

MONTHLY NEWSLETTER

July 2011

Headline News

The European Commission has approved the project for the construction of the **IT4Innovations** supercomputer and centre in Ostrava. The project was conceived by the Mining University – Ostrava Technical University (VSB-TUO) with its partners. VSB-TUO rector Ivo Vondrak has stated that only approval of the subsidy from the Ministry of Education is lacking, then the construction may commence. The university and its partners will receive EUR 1.85 bln from European funds or the project. The university will also get over CZK 4 bln for its development and research projects.

Source: **CIA**, Jun 23

Business

The Ministry of Environment has approved within the environmental impact assessment the plan of the firm CTP Invest for the change of the technology in a part of the **SA4** facility in the CTPark Slapanice for the **Wistron Group**. The facility will be used for Wistron's repair unit. The servicing operations' production programme will include repairs of IT technology mother boards and LCD TV sets and LCD monitors, produced and assembled by Wistron. The facility will employ 311 workers. Implementation is foreseen for this year.

Source: **CIA**, Jun 8

The Karvina Magistrate has issued a zoning decision for the construction of the **Regional Integrated Center (KIC)** waste incinerator. The period during which the decision can be appealed has now begun. After the decision takes legal effect KIC will according to director Josef Tuhy apply for a construction permit. ČIA was also told by Tuhy that the financial costs for the construction of the incinerator are expected to total CZK 5 bln. Roughly CZK 2 bln could be contributed by the EU; the remainder should come from a loan from the European Investment Bank.

Source: **CIA**, Jun 7

The intention of CTP Invest to change the technology in the premise O13 for **ITT Holdings Czech Republic** in the CTPark in Ostrava-Hrabova has passed the environmental impact assessment by the regional authority of Moravia-Silesia Region. The operation extension will be used by a division of ITT producing car parts and parts for the transportation machinery. The division will extend the current production of brake discs for cars and lorries and absorbers for railroad vehicles. The operation will employ 140 people.

Source: **CIA**, Jun 8

Daechang Seat, producer of frames for Hyundai and KIA, will build a production facility in Trinec for EUR 7 - 8 mln. Daechang

Seat's manager Jana Gerychova has told CIA that on Friday June 24, the company signed a contract with the town of Trinec for purchase of land in the Bally industrial zone worth CZK 5.7 mln. Construction will be commenced in the spring of 2012 and operation will be launched during autumn. The facility will offer about 300 job opportunities in three-shift operations.

Source: **CIA**, Jun 24

The firm **TRW Automotive Czech**, which produces braking systems for passenger cars, will invest ca. CZK 80 mln into its projects this year. TRW Automotive Czech's Human Resources Manager Vladimir Zakoucky has told CIA that the investments will be used primarily for the expansion of the assembly capacities. The company will raise the production of brakes by ca. 600,000. The production totalled 11.5 mln brakes in 2010. The innovations will create 28 new job positions.

Source: **CIA**, Jun 8

The South Bohemia regional authority has approved the environmental impact of **BBH Tsuchiya's** plan to build a new plant in Ceske Budejovice. All production from the current plant will be transferred to the new plant and some facilities will get new production equipment. The plant will employ 156.

Source: **CIA**, Jun 14

ArcelorMittal Ostrava is planning to invest over CZK 12 bln into new technology in next five years. According to Augustin Kochuparampil, the CEO of the company, the biggest investment will be the construction of a new steel factory worth CZK 5 bln. The company will invest also into environment-friendly technologies or the modernisation of the blast furnace technology. The company is planning to invest CZK 2 bln this year, which represents a growth by 100% compared with the year 2010.

Source: **CIA**, Jun 16

Teva Czech Industries wants to build a new facility on the grounds of its plant producing solid dosage forms in Opava. This should involve the expansion of the so-called new plant to produce tablets launched last year. CIA was told by communications manager Karin Martinkova that the plan includes a project which has yet to be approved by the board of directors of the Teva corporation. Martinkova did not state how much the investment is worth.

Source: **CIA**, Jun 22

R&D

Pharmaceutical and engineering companies demand research, trainings and equipment leases in Brno-based Central European Institute of Technology **CEITEC** in the amount of over CZK 1.6 bln, according to a report made public by the website of the institute. CEITEC will likely be built in three years. As CIA informed earlier, Brno-based universities and research institutions have received a subsidy in the amount of CZK 5.2 bln from the operational programme Research and Development for the institute construction.

Source: **CIA**, Jun 8

The Ministry for **Regional Development** (MMR) has presented to the professional public the future focus of the cohesion policy and the draft of development priorities. These documents should form the basis of the subsidies from the European funds in the upcoming

programme term after 2013. The proposed priorities will focus e.g. on the raising of the economy's competitiveness, the development of the backbone infrastructure and the support for integrated territorial development. The first deputy Minister for Regional Development, Daniel Braun, has stated that the ministry is now sending the draft into the interministerial comments proceeding.

Source: **CIA**, Jun 7

The Ministry of Industry and Trade has reopened the **TIP programme**, supporting new research and development projects by Czech companies and their partners from the research sphere. The companies may thus gain over CZK 500 mln next year. The Minister of Industry and Trade, Martin Kocourek, has stated that the ministry will support roughly 150 R&D projects. The director of the ministry's EU Funds, Research and Development section, Petr Ocko, has added that the ministry has previously supported over 700 projects with a total sum of CZK 6.3 bln.

Source: **CIA**, Jun 15

Economy

The **Czech Republic** is the 14th most **attractive country for foreign investors**, according to a chart of the most attractive countries made public by Ernst & Young (E&Y). Foreign direct investments to the Czech Republic increased 16% y/y in 2010 and the number of newly created jobs grew by 22%. The volume of foreign direct investments in Europe exceeded the level from the period before the crisis and the total number of investment projects increased 14% to 3,757 in 2010, according to the study.

Source: **CIA**, Jun 16

The registered **unemployment rate** dropped by 0.4 percentage points to 8.2% in May 2011. The y/y drop reached 0.5 p.p. According to the data from the Ministry of Labour and Social Affairs (MPSV), the Czech Republic has the sixth lowest unemployment rate among all EU member countries. The no. of job

applicants in May dropped by 4.6% m/m to 489,956.

Source: **CIA**, Jun 8

Culture

Opera singer Plácido Domingo will be the headliner of this year's Cesky Krumlov International Music Festival. The celebration of the festival's 20th anniversary will culminate with Domingo's concert on August 20, 2011.

Source: **CIA**, Jun 15

CzechInvest

CzechInvest, the Czech ICT Alliance and the Czech Embassy in Ottawa will organize the 1st **Czech-Canada Technology and Innovation Days** on September 21 - 23, 2011. The event will be held in Waterloo and Kitchener, Ontario. Besides the conference, the Czech team will be involved in meetings at the University of Waterloo, Research in Motion Ltd., Conestoga College and The Communitech Hub Digital Media and Mobile Accelerator.

Source: **CzechInvest**, Jun 30

Exchange Rates
Averages for June 2011
EUR 1 = CZK 24.285
GBP 1 = CZK 27.366
USD 1 = CZK 16.880



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

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