

CENTRAL BOHEMIA – THE INDUSTRIAL HEART OF EUROPE

There is a long tradition of industrial manufacturing in the economy of Central Bohemia. However, unlike most old industrial regions, the Central Bohemia Region underwent a significant transformation of manufacturing, which is now increasingly reliant on research and development. As a matter of fact, the manufacturing industry still plays a major role in the regional economy. Companies active in this sector account for almost 40% of the regional economy's performance, and create more than 30% of jobs. The importance of industry in the region's economy keeps increasing over time, unlike most other EU countries, and manufacturing has a high share of economic performance compared to other regions of Europe.

The automotive industry is a key area. The entire production chain is represented in the region's economy, from manufacturers of simple parts (Tier 2+) through specialised suppliers of complex modules (Tier 1) to final manufacturers of vehicles for domestic and global markets. This is closely linked to further sub-contractors. Domestic and foreign companies play an important part in this sector.

A number of companies are linked to the demand in the automotive industry in other sectors as well, such as machine engineering, plastics production, electronics and electrical engineering, and information technology. At the same time, in addition to manufacturing, the region is also developing construction, design, and research and development activities of companies operating in the manufacturing industry, not only in the above-mentioned main industries, but also in new sectors such as life-science, biotechnology, medical instruments and laser technology.

The region's specialisation in manufacturing may be advantageous in the future, given the recent years' disruption of supply chains, logistics problems and increasing global geopolitical risks. These may result in declining use of imports of industrial intermediate products from South-East Asia and especially in moving strategically important production activities to the EU. In this respect, the Central Bohemia Region can draw on its rich experience in a wide range of industries and focus on strategically important high value-added industries.

KEY INDUSTRIES IN THE CENTRAL BOHEMIA REGION, 2022

Share in performance in the manufacturing industry

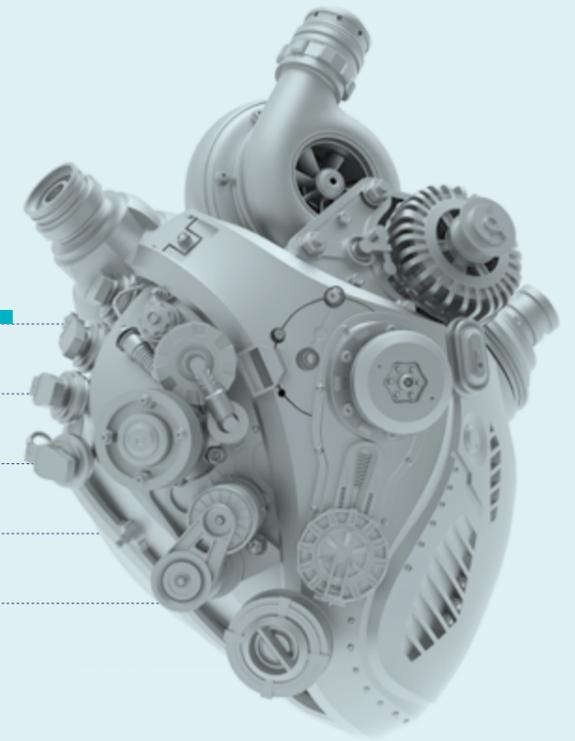
Automotive **58,7%**

Engineering **12,1%**

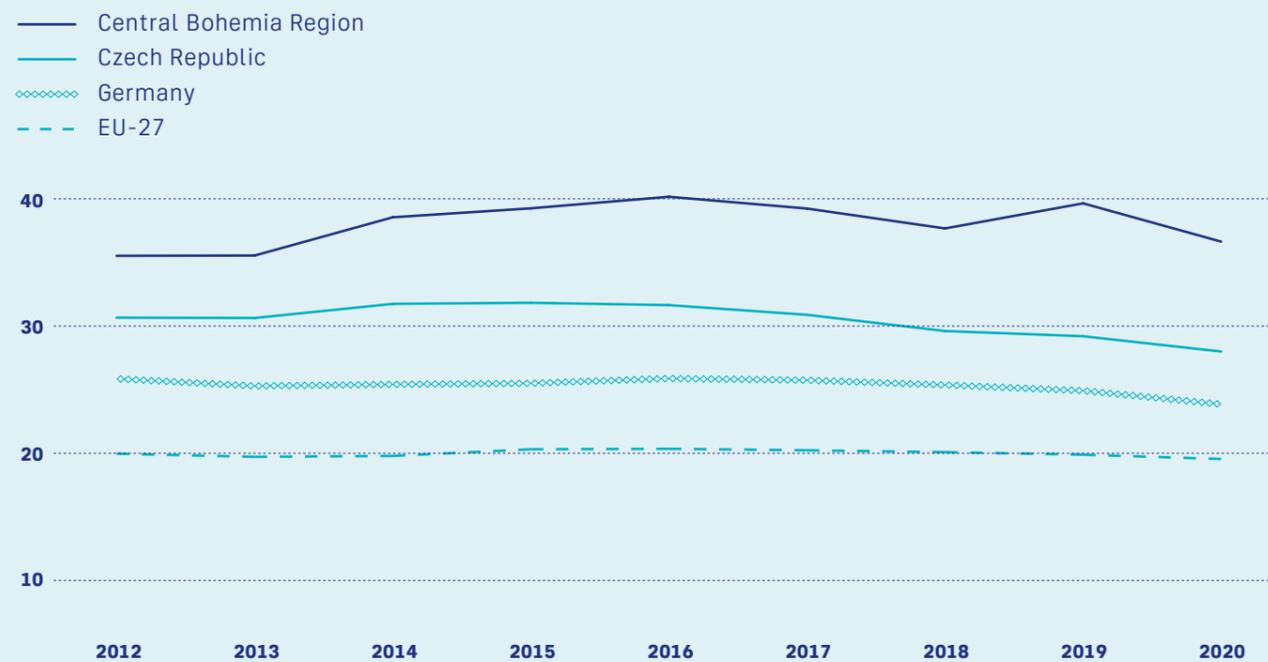
Chemical **4,7%**

Food processing **4,7%**

Others **19,8%**



CONTRIBUTION OF THE MANUFACTURING INDUSTRY TO GROSS VALUE ADDED, 2014-2020 (%)



CONTRIBUTION OF THE MANUFACTURING INDUSTRY TO GROSS VALUE ADDED, 2020 (%)

