

Pursuing Global Opportunities with Domestic Supply Chain: Opportunities and Challenges in Building High-Tech Industrial Clusters in the Czech Republic

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Amid the global reconfiguration of economic order and the restructuring of supply chains, Taiwan has introduced the “Pursuing Global Opportunities with Domestic Supply Chain” (hereafter “Global-Domestic Supply Chain”) policy. This strategic initiative aims to establish Taiwan-branded industrial service platforms and supply chain nodes abroad, as a response to emerging geopolitical risks, rising trade barriers, and the threat of marginalization within global value chains. Rather than merely an extension of the traditional Special Economic Zone (SEZ) model, this policy emphasizes technological sovereignty, supply chain resilience, and strategic regional embeddedness.

The Czech Republic, located at the heart of Europe and exhibiting a high degree of industrial complementarity with Taiwan, has emerged as a critical node in the implementation of Taiwan’s “Global-Domestic Supply Chain” strategy in Europe. In 2024, the Czech government launched two major policy frameworks—“Economic strategy of the Czech Republic: Czech in the top 10”, and “the National Semiconductor Strategy”. These frameworks prioritize five key industries: semiconductors, next-generation transportation technologies, artificial intelligence, green technologies, and biotechnology. Through institutional efforts led by entities such as the State Investment and Development Company (Státní Investiční a Rozvojová Společnost, SIRS), the Czech government is actively developing strategic industrial zones to attract high-value foreign direct investment and upgrade industrial clusters.

Currently, high-tech industrial clusters in the Czech Republic—particularly in Prague and Brno—have become hubs for semiconductor, optoelectronics, biomedical, and digital technology sectors. The Technology Park Brno, closely linked to local universities, serves as a vital gateway for Taiwanese firms seeking to enter the European market. In addition, both newly established governmental actors like SIRS and major private developers such as CTP and Accolade have been proactively expanding industrial park infrastructures. These parks offer essential logistics,

manufacturing, and R&D facilities, thereby providing Taiwanese enterprises with ready access to foundational infrastructure and market entry opportunities.

Taiwan-Czech bilateral cooperation has deepened in recent years across multiple domains, including semiconductors, unmanned aerial vehicles (UAVs), and electron microscopy. Notable initiatives include the establishment of IC design training centers, the Taiwan Chip Academy, and the Advanced Chip Design and Research Center in Prague and Brno. In the UAV sector, both sides have signed memoranda of understanding (MOU) to facilitate supply chain integration. Furthermore, Taiwan has proposed the creation of a dedicated industrial service office in the Czech Republic to support localized investment and deepen technology cooperation.

Nevertheless, the implementation of the “Global-Domestic Supply Chain” policy in the Czech Republic faces several challenges. These include difficulties in regulatory compliance, shortages of industrial land, insufficient skilled labor, limited replicability of Taiwan’s park governance models, and the absence of a comprehensive one-stop administrative service. For Taiwanese enterprises—particularly small and medium-sized enterprises (SMEs)—long-term governmental support in legal, linguistic, human resource, and investment incentive dimensions remains essential.

To address these barriers, three strategic policy recommendations are proposed: (1) establish a bilateral governance framework to strengthen strategic coordination with Czech authorities and park developers such as SIRS and CTP; (2) leverage the Czech Republic’s geographical proximity to Dresden to develop it as a secondary node for Taiwan Semiconductor Manufacturing Company (TSMC)’s European supply chain and as a potential testing and research hub; (3) introduce Taiwanese park management models and institutional frameworks—such as a Taiwan Trade and Investment Center and a one-stop service mechanism—to provide integrated regulatory, tax, labor, and administrative support.

In conclusion, the Czech Republic’s strategic geographic location and evolving industrial policy present Taiwan with a significant opportunity to implement its “Global-Domestic Supply Chain” strategy within the broader context of global supply chain restructuring. Moving forward, institutionalized cooperation, regional industrial integration, and robust local service mechanisms will be key to deepening Taiwan-Czech technological and industrial partnerships and to realizing the substantive objectives of this externalization policy.