Abstract

Foreign direct investment (FDI) plays an important role in the development of some regions. In last years the number of new FDI projects has decreased and therefore the countries and regions pay more attention to their present investors to keep them in their country or region. This kind of services is called after-care services.

This diploma thesis examines the situation of after-care services in the Czech Republic. It can contribute to examination of impacts of FDI on host economy, because the after-care services try to maximize the contribution of FDI project to this economy by facilitating the successful start-up and continuing development of FDI project. The work examines three main ways of effective after-care services and their geographical distribution: expansions, upgrading of plant status and increasing level of embeddedness in the regional economy (e.g. subcontracting).

The main provider of after-care services in the Czech Republic is the government agency CzechInvest which provides incentives and other programmes for foreign investors. Using incentives for expansions has increased during last years and almost one third of them were also used for upgrading of plant status (creation of technological centres or centres of strategic services). Expansions are concentrated mainly in the central Bohemia, especially in Prague metropolitan area, while the attraction of other metropolitan areas is not so strong. Relevant number of expansions and new created jobs is located in the problem regions with more favourable incentives. These findings prove that the natural attraction of regions for FDI and their expansions is influenced to some extent by the programmes of CzechInvest which provide more support to less favoured regions. The expansions with upgrading of plant status are located rather in regions with higher quality of human resources. Most of expansions (including expansions with upgrading of plant status) are located at the same place as the former investment project.

CzechInvest provides only limited number of programmes for increasing level of embeddedness in the regional economy and that is the reason why the impacts of these programmes are rather insignificant.

Foreign investors who were questioned in this work use mainly incentives for expansions and creation of technological centres. They are generally satisfied with the services provided by CzechInvest.

The impacts of after-care programmes (and thus the impacts of FDI) on the regional economy are difficult to measure. Nevertheless the geographical distribution of expansions, including expansions with upgrading of plant status, may contribute to examination of regional differences in impacts of FDI.