

# CZECH FOCUS

Magazine of the Association for Foreign Investment



Number 1/2008



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## Biotechnology Sector in the Czech Republic: Impressive History Promising Future

# Association for Foreign Investment



Your roadmap to quality services  
in the Czech Republic

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represents a group of Czech service companies with local experience that support the entry of foreign investors into the Czech Republic and provide a wide range of professional services to foreign investors entering the local market.

The primary aim of the AFI is to ensure that the entry of foreign investors into the Czech market is as smooth and easy as possible. Companies from the AFI group are experts in the fields of advisory services, consultancy, project services and auditing. These companies also offer investors related services after the start of their business operations in the Czech Republic.

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## INVESTOR'S CALENDAR

April – June 2008

## April

- 4.4. Business Forum**  
Seminar  
Monaco, Monaco
- 15. - 17.4. Aerospace Manufacturing & Design & Aerospace Testing Europe**  
Conference  
Munich, Germany
- 16. - 18.4. Techno Frontier**  
Trade Fair  
Chiba, Japan

## May

- 7. - 8.5. Aircraft Maintenance Expo Outsourcing Europe**  
Trade Fair  
London, UK
- 13. - 15.5. Czech-Japan Science and Technology Days**  
Conference  
Prague, Czech Republic
- 22. - 23.5. BioTech 2008 & 4<sup>th</sup> Swiss-Czech Symposium**  
Conference  
Wädenswil, Switzerland
- 25. - 30.5. FPD Mission**  
Seminar  
Prague, Czech Republic

## June

- 17. - 20.6. BIO 2008**  
Trade Fair  
San Diego, USA



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## Coming of Age: Czech Life Sciences and Advanced Biotechnologies

In the 1960s, life sciences and biotechnology blossomed in Czechoslovakia. A downturn caused by the forced departure of quality professionals during and after the Second World War was alleviated by eager new scientific talents taking command of research institutions. The communist regime invested in research as part of its cold war effort and advancement of its ideology. Liberalisation allowed contacts with the international community and excellence was achieved in several life-science disciplines. World-class preventive medicine, excellent vaccines and massive campaigns made it possible to bring infectious diseases under control and to eradicate poliomyelitis in Czechoslovakia for the first time in human history. New institutes opened and operated at the forefront of protein chemistry, immunology, neurophysiology and microbiology, until the Soviet-led invasion crushed the Prague Spring movement in 1968. An exodus of intellectual talent ensued, with researchers and other professionals leaving the country en masse. Now, nearly twenty years after the Velvet Revolution of 1989, there is a fresh crop of talented researchers in the Czech Republic and cutting-edge life sciences and biotechnology are returning to the fore.

Many of those who left the country for postdoctoral training abroad after 1989 have returned and now manage research labs. GDP growth has enabled increased spending on R&D, though the government still spends less than 0.6 % of GDP per year in this area (as compared to 0.66% in the EU -15, ~0.8 % in US and ~0.9% in Finland). The boosted financing of Czech life-science research over the past decade is now bearing fruit and the improving research environment and living conditions of researchers act to prevent another brain drain. Many talented Czech trainees plan to return from abroad, taking up the challenge of starting new research groups and doing great work under less opulent conditions. Although life-science research is becoming more and more technology-driven and costly, with genomics, proteomics and all the other 'omics' of systems biology, the Czech Republic's solid general education level, ingenuity and pragmatic choice of research topics are allowing a growing number of Czech research talents to perform well. International-level teams are now active not only at institutes of the Academy of Sciences and universities in Prague and Brno, where Professor Antonín Holý generated the most effective anti-HIV drugs and Professors Petr Dvořák and Aleš Hampl established some of the best characterised human

embryonic stem cell lines. The molecular parasitology and entomology groups of Professors Július Lukeš and Marek Jindra are producing great science in České Budějovice, and Professor Miroslav Strnad's research on plant growth regulating cytokinins shows promise for innovative cancer-treatment drugs.

A few advanced biotechnology companies have emerged in the Czech Republic. The growth of Contipro Group, established by Vladimír Velebný and Petr Pinkas in the picturesque foothills of the Orlické Hory mountain range, is something of a Cinderella story, as it involves the conversion of a dairy into a fermentation plant supplying 60% of the European and 30% of the world market with the highest-quality hyaluronan for medical use, paying for diversification and a research department and for sponsoring university research and graduate fellowships. A feel for important diagnostic markers and profits from distribution of research products allowed Viktor Růžička to build up the globally operating BioVendor Research and Diagnostic Products. A success story of steady growth over a decade is Vladimír Viklický's Exbio, a producer of monoclonal antibodies for research and diagnostics.

Much more is to come. In Prague's Krč district, the newly founded Institute of Biotechnology of the Academy of Sciences has begun operation, joining the next to Institutes of Physiology, Microbiology and Experimental Medicine and the Institute of Molecular Genetics, which recently moved into a newly completed, state-of-the-art life-science building. Most importantly, a significant portion of the almost EUR 5 billion from the European Regional Development Fund is to be spent between 2007 and 2015 on the Operational Programmes Research and Development for Innovation and Enterprise and Innovation, which are focused on the construction of unique infrastructure and equipment and on generating thousands of new jobs in life-science and biotechnology R&D and business in several research centres and company clusters around the country. This will undoubtedly attract talents of Czech and foreign origin to take part and bring about a quantum leap of life-science and cutting-edge biotech R&D and business, both of which are now coming of age in the Czech Republic.

Peter Šebo,  
Director,

*Institute of Biotechnology  
of the Academy of Sciences  
of the Czech Republic*



## Headline news

■ **Development of the market economy and democracy in the Czech Republic best in the world.** According to a study conducted by the Bertelsmann Foundation of Germany, the Czech Republic is the leader among 125 comparable countries and has thus surpassed Slovenia and Estonia. The transformation index analyzes and assesses the quality of democracy, the market economy and political management in 125 developing and transition countries. In comparison with other countries, the Czech Republic excelled despite reservations about the fight against corruption and the population's trust in politicians.

■ **Václav Klaus was re-elected to a second term as president of the Czech Republic** on 15 February 2008, defeating Jan Švejnar. He was re-elected with 141 votes in the third round of voting. Klaus received the votes of all 122 ODS legislators, 14 Christian Democrats, two independent senators, and three legislators who had originally been elected as members of the ČSSD.



Presidential election in the Spanish Hall of Prague Castle

## Politics and Legislation

■ **Nine Operational Programmes** have been signed by Czech ministers and European Commission representatives. The Czech Republic can draw EUR 14 billion (approx. CZK 365 billion) from these programmes in coming years. This is roughly half the amount that the Czech Republic can receive from Brussels in the 2007–2013 period. Approximately CZK 125 billion from seven programmes will be spent in the country's regions, while Czech firms will have access to roughly CZK 100 billion, and up to CZK 150 billion will be spent on transportation.

■ **The renewable sources of energy** directive approved by the European Commission requires renewable sources of energy to account for **13% of the Czech Republic's total energy consumption**. The Czech Republic is to meet this target by 2020. The share of renewable sources of energy in the entire EU is to increase from 8.5% to 20%.

## Economics

■ **According to preliminary results, the Czech economy grew by a record 6.6% last year.** The GDP growth rate, which was the highest since 1996, exceeded the expectations of economists and the estimates of the Czech National Bank and Ministry of Finance. In the fourth quarter of the year, GDP increased by 6.9% y/y. This growth was primarily driven by household consumption.



Illustrative photo

■ **The Czech crown has broken the CZK 25/EUR barrier and is now the most rapidly strengthening currency in the world.** On 22 February, the Czech crown surpassed its historically maximum value in comparison with both the US dollar and the euro. At midday the exchange rate reached CZK 24.97 to one euro, breaking the psychological barrier of CZK 25/EUR. According to Patria the crown-dollar exchange rate was CZK 16.87/USD.

■ **The Czech Republic has posted record export figures.** The country's foreign trade balance shows a surplus of CZK 86.1 billion, which is more than double the result achieved in 2006. The substantially improved trade balance is due particularly to a decline in the fossil-fuels trade deficit. Despite the strengthening crown, exports to the European Union had the greatest impact on the favourable development of the trade balance, whereas there was a shortfall in the balance with countries outside the EU.



Illustrative photo

■ **Domestic investors take the initiative.** Last year, CzechInvest mediated a record number of investments involving 182 projects. The largest number of new investors are active in chemical production, mechanical engineering and automobile manufacturing, which in coming years should create thousands of new jobs. From CzechInvest's perspective, 2007 was a record year also in terms of the total amount of investments by purely domestic firms, which undertook to invest CZK 15 billion in 55 projects.

■ **Inflation reached a record 7.5%** in January, which was the highest rate since 1998. The rapid growth of inflation in 2008 will be followed by an equally rapid fall in 2009 (according to Czech National Bank Vice-Governor Miroslav Singer). In the fourth quarter of 2009, inflation should reach the central bank's inflation target of 3%.

■ **The unemployment rate** rose slightly in January 2008, as did the number of available jobs. The level of recorded unemployment in January showed a month-on-month increase of 0.1 percentage point to 6.1%. At the same time, the number of available jobs increased to 145,921, the highest January figure since monitoring began.

■ The Czech National Bank estimates that the state budget **deficit will fall to 1.5% of GDP this year.** According to Tomáš Holub, the head of the central bank's monetary and statistics section, the deficit amounted to 2.3% of GDP in 2007. The Czech Republic would thus meet the 3% limit required for adoption of the euro.

## Business

■ The Italian company **Acerbis** is planning to construct a plant for the production of fuel tanks and motorcycle, car and truck seats in Moravany nad Loucnou in the Pardubice region. Acerbis plans to initially invest CZK 115 million and employ 50 people. The plant will serve Central Europe and, in future, countries farther east, including Russia.

■ **Vienna Insurance Group** is planning to establish its own reinsurer, which should be headquartered in Prague. The new firm should have equity capital totalling EUR 100 million and an insurance volume of EUR 300 million within the next two to three years.

■ **Marbes Consulting**, which has been active in Plzeň since 1997 and has hitherto focused on producing software for state administrative organisations, is building a new **development centre**. The company plans to invest CZK 12 million in the centre in the first two years and employ 20 programmers who will create special programs for the administration and operation of companies.



■ **Domestic retailers** recently enjoyed one of their best seasons in history. Retail revenues grew last year by 7.7%, which is the best result of the past 11 years. According to economists, the massive spending is due mainly to rising salaries, the credit boom and generally rising standard of living among domestic households in recent years.

■ **eBay**, an online auction firm, is headed for the Czech Republic. The company wants to open a marketing and analysis centre in Prague. It should employ 20 specialists at the centre by the end of the year. It will cooperate with its Skype affiliate, which opened a Czech branch last summer.

■ **Honeywell** will employ 600 workers for the new addition to its development centre. The figure could double within four years. The new centre will unify the company's two existing development facilities in Brno.



Honeywell

■ **Procter & Gamble** has chosen the Czech Republic for its **first technology centre in Central and Eastern Europe**. Specialist employees in the Rakovník centre will develop new technologies, production processes and equipment which the company will then use directly in its other production plants.

■ The Chinese firm **Shanghai Maling** is planning to build a plant in the Hrobce municipal-ity of the Teplice district by the end of February and to launch production of canned meat soon thereafter. The firm has already invested roughly CZK 400 million in the project.

■ The automaker **Hyundai's Nosovice plant**, which currently employs 600 people, intends to hire an additional 1,600 this year. The company wants to hire most of the new employees for production. It will also recruit new employees through the new recruitment centre in Ostrava.

■ The **Lego** group will take back control of building-block production in Kladno from the Singapore-based company Flextronics after a year and a half. Both companies stated that the transfer of production from 1 March will not interrupt the operation of either of them.

■ The Austrian financial group **Raiffeisen** is preparing to establish its subsidiary Raiffeisen Energy

& Environment Holding Czech, which will focus on the acquisition, construction and operation of facilities related to renewable sources of energy.

■ **Elmarco**, a producer of nanofibre technology, will begin construction of a new factory in Liberec in April 2008 at a cost of CZK 250 million. The firm will also invest hundreds of millions of crowns in machinery and technology. The plant, which will cover 2,500 m<sup>2</sup>, will provide jobs for several hundred people.

■ The Czech-Slovak financial group **Penta** has confirmed that it has taken control of Slovakia's largest meat-processing plant, Mecom Humenne. Penta is now planning to build a Central European foodstuffs holding company with annual turnover of EUR 300 million (CZK 7.6 billion) and is also considering acquisitions in Hungary and the Czech Republic.

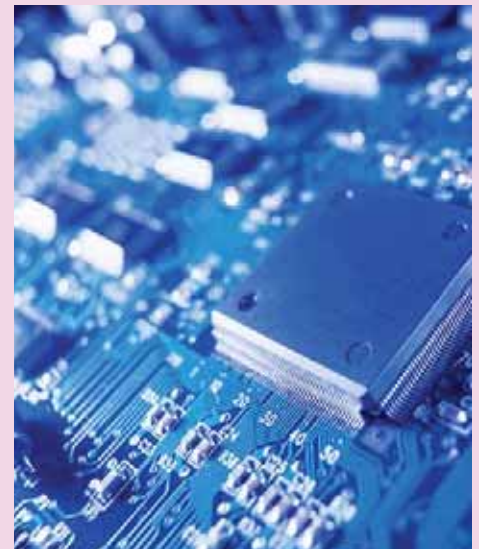
■ The electricity giant **ČEZ** will begin to build gas power plants instead of coal-fired generators. The company has definitively decided that this year it will commence a project involving two blocks of gas-powered generating plants in the North Bohemian town of Počeradý at a cost of approx. CZK 18 billion. The plants' output should be roughly half that of the Temelín nuclear power plant, i.e. 880 MW. The company is expected to build an additional gas power plant in Úžín in North Bohemia.

#### Miscellaneous

■ **The Czech Republic remains among the most attractive countries for investors.** Over the past 15 years, the Czech Republic has risen to become one of the world's most attractive countries for foreign direct investment. Firms from neighbouring Germany have invested the most here, followed closely over the past several years by Japanese companies, which is unusual in comparison with their investments in the rest of Europe.

■ **Centres of excellence**, i.e. locations that focus on cutting-edge research, should be established in five locations in the Czech Republic. They will be partially financed from the European Science and Research for Innovation Fund. International commissions will select individual locations this fall. These centres could be established in, for example Vestec u Prahy, Brno, Ostrava and Pardubice. They will focus on biotechnology, energy, informatics, and material research.

■ The Medical Faculty of Palacky University in Olomouc is planning to build a **bio-medical centre** at a cost of CZK 3 billion. The centre should participate in, for example, the development of new pharmaceuticals. It will employ 300 research workers.



Illustrative photo

■ According to a NetMonitor survey, the **number of domestic internet users** totalled 4.476 million in December 2007, which represents a y/y increase of 11.8%. The largest number of users visited the Seznam (4.43 million) portal in December, followed by iDnes and Centrum.

■ **Starbucks Coffee comes to Prague.** At the end of January, Starbucks Coffee opened its first Czech franchise in Prague. The second Starbucks location in the Czech Republic will open at the end of February in Prague's Palladium shopping centre. The German café Cup & Cino should also start doing business in the Czech Republic this year and the Indian coffee chain Café Coffee Day is also planning to establish its presence in the Czech market.

■ CzechInvest has launched its **database of brownfields**. Investors may search for brownfields in the database according to individual regions, required size, type of property (building, plot, entire facility) or previous use of the location.

■ According to a study by the consulting firm Total Logistics and the real estate firm King Sturge, the Czech Republic has become **the most suitable country for Europe-wide business, as well as construction of warehouses and logistics centres.**

■ The Academy Awards ceremony was held in Los Angeles on 25 February. **Markéta Irglová became the first Czech singer in history to receive an Oscar**, which she won for the song "Falling Slowly" from the film "Once". She recorded the song with the Irish musician Glen Hansard.

Sources: Czech AM by the Czech News Agency, Hospodářské noviny, Lidové noviny, Právo, MF Dnes, Novinky.cz, iDnes.cz, CzechInvest news

# Biotechnology Sector in the Czech Republic: Impressive History, Promising Future



Illustrative photo

Biotechnologies comprise a field that has become increasingly prominent over the past decade while bringing forth possible applications in a wide range of other, related sectors such as healthcare, agriculture and industry. Conscious of this development, the Czech Republic, through a Government Decree in 2005, set molecular genetics and biotechnologies among the priority areas in the long-term, fundamental direction of research. The Czech Republic can be ranked among those countries where public opinion has not historically been against the introduction of modern biotechnologies into practice and it is one of five European countries where it is allowed to cultivate GMO crops for food pro-

duction. Some trends toward biotechnological production began here as early as in the 1980s. The general population, even in the area of food production, accepts the results of biotechnological research relatively favourably.

## Impressive History, Promising Future

Modern biology is closely tied to the work of two prominent Czech biologists. One of them, Jan Evangelista Purkyně, was the founder of embryology and the author of a pioneering work on cell theory. The other, Gregor Mendel, is often referred to as the father of genetics due to his famous study of the inheritance of traits in pea plants. In the modern era, other renowned Czech scientists have built on the successes of their forebears. Otto Wichterle was a macromolecular chemist and founder of the Institute of Macromolecular Chemistry of the Czechoslovak Academy of Science. His most important inventions

include silon, an artificial polyamide fibre, hydrogel and soft contact lenses. Dr. Milan Hašek, a former director of the Institute of Experimental Biology and Genetics of the Czechoslovak Academy of Sciences, was the co-discoverer of vegetative hybridisation, which is often also referred to as immunological tolerance. In 2003, scientists at the Institute of Experimental Medicine of the Academy of Sciences in Brno succeeded in extracting and keeping alive embryonic stem cells from four-day-old human embryos. These scientists thus created a new technology, which



Biotechnology is a field requiring top-quality know-how

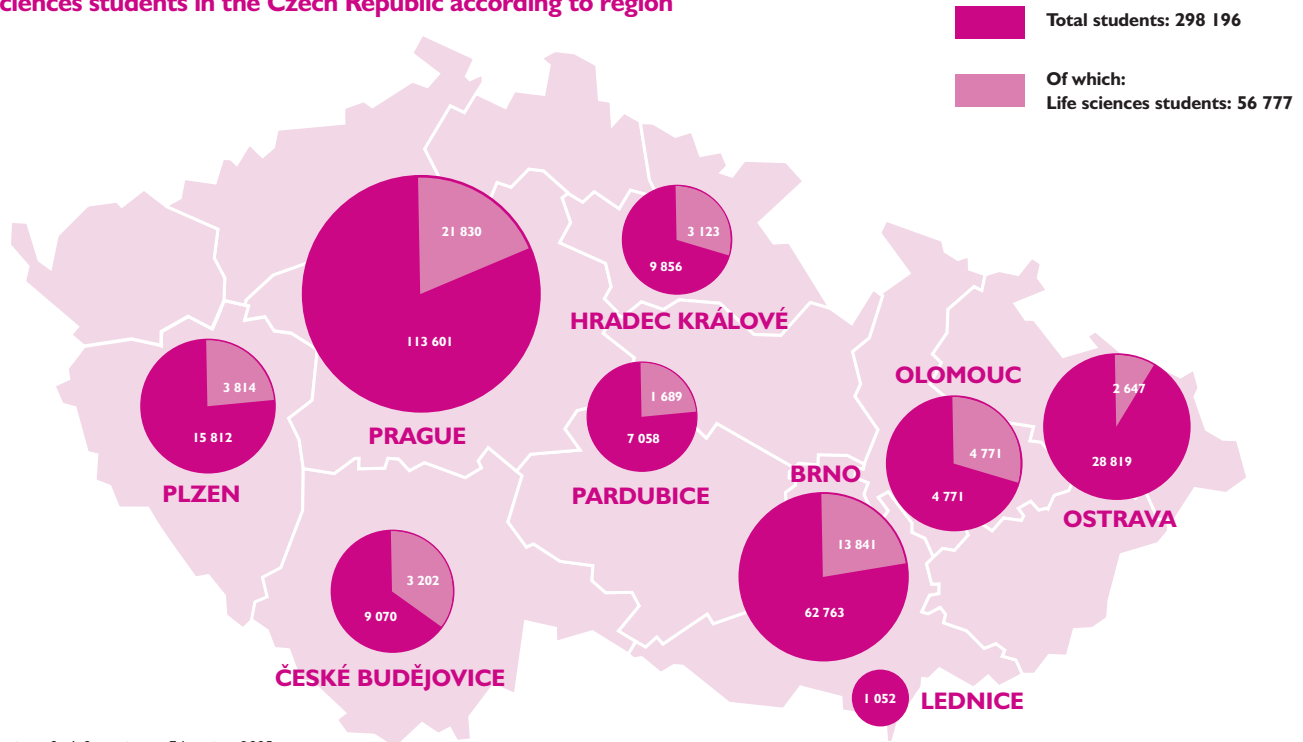
## Geographic distribution of research entities



Source: Czech Biotech Report 2007



## Life sciences students in the Czech Republic according to region



Source: Institute for Information on Education, 2005

they patented, and joined the ranks of only a few scientific teams in the world that have managed this feat. It is also worth mentioning the results achieved by Czech scientists working outside the Czech Republic, one of which was the explanation of cellular anti-cancer mechanisms by a team of researchers under Jiří Bártek and Jiří Lukáš in Denmark in 2005.

### Research and Development in the Biotech Sector

The Czech Republic has a well-established and very strong network of research institutes. At the end of 2007, the country had 308 biotechnology research entities, based mainly in the Prague region (47%) and in the South Moravia region (22%). The majority of the research



MediPark: State-of-the-art campus at Masaryk University in Brno



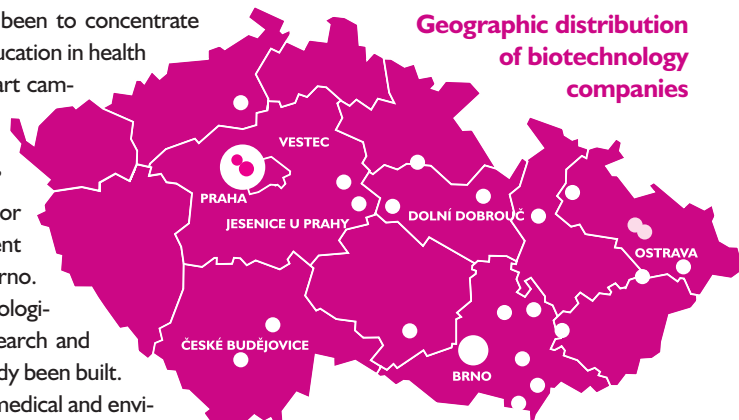
ICRC: joint project of Saint Anne's University Hospital in Brno and Mayo Clinic (USA)

facilities belong either to the Academy of Sciences of the Czech Republic, to universities or to the Ministry of Health. The main centres of biotechnology, molecular biology and pharmaceutical research and development in the Czech Republic are located in Prague and other large cities with universities such as Olomouc, Hradec Králové, Plzeň, České Budějovice and Brno. Brno has a strong tradition in the medical sector and is especially well-known for cardiovascular and cancer research. Brno is developing into an important hub of biotech companies also because of its good infrastructure, strong network of universities and research institutes, and encouragement from the local government. An example of this cooperation is the MediPark project of Masaryk University in Brno and the South Moravia region. The project is intended to support the creation of incubators and spin-off centres as well as to attract existing biotechnology investors to the region. The new campus will serve the fields of medicine, chemistry, biology and sport, while an additional 15 hectares are being developed to host commercial partners. "The vision of Masaryk University has been to concentrate all areas of research and education in health sciences on a state-of-the-art campus in order to provide a setting for spin-offs in the very same location," says Jan Slovak, vice-rector for strategy and development at Masaryk University in Brno. The university's Morphological Centre and a large research and teaching hospital have already been built. The integrated labs for biomedical and environmental technologies were opened in 2005.

Another example of an excellent research facility in Brno is the International Clinical Research Center (ICRC), a joint project of Saint Anne's University Hospital Brno and the Mayo Clinic based in the United States. The ongoing collaboration between Czech scientists and their counterparts at the Mayo Clinic has resulted in a clinical-research and education centre capable of significantly strengthening US-European collaboration in medical research and education, particularly in the areas of cardio- and neurovascular diseases, internal medicine, neurology and oncology.

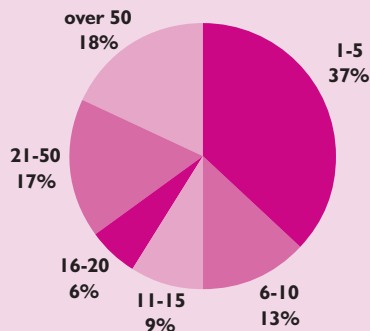
Most basic biotechnology-oriented fields of study at universities arose prior to 2000, which reflects the advanced degree of the Czech Republic's experience in this sector. The total number of university students in the Czech Republic was 294,082 in 2005. Approximately 56,777 students were enrolled in life-sciences universities with the corresponding output of 7,400 graduates per year. University professors and doctoral students are increasingly involved in both public- and private-sector research projects.

### Geographic distribution of biotechnology companies

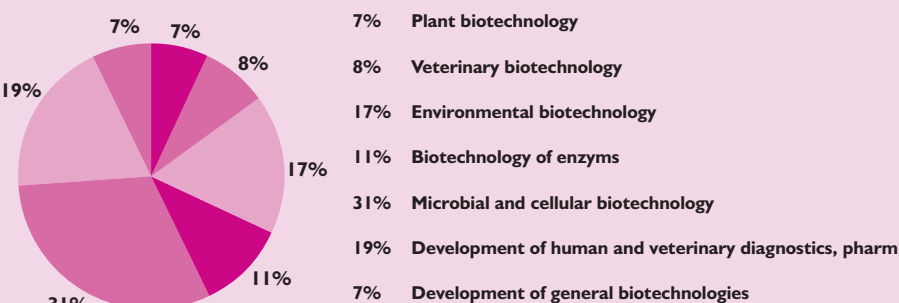


Source: Czech Biotech Report 2007

**Biotechnology firms in the Czech Republic by number of employees**



**Distribution of Czech biotech companies' activities by sub-sector**



Source: PWC study, Biotechnology in the Czech Republic, 2007

### Biotechnology and Pharmaceutical Companies Focus

The development of human and veterinary pharmaceuticals, diagnostics, fermentation technologies, use of biotechnologies in liquidating waste and protecting the environment, and animal and plant biotechnologies are currently the most successful areas in which Czech biotechnology entities most intensively operate. Microbial and cellular biotechnology (33%) is the most common biotech sector in companies, whereas plant biotechnology (28%) is the most common among research entities. Each biotechnology sector is composed of sub-sectors. Czech biotech

companies mostly use „Proteins and other molecules“ as a biotechnology technique, whereas research entities widely use „DNA/RNA“ technique. Nearly two-thirds of enterprises in the Czech biotechnology sector are companies with up to 20 employees, which is comparable with similar firms in other developed countries. The reason for this is particularly the fact that the biotechnology sector requires know-how rather than manual skills and numerous employees.

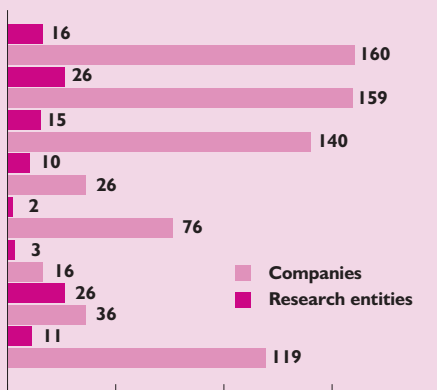
Nearly one hundred biotechnology-oriented firms were operating in the Czech Republic in 2007. Most of these companies are located in the Prague region (35%) and

the South Moravia region (21%). Important biotechnology firms currently operating in the Czech Republic include EXBIO Praha and BioVendor, which developed – and were the first in the world to market – sHLA-G ELISA diagnostic kits, which increase the probability of success of artificial insemination from 29% to 70%. The company CPN, part of the Contipro Group, developed the wound-healing preparation Hyiodine, which is protected by a worldwide patent. Hyiodine can be used, for example, in healing massive infected wounds or in the treatment of venous ulcerations. Bioveta, Enantis, Generi Biotech, I.Q.A. and Vidia are among the country's other successful biotechnology firms. The Czech Republic is also home to a number of waste-treatment firms, such as Dekonta, Earth Tech CZ, Biodegradace and LentiKats, to name just a few, that use methods based on biotechnological process. It can be expected that in future this area of biotechnology will be of great importance, as emphasis on environmental protection will only continue to grow.

That foreign biotechnology firms recognise the importance of having a presence in the Czech Republic and trust the skills of the local workforce is apparent in the relatively recent investments made by foreign pharmaceutical companies and independent investors. Companies such as Barr Pharmaceuticals (PLIVA-Lachema), Lonza Biotec, Baxter International, AstraZeneca, TEVA Pharmaceuticals, and Beckman Coulter (ImmunoTech) are developing their operations in the Czech Republic.

There are roughly ten large and 15 smaller pharmaceutical companies in the Czech Republic. The country's biggest pharmaceutical producers are Zentiva, Ivax Pharmaceuticals, Farmak and Spofa, which mostly produce active pharmaceutical ingredients and generics. Some of the generics are versions of drugs created in-house with expired patent protection. Some of these large producers have extensive fermentation experience and have high-capacity fermenters. With the exception of Zentiva, no biotechnology-oriented Czech firms are listed on the stock market. Small and

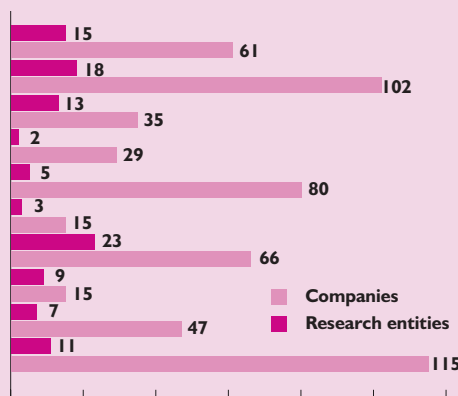
**Biotechnology used by companies and research entities**



- DNA/RNA
- DNA/RNA
- Proteins and other molecules
- Proteins and other molecules
- Cell culture and engineering
- Cell culture and engineering
- Gene and RNA vectors
- Gene and RNA vectors
- Bioinformatics
- Bioinformatics
- Nanobiotechnology
- Nanobiotechnology
- Process biotechnology techniques
- Process biotechnology techniques
- Other
- Other

Source: Czech Biotech Report 2007

**Applications and fields of operations –biotechnology companies and research entities**



- Human health/large molecules
- Human health/large molecules
- Human health/other
- Human health/other
- Veterinary health
- Veterinary health
- GM agriculture biotechnology
- GM agriculture biotechnology
- non-GM agriculture biotechnology
- non-GM agriculture biotechnology
- Of natural resources extraction
- Of natural resources extraction
- Environment
- Environment
- Industrial processing
- Industrial processing
- Non-specific application
- Non-specific application
- Other
- Other

Source: Czech Biotech Report 2007



medium-sized biotechnology firms can find applications at various levels of new-drug development. Whereas only a limited number of large companies are end-producers, research is the domain of primarily small firms, which is also true abroad. The establishment of a high-quality biotechnology industry depends mainly on quality human resources including both skilled researchers and experienced managers that are able to oversee the entire enterprise.

### Successful Clusters

In 2006, Contipro initiated the establishment of the Nanomedic medical-pharmaceutical cluster, which currently has 21 members and the aim of mutual cooperation is research and development, production and distribution of products in the area of preparations for wound-healing, replacement tissue, and preparations for targeted distribution of drugs and for gene therapy. Nanomedic's vision for the future includes establishing a science and technology park.



Complex of biotechnology firms in Vestec u Prahy

Five start-up biotechnology firms are located in a building owned by VIDIA and EXBIO in successfully operating, yet informal, business complex in Vestec u Prahy. These start-ups were established at the Institute of Molecular Genetics of the Academy of Science of the Czech Republic, with which they continue to cooperate.



New building of the Institute of Molecular Genetics, ASCR

The Regional Development Agency of South Moravia contributed support to the establishment of the CEITEC bioinformatics cluster. The aim of this project is to build a functioning commercial platform to complement the research environment. CEITEC currently associates 15 entities, including BioVendor, Enan-

tis, the Biophysical Institute of the Academy of Sciences of the Czech Republic, the Faculty of Natural Sciences at Masaryk University and others.

The biotech cluster in South Bohemia around Nove Hradý (Centre of Biological Technologies) is also of great interest. This region has traditionally featured state-of-the-art institutes and companies focused on environmental and agricultural issues. This tradition is now developing into a technology platform with support from the University of South Bohemia, Institute of Physical Biology and other research institutes and private companies.

As its name implies, the Water Treatment Alliance is an association of companies operating in the area of water filtration and treatment. These companies offer their customers comprehensive solutions comprising technologies for water-treatment plants. The alliance's members also include two universities that provide cooperation in the areas of technology transfer and research and development.

Martin Partl, CzechInvest

### I at [www.gate2biotech.com](http://www.gate2biotech.com)

The unique Czech biotechnology website at [www.gate2biotech.com](http://www.gate2biotech.com) is the main guidepost and information hub covering all activities in the biotechnology sector in the Czech Republic. The website is an ideal place for both companies and institutions to find Czech contract partners for manufacturing or research and development, and skilled labour, or just to get the latest news from the sector. The website is intended to provide an extensive overview of biotech companies, universities, institutions and academia in the country.



Czech biotechnology gateway at [www.gate2biotech.com](http://www.gate2biotech.com)

### Czech inventions that have changed the world

#### 19<sup>th</sup> century

Gregor Mendel formulates the laws of heredity

#### 1907

Dr. Jan Jansky discovers the fourth blood type

#### 1959

J. Heyrovsky receives the Nobel Prize for Polarography

#### 1961

Otto Wichterle produces the first soft gel contact lenses

#### 2001

The FDA approves the anti-AIDS drug Vistide, developed by Dr. Holy in Prague

#### 2002

The FDA approves the hepatitis B drug Hepsera, also developed by Dr. Holy

#### 2003

Isolation of a new line of embryonic stem cells

#### 2004

Industrial production of nanofibrous non-woven materials

#### 2004

The FDA approves the anti-AIDS drug Truvada, also developed by Dr. Holy

#### 2005

Development of the ELISA diagnostic kit, which raises the likelihood of successful artificial insemination from 25-29% to 60-70%

#### 2005

Czech scientists exploit nanoelements in order to treat cancer patients



Illustrative photo

# French investors savour not only Czech snails, but also the Czech cocktail of high economic growth, moderate inflation and low taxes



Snails – a traditional specialty of French cuisine. Interestingly, the Czech firm Snaillex Plus raises these delicacies in the Czech Republic and exports them to France. The company's products (snail liver) even received an award at the international food trade fair in Dijon.

Thanks to these investments, France became the fourth largest investor in the Czech Republic, a position it still holds today. The joint investment of PSA of France and the Japanese carmaker Toyota (TPCA) valued at EUR 1.3 billion undoubtedly contributed to the country's higher ranking among foreign investors.

Since 2005, when the TPCA plant reached full production capacity, it has produced 300,000 cars per year, whereas more than 90% of production is intended for export. TPCA's activities contribute to the favourable trade balance with France, and thus 2005 was the breakthrough year in trade relations. Since then, the Czech Republic has managed to maintain a positive trade balance, which indicates that foreign investors are choosing the Czech Republic to meet the needs of not only the local market, but entire European market.

## French investors prefer partnerships in the Czech Republic

If we take a closer look at the structure of French investments in the Czech Republic, we will see that the great majority of these investments represent capital entry into Czech companies or joint ventures. The French demand a rate of return on risk that is much higher than any other investors. They prefer to enter into partnerships with companies that they know and with which they have established

The share of French direct investment in the Czech Republic's total volume of foreign investment ranked France in seventh place in 2000. The turning point came in 2001, when Société Générale decided to purchase 60% of Komeční banka, a leading Czech bank, and the companies Vivendy and Anglian Water acquired Pražské vodovody a kanalizace.

(often long-term) cooperation. French investors have a strong presence in the Czech Republic, even though it is often hidden behind Czech names. This is confirmed by recent research conducted by the French embassy, which declares that in the Czech Republic there are more than 400 companies with French capital employing roughly 70,000 people.

## Investment across all sectors

We can find French investments in practically every sector of the Czech economy, though primarily in the automotive industry and related sectors, in construction and in financial services.

One of the first incoming investors to take advantage of the opportunities presented by privatization in 1993 was Schneider Electric Písek, which is focused on manufacturing electromechanical instruments intended primarily for the global market. Since it entered the Czech Republic, the company has invested roughly CZK 630 million in a modern plant, which employs 800 workers and is among the Schneider Electric group's European largest plants.

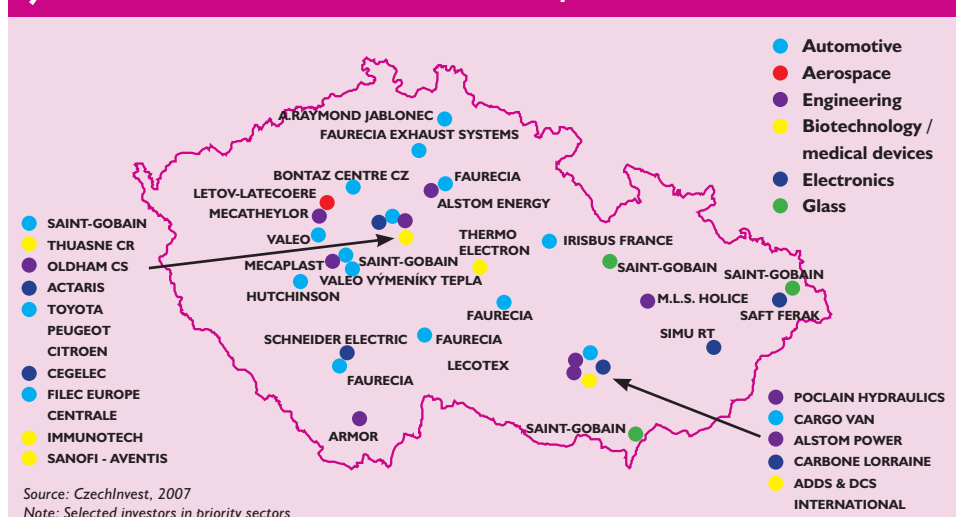
Then entrance of TPCA into the Czech Republic meant not only an investment worth millions of euros, but also a large volume of order for automotive-components suppliers. One of the most significant manufactures

of auto parts is the French company Faurecia, which at the end of last year opened its seventh factory in the Czech Republic in the South Bohemian town of Písek. The plant, in which the company invested EUR 50 million, produces door panels, seat frame and exhaust systems. In total, Faurecia has invested nearly CZK 4 billion in the Czech Republic.

The companies Lisi Automotive, Electropoli Groupe and Lachant Spring have more in common than just the fact that they operate in the automotive sector. They also entered the Czech market by acquiring a Czech partner. Electropoli Groupe a two-thirds share of the Czech firm Galvia, Lachant Spring this year purchase a share in the Martis Pěrovna and Lisi Automotive took over a 97% share in Form, which specializes in the production of instruments and cold forming of components. Lisi Automotive is also currently undertaking investments in the South Moravia region.

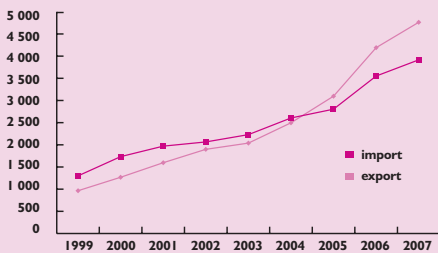
Valeo, a manufacturer of automotive accessories, has three factories in the Czech Republic as well as a technology center engaged in the development of 3D computer modeling of automotive air-conditioning systems and control panels. Another French automotive firm that has expanded its production programme with new technologies is Hutchin-

## Selected French investors in the Czech Republic





### Development of the trade balance with France



Source: Czech Statistical Office, 2007

son, which employs approximately 800 people in Rokycany. The portfolio of French manufactures present in the Czech Republic is also growing with the addition of Saint-Gobain, which Hořovice produces automotive glass for mid-sized and luxury cars. Besides the automotive industry, Saint-Gobain is also active in construction. In 2005, SG bought the company W.A.W.A. - Keramika, which is number two on the Czech market in the area of sanitary and facing materials. The company's very positive results in this area (construction materials) led Saint-Gobain last year to establish Platforma, a wholesaler of building materials for professionals.

Other French firms contributing to the growth in the construction industry are Vinci, which has a controlling interest in Stavby silnic, železnic and Průmstav, the cement-maker Lafarge, and Knauf Insulation, which supply building-insulation systems.

The French share of the banking sector is dominated by Société Générale, the Czech Republic is home to a range of other, smaller investments. Volksbank of Austria is represented by French capping from Banque Populaire, and BNP Paribas is better known in the Czech Republic through its offshoot Cetelem, a loan provider. Cofidis is engaged in the same business activity, as it is a credit providing loans by telephone. Another example of the French presence in the local financial market AXA Assistance, which – as its name implies – ensures assistance services related to automobile and travel insurance.



Czech ambassador Pavel Fišer in front of the Eiffel Tower with Louis Gallois, general director of Airbus.

### Czech media in French hands

The leader in the Czech private radio broadcasting market is the French group Lagardere Aktive Radio International, which decided to capture the CEE market in the 1990s. The group operates the biggest radio stations in the Czech Republic, Frekvence 1 and Evropa 2, and publishes Czech versions of Elle and Maxim magazines.

With regard to sophisticated investments from France, we can mention Altran, which offers innovation production-process solutions for industrial companies. The Franco-Czech joint venture ADDS/DSC is involved in bioinformatics, meaning that it tests and evaluates substances and molecules in pharmacy with the use of sophisticated statistics programmes. Headquartered in Brno, the company was begun with ten employees two years ago and is currently planning to expand and at least double its staff.

In 2000 Letov letecká výroba became a part of Groupe Latecoere of France. Over the following seven years, the company tripled the number of its employees and expanded its production capacity in order to supply Airbus, Embraer and Dassault Aviation.

If you lose your luggage when flying, contact Prague branch of Team Tracker, a call center operating in 17 languages and providing support to airlines in cases of lost or damaged luggage.

### Edith Piaf filmed in Prague

Investments in the film industry can undoubtedly be included among investment with added value. The Czech Republic can be recognized in numerous foreign-produced films. There are several reasons why the Czech Republic is known as the Hollywood of Central Europe. Production costs here are on average two times lower than in foreign filmmakers' home countries, while local film studios offer top-quality equipment and personnel. Last year, two films by leading French producers were filmed in Prague, the first of which, *Faubourg 36*, is set in Paris at the time of the People's Front. Director Christophe Barratier recognized that, in addition to costs (building a Parisian quarter was paradoxically cheaper in Prague than in Paris), the high standard of living there also played a significant role. The second French film shot in Prague in 2007 was director Olivier Dahan's Oscar-winning *Edith Piaf – Le Môme*.

The Czech Republic offers countless opportunities for foreign investors and thus appeals particularly to French investors who are considering tasting the Czech cocktail comprising six-percent economic growth, moderate inflation, low taxes, an educated workforce and favourable location at the center of the European market.

### WHAT DO LOOK OUT FOR WHEN DEALING WITH A FRENCH PARTNER, OR A FEW CULTURAL TIPS:

- **Be careful with language** – your first contact with a French partner should be in French. The French are very proud of their language and at the beginning prefer not to use anything but their mother tongue.
- **Patience above all else** – the French are indecisive and it takes a relatively long time to convince them of the advantages of cooperation. It is necessary to capture their interest in order to gain their trust.
- **Three vacations a year** – if you are planning to invite a French partner to your country or to visit his, it is necessary to take the French calendar into account. During the summer holiday season, the whole of France travels south to the sea, while in winter they descend on ski resorts. In addition, the French like to use holidays falling on a day in the middle of the week as a "bridge", meaning they the given holiday to the weekend by taking vacation or sick days.
- **Time perception** – in France, punctuality is not a high priority. Whereas the typical grace period in Czech Republic is fifteen minutes, in France it is rather a half-hour or longer.
- **Proper selection of meeting times** – for the French, food is a very important part of life, so do not expect them to give up their two-hour lunch breaks. It is inappropriate to schedule a meeting between 11.00 a.m. and 2:00 p.m. It can happen that you will not manage to cover the given matter before lunch and your counterpart will feel guilty for not inviting you to lunch.
- **How to negotiate** – during negotiations, it is not considered civil to go straight to the matter at hand. Personal contact is important to the French, who feel the need to get to know you, which is also related to building trust. Therefore, you should be prepared to discuss your hobbies, studies or, for example, football.
- **How to make contact** – initial contact via e-mail is not suitable. It is much better to use the telephone, in which case you will explain (ideally in French) your purpose to your counterpart. If it is necessary to present materials, a printed brochure is preferable to a presentation on a CD.
- **Strikes are a national sport** in which the French engage several times a year for various lengths of time. For the French, strikes represent their right to express disagreement and as such should be respected. Beware of exaggerated criticism of strikers who cause your flight to be delayed, for example, because the French will not understand your aggravation.

Iva Ribaille, CzechInvest

### Contact to CzechInvest's French office:

E-mail: [paris@czechinvest.org](mailto:paris@czechinvest.org)

Tel.: +33 1 56 24 87 72

Centre tcheque, 18, rue Bonaparte  
F-75006 Paris, France



Illustrative photo

# Find success in the Czech Republic with the Operational Programme Enterprise and Innovation!

## Financial Support for Businesses

For the period 2007-2013 an allocation of EUR 3,041.31 million has been prepared for the Operational Programme Enterprise and Innovation (OPEI), which represents 11.75% of the total allocation of EU financial resources for the Czech Republic. Applicants can present their projects from the manufacturing industry and related services when individual calls for programmes are announced and opened. An important goal of OPEI is improvement of the Czech Republic's business environment as one of the key elements of the future successful development of the domestic economy.



A dynamic business environment creates conditions for successful start-ups and development of competitive firms that create new jobs and strengthen the country's economic and social cohesion.

Some programmes are available only to small and medium-sized enterprises, while others also provide support to large enterprises. Funding comes partly from the

European Regional and Development Fund (85% of the total allocation) and partly from the state budget (15%) of the Czech Republic. Programmes are classified according to individual priority axes. Majority of programmes is administered by CzechInvest, whereas three of them are managed by the Czech-Moravian Guarantee and Development Bank (for more information on these programmes, please visit [www.cmzrb.cz](http://www.cmzrb.cz)).

Five new calls have been announced this year on the Ministry of Industry and Trade and CzechInvest websites. Receipt of Registration Applications for the majority of these calls will begin on 1 March 2008. Applicants must first register via the eAccount internet application, which enable the submission of projects online. The online 24-hour access reduces the administrative burden and makes the process of handling subsidy applications more ef-



ficient. Applicants must first establish a master account through which individual projects can then be created. All necessary information and documents related to grant applications are submitted electronically through eAccount. However, every document must be electronically signed and it is therefore necessary that applicants have an electronic signature. Instructions for creating a master account in the eAccount application can be found at [www.czechinvest.org](http://www.czechinvest.org). The application is currently only available in Czech.

Since preparing individual projects for grant applications can be relatively time-consuming, a high-quality business plan is a fundamental key to success, as is the applicant's ability to implement and finance the project. Once the business plan is prepared on the CzechInvest and Ministry of Industry and Trade websites, information on possible support from the programmes as well as the currently open calls can be obtained.

Every call specifies the basic conditions valid for the particular call. Some conditions

are the same for all programmes as they are derived from European rules for regional policy. An example of such a condition is that projects implemented in Prague cannot be supported. Projects also must not violate the European horizontal policies and their basic principles, particularly equal opportunities for men and women and sustainable development. One very important condi-

tion is the financial health of the applicant. Upon submission of the Registration Application, the applicant must also submit financial data for the past two years (two closed accounting periods), base on which rating evaluation is then calculated. All applicants must have at least a C+ evaluation. Other eligibility conditions are further specified in individual calls.



*Illustrative photo*

### Potential programme – call II

The second call of the Potential Programme was launched on 2 January 2008 and this time it also applies to large enterprises. Within this programme, support can be obtained for investment in the establishment or expansion of development centres (departments) aimed at research, development and innovation of products and technologies. Such centres should contribute to the introduction of technologically new or improved products, product lines, production processes and technologies. However, there must be a realistic expectation that the given centre's results will be used in production. The most important condition of the project's eligibility is minimum investment in the amount of CZK 5 million (CZK 10 million for large enterprises). Unlike other programmes, a newly created Czech entity can apply for support under the condition that the financial health of the entity (entities) having a controlling interest in the applicant is evaluated.

### ICT and BSS – call I

The first call of the ICT and Business Support Services Programme is also opened to large enterprises. Creation and development of IS/IT solutions and applications (SW development), shared services centres, customer contact centres and high-tech repair centres for products and technologies are activities supported within this programme. The most impor-

tant conditions for project eligibility include the creation of a minimum number of new jobs depending on the type of activity and the size of the enterprise. Furthermore, a minimum investment amount of up to CZK 5 million is required. Also for this programme, the condition pertaining to the financial health of the applicant can be fulfilled in the case of newly created entities by the entity (entities) having a controlling interest in the applicant.

### Real estate – call I

The first call of the Real Estate Programme, which is open to enterprises of any size, supports preparation of industrial zones, renovation of buildings and, to some extent, construction of rental buildings in the manufacturing sector or business support services and technology centres. Costs relating to, for example, project documentation, purchase price of property, land preparation, construction and renovation of business properties, demolitions of unused buildings or technical and transportation infrastructure are classified as eligible for support under this call. However, the users of the property must operate in the manufacturing industry, business support services or technology centres sector. A property that is eligible for support must be under the ownership of the beneficiary. Enterprises with two years' history of business activity can apply within this programme. Projects must be in compliance with the land-use plan.

### Training centres – call I

Within this programme, companies can apply for subsidies relating to investment in the construction, renovation, acquisition or equipment of training centres or training rooms. The aim of the programme is to support entities that strive to create a quality background for education. However, there is the condition that the majority of employees educated in training centres must be those of companies operating in fields precisely defined in the call. Support can be obtained for costs associated with, for example, the purchase or modification of property, construction or renovation of buildings, technical and transport infrastructure, project documentation, training tools, machinery and equipment and intangible assets.

### Innovation – projects for protection of industrial property rights – call I

This programme supports and contributes to the protection of intangible assets. Within the first call of this programme, a subsidy in the maximum amount of CZK 300 thousand can be obtained for acquisition of patents, utility models, industrial designs and protected trademarks (only abroad). For this particular call, only small and medium-sized enterprises and natural persons, public research institutes and universities can apply. However, prior to submitting the application at the relevant national or international industrial property office, it is necessary to submit the subsidy application.



Illustrative photo

### Is Trust Management suitable for your business?

Trust Management could be simply explained as the outsourcing of a company's management to a local Trust Manager with professional skills and a senior-level managerial experience.

The scope of work of the Trust Manager may vary according to the business concept. The Manager can cooperate with the client on management, take broader responsibility for a branch, or even establish a new entity. "The main benefits of a Trust Manager are a combination of his excellent knowledge of the local market and the effective allocation of costs," says Rudolf Vrestal and adds: "We assume a liability for our managers to cover any potential risks for the client by executing a service agreement with the client."

Despite the many advantages, this concept is not suitable for every part of business. Trust services essentially cover a primary company's operations such as administration, accounting, legal issues and, finally, the company's management. It allows the client to focus on his core business instead of spending too much time on operative decisions. Trust Management is therefore typically used by investors who establish or expand their business in the Czech Republic and for whom placing their own CEO on site would be too complicated, uneconomical and time-consuming.

### Why do you need an experienced representative for legal issues?

In order to fully understand the contribution of the Trust Manager, let us take a look at the basic legal requirements needed to form an entity in the Czech Republic.

First of all, each company established under Czech law is to appoint at least one person to represent the company vis-à-vis third parties. This person is called either the Executive (jednatel), in the case of limited liability companies, or the Member of the board of directors

# Trust Management

## Managing Your Business Effectively

Have you ever considered the possibility of cutting costs by outsourcing the management of your company? Do you know that you can run your business in a foreign country without putting in place a local CEO and thus operate your company "virtually" from your home country? Mr Rudolf Vrestal, Managing Director of ASB Prague explains the main advantages of running your day-to-day business through so-called Trust Management.

(clen predstavenstva) in the case of joint-stock companies. The Trust Manager represents the company vis-à-vis third parties, including state authorities such as the financial office, trade office, labour office, social security and health insurance companies, and the commercial court in corporate registration matters.

The Trust Manager takes care of the company's accounting matters and is legally liable for the accuracy of the company's accounts. Upon individual agreement with the client, accounting services can be performed by the service company itself. If the client decides to finance its acquisition activities through external financing, the Trust Manager can assist him in various transactions and offer contacts at the main financial institutions on the Czech lending market.

In terms of tax reporting, the Trust Manager is responsible for due and timely preparation and filing of annual tax reports, periodical income tax and VAT filings, and providing full cooperation with the tax authorities in the event of regular accounting controls.

"Realizing all legal steps that are to be undertaken anyway, you naturally look for a simple solution that fulfils necessary regulations according to Czech legislation and keeps your expenses at a minimum. The aim of trust services is to provide you with the most optimized solution," summarizes Rudolf Vrestal.

### Why is Trust Management so cost-efficient?

Generally speaking, Trust Management is an efficient way of running a client's business, yet remains under the client's full control. By using a Trust Manager, investors save costs on personnel expenses, including headhunters, high salary requirements and other extra expenses associated with supporting Czech CEOs (car, phone, IT support); they can further benefit from transport and logistics savings and, in the end, become much more time-effective.

A decision to use a Trust Manager relies on the client's confidence in the service company and it works best in a long-term

business relation. On the Czech market, this business is not yet as common as it is in some other market economies. However, there are some well-established trust service companies here already.

### Why ASB wins the trust

ASB Prague, is such a company. Since 2001, this Czech consulting company has been providing its clients with a wide range of corporate, accounting and personnel services. ASB is specialized in Trust Management that has been primarily used by foreign real estate funds. However, this service is now becoming more popular with foreign and domestic companies investing in other fields and using different levels of trust services.

"Trust Management substitutes the function of a continuous supervision over the client's local business interests. Clients can then focus on further investment possibilities in the secure knowledge that their Czech business operations will be under the professional control of the ASB managers. These professionals ensure smooth running of a business on one hand, and regular reporting with a high level of confidence on the other," says Rudolf Vrestal, before revealing the main secret of his company: "An individual client approach and new, complex, solutions are the crucial points of our philosophy: 'Always Smart Business'."

Rudolf Vrestal,  
Managing Director,  
ASB Prague



 **ASB** Always Smart Business

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# CzechInvest and AFI recognise the most important investments in the Czech Republic

More than 200 specialists, foreign and Czech investors and representatives of a range of ministries came together at the end of last year in the Rajska Building of University of Economics in Prague on the occasion of the Investor of the Year 2006 awards ceremony. The seventh edition of this prestigious competition was organised by the Association for Foreign Investment and CzechInvest in cooperation with the Partnership to Support Foreign Direct Investment in the Czech Republic. The event was held under the auspices of the Ministry of Industry and Trade of the Czech Republic.



All award winners in the Investor of the Year 2006 competition.

The purpose of the competition was to give recognition to the most important investment projects of 2006. „Investors bring to the Czech Republic not only financing and new jobs, but also new technologies and experience with international markets that offer the greatest benefits for the Czech Republic,” said Alexandra Rudyšarová, acting CEO of CzechInvest. „In recent years, the Czech Republic has become an increasingly attractive location particularly for technologically demanding projects requiring highly skilled and reliable specialists,” adds Martin Slabý, chairman of the Association for Foreign Investment (AFI).

During the gala evening, winners were announced in four categories: Greatest Economic Benefit – Manufacturing Industry, Greatest Economic Benefit – Business Support Services, Investment with the Greatest Innovation Potential and Supplier of the Year, which recognises the most important suppliers to multinational corporations. The Special Prize of the Association for Foreign Investment was also presented.



Hyundai Motor Manufacturing Czech took top honours in the Greatest Economic Benefit – Manufacturing Industry category. The award was presented to Mr. Jaromír Radovský by Karin Hudečková of ČSOB, the general partner of the AFI, and Luboš Vaněk, Deputy Minister of Industry and Trade.

Companies that announced their investment projects in 2006 were eligible for Investor of the Year awards. The data for evaluation were taken from the project proposals that individual companies submitted to CzechInvest.

The prize for greatest economic benefit in the manufacturing industry was awarded to Hyundai Motor Manufacturing Czech for its car-plant project in Nošovice. This company has invested CZK 30 billion in the Czech Republic and has created 3,000 new jobs. IPS Alpha Technology Europe took second place for its project involving a factory for the production of flat-screen displays in Žatec. The third-place award also went to a firm operating in Žatec, Hitachi Home Electronics, which was recognised for its television and flat-screen display factory.

The IBM Global Services Delivery Center in Brno was recognised as the project having the greatest economic benefit in the area of business support services. Central European Aircraft Maintenance took second-place honours for its transport-aircraft repair centre in Mošnov, and Red Hat Czech's software-development project in Brno placed third.

Visteon-Autopal's centre in Nový Jičín for the development of lighting, air-conditioning and cooling technologies for the automotive industry took top honours in the category Investment with the Greatest Innovation Potential. Second prize in this category went to Emerson Climate Technologies for its centre focused on development of heating elements and compressors for air-conditioning and cooling equipment. Bang & Olufsen took third place for its centre engaged in the development of audio, video and telecommunications devices.

The Supplier of the Year 2006 awards went to the Czech companies Ray Service, Wendell Electronics and Telčská strojírenská.



Jaroslav Doležal, National Executive at Honeywell, received a special prize for his extraordinary contribution to the development of foreign investment in the Czech Republic. The award was presented by Martin Slabý, chairman of the Association for Foreign Investment.

Jaroslav Doležal, National Executive at Honeywell, received a special prize for his extraordinary contribution to the development of foreign investment in the Czech Republic. Mr. Doležal worked for many years at the Czech Academy of Sciences, where he collected a number of awards for his scientific work. At the beginning of the 1990s, he was instrumental in the establishment of Honeywell's first research laboratory outside the United States. Also recognised in this area was Zdeněk Kaiser, CEO of Ingersoll-Rand Equipment Manufacturing Czech Republic, which is among the most important investors in the Czech Republic, where it operates a unique research and development centre at which it has decided to train its top employees. Mr. Kaiser played a significant role in this decision.

# Unique research at the University of Veterinary and Pharmaceutical Sciences in Brno protects human and animal health



Illustrative photo



Arthroscopic surgery in the orthopaedic ward of the Faculty of Veterinary Medicine, VFU Brno



The Professor Lenfeld Pavilion, a new dominant feature of the Faculty of Veterinary Hygiene and Ecology at VFU Brno

The University of Veterinary and Pharmaceutical Sciences in Brno (VFU Brno) currently comprises three faculties focused on the areas of veterinary medicine, veterinary hygiene and ecology, and pharmacy. The Faculty of Veterinary Medicine is oriented particularly toward clinical veterinary medicine, while the Faculty of Veterinary Hygiene and Ecology emphasises the study of veterinary hygiene and veterinary aspects of food safety and quality, and the Pharmaceutical Faculty focuses on human and veterinary pharmacy.

Both of the university's veterinary faculties have been internationally evaluated, meaning that they are fully integrated into the European Association of Establishments for Veterinary Education (EAEVE) and are included on the List of Institutions Evaluated and Approved by the EAEVE. Like other European schools, VFU Brno has espoused the concept of building a research university in order to enhance the role of science and research in all areas of its activities. This is reflected not only in the training of under- and post-graduate students, but also in the skills of instructors and emphasis on practical application.

In terms of its areas of focus, VFU Brno is an absolutely unique university in the Czech Republic. The Faculties of Veterinary Medicine

and Veterinary Hygiene and Ecology are the only ones of their kind in the country, and the Pharmaceutical Faculty is one of only two such faculties in the Czech Republic. Because research at VFU Brno is conducted particularly within the faculties, individual research activities are also of a unique character.

## Active enhancement of health

Research activities within the Faculty of Veterinary Medicine are distributed for example among projects within the Research Programme of the Ministry of Education, Youth and Sport (MEYS), a project of the National Research Programme II, and projects of the Grant Agency of the Czech Republic.

The Research Programme of the MEYS, which has been conducted within the Faculty of Veterinary Medicine since 2005 (and is expected to run until 2011), is focused on the area of active "Active enhancement of health,

performance and utility of animals". The main aim of this project is to gain deeper insight into the modification of the metabolism and reproductive capacities of ruminants, pigs, and horses with the purpose of enhancing health, performance, and utility. Research concerning the active enhancement of health and production performance in cattle and small ruminants investigated the effect of selenium and chromium on the metabolism of ruminants, the effect of diet on production performance in dairy cows and calves, and the diagnosis of certain diseases.

## Research on the treatment of damaged joints in humans

A project of the National Research Programme II, "Use of newly synthesised biomaterials in combination with stem cells in the treatment of diseases afflicting human tissue derived from mesoderm: cartilage, bone, ligaments and menisci", has been ongoing since 2006 and is ex-



Professor Kloubek Pavilion at the Faculty of Veterinary Medicine, VFU Brno



Small-animal clinic at the Faculty of Veterinary Medicine, VFU Brno



pected to run five years (until 2011). At present, the project involves the very timely issue of biomaterials and nanotechnologies. The primary aim of the project is to formulate safe and effective processes that will enable the application of newly synthesised biopolymers implanted using the targeted differentiation (distribution) of stem cells for the treatment of locomotory illnesses. Five entities are taking part in the project of the National Research Programme II, whereas the main implementing facility (implementer-coordinator) is VFU Brno. The project is centred on experimental development leading to technologies that guarantee the safe use of biomaterials in which will be implanted cells intended for transplantation into bones, joints, tendons and ligaments. From the perspective of the introduction of treatment methods, this experimental stage is necessary for the creation of safe and effective technology before the commencement of clinical trials and possible clinical use of these implants as replacements for damaged human cells and tissues.

The project is thematically related to other research projects in the area of orthopaedics implemented in the past. These include primarily projects of the Internal Grant Agency of the Ministry of Health implemented at VFU Brno in cooperation with the Children's Surgery, Orthopaedics and Traumatology Clinic of the Faculty of Medicine at Masaryk University in Brno.



Laboratory for microbiological analysis of foodstuffs

These projects were focused on the transplantation of cultivated cartilage cells (chondrocytes) and stem cells into damaged growth zones of extremity bones. Another very successful project of the Society for Sports Traumatology and Arthroscopy was implemented in cooperation with traumatologists from the Brno trauma centre engaged in the transplantation of menisci. In the area of small-animal orthopaedics, the university has enjoyed significant, international cooperation with specialists from veterinary faculties at universities in the United States (Texas A&M University, University of Illinois, Purdue University).

### Current scientific priorities clash in research of infectious diseases in animals

Part of the research activities at the Faculty of Veterinary Medicine is conducted within institutes having a paraclinical focus (pathology, microbiology, immunology, parasitology, epizootology and clinical genetics). These institutes' research activities are focused on infectious diseases of animals, which have a significant impact on the breeding of domestic livestock. Such diseases also represent an environmental risk and a possible threat to human health, either directly or through consumption of products made from diseased animals. Thus, this concerns an area of biological, medical, ecological and social significance. The primary focus of research in this area of veterinary medicine is, therefore, the study of causes and mechanisms of the emergence of infectious diseases in animals. Significant findings in this area include the results of genetic studies dealing with equine diseases and focused on immunity genes. The aforementioned activities cover several current scientific priorities, such as human and veterinary health, food safety, utilisation of molecular and genetic methodologies, the use of informatics and bioinformatics and handling of issues related to basic biology. It mostly concerns basic research creating preconditions for the development of science in the academic environment and for development of subsequent applications.

### Food safety and quality – a major subject of veterinary research

Science, research and other productive activities of the Faculty of Veterinary Hygiene and Ecology are focused on the Research Programme of the Ministry of Education, Youth and Sport, the National Research Programme II and projects of the Grant Agency of the Czech Republic.

The Research Programme of the Ministry of Education, Youth and Sport, which has been underway at the Faculty of Veterinary Hygiene and Ecology since 2005 (and expected to run until 2011), is focused on "Veterinary aspects of food safety and quality". Food safety and quality has recently become a major topic of veterinary research. This project is based on the comprehensive European concept of food safety. With regard to veterinary aspects of environmental conditions for raw foodstuff production, investigations are underway into levels of contamination by selected organic pollutants and risk elements in the environment. In addition, the health status of some animal species occurring naturally in the environment used for feed production, animal breeding, and plants used in feed production is also under investigation. In the area of veterinary aspects of feed production and animal nutrition, efforts are being made to identify suitable plant-based components to be substituted for animal-based components in feed mixes intended for laying hens,

broilers, and pheasants. In the field of veterinary aspects of animal reproductive health and animal protection and welfare, the metabolism of animals intended for food production, in relation to the quality and safety of animal products, is being investigated with particular emphasis on evaluating levels of selected substances in animal products intended for human consumption. Other studies have dealt with the effects of some types of animal housing on the quality of production, with the transport and pre-slaughter handling of animals (fattened cattle, dairy cows, etc.), and also with the levels of stress in poultry, pheasants and fish (carp) during transport.

The Pharmaceutical Faculty's research activities are concentrated for example on the projects of the Ministry of Education, Youth and Sports, the Ministry of Industry and Trade, the Internal Grant Agency of the Ministry of Health.

Research activity in the field of pharmaceutical sciences is oriented toward several different areas, one of which is the seeking out, identification and testing of new, natural, biologically active agents that can be used as natural medicines. Other areas of research include, for example, the production capability of higher-plant tissue cultures, the study of metabolism, RNA in the regulation of gene expression and the properties and analytical evaluation of biologically active agents, and development and evaluation of drug forms ensuring the continual delivery of treatments to targeted locations of the bio-system.



### The success-rate coefficient

In the area of science and research, VFU Brno is accomplishing its mission of implementing projects at the most various levels. The success-rate coefficient of applied research activities, ascertained as a share of the resources obtained by the university in the past three years and resources for this period in the form of results recorded in the Registry of Scientific Information (RSI, an indicator monitored by the MEYS) for 2006, was 0.99765977 and is one of the highest in comparison with other universities. VFU Brno's research results are realised particularly in the form of publications, which are entered and subsequently presented in the universities annual List of Publications and are registered in the RSI. In terms of the number of publications per 100 students, VFU Brno was among the highest performing Czech universities in 2007.

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# Ostrava – Home of the Biggest Czech Aircraft Maintenance Centre

Aircraft maintenance, repair and overhaul in the Czech Republic is based on the country's strong engineering background using a unique approach. The lack of aircraft components in the period between 1970 and 1990 due to restrictions on foreign imports taught Czech companies and their employees to develop and produce crucial aircraft parts using their own resources, knowledge and skills. This situation gave the Czech Republic a major competitive edge, as it fostered the development of highly skilled technicians who are able to cope with current manufacturing difficulties.



JOB AIR-CEAM



## A brief history

The history of maintenance, repair and operations (MRO) in the Czech Republic dates back to 1937, when the Czechoslovak Aviation Company (CLS) established its repair facilities with a new hangar dedicated to servicing Douglas DC-2s. Consequently, the hangar and all adjacent aprons were used by the German Luftwaffe for thorough inspections of its

bombers. After World War II, CLS merged with Czechoslovak Airlines and since that time the Czech flag carrier has represented a long, ongoing tradition of MRO at Prague-Ruzyně Airport.

## Czech Airlines' Technical Division – uncompromising quality and safety standards

The Technical Division of Czech Airlines is responsible for full base and heavy maintenance, heavy structure repairs and modifications of the classic and new-generation Boeing 737 and Airbus A320 aircraft supported with backshops, laboratories, NDT, etc., and working under the EASA/JAR145 Certificate. Timely delivery, uncompromising quality and

safety standards across all services are highly rated by a growing number of customers such as Air Berlin and Transavia.

([www.csamaintenance.cz](http://www.csamaintenance.cz))

## Job Air – Central Europe Aircraft Maintenance (JOB AIR-CEAM) – a unique project in the heart of Europe

In an effort to build on the best of the Czech aviation tradition, JOB AIR-CEAM is driving an ambitious project with the aim of establishing an Airbus A380 and Boeing 747 MRO Centre of Excellence at Ostrava Airport. In order to fulfil this goal, the company has been progressing step by step since 1996, when JOB AIR established its maintenance facilities for turboprop aircraft under





JOB AIR-CEAM

the JAR145 Certificate. JOB AIR-CEAM is a joint-stock company offering integrated MRO solutions for mid-sized and large civilian aircraft and has matched, if not surpassed, the necessary downtime requirements and expected quality level based on the assumption that all safety standards are met. JOB AIR-CEAM's centre is situated at the Ostrava Airport, enabling the acceptance of all categories of aircraft due to the site's excellent parameters. The company has also set up a long-standing partnership with the Technical University in Ostrava in order to satisfy the company's labour needs.

([www.jobair.eu](http://www.jobair.eu))

JOB AIR-CEAM is building the biggest service centre and maintenance facility in Central and Eastern Europe. The project is unique, thanks to its huge hangar, which is 24 m high and covers an area of 11,680 m<sup>2</sup>. The size of the hangar, its configuration and dimensions of the garage gate are designed to accommodate two jumbo B747s and two mid-sized B737s at the same time, which has hitherto been impossi-

ble in the CEE region. Full operation should start as early as in the second quarter of 2008, after trial operation has been completed.

JOB AIR-CEAM found a favourable climate for heavy aircraft maintenance at the lightly used Ostrava Airport, where the company's new hangar is located. A truly world-class facility, Ostrava Airport's operating parameters enable it to cover all categories of aircraft. The outstanding concrete runway (RWY 04/22 - 3,500 x 63 meters) with PCN 50/R/A/X/T load-bearing strength and low density traffic, six taxiways (TWY A, B, C, D, E and F), three aprons (south, central, north) capable of handling at least 16 B737s in the basic configuration and 31 B737s in alternative configurations for the maximum number of aircraft, and total airport area of more than 500 hectares, including logistics and warehousing zones, contribute to Ostrava Airport's being the company's focal point and competitive edge.

The company plans to employ about 200 people at the beginning, though this number will eventually grow to up to 300. Consider-

ing the area of both theoretical and practical preparation, cooperation with the Technical University in Ostrava is shaping up promisingly. Graduates in the field of transportation technology with specialisation in aircraft maintenance, some of whom are already gaining practical experience at JOB AIR, will thus have a significant advantage when they enter the job market.

JOB AIR-CEAM is responding to the current situation in the area of air transport, which in Europe is characterized by massive expansion and enormous pressure to reduce the prices of plane tickets. This situation is forcing airlines to drastically reduce operating costs and this is accompanied by some side-effects, one of which is that airlines outsource their aircraft maintenance and repairs to other companies outside their own service centres.



JOB AIR-CEAM

Petr Nėtek, CzechInvest

### JOB AIR-CEAM milestones

*15 years of spectacular service and comprehensive support...*

- 1993** Company founded
- 1994** Approved Maintenance Organisation and Regional Airline
- 1994** L410, Jetstream 31
- 1995** Bae ATP, Saab 340
- 1999** Approved Maintenance Organisation – JAR145
- 2001** Maintenance Training Organisation – JAR147
- 2003** Air Operator Certificate – JAR OPS I
- 2004** Approved Maintenance Organisation – EASA Part 145
- 2005** Approved Training Organisation – EASA Part 147
- 2005** Conclusion of an agreement with Saab Aircraft AB on base maintenance of Saab 340 and Saab 2000 Services
- 2006** Commencement of construction of the new wide-body aircraft maintenance facility
- 2007** Finalisation of new maintenance facility construction
- 2008** Start of new maintenance facility operation

Source: [www.jobair.eu](http://www.jobair.eu)

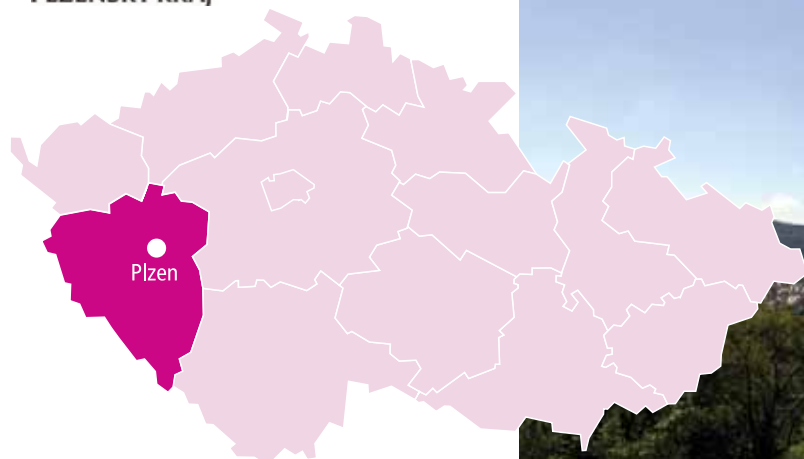


JOB AIR-CEAM

# Plzen – a Region of Opportunity

Located in southwestern Bohemia, the Plzen region borders the German state of Bavaria as well as four other regions of the Czech Republic – Karlovy Vary, Ústí, Central and South Bohemia. Covering 7,561 km<sup>2</sup> the Plzen region is the country's third largest region in terms of land area, though it ranks ninth in population (555,491).

The region's seven districts (Domažlice, Klatovy, Plzen-city, Plzen-south, Plzen-north, Rokycany and Tachov) comprise territorial units that are substantially different from each other with regard to their landscape, demography, economic potential, and population density. Thirty percent of the region's population lives in the city of Plzen, with the rest residing in a large number of smaller towns; there are no medium-sized cities in the region.



*Romanesque rotunda in Starý Plzenec*

## The Green Heart of Europe

The Plzen region's landscape is unusually diverse. From the Šumava Mountains and the Bohemian Forest on the western border with Bavaria to the Šumava foothills and undulating land of the interior, visitors will find beautiful countryside adorned with colourful towns and villages, abundant forests and bodies of water. The region partially encompasses the Křivoklátsko and Slavkovský protected landscape areas. The Šumava area is known variously as the green roof or the green heart of Europe thanks to its extensive forests. The border region's forty years of isolation behind the Iron Curtain contributed to the preservation of this virgin landscape. The most significant part of this area is under the protection of the largest national park in the Czech Republic. The Plzen region's landscape is remarkably diverse, giving both tourists and locals the opportunity to experience many natu-

ral wonders and historical monuments such as the Romanesque rotunda in Starý Plzenec, Rábí Castle, the Kozel Chateau, the monastery Kladruba and the convent in Plasy.

## Industry and Investment

Mineral deposits, which represent the fundamental potential for development of the manufacturing industry, are concentrated in the interior of the Plzen region (around the city of Plzen). This refers to deposits of black coal, clay for ceramic and heat-resistance applications, and building stone. The region is very well suited to forestry and agriculture, as approximately half of its area comprises farmland. The Plzen region ranks second in the Czech Republic in terms of the total volume of logging, immediately behind the South Bohemia region.

One of the region's important industrial sectors is mechanical engineering, which is primarily connected with the Škoda name (for example, Škoda Steel, Škoda Power, Škoda Nuclear Engineering). The main production portfolio includes equipment for conventional and nuclear power generation and the petrochemical industry, foundries and steelworks, heavy machine tools, equip-

ment for rolling mills, rail vehicles, trolleybuses, etc. Other important industrial enterprises having an impact on the region's economy are Dioss Nýřany, which is engaged mainly in the manufacture of batteries, Okula Nýřsko, a plastics processor and producer of lenses used in glasses, Lasselsberger ČR representing the ceramics industry, Solo Sirkárna in Sušice, the largest Czech match producer, and Sklárna Heřmanova Huť, focused primarily on the production of beverage glasses.

Thanks to its location, the Plzen region is attractive to foreign investors. Foreign investment in the region is dominated by the television manufacture Panasonic AVC Networks Czech. Other important foreign firms operating in the region include the automotive-components manufacturer Yazaki Wiring Technologies Czech, Vishay Electronic, a producer of electronic components, Alcoa Fujikura Czech with its production of electrical equipment, the plastic-products manufacture Borgers CS, MD ELMONT, a manufacture of insulated wire and cable, and Daikin Industries Czech Republic, which manufactures and repairs industrial cooling and air-conditioning equipment.

## Home of World-famous Beer and Much More

The city of Plzen lies in the Plzen Basin at the confluence of four rivers – Mež, Radbuza, Úhlava and Úslava – forming the source of the Berounka River. Plzen is situated at the divide between the Šumava Mountains

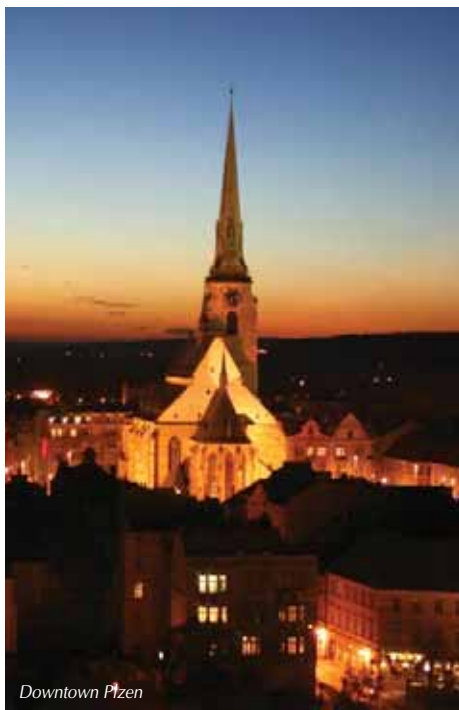
### Basic Data

<b>Area:</b>	7,561 km <sup>2</sup>
<b>Population (2007):</b>	555,491
<b>Population density:</b>	73.46 (persons/km <sup>2</sup> )
<b>Unemployment rate (January 2008):</b>	4.6%
<b>GDP (2006):</b>	EUR 5,745 mil.
<b>Regional capital:</b>	Plzen

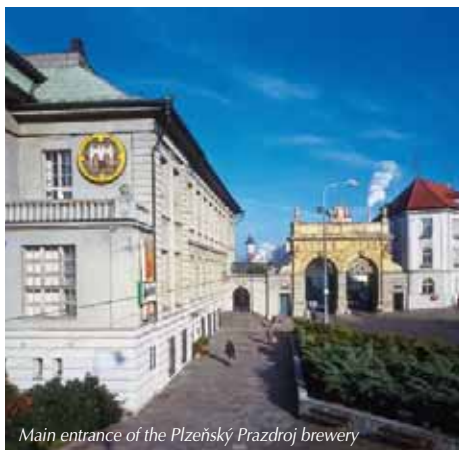
Source: Czech Statistical Office 2006, City Invest Czech 2006 - 2007



and the Bohemian and Brdský Forests. Thanks to its favourable location at the intersection of trade routes, the city of Plzen has always been an important commercial and cultural centre of the Plzeň region. After the establishment of the Plzeňský Prazdroj brewery and the Škoda engineering works in the 19th century, the city's importance grew even further. Today, it is the Czech Republic's fourth biggest city, the site of two universities and an important industrial centre. The city is currently profiting from its advantageous geographic position in the centre of Europe, excellent highway connections to Prague and Germany (D5 highway) and its close proximity to Ruzyně International Airport in Prague. Plzen is traversed by the important Plzen – České Budějovice – Linz rail line. Beer has been brewed in Plzen since the middle ages and visitors to the city's centre will find several historical buildings related to the brewing industry. The city brewery was founded in 1842 and began producing beer under the Pilsner Urquell brand, which has since become world-famous for its unique and robust flavour. Pilsner or Pils thus became the designation for high-quality, bottom-fermented pale lager enjoyed around the world.



Downtown Plzen



Main entrance of the Plzeňský Prazdroj brewery

### Plzen – a City with Great Potential for the Future

Favourably situated between Prague and the Czech Republic's western border, and with convenient transport connection on the newest Czech highway, young graduates of the University of West Bohemia and a well-developed industrial zone, the city of Plzen is strengthening its roles as a modern metropolis and attractive destination for investors.

Annually, 17,000 students are enrolled in seven faculties and two institutes at the University of West Bohemia, which thanks to Plzen's industrial tradition is renowned for its technical fields of study. Here future engineers take courses in the electrical and mechanical engineering faculties, the faculty of applied sciences and the economics faculty. In addition, students can attend the pedagogical, law and humanities faculties, the Institute of Art and Design or the Institute of Lifelong Education. Besides the University of West Bohemia, the city is also home to the Faculty of Medicine of Charles University, where aspiring doctors study general medicine and dentistry. The city's well-developed science and R&D base, together with its high-quality education infrastructure, ranks Plzen among the largest centres of education in the Czech Republic. As such, there is a high level of cooperation between local schools, research and development centres and businesses.

### Development of Industrial Zones and Business Support Services

The city of Plzen has extensive experience with foreign investments and has played a major role in supporting the development of industrial zones. The area's first industrial zone was Borská pole, where Panasonic was the first company to build a manufacturing plant in 1996. The zone currently hosts 44 companies, which have created nearly 13,000 jobs. While state-of-the-art electronics are produced in the factories of Panasonic AVC Network Czech and Yazaki Wiring Technologies Czech, for example, MBtech Bohemia (previously Mercedes-Benz Engineering) has a development centre here and Soletron Czech is also present in the zone.



Model of the Plzen Science and Technology Park (to be completed in spring 2008)

Besides Borská pole, Plzen's developed areas for manufacturing and services also include CTPark Borská pole-west, the Škoda Industrial Zone, Pilsen West Business Centre – Křimice, and others.

Thanks to public support from the city, additional sites intended for business support services are being prepared (for example, the Plzen Science and Technology Park, the Green Triangle-south Municipal Development Zone, Avalon Business Centre). Over the past five years, the Plzen region has managed to attract investments in research and development and business support services worth more than CZK 1 billion.

Industrial zones are also being developed in the region's outlying towns. Klatovy, Rokycany, Nýřany, Nepomuk, Nýrsko, Sušice and others represent new and interesting opportunities for investors.

Blanka Hrdličková, CzechInvest



Borská pole industrial zone in Plzen

### Selected investors in the Plzen region

Investor	Sector	Country of origin	Investment (CZK mil.)
Panasonic	electronics	Japan	6,913
Daikin	electronics	Japan	2,977
ŠKODA TRANSPORTATION	electronics	Czech Republic	1,395
ŠKODA POWER	engineering	Czech Republic	882
OLHO - Technik Czech	electronics	Germany	822
ŠKODA TRANSPORTATION	automotive	Czech Republic	803
Koyo	automotive	Japan	788
PROWELL	paper	Germany	736
Precision Castparts CZ	engineering	USA	684
DAIHO (CZECH)	plastics	Japan	618
Mercedes-Benz	automotive	Germany	95

Source: CzechInvest, 2007



*The most splendid Czech Costumes*

## Bright costumes, a parade of masks, wine and good cheer – folk celebrations in the Czech Republic!

The Czech Republic's folk traditions are alive and well, not only in recreated villages, museums and a wide range of exhibitions, but mainly in the people themselves. This is evident in the country's dozens of folklore festivals and celebrations which resonate with history as well as love of country and hospitality to guests. That these events are becoming ever more popular is reflected in the rising interest of local and foreign visitors.

Music, dance, beautiful folk costumes, gourmet specialties and crafts show visitors much more about a region's heart and soul than any guidebook could ever do, while also providing a pleasant means of forgetting everyday worries.

### The most colourful costume ball of the year

Most folk celebrations in the Czech Republic are connected with the coming of spring and with Christian holidays. Nevertheless, a few festivals recall the ancient Czech folk traditions. Such festivals include the annual National Costume Ball of the Czech Folklore Association ([www.fos.cz](http://www.fos.cz)) in Žďár nad Sázavou, where people come together in the most splendid Czech costumes. Each year, the ball is dedicated to one of the country's regions; this year it was the Opava and Těšínské Slezsko region in North Moravia. There were also ten vocal ensembles and the music of brass bands, which still has a special place in the hearts of Czechs.

It is also possible to see numerous, unbelievably colourful folk costumes and striking masks

*Carnivals in Czech villages**Czech folk festivals*

in the cold month of January, when Czech villages come alive with carnivals (called *Masopust*). During these celebrations, ceremonial parades traverse the villages and local residents treat the singers and dancers to *Slivovice*, a traditional Czech liquor, or serve up bacon, eggs, pastries and a broad range of sweets. These celebrations mark the beginning of the period of fasting which lasts until Easter.

### The kings ride only once in a lifetime

Very few people would want to miss such a spectacle as this. Young men ride through the village on beribboned horses and call out cheerful verses in celebration of their king, who is the youngest among them. A rose clinched between his lips ensures that the king remains silent, while an old-fashioned woman's costume and richly decorated white horse signify his exalted status in the group. But he will be the king only once in his life and the same rule applies for his entourage. In earlier times they were boys being sent to war; today they are young men of eighteen. The Ride of the Kings

(23-25 May 2008) will reach its peak in the South Moravian town of Vlčnov with a three-day programme beginning with a competition to find the best performer of the *verbuňek*, a traditional dance native to the region (incidentally, this men's dance is the first and so far only non-physical monument of the Czech Republic recognised by UNESCO). Visitors will find the event to be a great way to relax and enjoy themselves to the sounds of cimbalom music.

### Folklore in Prague

The Prague Fair is the most heavily attended and, in terms of the number of ensembles, the most colourful festival in the country. Particularly for tourists, this festival is resplendent with music, crafts and a remarkably diverse range of gourmet specialties. The fifth Prague Fair will take place this year from 26 to 31 August 2008.

### Strakonice, city of pipers

The name Švanda Dudák may not mean much to foreign visitors, but all Czech children know very well that Švanda is famous musician from Strakonice. This city is so closely bound to the bagpiping tradition that it has been the host of the International Bagpipe Festival since 1967. During this year's festival (21-24 August 2008) bagpipes will be heard in the courtyard of the city's castle, in the chateau garden and in the church. A parade of pipers and evening performances will, of course, be highlights of the event.

*Czech folk traditions*

Source: [www.czechtourism.cz](http://www.czechtourism.cz)



# Partnership to Support Foreign Direct Investment in the CR



The **Partnership to Support Foreign Direct Investment in the Czech Republic** is a joint project of the Association for Foreign Investment and the Investment and Business Development Agency CzechInvest. The project is intended for stable companies that offer highly competitive services and products and that are interested in supporting the high-quality investment climate in the Czech Republic while promoting the Czech Republic abroad. Programme activities support, to the maximum degree possible, communication between partners and foreign investors, Czech companies, representatives of the state administration and AFI members.

Thanks to the Partners of the project we can organise e.g. the following events:



These Partners support the competitiveness of Czech economy as well as the positive image of the Czech Republic abroad:



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