Introduction to the International Trade Operations

- Business methods background
- The current political and legal status of the Czech Republic in foreign trade

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Content of the presentation

1. Business methods
2. Classification of business methods
3. Specification of factors influencing the choice of business methods
4. External trade relations of the Czech Republic
5. The current political and legal status of the Czech Republic in foreign trade

BUSINESS METHODS

The **globalization** of the world economy coupled with mature and saturated home markets mean that international activity is a major management issue for most large retailers today (Rafiq, 2014).

However, the **move from purely domestic retailer to international retailer** is a significant step for these reasons (Bhatia, 2008):

- The retailer is moving into a different business environment
- The retailer needs to make a long-term commitment of a substantial amount of resources in order to establish the brand in the foreign market
- Investing abroad will eventually require a significant internal reorganisation of the company

Therefore, it is important to use **appropriate business methods** to internationalize traders. Each business method of internationalisation presents its own advantages and disadvantages as regards **cost and funding of new investment**, **how quickly the retailers wants or needs to establish itself abroad** and **the risk factors involved.** (Bhatia, 2008)

Nowadays, all types of retailers (luxury goods and specialist retailers, fast-moving consumer goods, fashion) are active in international retailing activities.

TYPES OF BUSINESS METHODS

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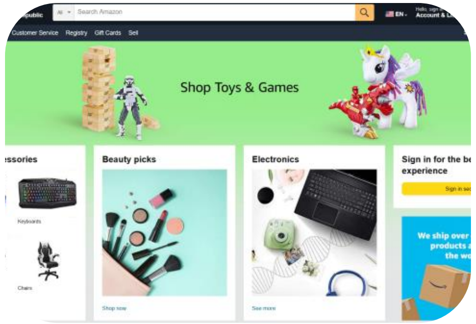
Exporting



Licensing product brand

Licensing process

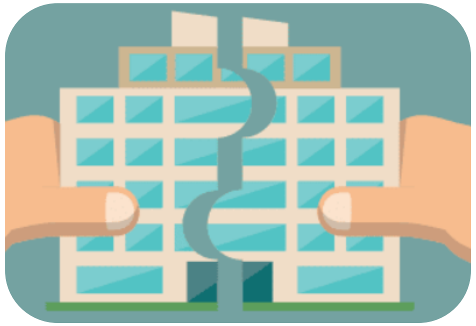
Agents

Management contract

Franchising

Strategic alliance

Joint venture



Acquisition

Establish subsidiary abroad

CLASSIFICATION OF BUSINESS METHODS

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Business methods are usually explained in terms of useful, cost, risk and market growth. However, for the purposes of this subject, we will focus on trade operations and usefulness of methods in retailing.

Figure 1: Business methods of internationalisation in retailing

	Business method	Trade operations	Method is useful for/when
	Exporting	Receives order from abroad; sends product abroad	Premium brands from high-class retailer; easier with website
	Licensing product brand	Sells brand through another store in foreign country	Recognised brand in niche or undeveloped markets
	Licensing process	Allows another retailer to use store brand or format	Service element usually makes this method inappropriate for retailing
	Agents	Uses an individual or company to represent its interests	Cost of alliances is too high or market potential is limited
	Management contract	Manages a business for another company; it receives a fee plus a percentage of profit	Hotel sector; in newly developing regions; where ownership restricted to national firms
	Franchising	Allows another business to operate under its name	Fast food; cosmetics; hotels; fashion products
	Strategic alliance	Has partnership with another retailer or distributor to work together	Entry into some markets for political or cultural reasons
FDI	Joint venture	Setting up jointly owned subsidiary to develop new market	Host country´s laws regulate ownership or require indigenous partner
FDI	Acquisition	Buys existing retail business. May convert to own format or keep existing brand	Quick entry to local markets; useful where there are significant restrictions on market competition or store development
FDI	Establish subsidiary abroad	The company has an ownership interest in the business.	Organic growth (used by Tesco in Eastern Europe)

Source: adapted from Bhatia, 2008

SPECIFICATION OF FACTORS INFLUENCING THE CHOICE OF BUSINESS METHODS

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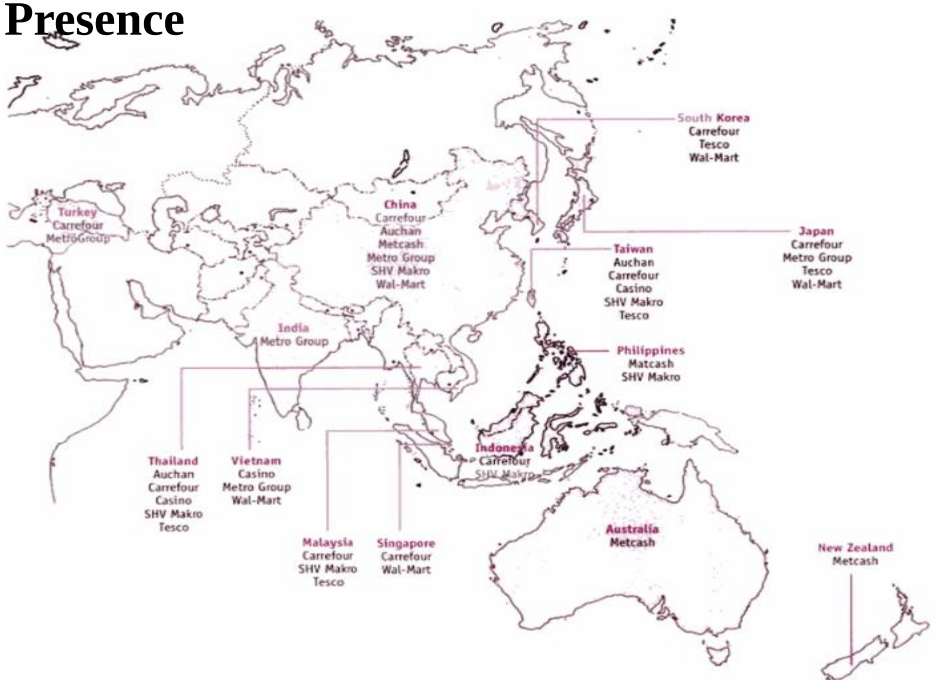
Global retailers carefully **plan** their international operations.
Before entering a new market they do a feasibility study and then design the best **strategy** for market entry.
Different international retailers have entered foreign markets at different points of time.
The business methods that global retailers take to entry a market depends on various **factors** such as (Mukherjee and Patel, 2005; Rafiq, 2014):

- Cost, control, uniqueness of the format
- Financial strength of the firm
- Local market condition
- Existing regulation governing retail trade
- Characteristics of the supply chain
- Availability of infrastructure facilities
- Consumer demand patterns
- Presence of domestic organised retailers
- Barriers to foreign investments in allied sectors such as real estate

Figure 2: Non-Asian Retailers Regional Presence



Source: Mukherjee and Patel, 2005

Foreign Direct Investment in Retailing

Despite the fact that FDI brings a number of **benefits** to an emerging countries, it is mostly limited (as was presented in examples at the previous slide) and business methods need to be adapted to the location.

Impact of foreign direct investment in retailing on developing countries (Mukherjee and Patel, 2005)**:**

- Increased the speed of development of modern formats
- Improved productivity and efficiency of the retail sector
- Enhanced sourcing
- Improved quality of employment (no negative impact of employment if the economy is growing)
- Encouraged investment in supply chain
- Led to integration of suppliers, logistic service and retailers (reduction in the number of intermediaries)
- Linked local suppliers, farmers, manufacturers to global markets
- Low cost global retailers are likely to lower prices
- Consumers are assured of product quality, better services and shopping experience

Most Preferred Entry Routes of Global Retailers

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The most preferred entry routes of global retailers are ranked from the most used method the following (Mukherjee and Patel, 2005):

1. Mergers and acquisitions
2. Joint ventures
3. Franchising
4. Wholesale cash-and-carry

MERGERS AND ACQUISITIONS

It allows bypassing barriers related to consumer preferences in merged company, which means that company A + company B = company A, where company B is merged into company A (Gaughan, 2017). Acquisition means gaining control over the company´s activities.

- **Example in retailing:** In 1997, Wal-Mart entered German market through acquisition of the local chain Wertkauf. Later it purchased another local chain Interspar. By purchasing these two domestic chains, Wal-Mart wanted to gain significant market share and at the same time reduce its competitors. Wal-Mart also entered by this way these markets: UK (Asda), Canada (Woolco), Asia (TOPS), and Latin America (Disco). (Mukherjee and Patel, 2005)

Most Preferred Entry Routes of Global Retailers

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JOINT VENTURES

It allows to circumvent the consumer preferences related barriers in collaboration with the local firm.

- **Example in retailing:** In 1991, Wal-Mart first set up operations in Mexico by opening Sam´s Club with 50-50 joint venture with Cifra, one of Mexico´s largest retailers. It now operates in Mexico under the name of several entities.

FRANCHISING

It allows firms to expand without investing their own capital, is based on local expertise and enables firms to circumvent local oppositions and regulations.

- **Example in retailing:** McDonald´s have entered into many countries through this mode.

WHOLESALE CASH-AND-CARRY

A cash and carry wholesaler has a warehouse set up with a cash and carry wholesale business (products are sold for cash and typically without any sort of delivery service).

- **Example in retailing:** Metro AG of Germany and Shoprite Checkers of South Africa have entered India through wholesale cash-and-carry operations.

Barriers to National and International Expansion

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Barriers to National and International Expansion

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A large number of retail chains are expanding their operations beyond national boundaries, however, only few of them are able to sustain those operations and make profits. In some countries, domestic legislation controls the types of entry methods employed by retailers (Rafiq, 2014). → **Why are they doing this?**

Examples of failure in retailing:

- Carrefour had to withdraw from the US due to steep competition from Wal-Mart
- Wal-Mart had to leave Hong Kong after two years of its entry in 1994 and withdraw from Indonesia following the 1997-98 riots when its Jakarta store was looted and torched.
- Boots (UK-based health and beauty product retailer) had to sell its Dutch store to Royal Ahold in spite of having significant profits at home.

Multinational retailers face several barriers and difficulties in overseas markets, which includes these ones:

- **Barriers to entry and operation** (only faced by foreign retailers)
- **Domestic regulation related barriers** (both foreign and domestic retailers)
- **Other barriers** (both foreign and domestic retailers)

Barriers to Entry and Operation

Retail trade relies heavily on the freedom to establish a commercial presence in the foreign country. Hence, any barrier which limits the ability of firms to establish commercial presence affects international retailers. In many countries there are significant **market access restrictions** on foreign investments.

Examples in retailing:

- In Sri Lanka, foreign investment is not permitted in retail trade with a capital investment of less than US $1million.
- In Malaysia, in case of acquisitions by foreign investors, 70 per cent equity can be held either by Malaysians or foreign investors as long as the 30 per cent "Bhumiputra" (Malays and other ethnic groups) equity condition is met.
- China has allowed entry of foreign players in retailing through joint ventures, there are several requirements relating to minimum wholesale volume, minimum imports and exports, minimum registered capital etc.

Typically market access restrictions (Mukherjee and Patel, 2005):

- ➢ Limiting foreign equity ownership to specific levels
- ➢ Limitation on the purchase or rental or real estate
- ➢ Economic needs tests for service suppliers
- ➢ Requirement to form a joint venture with local suppliers

Domestic Regulation Related and Other Barriers

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Many countries have imposed **regulations** which prevent large retailers from expanding their operations and benefiting from economies of scale. These restrictions **prevent anti-competitive** practices and/or **protection to the local small retailers**.

Example in retailing:
-In Germany, restrictions on shop opening timings and on retailers´ pricing policies, under the fair trading and anti-trust laws, is making it difficult even for larger players like Wall-Mart to operate in that market.

Typically domestic market access restrictions (Mukherjee and Patel, 2005):
- Restrictions on the number of retailers
- Restrictions on the size and location of outlets
- Restrictions on the outlets and zoning regulations

Other barriers include these ones:
- Strong local competition
- Unfamiliar customers taste
- Low purchasing power of consumers
- Customers preference for certain domestic formats
- Unstable political situation
- Poor quality of infrastructure

Summary of National and International Expansion Barriers

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Common Barriers to Entry and Operation:

- FDI restriction
- Joint venture/local incorporation requirement
- Minimum capital requirement
- Local sourcing requirement

Common Barriers Due to Domestic Regulation:

- Restrictions on geographical location and zoning regulation
- Limitation on size and number of retail outlets
- Restrictions on shop opening timings
- Restrictions on pricing, advertising, promoting and selling certain products

Common Other Barriers:

- Strong local competition
- Unfamiliar customers taste
- Low purchasing power of consumers
- Customers preference for certain domestic formats
- Unstable political situation
- Poor quality of infrastructure

- **What other barriers can affect international expansion?**
- **Why is knowledge of these restrictions important in trade operations?**

BUSINESS METHODS AND EXPANSION BARRIERS
- a task to practice

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WORK IN PAIRS

Each team draws a Czech company selling a specific product and a market that the company wants to enter with its product.

Task processing procedure:

- Conduct a market analysis and try to **identify** all possible barriers to entry
- **Decide** which business method of market entry is most appropriate and **justify** your claim

Time: **20 minutes + 20 minutes to present team results and vote on the best team**

The best group will receive a one bonus point!

Business methods: exporting, licensing product brand, licensing process, agents, management contract, franchising, strategic alliance, joint venture, acquisition, establish subsidiary abroad (FDI)

The specification of major markets – United States

The US economy received a boost from fiscal policy in 2018, with a combination of **tax cuts and spending increases**, which fuelled increased demand and caused a temporary acceleration of growth. Yet fiscal policy also led to bottlenecks and wage acceleration, given that the economy was already at full employment. The Federal Reserve responded by **raising interest rates**, a process which is likely to continue in 2019. Ultimately, **tight monetary policy combined with trade wars** and **a potential reversal of fiscal policy** will cause the **economy to slow down** and, possibly, go into **recession within two to three years.** With weak investment and exports, consumer spending has fuelled growth. Yet spending has mostly risen faster than income, as households dipped into savings and took on more debt. This situation is not sustainable indefinitely. Unless there is a **significant acceleration in wages**, it is likely that growth in consumer spending will slow down in 2019. Moreover, after tariffs have been fully implemented, this too could negatively affect consumer spending. (Global Powers of Retailing, 2019)

Figure 3: The illustration map of the United States of America

Source: Global Powers of Retailing, 2019

The specification of major markets – Eurozone

In 2018, after very strong growth, the Eurozone economy **decelerated considerably owing to higher energy prices**, a **high valued euro**, **trade uncertainty, and weakening global demand**. Yet the Eurozone is not at risk of recession. **Inflation remains low owing** to high unemployment in many Eurozone countries. This is likely to result in continued easy monetary policy. In addition, fiscal policy is easing in several countries, energy prices are declining, and the euro is falling in value. Thus, **growth is likely to stabilize at a slower pace than in 2017**. The biggest risk to the Eurozone **is political**. That is, high unemployment has fuelled a populist backlash against European integration. In elections, **non-traditional parties have increased their share of the vote,** making it more difficult to form coalitions and to govern. The risk of conflict between the EU and member countries has risen, weakening its ability to respond to future crises. As of late 2018, a conflict was already under way between Italy and the EU over the size of Italy's planned budget deficit. The outcome of this dispute remains uncertain. (Global Powers of Retailing, 2019)

Figure 4: The illustration map of the Eurozone

Source: Global Powers of Retailing, 2019

The specification of major markets – China

China’s economy **decelerated in 2018**, despite an easing of monetary policy meant to offset the potential impact of worsening trade relations with the US. The deceleration was due to **weak export demand** (itself the result of an overvalued currency); and a **weakening of fixed asset investment**, **partly owing to excess capacity**, and p**artly owing to trade concerns.** Longer term, onerous demographics are boosting labour costs and weakening consumer spending growth. A debate now rages within China as to the future direction of policy, especially in an environment where globalization is threatened. China could go down the road towards market liberalization and freer trade with countries other than the US or it could turn inward and focus on state-run companies and a state managed economy. Meanwhile, the government has sought to fill the gap left by the US pivoting away from Asia. It is seeking to lead a **free trade regime within the Asia Pacific region**, and has used its vast surplus to fund infrastructure investment in friendly countries through the Belt and Road Initiative. (Global Powers of Retailing, 2019)

Figure 5: The illustration map of China

Source: Global Powers of Retailing, 2019

The specification of major markets – Japan

Japan's economy **faces a conundrum**. For some time, growth has stemmed disproportionately from exports. Yet with a slowdown in the global economy, a threat to China-based supply chains and with the protectionist policies of the US government, **Japan cannot depend on exports exclusively for growth.** Although the government has encouraged a shift toward growth based on domestic demand, its efforts have not yet been successful. A tight labour market has generated higher wages, but consumer spending has not responded commensurately. The government intends to **boost the national sales tax** in 2019 in order to assure future fiscal integrity. Yet the last time this tax was raised, it led to a **recession**. The central bank has indicated that it will not tighten monetary policy until the tax is implemented, but it has shied away from further easing of policy, despite the failure to bring inflation to the central bank's target rate. (Global Powers of Retailing, 2019)

Figure 6: The illustration map of Japan

Source: Global Powers of Retailing, 2019

The specification of Czech economy

Despite the turmoil on the financial markets and the upward trend towards protectionism, the global economy managed to deceleration the growth rate to 3 % from 3.6% in 2019. Nevertheless, **the Czech economy thrived**, where the focus of growth shifted to domestic demand. However, favourable developments over the past five years have already exhausted labour market reserves. **Unemployment rates have fallen to the lowest level ever,** and the lack of free labour has become a major problem. As expected, the upward pressure on wage growth and the tighter monetary policy followed.

In five steps, the **CNB increased its basic interest rate from 0.5% to 1.75% in 2018**. Foreign trade plays a key role in economic development. The share of exports of goods and services in GDP **reaches 80% and rising in the long term**. (Deloitte, 2019)

Figure 7: The map of the Czech Republic

Source: CUZK, 2019

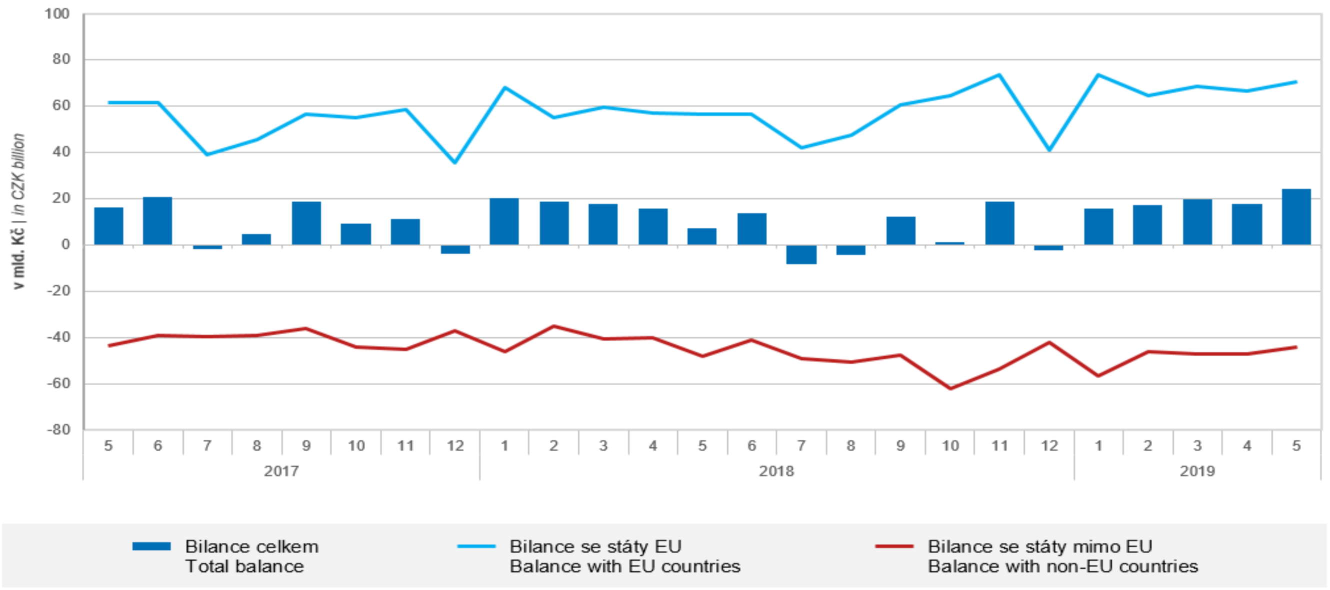
EXTERNAL TRADE RELATIONS OF THE CZECH REPUBLIC

External economic relations are determining for the Czech Republic, because it is a small, **very open economy** and **export** is one of the basic conditions of economic growth. The Czech Republic is a **historically important exporter** and is dependent on imports of certain fuels and raw materials. The accession of the Czech Republic to the EU represented a major impetus for the development of foreign-trade relations with developed European economies, especially Germany. (Mulačová et al., 2013)

- The following figure shows an increase in exports and its excess over imports caused by the opening of Western European markets through the trade balance.

According to preliminary data, the trade balance of goods at current prices ended in May 2019 with a surplus of CZK 24.4 billion, which was by CZK 17.2 billion higher year-on-year level (Figure 8).

Figure 8: External trade balance in the national concept



Source: CSO, 2019

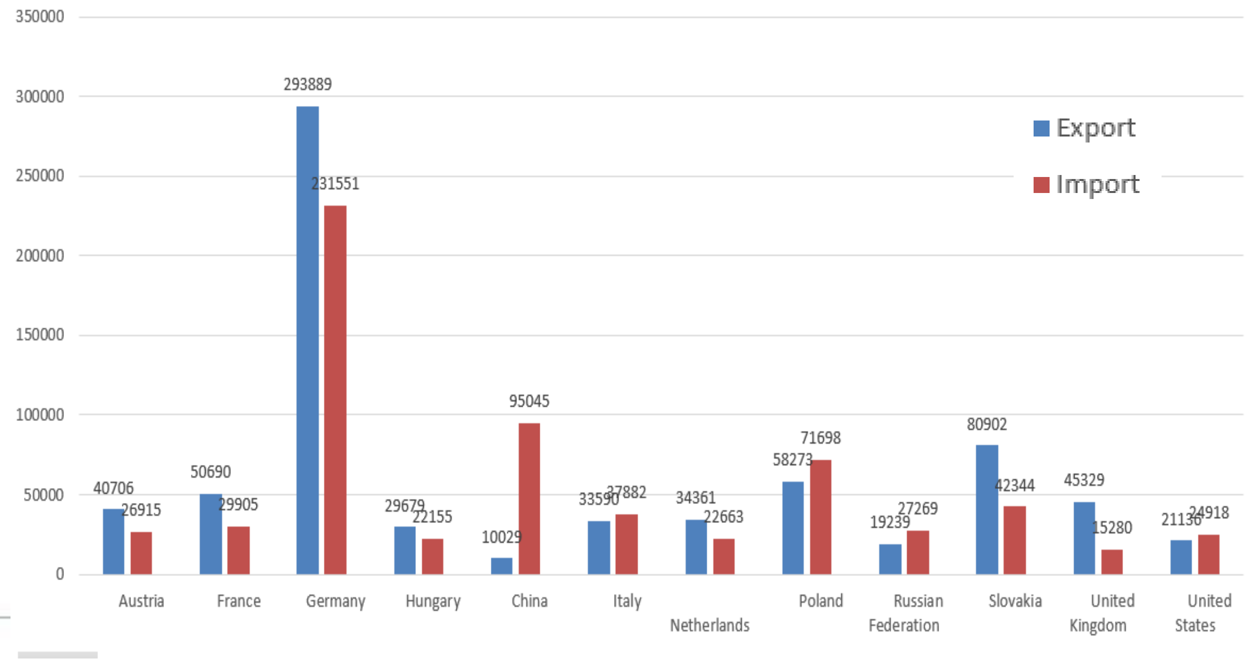
Territorial Structure of Foreign Trade of the Czech Republic

Czech export and import focus mainly on **economically developed countries and the European market.** Countries with the largest exports include Germany, Slovakia, Poland, France and the United Kingdom. Imports are dominated by Germany, China and Poland.

- The following figure shows the overall trade balance (red columns), the trade balance from the perspective of EU countries and non-EU countries.

From the territorial point of view, the biggest trade deficit is in China (-85 016 CZK million), Germany (62 338 CZK million), Slovakia (38 559 CZK million) and the United Kingdom (30 049 CZK million). The Czech Republic trades mainly with neighbour countries. In 2018, the share of neighbour countries accounted for 51% of total exports and 41% of imports. (CSO, 2019)

Figure 9: Export and Import of the Czech Republic by territorial structure (in CZK million)



Source: CSO, 2019

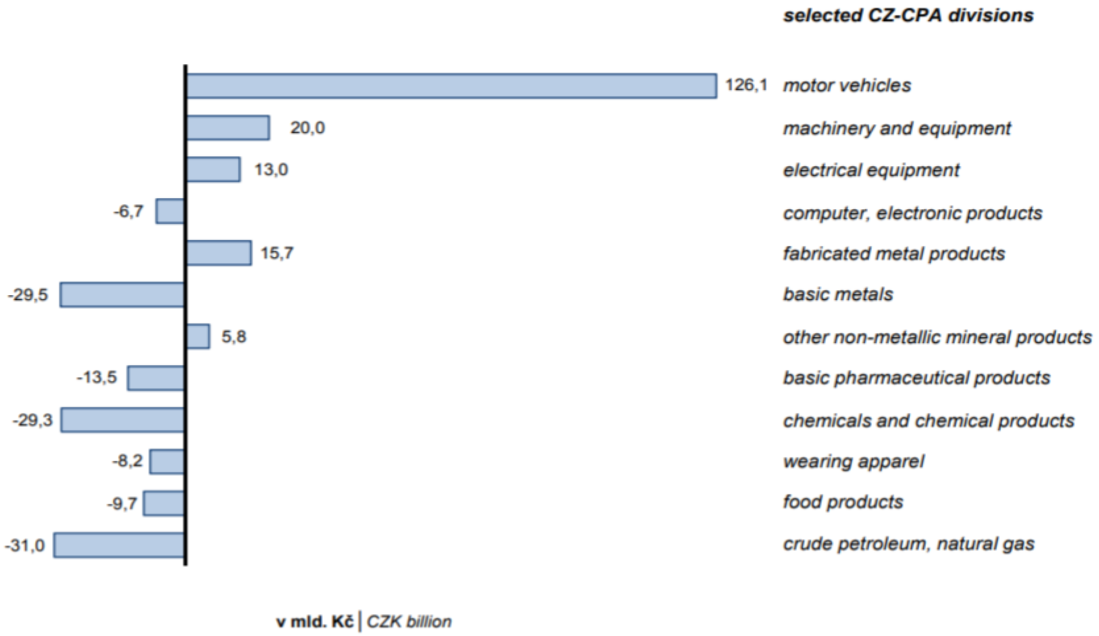
Foreign Trade Commodity Structure of the Czech Republic

The current structure of Czech foreign trade is limited mainly to processed products. The basis of export are motor vehicles, machinery and equipment, fabricated metal products and electrical equipment. Passive balance is achieved most in crude petroleum, natural gas, basic metals and chemicals and chemical products. (CSO, 2019)

- The following figure shows external trade balance by CZ-CPA.

Machines and means of transport have a dominant position in Czech exports to the EU market. They account for 56% of total exports. Year-on-year level, their exports to the EU-28 increased by 138.5 billion crowns. The main export item remains road vehicles. (CSO, 2019)

Figure 10: Commodity structure of exports and imports in the Czech Republic (1st quarter 2019)



Source: CSO, 2019

THE CURRENT POLITICAL AND LEGAL STATUS OF THE CZECH REPUBLIC IN FOREIGN TRADE

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The Czech Republic is influencing its external relations trade policy through contractual and autonomous instruments. Czech trade policy is based on liberalism, so active autonomous instruments prevail. Tools of trade policy of the Czech Republic are divided as follows (Mulačová et al., 2013):

1. Contract Tools

The contractual instruments are based on multilateral contractual obligations entered into by the Czech Government resulting from membership in **international organizations** and **membership in the EU**. The basis of EU trade policy is a common customs policy, common rules on commodity and service trade and its implementation. **Bilateral agreements** are of limited importance to EU membership

Example of bilateral agreements:

- Economic Cooperation Agreements between the Czech Republic and India (MPO,2019)

2. Passive Autonomous Tools

Passive market protection instruments are regulated within the EU. These instruments include, in particular, tariff instruments in the form of customs. **Customs clearance** takes place at customs offices or in the customs area throughout the EU and a **JCD** (Single Administrative Document) form is submitted and all necessary goods and transport documents are attached. Imports and exports in the **Intrastat** system are kept in intra-EU trade.

3. Active Autonomous Tools

Active instruments include various export promotion measures and assistance to exporters, including subsidies that comply with WTO rules. These instruments are defined by the **Export Strategy** of the Czech Republic and are **coordinated by the Ministry of Industry and Trade** and the **institutions** established for these purposes.

Trade Policy of the Czech Republic

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The Czech Republic, as a member country of the EU, applies a liberal trade policy. The country is a member of most major international organizations and, in line with **the World Trade Organization** (WTO) objectives, is an open economy removing barriers to free trade. It formulates its trade policy in accordance with **the United Nations** (UN) resolutions and its UNCTAD Conference (Trade and Development Conference). The basic objective is to promote the Czech Republic's economic interests abroad and to create conditions for the application of Czech businesses in foreign markets (Mulačová et al., 2013). The primary responsibility for implementing UN objective lies with the **Ministry of Industry and Trade** (MPO). The ministry is responsible for the management of industry, construction, foreign and internal trade. Its activities are as follows (MPO, 2016):

- **coordinates the preparation of legislation** and **implementation** of European law within the competence of the Ministry
- **coordinates the Czech Republic's foreign trade policy** in relation to individual states;
- **ensures the negotiation of bilateral and multilateral trade** and economic agreements, including commodity agreements;
- **implements trade and economic cooperation** with the **EC, EFTA, OECD, WTO** and other international organizations and integration groups;
- **manages and carries out activities** related to the application of the licensing regime for economic contacts with foreign countries, assesses imports of dumped and dual-use products and takes measures to protect against the import of such products;

Specialized Export Support Institutions in the Czech Republic (Active Autonomous Tools)

The specialized institutions are shaped to support Czech exports:
-**CzechTrade** (the institution is subordinate to the Ministry of Industry and Trade)
-**Czech Export Bank**
-**Export Guarantee and Insurance Corporation** (EGAP)
-**CzechInvest** (the institution is subordinate to the Ministry of Industry and Trade)
-**CzechTourism**

CzechTrade

It is primarily an export support agency whose aim is to support the competitiveness of Czech exporters abroad. It provides extensive information on foreign markets and advisory and assistance services. It has an extensive network of foreign and regional offices. CzechTrade services make it easier for companies to choose suitable export territories, shorten the time they enter the market and support activities aimed at further development of the company abroad. (CzechTrade, 2019)

The services of the Czech Trade agency:

- information service
- export advice
- export education
- Actions for Exporters
- Design for export
- Exporter Directory
- Export Client Centre
- Chances for successful export (individual services free of charge)

Specialized Export Support Institutions in the Czech Republic

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Czech Export Bank (ČEB)

It is a specialised, directly and indirectly state-owned banking institution. The bank is subject to supervision by the Ministry of Finance of the Czech Republic in terms of its activities in the field of preferential financing, and subject to the supervision of the Czech National Bank in all matters related to its banking license. ČEB's mission is to support Czech exports and the renown of the Czech Republic as a well-established international exporter, and thus promote the overall competitiveness of Czech products throughout the world. (ČEB, 2019)

Main products for Czech exporter are:

- Credits and Trade Finance Products
- Treasury Products

Export Guarantee and Insurance Corporation (EGAP)

It is a credit insurance corporation insuring credit connected with exports of goods and services from the Czech Republic against political and commercial risks uninsurable by commercial insurance. The Czech Republic exercises its shareholder rights through the Czech Ministry of Finance. (EGAP,2019)

Main services offer for Czech exporter are:

- Risk of non-payment directly for exporters and financing bank
- Risk of devaluation of the investment
- Risk of cancellation of the contract by the importer
- Insurance of bank guarantees

Specialized Export Support Institutions in the Czech Republic

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CzechInvest

The Investment and Business Development Agency (CzechInvest) is a state contributory organization subordinate to the Ministry of Industry and Trade of the Czech Republic. The agency arranges for the Czech Republic both domestic and foreign investments in the areas of manufacturing, business support services and technology centres. It also supports small, medium-sized and innovative start-up companies, the country’s business infrastructure, and innovation. Main **CzechInvest´ services are** (CzechInvest, 2019):

- **assistance** during implementation of investment projects
- **consulting services** for foreign investors entering the Czech market
- **Aftercare services** for foreign investors that are already operating on the Czech market
- **administration** of a business-property database
- **support for suppliers** – administration of a database of Czech supplier firms
- **mediation of state investment** aid and contact with state administrative bodies and local authorities
- **partnering** with entities in the research and development and academic spheres
- **assistance for the development of innovative start-up** firms by means of the agency’s programs

The **current key sectors** for CzechInvest are Aerospace, Automotive, Business Services, Electrical Engineering and Electronics, Advanced Engineering, ICT and Data Centres, Life Sciences and Nanotechnology. (CzechInvest, 2019)

Specialized Export Support Institutions in the Czech Republic

CzechTourism

The CzechTourism is a state contributory organization founded by the Ministry of Regional Development of the Czech Republic.

The **basic objective** of CzechTourism **is to promote the Czech Republic as a travel destination abroad** and in the Czech Republic. To achieve this goal, CzechTourism, in coordination with the Ministry of Regional Development of the Czech Republic, fulfils the following main tasks (CzechTourism, 2019):

- **Coordination** of tourism activities
- Destination **marketing**
- **Media presentation** of the Czech Republic, tourism industry and CzechTourism agency
- **Information support** for tourism
- **Research** and **educational activities**
- **Economic and administrative management** of the Agency

CzechTourism also operates tourist **information centres**. These centres provide **a comprehensive information service** on all tourist regions in the Czech Republic in foreign language.

SUMMARY

- Retailers can use to move from purely domestic retailer to international retailer these business methods: **exporting, licensing product brand, licensing process, agents, management contract, franchising, strategic alliance, joint venture, acquisition and establish subsidiary abroad (FDI).**
- The choice of business methods depends on various factors, e.g. cost, **control, uniqueness of the format, financial strength of the firm, local market condition, characteristics of the supply chain, presence of domestic organised retailers, barriers to foreign investments in allied sectors.**
- The most preferred entry routes of global retailers are these methods: **mergers and acquisitions, joint ventures, franchising, wholesale cash-and-carry.**
- The most known barriers in international expansion are **FDI restriction**, **minimum capital** requirement, **joint venture** requirement, **local sourcing** requirement, **limitation on size and number of retail outlets**, restrictions on pricing, advertising, promoting and selling certain products, strong local competition, unfamiliar customers taste, low purchasing power of consumers or poor quality of infrastructure.
- Good knowledge of the target **market economy** is very important in the internationalization of business operations.
- The internationalization of Czech trade is supported by various state organizations, for example **CzechTrade, Czech Export Bank, Export Guarantee and Insurance Corporation, CzechInvest and CzechTourism.**

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