

MONTHLY NEWSLETTER

February 2010

Headline News

- Up to 150 new jobs are to be created at the planned **Gemtek** facility in Kremice near Stribro in Tachovsko. The company plans to begin production of components for broadband WiMAX networks and set-top-boxes on site. Production will likely commence in April of this year and the company intends to hire first employees in February.
- It is the first production plant of Gemtek located outside Taiwan. The investment will likely reach only CZK 20 mln, because the new factory will be located in a leased hall.

Source: **CIA**, Feb 3

Business

- Agency CzechInvest informed about the arrival of the first investor to the Holesov industrial zone. Packaging manufacturer **Pokart** wants to build a facility worth more than CZK 40 mln and employ 70 people on site.
- The CzechInvest agency and Zlin Region are currently leading talks with several other investors. The Holesov Strategic Industrial Zone, sized 360ha, is one of the largest development areas in the country. Investors may apply for plots sized 0.5 to 100ha.

Source: **CIA**, Feb 9

- **KSK Bono** plans to build a new production hall at the Hermanice nad Labem facility. The goal is to increase the production capacity of the existing canning plant. Annual capacity is to increase from 10,000 to 40,000 tons of cans as a result of the plan. Costs will total roughly CZK 123 mln.
- The proposed structure will have a production area of ca. 2,900 square meters, including integrated coolers, freezers and warehouses for additives, cans and packaging materials. The structure was designed in a manner enabling expansion of the discharge and cooling premises in the future. New entrance in to the canning plant from the adjacent panel road has also been proposed.

Source: **CIA**, Feb 10

- The project of **Flabeg Czech** for the construction of a production line for silvering and varnishing mirrors for thermo-solar power stations has successfully passed the environmental impact assessment procedure. The envisaged capacity of the line, which is to be situated on Flabeg Czech's grounds in the Olovi municipality in Sokolov district, reaches 2.2 million square meters a year. The investment

will facilitate creation or preservation of roughly 60 jobs.

- In contrast to photovoltaic power plants, thermo-solar plants do not produce electricity directly from the sunshine. Solar energy heats steam, which then propels a turbine.

Source: **CIA**, Feb 10

- The Zlin Region Office has approved the plan of Roxalaner for the construction of a new production hall for the firm **Forschner** in the Uherske Hradiste-Jaktare industrial zone. Construction launch is planned for Q2 2010, completion and opening for Q4 2010. Regional bureaucrats will not longer carry out the environmental impact assessment (EIA) for the project.
- Forschner wants to move to the new hall its production of cable systems and injection presses for the automotive industry. The built-up size will reach 7,728 square meters. The plan includes a parking lot for 90 passenger vehicles and four trucks.

Source: **CIA**, Feb 25

R&D

- A **science and technology park** opened in **Rumburk** on Tuesday, February 2. It has replaced the dilapidated former Bytex textile company grounds in

the municipal core. According to the general manager of agency CzechInvest, construction of the park cost almost CZK 100 mln, more than CZK 73 mln of which came from European Union sources.

- The park is now occupied from 40 percent. A total of five companies are based there and talks are underway with other parties interested in the premise. According to the head of the park, Martin Sedlar, it wants to focus mainly on lighter industrial sectors, such as dentistry, or renewable sources of energy, because it is located in the centre of the town. The park will include a business incubator, a centre of innovations and the centre for technology transfer.

Source: **CIA**, Feb 2

- **Microsoft** has opened its second innovation centre in the Czech Republic. The new centre is located in Hradec Kralove.

- According to its statement Microsoft opened the new centre due to high interest in the activities of the existing centre in Brno. The company thus wants to create an environment for transferring knowledge in the IT segment and for cooperation.

Source: **CIA**, Feb 24

Infrastructure

- A new industrial zone should be built on an area of 80 hectares near the municipality of **Bochov**. The project is currently in the zoning plan preparation phase. The municipal leadership expects the zone to create several hundred new jobs.

Source: **CIA**, Feb 23

Economy

- According to the latest Czech National Bank forecast **GDP growth** should total 1.4 % this year; inflation will total up to 1 % in the first quarter and the Czech crown should maintain an average exchange rate of CZK

25.50/EUR. The central bank predicts that GDP will also grow in 2011 when the growth rate should total 2.1 %.

Source: **CIA**, Feb 4

- In the first month of 2010 the **state budget surplus** totaled CZK 13.1 bln. This is the best start of the year recorded since January 2001. Analysts attribute this to Finance Minister Eduard Janota's austere approach. Pavel Sobíšek from UniCredit Bank also highlights another factor – European money totaling CZK 13.6 bln added to the budget in January. According to analysts January data should not be overestimated, the trend will be confirmed by subsequent months.

Source: **CIA**, Feb 1

- According to the Labor and Social Affairs Ministry, 574,226 individuals were without work on 31 January. This represents an increase of 35,000 **unemployed** since December and a y/y increase of 176,165. The registered unemployment rate thus reached 9.8 %. Compared to December of last year the unemployment rate increased by 0.6 percentage points in January.

Source: **CIA**, Feb 8

Culture

- Czech prima ballerina **Daria Klimentova** will show her art in Pragues **National Theatre** on March 10 and 11 on the occasion of her 1,000 performance on stage.

- Ms. Klimentova will be supported by colleagues and friends from various theatres around the world. Participating performers will include e.g. Friedemann Vogel, the first sole dancer with the Stuttgart ballet, and Jan-Erik Wikström, member of the Swedish Rooyal Ballet, who will present a new

choreography by Christopher Hampson together with Ms. Klimentova.

Source: *WebReporter*, Feb 4

CzechInvest

- Last year **CzechInvest** lured 168 new investment projects worth almost CZK 17 bln to the Czech Republic, down CZK 10 bln y/y. Thanks to these investments roughly 5,770 new jobs will be created.

- Investors have decided to start the highest number of new projects in Central Bohemia Region (some 20 percent of the total number). Karlovy Vary Region attracted only one percent of investments. South Moravia Region saw the highest number of new jobs - nearly 2,600.

Source: **CIA**, Feb 3

- An increasing number of investments in the Czech Republic are targeted to **technology projects**. Last year the share of projects investing to the production fell to 37 percent, while it reached 76 percent two years before that. Last year projects heading to the research and development formed 36 percent and projects in the field of strategic services formed 27 percent of all projects mediated by **CzechInvest**.

- IT and particularly software development has become the dominant sector for investments with a share of 27 percent.

Source: **CIA**, Feb 3

Exchange Rates
Averages for February 2009
EUR 1 = CZK 25.969
GBP 1 = CZK 29.500
USD 1 = CZK 18.977

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

