TRENDS IN FINANCE FOR INNOVATION

Abstract
The Czech Republic is a small country that does not have sufficient land or resource base. Their competitive advantage must be based on the innovation. The aim of this article is to show the real obstacles to innovation activities. Target group of research are SMEs, because they are the driving force behind the innovation economy. Lack of funding and high costs are often cited as a barrier to the growth of innovation in companies, in fact, research shows that most companies would be better in terms of capital investment opportunities not just because of unpreparedness in other areas (lack of staff, impromptu projects, etc.) Financing innovation activities for small and medium businesses is exclusively from its own resources. Development of the share of innovation expenditures to sales is stable, as well as in the interests of innovative cost of sales from innovative. Long term, but it is still 75% of sales from non-innovative production. In the area of external financing to medium-sized companies cannot rely on local government, businesses gain more support from the government or from the EU. The importance the EU projects for innovative companies grow.

Key words
innovation, barriers, finance, innovation costs

JEL Classification
M21, O31