

CzechInvest Newsletter

February & March 2013

Headline News

- The amendment to the Investment Incentives Act that came into force in July last year brought forth a new system of investment incentives in the Czech Republic and has since spurred a resurgent inflow of investment projects to country. Many firms had waited until the amendment's implementation before initiating their investments. In 2012 **CzechInvest** received 48 applications for investment incentives, which is five more than in 2011 and an astonishing 27 more than in 2010.

Thirty-nine of these applications involved expansions of existing firms, while the remaining nine concern investors that are investing in the Czech Republic for the first time or that are establishing additional, completely new operations here. This trend indicates that the Czech Republic is successful in attracting investments with long-term potential. Investors are establishing and expanding their businesses here not only in the field of manufacturing, but also in research and development.

According to Minister of Industry and Trade Martin Kuba the amendment to the Investment Incentives Act was a step in the right direction. The most significant change in the new system is the extension of the period for the possibility of utilising income-tax relief from five to ten years.

Source: CzechInvest, Jan 21

Business & Investment

- The construction costs of the **geothermal power plant** near Semily exceed CZK 1 bln. The information was provided to CIA by **Entergeo's** director Zbynek Sonka. According to Mr. Sonka, the company has already carried out a geological survey in the location and is now awaiting the results of environmental impact assessment. The company says that the residual heat will be used for the heating of industrial and/or office premises.

Source: CIA, Feb 1

- The Swedish company **Cavaliere AB**, which specialises in production and sales of high-quality tailored men's suits, purchased the production facility of the textile firm OP Prostějov in Jeseník, Czech Republic, which closed in 2010. Using the knowledge and experience of local employees, Cavaliere AB intends to renew production there. The Czech branch of the Swedish producer Tex Trading Cavaliere in Jeseník already employs 30 workers and plans to further increase this number in connection with the growth of production capacity.

Source: CzechInvest, Feb 25

- Skoda Auto** launched into operation an ecological servo-mechanical press line in Mlada Boleslav on Thursday February 14. According to the company's statement, the facility is one of

the most modern of its kind in Central Europe. The investment worth EUR 66 mln is part of the GreenFuture sustainable development strategy. According to Skoda Auto, the press line is 15 pct more energy-efficient due to energy recuperation and accumulation as well as faster and more exact than comparable older lines.

Source: CIA, Feb 16

- Baumer**, a Swiss producer of industrial sensors, is planning to open a new research and development centre in Brno in March this year. Over the next three years, 20 to 30 jobs will be created here for software and testing engineers. CzechInvest assisted in mediating the investment. The opening of the new research and development centre is planned for March 2013. According to the management, the new research and development centre will play a key role in implementing the company's highly innovative and quality standards in the future.

Source: CzechInvest, Feb 26

- Japanese firm **Neturen** is preparing to enter the Triangle industrial zone near Zatec. Through its subsidiary Neturen Czech s.r.o., the group plans to produce in Zatec hardened steel wires for the production of springs used in the automotive industry. The Japanese investor will use a lot sized 5,358 ha; the production hall with background

facilities will be sized 7,668 m². Office space will occupy further 576 m². The investor plans to launch full production within three years, with the target set at 40 employees for the time being. The total investment under consideration amounts to CZK 442 mln.

Source: **CIA**, Feb 11

- The **Siemens** plant for the production of electric engines and generators in Drasov is expecting an increase in its production to 430 machines in its fiscal year ending September 30. Therefore, the company plans to hire some 60 new employees during the year, including fifteen people for R&D positions. The Drasov plant saw the best production results in its history last year, Siemens said. Its production output went up by 30 pct.

Source: **CIA**, Feb 6

- **ABB Czech Republic** plans to invest CZK 800 mln this year. This is a year-on-year increase by one third. A total of CZK 650 mln will be allocated to expanded production of switchboards, transformers and sensors in the manufacturing plant in Brno. The approved CZK 150 mln investment will go to the construction of a new ABB facility for the production of switchboard protection, control and automation in Trutnov.

Source: **CIA**, Feb 15

- Thanks to European aid from the Operational Programme Enterprise and Innovation, **Morava Wood Products**, a manufacturer of solid oak flooring material, exhibited at the world's leading floor-covering trade show, DOMOTEX in Hannover in January 2013. Aid covering fifty percent of the company's costs associated with the trade show was provided specifically from the Marketing Programme, which is focused on supporting the development of Czech exporters' activities in foreign markets. Since the programme's launch in 2007, more than 1,066 projects have received support from it in the total

amount of nearly CZK 870 million. **Morava Wood Products** has longstanding customers primarily in the Netherlands, Belgium, France and Germany, and is further expanding. The company purchases timber for production exclusively from renewable sources derived from Czech forests.

Source: *CzechInvest*, Feb 19

R&D

- **The Centre for Development of Engineering Research** in the North Bohemian city of Liberec had its grand opening in February 2013. A project of the Research Institute of Textile Machines, the centre creates conditions for top-level research in the area of precision engineering, development of progressive technologies for the manufacturing industry and advanced education of talented scientific workers. More than forty jobs will be created in the new laboratories. The grand opening featured the participation of representatives of the state administration and local government led by the governor of the Liberec region, Martin Puta.

Source: *CzechInvest*, Feb 21

- **The Trigema group** is preparing to build a second science and technology park called Park Vedy (Science Park) in Rožtoky. The park will focus on research and development of electric engines for cars and engines with alternative propulsion. The group stated that Park Vedy is offering a leasable area of 3,802 m², 3,700 m² of which will be taken up by science workplaces, offices and shared areas, 77 m² by a business incubator and 25 m² by a technology transfer center. Construction should commence in summer 2013 and be completed in the second half of 2014.

Source: **CIA**, Feb 28

Infrastructure

- **CTP Invest** has asked for the environmental impact

assessment for its intention to build the **CTPark Nosovice**. The application is being assessed by the regional authority of Moravia-Silesia Region. The affected area covers 70,626 m².

Source: **CIA**, Feb 2

Economy

- The Ministry of Industry and Trade of the Czech Republic has announced the second continuation of the fourth call of the **Innovation Programme – Innovation Project**, which is part of the **Operational Programme Enterprise and Innovation** (OPEI). This programme will offer businesses another **CZK 2.4 billion** to assist with the introduction of innovations. This is probably the final opportunity to apply for aid in this programming period from OPEI, which terminates in 2013.

Source: *CzechInvest*, Feb 21

CzechInvest

- Within the Czech Republic's national exposition, fifteen Czech firms and institutions participated in the twelfth annual nanotechnology trade fair **NanoTech 2013** in Tokyo, Japan, at the end of January and beginning of February. Their participation ensured CzechInvest in cooperation with Embassy of the Czech Republic in Tokyo. The Czech exhibitors presented, for example, a protective facemask, post-operative medical clothing with silver nanoparticles and a nanofibrous membrane intended for military use in the most extreme conditions.

Source: *CzechInvest*, Feb 4

Exchange Rates
Averages for February 2013
EUR 1 = CZK 25.476
GBP 1 = CZK 29.538
USD 1 = CZK 19.073



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www.cianews.cz

Contact: CzechInvest - Investment and Business Development Agency
Stepanska 15, 120 00 Prague 2, Czech Republic
Tel.: +420 296 342 500, E-mail: fdi@czechinvest.org
Web: www.czechinvest.org