CENTRE FOR ECONOMIC STRATEGY

A Strategic Economic Dialogue: Czechia–Ukraine Fact Sheet

Czechia is Ukraine's 16th-largest export market and 7th-largest source of imports, while Ukraine accounts for about 1% of Czech trade. The Ukrainian diaspora in Czechia is substantial, representing more than half of all foreign residents and creating strong social and labour-market links. Ukrainian business presence in Czechia remains limited, whereas Czech companies have a long-established footprint in Ukraine, with over 200 offices and major investors such as Czechoslovak Group in defence, Škoda Transportation in transport engineering, Agromino A/S in agriculture, and several firms active in energy, retail and manufacturing. This asymmetry defines the starting point for deeper economic integration and targeted bilateral cooperation.

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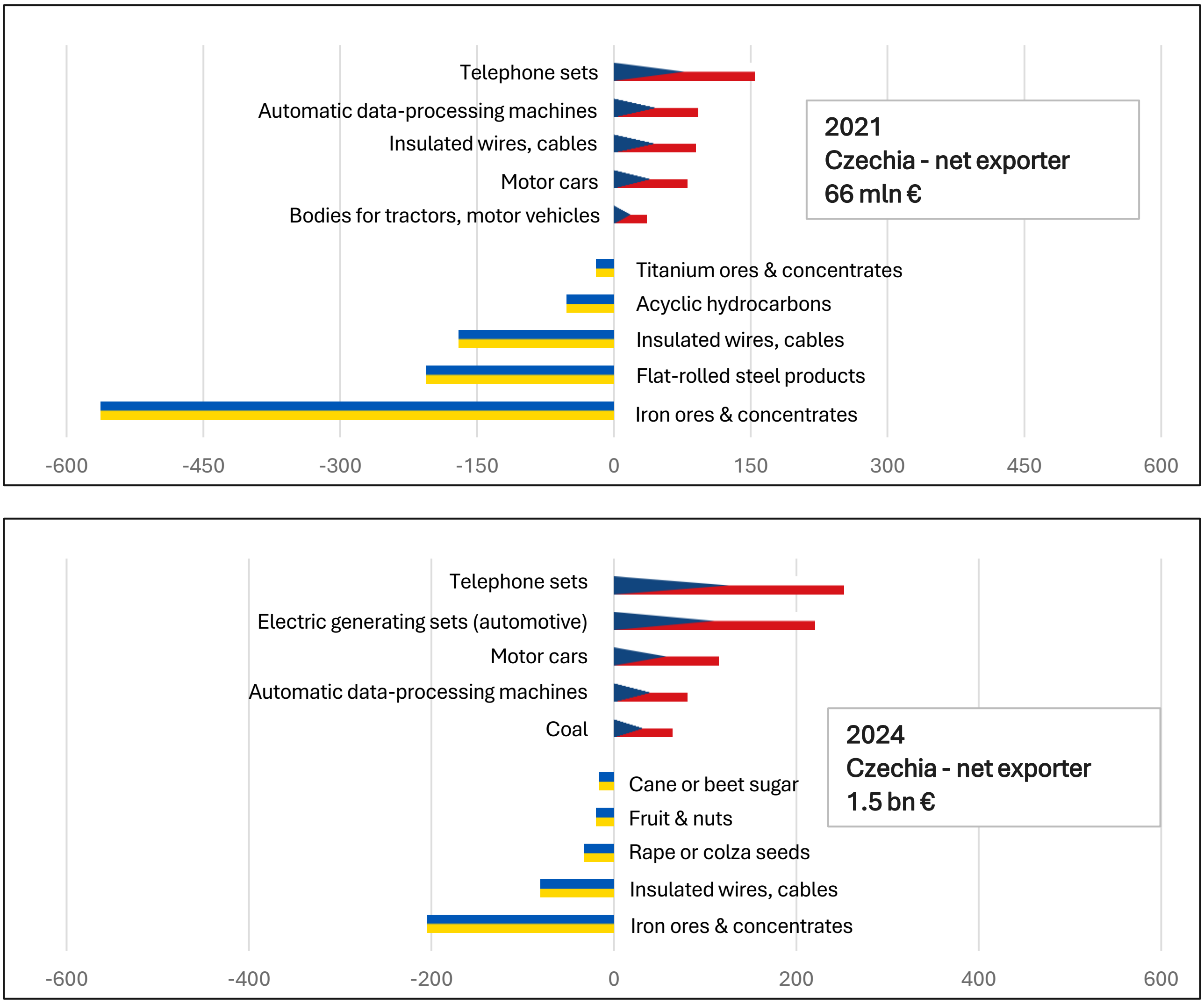
FREE MOVEMENT OF GOODS

Before the full-scale invasion, 47% of Ukraine's exports to Czechia were iron ores and concentrates, and 14% were insulated wires & cables. War and occupation led to a collapse in exports, widening Ukraine's net import gap. Iron ores and insulated wires & cables remained Ukraine's top exports, but between 2021 and 2024 their shares fell to 27% and 11%, and their values almost halved to €204.4 mln and €80.5 mln. Ukraine continues to supply 55% of Czechia's iron ore and 45% of its titanium ore imports. Agricultural exports increased: rape/colza seeds (4%) and sugar (1%) were absent before the full-scale invasion, while the share of fruit and nuts rose to 3% (+€14.2 mln). Ukraine now supplies 17% of Czechia's rape/colza, 23% of its sugar, and a notable share of fruit and nuts.

Everlast, a Ukrainian manufacturer of tank semi-trailers, tanker trailers, and vehicle-mounted tank units for transporting gas, petroleum products, chemicals, and food-grade goods, exports to Czechia through its official dealer.

Figure 1. Trade balance in goods between Czechia and Ukraine by product group (€ mln)



Source: ITC Trademap

Communication equipment (telephone sets) remains Czechia's top export to Ukraine, accounting for around 12% of total exports and increasing 1.6 times (+€298.3 mln) between 2021 and 2024. Electric generators and accumulators have surged, reaching 10% of Czech exports to Ukraine and 10% of Ukraine's total imports, up from just ~1% pre-war. Coal exports to Ukraine have grown nearly tenfold and now supply 17% of Ukraine's coal imports. Unmanned aircraft, absent before the invasion, now represent 3% of Czech exports to Ukraine and 5% of Ukraine's global drone imports.

In Ukraine, the Eurocar plant (part of the Atol Holding group) is the official assembly site for Škoda cars. It functions under a toll-manufacturing scheme, whereby SKD (semi-knocked-down) kits are imported from Czechia. These include key components such as engine units, transmissions, axles, wheels, driveshafts, exhaust and ignition systems, and body shells, with final assembly completed at the Solomonovo plant in Zakarpattia. Consequently, Eurocar ranks among Ukraine's largest car producers. In 2021, it assembled 3,476 cars, and by 2024, only 1,479.

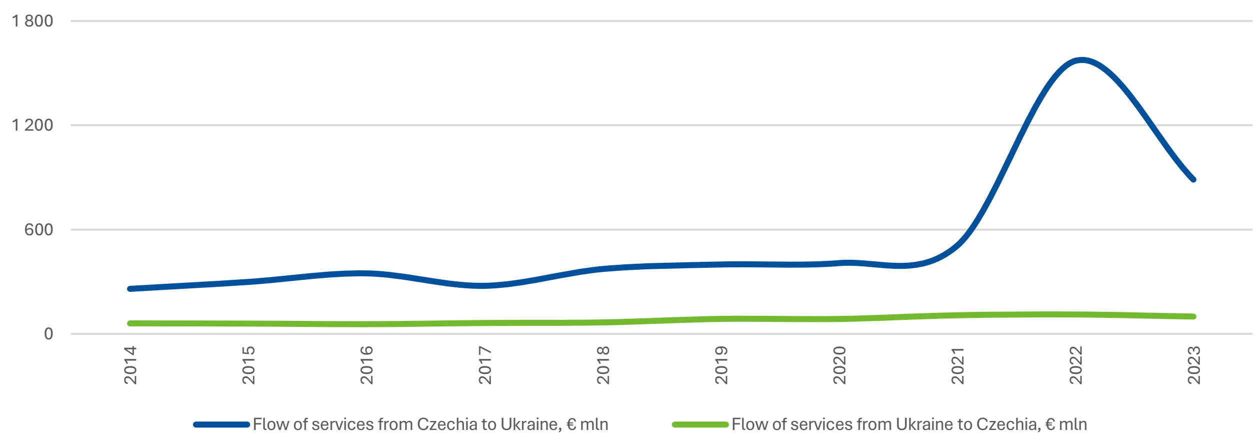
The assembly process shows deep integration with the Czech automotive supply chain: Czechia supplies key components such as ignition systems and body parts, while Ukraine exports automotive cables back to Czechia. These two-way flows reflect a vertically segmented production chain, with Ukraine handling labour-intensive assembly and cable manufacturing and Czechia providing higher-value components.

Several Ukrainian companies also import finished machinery and components from Czechia for sale on the Ukrainian market. For example, Agro-Temp is a supplier and service operator of agricultural machinery and the exclusive distributor of the Czech manufacturer Zetor in Ukraine. Another example is MOTORIMPEX, which designs and produces hydraulic, lubrication, and pneumatic systems and serves as the exclusive distributor of Simplex, a Czech producer of low- and high-pressure hoses.

FREE MOVEMENT OF SERVICES

Czechia-Ukraine trade in services surged in 2022, driven largely by wartime demand, with the balance strongly favouring Czechia. Czechia ranks among Ukraine's top 30 service trade partners, while Ukraine is in Czechia's top 10, though it accounts for only about 1% of Czechia's extra-EU service imports. Czechia has run a growing services-trade surplus with Ukraine since 2014, peaking at €1,459.4 mln in 2022 before easing to €788 mln in 2023.

Figure 2. International trade in services between Czechia and Ukraine, € mln



Source: CES calculations and visualisation based on Eurostat, International trade in services (since 2010)

This reflects strong Czech exports in transport, telecommunications and IT services, which expanded during the war amid heightened demand for logistics and digital infrastructure. Data for 2023 point to a partial return to more normal trade patterns and to gradually strengthening Ukrainian service exports, especially in IT and business-process outsourcing.

FREE MOVEMENT OF PERSONS

Before the war, Czechia had the EU's third-largest Ukrainian-born community (~194 thousand residents). After the full-scale invasion, a further ~374 thousand Ukrainians received temporary protection. By June 2025, ~567 thousand Ukrainians were living legally in Czechia, accounting for 54% of all foreigners. Most are working-age adults, with women of working age accounting for 42% of those granted the protection; the rest are men (29%), children (24%), and the elderly (4%). Among Ukrainian refugees, 59% are employed, 65% hold higher education, and 65% report being able to afford good living conditions. By contrast, the Czech community in Ukraine remains small: ~10 thousand people as of 2024.

FREE MOVEMENT OF CAPITAL

Bilateral capital flows between Ukraine and Czechia remain asymmetrical but active. Only a few Ukrainian companies operate in Czechia – mainly Nova Post and several defence and dual-use producers that have recently opened facilities under the bilateral security agreement. A joint venture is already producing Ukrainian Leleka LR drones in Czechia, signalling a small but growing Ukrainian industrial presence.

By contrast, Czech investment in Ukraine is long-established and broad. More than 200 Czech companies maintain offices or subsidiaries in Ukraine, including 20 firms in the Dnipropetrovsk region alone, where they have invested ~$12 mln under Czech patronage. The largest investor is Czechoslovak Group/Excalibur Army, whose sales in Ukraine reached €1.7 bn in 2024, accounting for 42.8% of its global revenue. Škoda has also played a significant role, investing roughly $250 mln into the Eurocar plant.

Other major Czech investors include Agromino A/S, which manages grain production, land leases and vertical farming operations, purchasing seeds, fertilisers and machinery from Ukrainian suppliers. Agromino invested €20 mln in Kharkiv region in 2006 and more recently established its own port operator in Chornomorsk.

Czech companies are also active across infrastructure and industrial sectors. MND co-financed the €75 mln Skoliv wind farm in Lviv, the largest project of its kind completed during the full-scale invasion. Dekonta is supporting recovery efforts by deploying mobile water-treatment units in war-affected areas. Škoda Transportation, operating from its office in Dnipro, continues to work on railway and urban transport projects. In the Lviv region, firms such as Hennlich Ukraine and Triumph International operate in retail and food processing, while in the Odesa region Bugaz Invest – Neptun manufactures electronic equipment.

Despite this activity, fresh Czech equity inflows into Ukraine during the full-scale war have been modest: only $29 mln[1], or less than 1% of total FDI.

IMPLICATION FOR INTEGRATION POLICY AND STRATEGIC BILATERAL DIALOG

The vertically segmented automotive chain already links the two economies in an EU-compatible way. Deepening co-production in automotive and defence could position Ukraine as a reliable alternative supplier to China for Czech industry, while creating a stable market in Ukraine for jointly produced automotive, dual-use and defence goods.

Beyond automotive and defence, the strongest opportunities lie in expanding joint food-processing capacities for the EU market, scaling renewable energy projects (wind and biomass), advancing defence co-production under NATO/EU procurement frameworks and developing IT and innovation programmes that enable Ukrainian professionals to integrate into the EU market through Czech partners.

The large Ukrainian diaspora in Czechia (nearly half of all foreigners) can serve as a structural bridge for investment, skills transfer and cultural integration. Bilateral vocational-training initiatives, particularly targeting women, would support Ukraine's reconstruction needs and supply the skills required in priority UA-CZ industrial cooperation sectors.

Ultimately, Czechia stands to gain a strategic partner on its border, a secure supply base for key industries, and a new market for Czech technology, transport, food-processing and defence firms. A structured bilateral dialogue should therefore prioritise high-value supply-chain integration, harmonisation with EU standards and institutional partnerships that help Ukraine integrate into the Single Market, while delivering direct economic and security benefits to both partners.

The Centre for Economic Strategy (CES) is an independent centre for state policy research. CES is tasked with supporting reforms in Ukraine to achieve sustainable economic growth in the country. The Centre contributes to the development of Ukraine's economic growth strategy, analyses the most important aspects of public policies, and works to strengthen public support for reforms. It was founded in May 2015.

For more information about CES, please contact our Director of Communications, Viacheslav Nozdrin - viacheslav.nozdrin@ces.org.ua. We also invite you to visit our website.

[1] Data might be incomplete, as businesses often structure ownership via foreign jurisdictions, incl. offshore or low+tax