
- The exports of specialized organizations have grown by 10.5% to CZK 5.8 billion

Specialized organizations, such as automotive research, development and design companies, are steadily gaining in importance within the AIA.

Czech automotive industry as an employer

- Employment in AIA companies has increased by 5.8% to 126,375 employees
- Average wage in AIA companies in the year 2017 was CZK 37,399 (Y.o.Y growth by 7.1%)

The number of employees working for companies associated in the AIA has increased to 126,375, which represents a 5.8% year-on-year increase compared to the year 2017 (by 6,929 people). Employment numbers have improved in all segments of the automotive industry: end manufacturers, suppliers, and other companies and organizations. The average wage in AIA companies in 2017 has increased by 7.1% to CZK 37,399, while the average wage in blue-collar professions has grown by 8.4% to CZK 31,272. The overall average wage in AIA companies is 26.8% higher than the average wage in the Czech Republic, and even the average wage in blue-collar professions is 6% higher than the Czech average wage.

Fulfilling the Goals of the Memorandum on the Future of Czech Automotive Industry

- In October 2017, representatives of the Czech automotive industry signed a Memorandum on the Future of Czech Automotive Industry, launching a strategic cooperation with the Czech government.
- Joint task forces have been set up and operate under the coordination of the Czech Ministry of Industry and Trade.
- By December 2018, an evaluation will be completed regarding the implementation of the Memorandum's goals and action plan.

Implementation of the Memorandum on the Future of Czech Automotive Industry has been assigned to 5 task forces (Electromobility, Digitization, Research & Development – managed by the Ministry of Industry and Trade; Autonomous Driving – managed by the Ministry of Transport; Education – managed by the Ministry of Education, Youth and Sports). In all of the above areas, various measures have been proposed and are currently being implemented. An implementation report will be presented to the Czech government by the end of the year.

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The Automotive Industry Association is an industrial grouping of 146 car manufacturers, suppliers and other businesses from the Czech automotive industry. AIA represents its members' interests abroad through membership in the industry associations ACEA, ACEM, and ODETTE. AIA members account for almost 25 percent of the Czech Republic's industrial production and export, employing more than 126,000 people.