

CzechInvest Newsletter

January 2014

Headline News

The planned amendment of **the Investment Incentives Act and the new programming period for aid from EU Structural Funds** were among the topics presented by representatives of CzechInvest and the Ministry of Industry and Trade at a conference held in Prague on 12 December 2013. Nearly one hundred businesspeople, investors and other conference participants were familiarised with the consequences of the European Commission's new regional-aid regulations, which will come into force on 1 July 2014. The upcoming year will also bring forth a new programming period for aid from European Union Structural Funds, of which EUR 21.9 billion has been prepared for the Czech Republic for the 2014-2020 programming period.

Source: *CzechInvest, December 13*

Business & Investment

Armatury Group has completed the construction of its new production hall in Dolni Benesov. The new hall, which will bring new jobs in the region of Opava, has required an investment of CZK 360 mln. The engineering company will manufacture special steel reinforcements there. According to Petr Holecek, the chairman of the board of directors of the company, Armatury Group will complete assembly of machinery in the premise in 2014. The company commenced the construction of another hall in 2013. The new hall will likely secure the central reception of material. The company plans to build a new hall also for the paint room and an expedition, which will likely logistically complete the production process.

Source: *CIA, December 5*

Aero Vodochody plans to hire hundreds of new employees in 2014, CIA was told by Aero Vodochody President Ladislav Simek. The company predicts a similar trend also in following 2-3 years. The company plans to build a new production hall. According to Mr. Simek, it is possible to expect that Aero Vodochody will significantly grow until 2017 thanks to specifics of the segment, where contracts are being closed for periods of 10 or 20 years. The strategic goal of the company is to keep the 100% quality, delivery periods and focus on the supply network.

Source: *CIA, December 31*

In 2014 **Chropynska Strojirna** will invest almost CZK 100 mln. This was stated in an interview for CIA by the director of the economic-administrative division, Roman Navratil, according to whom the money will mostly be spent on new machines and equipment. A portion of the investment will also cover the cost of renovating the software building in connection with plans to build developer offices.

Source: *CIA, December 29*

Dutch car component manufacturer **Snoeks Automotive** has signed a contract with the firm CTP for the rental of 6,200 m² of premises in CTPark Teplice. The park will offer up to 90 jobs. CTP has invested EUR 3.2 mln (ca. CZK 87.69 mln) into the facility. Snoeks Automotive will use the CTFit facility for production lines for car seats. According to CTP's regional director Tomas Novotny, the company moved into the new premises in October 2013 and launched production in November.

Source: *CIA, December 3*

Jones Lang LaSalle industrial real estate team has closed a lease contract at the Business Park Rudna logistics park with **L&L Products**, a producer of components for the automotive and aviation industries. The company that is entering the Czech market will open a production line in Rudna which will manufacture non-woven textiles for the automotive industry.

Source: *CIA, December 4*

Electronic parts manufacturer **Asteelflash** has signed an agreement on the rental of 4,200 m² of production premises in CTPark Plzen. The company has informed that it is integrating its existing operations due to the planned expansion and will newly offer up to 300 jobs. CTP will invest EUR 300,000 (ca. CZK 8.24 mln).

Source: *CIA, December 5*

R&D

The chairperson of **the Czech Technology Agency**, Ruth Bizkova, and the chairman of **the Association of Small and Medium Enterprises**, Karel Havlicek, have signed a contract on mutual cooperation. The agreement's goal is mutual provision of information about the preparation and comments proceeding for relevant strategic documents, such as the National Priorities of Oriented Research, Development

and Innovations, the National Innovation Strategy, the Strategy of International Competitiveness for 2012-2020 and additional cooperation on their fulfillment. Both institutions' teams are readying action plans for their cooperation for 2014.

Source: , December 6

- **The Czech-German Chamber of Trade and Industry (CNOPK)** offers partnership for 2014 to companies active in research and development. According to the CNOPK, partner companies can thus gain space for opinion exchange, their own presentation and advertising.

Source: , December 4

Supporting programmes

- Shortly before the end of the year, CzechInvest announced a supplementary call for submission of registration applications in the **CzechAccelerator 2011-2014** project, which helps Czech start-up firms to penetrate foreign markets. Czech entrepreneurs who are successful in the selection process will be able to travel to the East Coast of the United States, Singapore or Israel in April 2014. CzechInvest is accepting registration applications until 31 January 2014.

Source: CzechInvest, December 19

- The European Union will allocate about CZK 69 bln for the **Operational Programme Human Resources and Employment** in the period of years 2014-2020. According to Jan Havranek of the Ministry of Labour and Social Affairs of the Czech Republic, the new programme will emphasize particular and measurable benefits of projects.

Source: , December 16

- CzechInvest has announced the recruitment of coaches, i.e. specialists who will help participants in the **CzechEkoSystem project** to implement or develop their business plans. A coach can play a significant role particularly with start-up firms and, thanks to his or her experience and contacts, can substantially facilitate the start of business operations. However, finding a high-quality coach in the Czech Republic is not a simple matter and therefore CzechInvest decided to create its own database of certified coaches. Personal business experience is the main criterion for certification.

Source: CzechInvest, December 19

- The European Commission (EC) will issue an official proposal of new Instructions for **State Support in the areas of environment and energy**. This was stated by the Anti-Monopoly Bureau (UOHS), according to which the material is a tool based on which the EC approves programs and support in the areas of ecological investments, energy savings, the production of electricity from renewable sources and the handling of waste. In the 2014-20 period the EC plans to significantly expand the criteria for supporting the energy sector.

Source: , December 16

Economy

- The government council for competitiveness and information society, led by Prime Minister Jiri Rusnok, resumed its activity on December 18, 2013. Work was resumed after the **international**

competitiveness strategy returned to the competence of the Ministry of Industry and Trade. The Minister of Industry and Trade, Jiri Ciencala, will be the council's first deputy chairman. According to Prime Minister, the international competitiveness strategy will be the main strategic document for the development of Czech Republic's economy in the upcoming period.

Source: , December 19

Events

- **The European Space Agency (ESA)** and **the French National Centre for Space Studies (CNES)** are organising an industry day to be held in Paris on 21 January 2014 in connection with the activities of the European cosmodrome in Kourou, French Guiana. The objective of the event is to inform potential candidates about the specific conditions of orders for ESA/CNES. In the course of the industry day, the organisers will also provide valuable advice on how to become involved in the community of ESA/CNES suppliers. Interested parties will learn the details of preparing project proposals and offers, as well as basic technical information. This event is suitable for firms that hitherto have had no experience with ESA projects. The subject of the industry day will consist in projects that tangentially pertain to space technologies and for which it is necessary to provide air-conditioning, camera systems, telecommunications, etc. During the industry day, the organisers will select firms from ESA member states that have already taken part in projects to a smaller extent. Preferred countries include the Czech Republic, Austria, Denmark and Poland.

Source: CzechInvest, December 12

CzechInvest

- CzechInvest has joined the **Cluster Contact Points international network**. Czech clusters will thus be able to more easily seek out foreign partners for research, development and marketing, while also having easier access to professional consulting in the area of development. Besides the Czech Republic, other members of this network of so-called agents include Hungary, Slovakia, Poland and Italy.

Source: CzechInvest, December 11

- CzechInvest organised a **suppliers' forum for the British luxury carmaker Aston Martin** at the end of November. Eleven pre-selected Czech firms thus had an extraordinary opportunity to present themselves to and possibly become suppliers of one of the world's most recognisable vehicle manufacturers. For the purpose of seeking out and classifying production and development suppliers in the Czech Republic, CzechInvest administers sectoral databases in which each sector is categorised according to specific criteria.

Source: CzechInvest, December 19

Exchange Rates

Averages for December 2013

EUR 1 = CZK 27.517

GBP 1 = CZK 32.900

USD 1 = CZK 20.078



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

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