

MONTHLY NEWSLETTER

August 2010

Headline News

- On Monday, August 23, the council of Zlin Region approved the sale of part of plots in the industrial zone Holesov to tyre producer **Mitas**. The company plans to build a factory producing tyres for the field of agriculture in the zone by 2014. Mitas will invest about CZK 1 bln into the new production plant. The company will thus create up to 550 new job positions in the region of Holesov.
- The investment intention includes the construction of a producing facility, administrative premises and warehouses. Mitas considers building a new producing hall with a built-up area of 21,000 square meters in the first stage of the project. Mitas, a member of the division CGS Tyres, runs two production plants in Zlin Region - in Zlin and Otrkovice.

Source: **CIA**, Aug 24

Business

- Flat screen manufacturer **AU Optronics** (AUO) plans to build a plant for the assembly of television sets in Europe and America. According to Central News Agency - Taiwan the Czech Republic is also being considered. According to AUO VP Paul Peng the high customs

tariffs imposed on flat screen TV imports to Europe and the USA are the reason for the investment in Europe.

Source: **CIA**, Aug 10

- The **IAG Group**, which produces insulation boards for the automotive industry, plans to expand the production of polyurethane foam in its factory in Nove Zakupy. IAC would like to raise the production levels from current 18,000 cubic meters of foam to 55,000 cubic meters per year by 2012. Construction launch is planned for this year, completion for 2012.
- The firm will recruit 40 new employees thanks to the plan. There will thus be 460 persons working in the plant. The project is currently undergoing the environmental impact assessment.

Source: **CIA**, Aug 10

- The firm **Procter & Gamble - Rakona** plans to boost the production of Lenor in Rakovnik by 105,000 tons to 210,000 tons per year and relocate the colour agent preparation facilities. Both the changes will be implemented in the existing Procter Gamble - Rakona production facility. The staff numbers required for Lenor production will drop by roughly

30% due to the removal of the old lines.

- Electricity consumption will remain unchanged or will drop slightly. Construction launch is planned for Q4 2010 and completion for Q1 2011. The Central Bohemia Region Office must still undertake the environmental impact assessment for the project.

Source: **CIA**, Aug 6

- The firm **LentiKat's**, which produces the lentikats biocatalyser, wants to move its production to CTPark Hranice at the end of this year. The firm is interested in 2,000 square meters of area. Even though the company's production does not involve high staff requirements, 50 job positions might be formed within a few years. According to board of directors chairman and director Josef Trcka, the production will likely start in early 2011.

Source: **CIA**, Aug 9

- Gerresheimer Horsovsky Tyn** wants to build a hall for the production of pressed plastic pieces, an assembly and completion line in its medical equipment plant in Horsovsky Tyn. The new facility will process polypropylene. A four-shift

operation will require up to 140 employees.

- Construction should begin in December of this year and it should be completed by November 2011. The total built-up area of the production hall will be 5,214 square meters. The project includes 61 new parking places. The Office of the Region of Plzen is now conducting an environmental impact assessment.

Source: **CIA**, Aug 24

- The Bohumin-based **Bonatrans Group** is expanding its production by a new thermal wheel processing line. The company has already agreed the line's delivery with the German-based Andritz Maerz. To be launched in 2012, the line will allow the railway wheel and wheel set producer to increase its production capacity by more than 20%. Implementation of the project including extensive construction work will require an investment of several hundreds of millions of korunas.

Source: **CIA**, Aug 17

R&D

- On Thursday 5 August **Trigema** launched construction of a science-technology park with a business incubator and center for technology transfer in Roztoky near Prague. Implementation costs will total almost CZK 500 mln. Up to 150 experts will be employed on site. The project will be supported by Operating Program Business and Innovation with a sum of CZK 142 mln.

Source: **CIA**, Aug 5

- The **Karlovy Vary Region** plans to build a science-technology park in Karlovy Vary. The project includes a technology center for research and the application of new equipment and technology in practice with a capacity of 300

individuals, an information center for roughly 250, and a conference room for roughly 250. The investment should commence in October 2010 and be completed five years later.

Source: **CIA**, Aug 5

- The project of the **Regional Centre of Advanced Technologies and Materials** on the premises of the Faculty of Science of the Palacky University (UP) in Olomouc has been approved within the Operational Programme Research and Development for Innovations. The grant totals CZK 544.8 mln. Some CZK 463.1 mln will be paid from the EU funds and CZK 81.7 mln from the national budget of the Czech Republic.

Source: **CIA**, Aug 6

Economy

- According to preliminary estimates, the Czech **gross domestic product** grew by 2.2% y/y in Q2 2010. The GDP was 0.8% higher than in Q2 2010.

Source: **CIA**, Aug 13

Culture

- The 15th year of the Strings of Autumn International Music Festival will start on Sunday September 19 with a concert by Jan Garbarek and Hillard Ensemble in the National Memorial in Prague-Vitkov.

Source: **CIA**, Sept 8

CzechInvest

- Czech Minister of Industry and Trade Martin Kocourek appointed **Milan Krizek** as the new head of the **CzechInvest** promotion agency on Wednesday, September 1. The previous head, Alexandra

Rudysarova, remains in the agency as the first deputy head.

Source: **CIA**, Sep 1

- According to **CzechInvest** data, the value of investments attracted to the Czech Republic through the agency in H1 dropped year on year from CZK 10.5 bln to CZK 7 bln. According to CzechInvest spokesperson Stepanka Filipova, the decrease is due to the overall economic situation and greater investment caution among businesses.

Source: **CIA**, Aug 26

- Investments that were mediated by the **CzechInvest** agency in H1 2010 will create a total of 4,561 new jobs in the Czech Republic. Czech and foreign companies have prepared a total of 125 projects, which is 15% less year on year. According to the latest statistics, investments in the Czech Republic most typically go to information technologies and software development. In H1, there were 48 such projects, or nearly a third of the total number.
- The second most popular industry was engineering with 19 new projects. The third strongest sector was electronics and electric engineering with 15 new investment projects. Most reported projects (33) are located in South Moravia while the biggest volume of investments (CZK 1.208 bln) was attracted by the Region of Usti.

Source: **CIA**, Aug 26

Exchange Rates
Averages for August 2010
EUR 1 = CZK 24.809
GBP 1 = CZK 30.119
USD 1 = CZK 19.258

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

