

CzechInvest Newsletter

August 2013

Headline News

According to the rating agency **Moody's**, the Czech economy ranks among the least problematic in Europe. The agency recently affirmed the Czech Republic's sixth consecutive **A1 rating**. Moody's recognised the country's stable tax system, reduction of the national debt and the good situation of Czech banks. According to the agency's long-term forecast, the **Czech Republic** is not faced with the threat of bankruptcy or any other more serious financial problems. In comparison with other members of the European Union, the state's level of indebtedness is low, amounting to 4.4% of GDP. Particularly the Czech economy's independence from foreign markets was one of the factors that influenced Moody's rating. In comparison with other European countries, economic growth is declining at a slower rate, the banking system is stable and Czech household debt is below average.

Source: *CzechInvest*, July 23

Business & Investment

The Swiss company **Panalpina**, one of the world's leading providers of shipping solutions, has opened a service centre in Prague. The centre is focused on services for internal customers for the entire Europe and Middle East region. Panalpina is cooperating with CzechInvest in its activities in the Czech Republic, which the company wants to expand. The Panalpina group provides comprehensive air-, sea- and ground-transport services, including logistics, on all continents. Its global network includes 500 branches in more than 80 countries and employs approximately 15,000 people.

Source: *CzechInvest*, July 8

The company **Lamela Electric** plans to build a new cable production facility in Susice in Klatovsko. This was confirmed for CIA by company director Zdenek Houdek, according to whom the investment into the lot, buildings and especially technology will total roughly CZK 1.5 bln. The entire project is now in the zoning decision phase. Once completed the plant should employ up to 120 people.

Source: *CIA*, July 11

The **Baumer group**, which is involved in the production of industrial sensors, is expanding its operations to the Czech Republic. The Swiss company expanded its international network

of competency centres in June with the opening of a new development centre in Brno. Based on a family business, the company has been in operation for 60 years and employs approximately 2,500 people at 36 branches in 18 countries.

Source: *CzechInvest*, July 12

The industrial producer **EATON** has begun construction of an additional innovation-centre building in Rostoky u Prahy. At its local European innovation centre, which was opened in 2012, the company works on the development of new technologies for its customers in the fields of electrical engineering, hydraulics, aviation and the automotive industry. The new building will be completed by the end of 2014.

Source: *CzechInvest*, July 23

FEI Czech Republic invested CZK 25 mln into the adaptation of the B220 building in the Brno Technology Park in 2012, in order to ensure sufficient room for potential expansion and the foreseen growth of production and development activities. FEI Czech Republic's general director Jiri Ocadlik has informed CIA that the company's management has also approved the long-term investment of ca. CZK 700 mln into a new facility. The construction of this new facility began in Brno-Cernoviccka Terasa in late 2012. The new building is scheduled to be fully functional in 2014.

Source: *CIA*, July 29

Grupo Antolin Turnov has submitted its plan to install a new technology for PUR foam filling at Grupo Antolin Turnov to an EIA assessment. The technology consists of semi-automated equipment for the production and dosage of PUR foam which will be located in a hall constructed earlier. The estimated implementation start date is January 2014.

Source: *CIA*, July 19

Huisman Konstrukce has completed a two-year reconstruction of its site in Sviadnov. During that time, the company invested over CZK 500 mln in the construction of its development and construction centre, assembly hall and several additional buildings. The result is a 30% increase in production and 170 new jobs.

Source: *CIA*, July 15

Fischer will open a new manufacturing hall in Ivanovice at the end of 2013. Fischer plans to make interior

components for the Mercedes-Benz C-Klasse. The plant will offer more than 100 job opportunities. Delta Projektconsult is the general planner of the project.

Source: **CIA**, July 15

- Japanese firm **Neturen** has started building its operations in the Triangle industrial zone in Zatec. The plant will be built on a 5.36 ha lot and the company estimates that it will invest CZK 450 mln. The plant will offer 40 jobs. According to Usti nad Labem Region governor Stanislav Rybak, Neturen is an important partner and the region is ready to accommodate its requirements for potential additional expansion.

Source: **CIA**, July 9

R&D

- Thanks to its positive experience with obtaining aid from European funds, the Czech bicycle-frame manufacturer **Duratec** is expanding its development centre. According to Petr Stancik, the company's financial and project manager, the company will be able to more rapidly innovate thanks to the new centre for developing new production processes and technologies, enabling the company to annually offer new and more interesting products to the market and to compete with international firms. Duratec exports nearly half of its production to other European countries as well as to the United States and Australia.

Source: *CzechInvest*, July 8

- The construction of Liberec's science learning center, **iQlandia**, required an investment of CZK 100 mln after a year from the start of the construction. In total, the center, whose opening is scheduled for March 2014, will require an investment of nearly 400 mln. The construction itself will cost 220 mln, the rest will go to the exhibits and equipment. The construction will cover 10,000 square meters.

Source: **CIA**, July 18

- The Association for Foreign Investment and the American Chamber of Commerce in the Czech Republic**, in cooperation with **the Technology Agency of the Czech Republic**, are preparing to announce the annual Cooperation of the Year awards and the TACR Prize. The competition, of which CzechInvest is a partner, recognises the best joint projects between the research and application spheres leading to innovations and successful transfers of technology and knowledge. The overall winner will receive a financial award in the amount of CZK 100,000. The deadline for registering projects in the completion is 23 August 2013. More information is available at www.spolupraceroku.cz.

Source: *CzechInvest*, July 23

Infrastructure

- Moravia-Silesia Region plans to build a **new industrial area** for CZK 1.1 bln at premises of former mine Barbora in the district of Ostrava. According to region spokeswoman Petra Spornova, the region has asked the state to finance three quarters of the total investment. The region currently talks with owners of plots. The first stage covering 12-15 hectares will likely be prepared in mid-2015.

Source: **CIA**, July 8

Economy

- The **overall confidence** into domestic economy decreased moderately in July 2013. According to the Czech Statistical Office, the aggregate confidence indicator dropped 0.3 pts in comparison to June. Confidence in industry grew both in m/m and y/y comparison. The confidence in construction industry and trade was higher than in June 2013, but lower than in July 2012. Confidence in selected service segments decreased both in y/y and m/m comparisons.

Source: **CIA**, July 24

CzechInvest

- Marian Piecha**, currently a clerk at the Ministry of Industry and Trade, will become the director of **CzechInvest**. This information was provided at CIA's request by ministry spokesman Tomas Patak. Marian Piecha will take over the job from the interim head and EU funds section director Petr Ocko who was in charge of the institution for almost a year after Miroslav Krizek was recalled.

Source: **CIA**, August 8

- The 36th annual Telecommunications and Signal Processing** conference took place in Rome on July 2013. The conference gave academic, science and development workers in the area of telecommunication technology and signal processing the opportunity to exchange experience and to establish new contacts. This year's edition of the conference was attended by 194 participants from 29 countries of Europe, the Americas, Asia, Australia and Africa. A special feature of the event was a series of brief meetings between representative of Czech and Italian science teams. CzechInvest was a partner of the conference.

Source: *CzechInvest*, July 10

- In the first six months of 2013, **CzechInvest** recorded 37 investment plans worth CZK 17.8 bln. The projects will create 4,558 new job opportunities. There is a positive influence of the amendment to the act on investment incentives, said CzechInvest's spokeswoman Adela Tomickova.

Source: **CIA**, July 25

- The project **Potential** related with **the operational programme Enterprise and Innovation** has provided subsidies exceeding CZK 2.5 bln for 234 projects. This was said by Petr Ocko, the head of the EU funds section at the Ministry of Industry and Trade of the Czech Republic, who also manages the agency CzechInvest.

Source: **CIA**, July 8

Exchange Rates

Averages for July 2013

EUR 1 = CZK 25.949

GBP 1 = CZK 30.104

USD 1 = CZK 19.828



Source: Česká informační agentura, s.r.o.

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