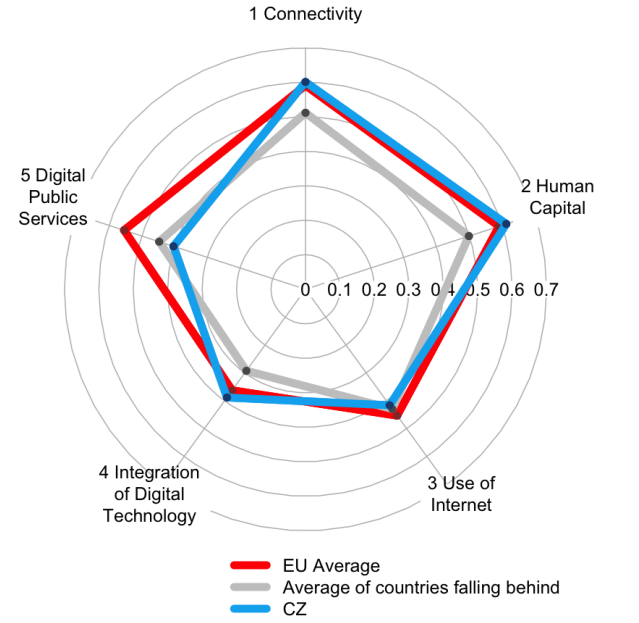
Digital Economy and Society Index[1] 2016[2]

Country Profile

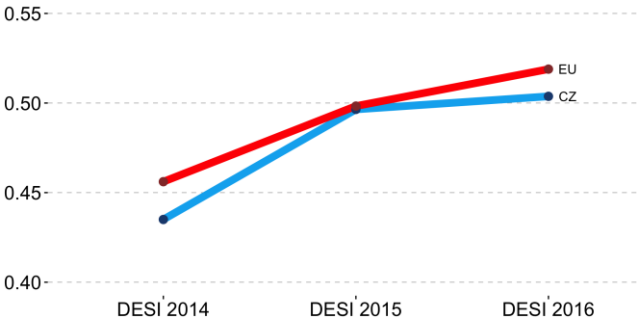
Czech Republic

In DESI 2016, the Czech Republic has an overall score[3] of **0.5** and ranks **17th** out of the 28 EU Member States. More people take-up subscriptions to fast broadband and mobile broadband. Czech citizens have a good level of digital skills and as a result, they engage in a wide variety of online activities. Czech internet users are quite keen on online banking and on online shopping. Czech businesses use digital technologies, both to improve their efficiency and productivity as well as to access wider markets and lead the ranks in turnover from online sales. However, the Czech Republic has not progressed significantly compared to last year. Moreover it is below average in the provision of digital public services, which is its main challenge to progress further in the digital economy.



The Czech Republic falls into the cluster of **Falling behind**[4] countries whose score is below the EU average and which grew slower than that of the EU as a whole since last year.

	Czech Republic		Cluster score	EU score
	rank	Score		
DESI 2016	**17**	**0.5**	**0.44**	**0.53**
DESI 2015	15	0.5[5]	0.44	0.5



[1] The Digital Economy and Society Index (DESI) is a composite index developed by the European Commission (DG CNECT) to assess the development of EU countries towards a digital economy and society. It aggregates a set of relevant indicators structured around 5 dimensions: Connectivity, Human Capital, Use of Internet, Integration of Digital Technology and Digital Public Services. For more information about the DESI please refer to http://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard

[2] The DESI 2016 is constructed from indicators referring mostly to the calendar year 2015 (except when data is not available for that calendar year, in which case the latest prior data was used).

[3] DESI scores range from 0 to 1, the higher the score the better the country performance.

[4] In the DESI 2016, the Falling behind cluster of countries comprises Bulgaria, Czech Republic, Greece, France, Hungary, Poland and Slovakia.

[5] The DESI 2015 was re-calculated for all countries to reflect updates and corrections to the underlying indicator data (which took place between May 2015 and January 2016). As such, country scores and rankings may have changed from the previous publication. For further information please consult the DESI methodological note.

1 Connectivity

1 Connectivity	Czech Republic rank	Czech Republic score	Cluster score	EU score
DESI 2016	**15**	**0.6**	**0.52**	**0.59**
DESI 2015	15	0.58	0.5	0.57

In the Connectivity dimension the Czech Republic performs slightly above European average. The country continues to rank 15th among EU countries with an overall Connectivity score of 0.6, up from 0.58 a year ago.

	Czech Republic DESI 2016 value		Czech Republic DESI 2016 rank	Czech Republic DESI 2015 value	Czech Republic DESI 2015 rank	EU DESI 2016 value
1a1 Fixed BB Coverage % households	98% (June 2015)	→	14	98% (December 2014)	14	97% (June 2015)
1a2 Fixed BB Take-up % households	76% (2015)	→	9	76% (2014)	8	72% (2015)
1b1 Mobile BB Take-up Subscribers per 100 people	71 (June 2015)	↑	13	64 (December 2014)	16	75 (June 2015)
1b2 Spectrum % of the target for spectrum to be harmonised at EU level	55% (December 2015)	↓	23	58% (December 2014)	23	69% (December 2015)
1c1 NGA Coverage % households, out of all households	73% (June 2015)	↑	20	67% (December 2014)	22	71% (June 2015)
1c2 Subscriptions to Fast BB % of subscriptions >= 30Mbps, out of fixed BB subscriptions	31% (June 2015)	↑	15	26% (December 2014)	17	30% (June 2015)
1d1 Fixed BB Price % individual gross income spent for the cheapest standalone Fixed Broadband subscription (lower values are better)	1.1% (Access cost: 2015; Income: 2014)	→	10	1.1% (Access cost: 2014; Income 2014)	11	1.3% (Access cost: 2015; Income: 2014)

Coverage of fixed broadband in the Czech Republic is almost complete, as broadband networks ae available to 98% of homes (97% in the EU). In rural areas, fixed broadband covered 91% of homes. At the same time, Next Generation Access (NGA) networks capable of providing at least 30 Mbps download were available to 73% of homes (71% in the EU).

The overall fixed broadband take-up is stagnating (76% of homes). However, there is an increase in the number of subscriptions to fast broadband (providing at least 30 Mbps) - 31% in June 2015 up from 26% in December 2014.

On the mobile side, 4th generation (LTE) was available to 92% of population (EU average is 80%), a huge increase. The take-up rate (subscription per 100 people) of mobile broadband also increased significantly, from 64 to 71 subscribers per 100 people.

2 Human Capital

2 Human Capital	Czech Republic rank	Czech Republic score	Cluster score	EU score
DESI 2016	**14**	**0.61**	**0.5**	**0.59**
DESI 2015	12	0.63	0.46	0.58

In the dimension Human Capital of DESI 2016, the Czech Republic performs below the EU average. With a score of 0.61 the country lowered its position among EU countries to 14th (from 12th in the last year).

	Czech Republic DESI 2016 value		Czech Republic DESI 2016 rank	Czech Republic DESI 2015 value	Czech Republic DESI 2015 rank	EU DESI 2016 Value
2a1 Internet Users % individuals (aged 16-74)	77% (June 2015)	↑	13	76% (2014)	14	76% (2015)
2a2 Basic Digital Skills % individuals (aged 16-74)	57% (2015)		11	n.a.	-	55% (2015)
2b1 ICT Specialists % employed individuals	4.1% (2014)	↓	12	4.4% (2013)	9	3.7% (2014)
2b2 STEM Graduates Graduates in STEM per 1000 individuals (aged 20 to 29)	17 (2013)	→	14	17 (2012)	13	18 (2013)

The share of regular Internet users in the Czech Republic slightly increased from the previous year and is now just above the EU average (77% of citizens).

With 57% of the Czech population possessing at least basic digital skills, the country stands slightly above the EU average. Similarly, the share of ICT specialists in the workforce is above the EU average. As for STEM (science, technology and mathematics) graduates, with 17 per 1000 Czech aged 20-29 years old holding this type of degree, the same as in the previous year and slightly below the EU average. STEM graduates are important drivers of the use of digital in the economy including of the most cutting-edge technologies.

3 Use of Internet

3 Use of Internet	Czech Republic rank	Czech Republic score	Cluster score	EU score
DESI 2016	**20**	**0.42**	**0.43**	**0.45**
DESI 2014	18	0.42	0.42	0.43

In terms of the propensity of individuals to use Internet services, the Czech Republic scores 0.42 (same as last year) and ranks 20th among EU countries (lowering its position from previous year).

	Czech Republic DESI 2016 Value		Czech Republic DESI 2016 rank	Czech Republic DESI 2015 value	Czech Republic DESI 2015 rank	EU DESI 2016 Value
3a1 News % individuals who used Internet in the last 3 months (aged 16-74)	86% (2015)	→	6	86% (2014)	5	68% (2015)
3a2 Music, Videos and Games % individuals who used Internet in the last 3 months (aged 16-74)	57% (2014)	→	8	57% (2014)	8	49% (2014)
3a3 Video on Demand % households that have a TV	8.7% (2014)		27	8.7% (2014)	27	41% (2014)
3b1 Video Calls % individuals who used Internet in the last 3 months (aged 16-74)	40% (2015)	↓	18	45% (2014)	10	37% (2015)
3b2 Social Networks % individuals who used Internet in the last 3 months (aged 16-74)	50% (2015)	→	27	50% (2014)	26	63% (2015)
3c1 Banking % individuals who used Internet in the last 3 months (aged 16-74)	60% (2015)	↑	15	58% (2014)	15	57% (2014)
3c2 Shopping % individuals who used Internet in the last year (aged 16-74)	55% (2015)	↑	15	52% (2014)	15	65% (2015)

Czech Internet users engage in a broad range of online activities. They read the news online (86%), listen to music, watch films and play games online (57%), use the Internet to communicate through social networks (50%). On the other hand, still far less common is to obtain video content using broadband connections. Czech Internet users are also quite keen on the use of online banking (58%) and on online shopping (52%) too.

4 Integration of Digital Technology

4 Integration of Digital Technology	Czech Republic rank	Czech Republic score	Cluster score	EU score
DESI 2016	**12**	**0.39**	**0.28**	**0.36**
DESI 2015	10	0.39	0.31	0.33

In the dimension Integration of Digital Technology by businesses in the DESI 2016 Czech Republic scores 0.39 and ranks 12th among EU countries (down from 10th last year).

	Czech Republic DESI 2016 value		Czech Republic DESI 2016 rank	Czech Republic DESI 2015 value	Czech Republic DESI 2015 rank	EU DESI 2016 value
4a1 Electronic Information Sharing % enterprises (no financial sector, 10+ employees)	30% (2015)	↑	18	28% (2014)	20	36% (2015)
4a2 RFID % enterprises (no financial sector, 10+ employees)	1.3% (2014)	→	28	1.3% (2014)	28	3.8% (2014)
4a3 Social Media % enterprises (no financial sector, 10+ employees)	10% (2015)		23	n.a.	-	18% (2015)
4a4 eInvoices % enterprises (no financial sector, 10+ employees)	12% (2015)	↑	13	11% (2014)	9	n.a.
4a5 Cloud % enterprises (no financial sector, 10+ employees)	n.a.		-	8.9% (2014)	16	n.a.
4b1 SMEs Selling Online % SMEs (no financial sector, 10+ employees)	23% (2015)	↓	6	26% (2014)	2	16% (2014)
4b2 eCommerce Turnover % turnover of SMEs (no financial sector, 10-249 employees)	17% (2015)	↓	2	18% (2014)	1	9.4% (2015)
4b3 Selling Online Cross-border % SMEs (no financial sector, 10+ employees)	12% (2015)	→	3	12% (2013)	4	7.5% (2015)

The Czech SMEs are at risk at losing their position as EU leaders in selling on-line (6th place down from the 2nd place the previous year). The turnover from online sales slightly decreased to 17% (down from 18% the year before). On-line sales to other EU member states are stagnating (12%) but still Czech SMEs are among the top 3. This means that, despite a slowdown, Czech businesses take advantage of the possibilities and benefits offered by digital technologies, both to improve their efficiency and productivity as well as to access wider markets.

The use of digital technologies is an important driver of labour productivity growth. Compared to last year, the use of electronic information sharing (ERP)-30% of enterprises and eInvoices – 12% of enterprises has slightly increased. On the other hand, the use of radio-frequency identification (RFID, 1.3%) is stagnating.

5 Digital Public Services

5 Digital Public Services	Czech Republic rank	Czech Republic score	Cluster score	EU score
DESI 2016	**24**	**0.4**	**0.45**	**0.55**
DESI 2015	25	0.37	0.47	0.54

In the Digital Public Services dimension the Czech Republic scores 0.4 and ranks 24th among the EU countries. There are significant shortcomings especially on the supply-side of digital public services. The efficiency of the public administration could be increased by providing more and better on-line public services and stimulating the use of e-government services.

	Czech Republic DESI 2016 Value		Czech Republic DESI 2016 rank	Czech Republic DESI 2015 value	Czech Republic DESI 2015 rank	EU DESI 2016 value
5a1 eGovernment Users % individuals returning filled forms, out of Internet users in the last year (aged 16-74)	12% (2015)	↓	27	14% (2014)	26	32% (2015)
5a2 Pre-filled Forms Score (0 to 100)	29 (2015)	↑	19	28 (2014)	19	49 (2015)
5a3 Online Service Completion Score (0 to 100)	70 (2015)	↑	22	58 (2014)	23	81 (2015)
5a4 Open Data Score (0 to 700)	310 (2015)	↑	18	290 (2015)	20	351 (2015)

Modern public services offered online in an efficient manner are a vehicle to reduce public spending and ensure efficiency gains for enterprises, citizens and the public administration itself. The Czech Republic faces a key challenge in online public services. The country has one of the lowest shares of e-government users in the EU, with only 12 % of internet users sending forms to the public administration online in 2015 (down from 14% last year), and compared to an EU average of 32 %. The low use of online public services reflects deficiencies in the supply of such services. For instance, on average only 70 % of the steps in a standard interaction with the public administration can be performed entirely online in the Czech Republic, compared to an EU average of 81 %. Online services do not take full advantage of technological possibilities to improve the user experience. For instance, the Czech Republic receives a low score (29 out of 100) compared to an EU average of 49 for an indicator of the pre-filling of forms with information about the user that is already known to the public administration, making the level of sophistication of its services one of the lowest in the EU. There are significant allocations envisaged under operational programmes co-funded from the ESI funds to finance the development of e-government services.