

## Chemical industry

The chemical sector is one of the most important branches of industry in Europe. Chemicals play a key role in the Czech economy as well.

In terms of sales, the integrated chemical industry is the second-largest industrial sector in the Czech Republic after the automotive industry.

The Czech chemical industry's products include inorganic and organic chemicals, fertilisers, basic petrochemicals, primary-form plastics, synthetic resins, synthetic rubber, paints, dyestuffs and pigments, agrochemicals, pharmaceuticals and cosmetics, soaps and detergents, chemical fibres and explosives.

In 2018, the Czech chemical industry's sales amounted to EUR 19.67 billion at current prices and the industry employed 129,500 people. Nevertheless, chemical imports exceeded exports by EUR 13.3 billion – a deficit that increased by EUR 6 billion year on year. In 2018, 1,851 chemical companies were registered in the country. Annual investment reached EUR 1.98 billion and Czech companies financed 50%-70% of R&D themselves, with the balance comprising EU and state funding in the total amount of EUR 43.2 million. Collaboration between industry and academia is working well.

The main chemical clusters are in northwest Bohemia, north Moravia and central Bohemia, but plants can be found throughout the country. Several Czech chemical plants (Deza, Lovochemie, Precheza, Synthesia) are owned by Agrofert, a domestic holding company focused mainly on fertiliser production, though foreign investors also play a significant role in the local chemical industry. Unipetrol, which is owned by the Polish-based Orlen Group, is engaged in oil refining. The Orlen Group has its own filling-station chain in the Czech market and is the majority owner of two other production complexes, Unipetrol in Litvinov (petrochemicals and refinery products) and Spolana in Neratovice (polymers and fertilisers). The Polish firm also owns another major plant near Prague, Synthos in Kralupy nad Vltavou (synthetic rubber).

The Hungarian firm Borsodchem manufacturers base chemicals at its plant in Ostrava in the northeast of the Czech Republic, while Synthomer engages in acrylic acid production in the west of the country.

There are numerous examples of successful foreign investments in Czech chemical industrial parks, such as those of Cayman Pharma (API production) in the Spolana complex, Eurosupport Manufacturing (catalyser production), Air Products in the Unipetrol Litvinov complex, Dukol (adhesives production) at the Borsodchem facility and Central Glass (electrolyte production) in the Synthesia complex.

The Czech Republic has tremendous potential as a destination for investments in the chemical industry thanks to its infrastructure and workforce, as well as the space that it has available for such investments. The industry is a crucial supplier of raw materials for a number of downstream domestic industries. It also ranks among the industrial sectors with the highest innovation potential.

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