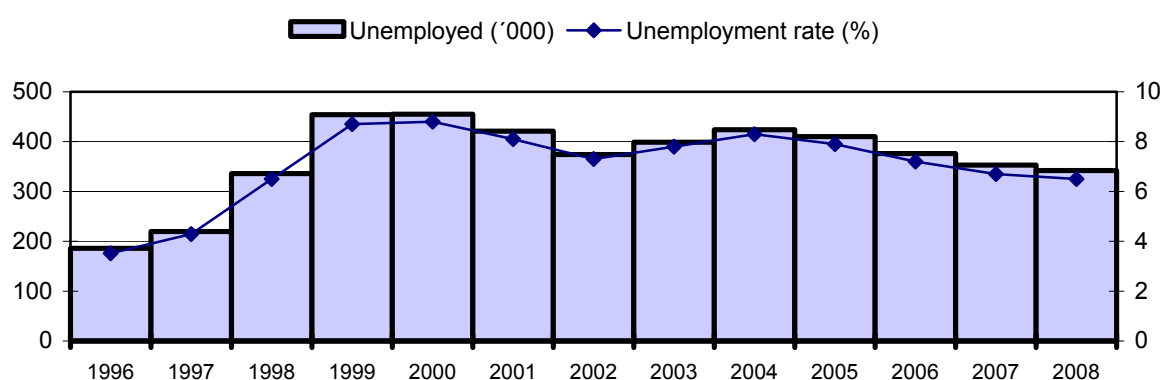


7. Labour Availability

LABOUR MARKET

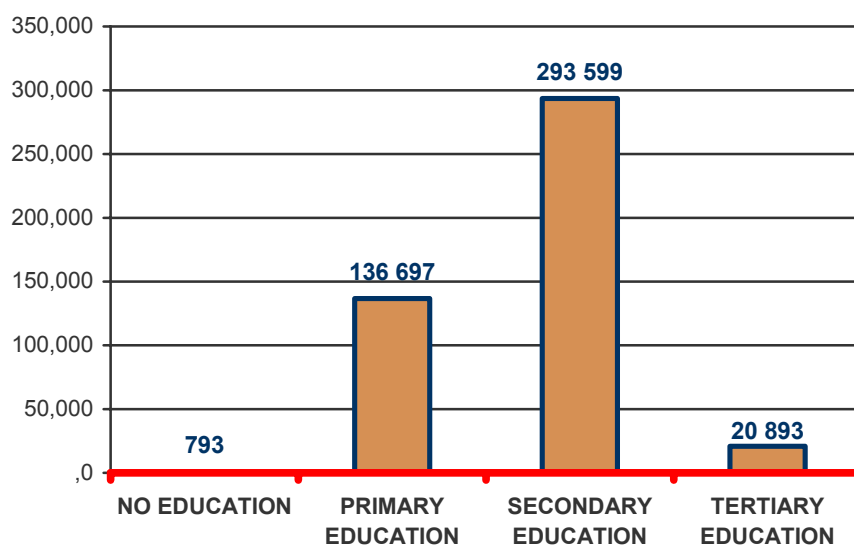
Unemployment in the Czech Republic has been rising particularly since 1997 (see chart below). However, since 2004 there has been a slight yet noticeable decrease, which is partly linked to the dynamic growth of the Czech economy. The situation in the labour market of the Czech Republic is marked by considerable regional differences. A major role in the development of the labour market is also played by developmental changes in individual industrial sectors. The electrical engineering sector has been enjoying an upsurge, together with optical instruments, rubber and wood-processing. There has also been a large number of investors and considerable growth in the automobile industry. (Source: European Commission, Labour Market Information, 2005).

Number of unemployed and unemployment rate in the Czech Republic



Source: Ministry of Finance, October 2006, (2006-2007 forecast, 2008 outlook)

Number of unemployed in the Czech Republic – split according to attained education (Q3 2006)

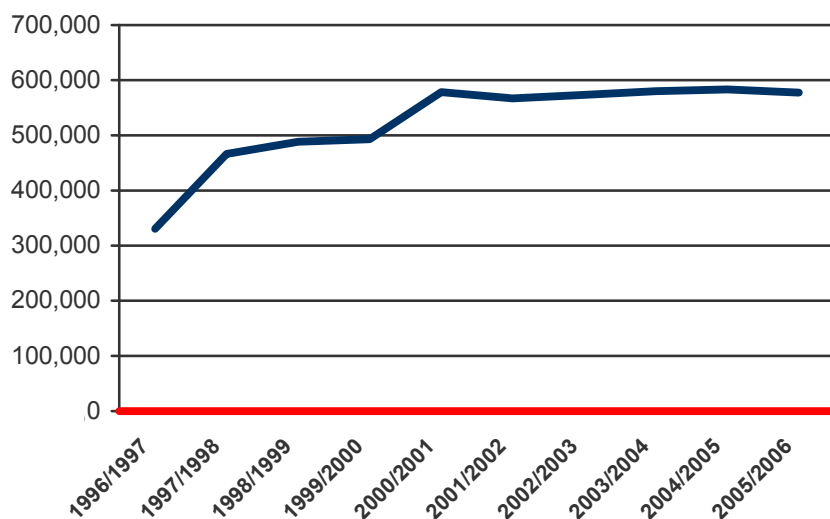


Source: Ministry of Labour and Social Affairs, 2007

A HIGHLY SKILLED LABOUR FORCE

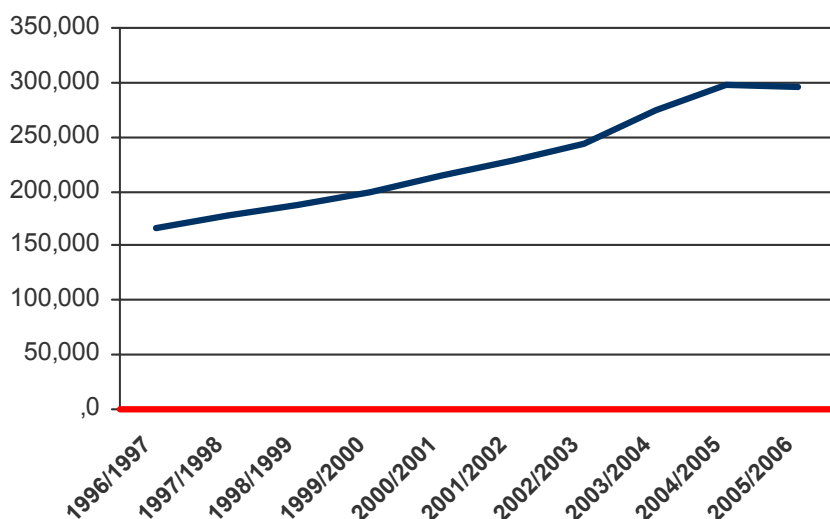
One of the main attractions of the Czech economy is a skilled and well-educated labour force available at a fraction of the cost of those in western economies. According to the OECD, the Czech Republic is among the countries with the highest percentage of science and engineering students (for more details see the Fact Sheet on Technical Education). The number of university students increased from 118,000 in 1990/91 to 296,435 in 2005/2006, due not only to changes in the education system but also to a demographic bulge of 18-26 year olds that represent a promising group for foreign investors.

Secondary school students



Source: Institute for Information in Education, 2006

University students



Source: Institute for Information in Education, 2006

LABOUR MIGRATION

Fewer than 1,000 people leave the Czech Republic every year to live and work abroad. Fears that EU accession would lead to an exodus of Czech workers were unfounded. The number of Czechs leaving the country for work in the "old member states" is relatively low. There are over 250,000 foreigners with valid residency and work permits living in the Czech Republic. Over 10,000 foreigners move to the Czech Republic annually. See the Fact Sheet on Relocating to the Czech Republic for details on visa and work permit regulations.