

# CzechInvest Newsletter

July 2013

## Headline News

- According to a survey carried out by **Ernst & Young**, the Czech Republic ranks 12<sup>th</sup> among Europe's most attractive countries in terms of investment. Thanks to foreign investments, a total of 5,508 new jobs were created in the Czech Republic last year; of these, 60% were in the automotive industry. In 2012 the number of foreign investments also increased in the mechanical-engineering and logistics sectors. The largest number of investments came to the Czech Republic from Germany, the United States, Japan, Austria and Sweden. Despite the eurozone's ongoing economic problems, Europe has not lost its attractiveness for investors.

Source: *CzechInvest*, June 21

## Business & Investment

- Operation of a bio-power plant has begun in the municipality of Sviandov, in the Frydek-Mistek district of the Czech Republic. The plant uses fuel derived from grafted trees supplied by the company **Energofuture, a.s.** Its operation will be ensured by **Dalkia Ceska republika, a.s.**, a member of the French multinational group **Veolia Environnement**. The project was supported with aid covering 30% of costs from the Eco-Energy Programme within the Operational Programme Enterprise and Innovation 2007-2013 administered by CzechInvest. The new power plant will provide electricity and heat for the adjacent area and will significantly contribute to the reduction of emissions afflicting the Frydek-Mistek district and the entire Moravia-Silesia region.

Source: *CzechInvest*, June 14

- Czech firm **Nafigate**, involved with nanofibre applications, has signed a memorandum on joint development in the segment of nanotechnologies with Chinese firm **Guodian Technology & Environment Group**. Nafigate's board of directors chairman Ladislav Mares has told CIA that the fact that one of the top Chinese companies is interested in joint development may be a breaking point for the nanofibre market. Nafigate is also readying the Czech-Chinese Centre in China with the Czech Embassy in China. The centre will help Czech firms entering the Chinese market.

Source: *CIA*, June 24

- At the beginning of this year the Klatovy-based company **Aerotech Czech** manufactured the first batch of parts for Ariane 5 booster rockets used by the European Space Agency. Managed by the **OHB Group**, to which Aerotech Czech belongs, production was transferred to Klatovy from the MT Aerospace Augsburg factory in Germany. Aerotech is now preparing to also take over production of components for Rolls-Royce aircraft engines from Rolls-Royce factories in Germany and Scotland. This will result in the creation of more than 30 high-skilled jobs in the Klatovy area. According to Petr Ocko, acting CEO of CzechInvest, the decisive factors in the decision to transfer production to Klatovy were the Czech Republic's skilled workforce and good logistical connection to Aerotech's factory in Peissenberg, Bavaria.

Source: *CzechInvest*, June 17

- Goodman** has introduced a structure of a new production plant covering about 30,000 m<sup>2</sup> for **Ingersoll Rand** in Kolin. The premise will be used for the production, light assembly and distribution of air-condition systems branded Thermo King a Trane after the factory is completed in September 2013. The factory will offer an efficient sewage disposal plant and it will use a system for the reduction of the energy consumption.

Source: *CIA*, June 5

- CTPark Okrisky** has been extended by new halls on. They will be used by **Frankische**, which has been active in the park since 2007. Some 500 new jobs will likely be established thanks to the extension of the company producing plastic pipes for the automotive industry. The investment reached CZK 75 mln. According to CTP CEO Remon Vos, the extension of current premises for long-term partners is a common practise, because it is more advantageous for both parties and clients do not have to look for new premises and move their production.

Source: *CIA*, June 5

- The firm **K4** has applied for environmental impact assessment for the **Lifocolor** plant in Brno. The project's goal is to build a new facility for the research and production of master batches, additive and basic bearing plastic materials. Work on the project is scheduled to start in March 2014.

Source: *CIA*, June 5

## R&D

- The company **BGI Health and the Association of Czech genetic centers** have opened a prenatal diagnostics centre in Prague. The new laboratory is focused on genetic testing in prenatal and reproductive medicine. CzechInvest assisted with mediating the project. According to Petr Ocko, acting CEO of CzechInvest, this investment does not represent only EUR 2 million and ten new jobs for university graduates in the fields of biology, biochemistry and bioinformatics, but also an extraordinary opportunity for the further development of Czech science and research activities in the field of genomics.

Source: *CzechInvest*, June 28

- South Moravia Region has commenced the construction of Brno-based **CEITEC Science Park**. The first firms will likely move to premises of the park in July 2014. The science park will make it possible for enterprises to cooperate with scientists and it will offer laboratories for research and development. The project has a budget of CZK 383 mln. South Moravia Region will pay CZK 96 mln and CZK 287 mln will be paid from **the Operational Programme Enterprise and Innovation**.

Source: **CIA**, June 21

- In the summer of 2013, **GEMO Development** will start building a new hall at **the Olomouc Technology Park** covering an area of some 1,000 m<sup>2</sup>. Cushman & Wakefield added in a statement that it will be the first out of three rental buildings offering clients an area of up to 52,000 m<sup>2</sup>.

Source: **CIA**, June 17

- Association MVO – ELI II** has won a contract from the Physics Institute at the Czech Academy of Sciences for phase II of the construction of **International Laser Research Center ELI**. The final value of the contract is CZK 1.378 bln. The leading association member is Metrostav and the association also includes VCES and OHL ZS. Construction will take place in Dolní Brezany and should be completed on 30 April 2015.

Source: **CIA**, June 6

## Economy

- The inflow of **foreign direct investments** into the Czech Republic will drop to EUR 2.8 bln in 2013 from EUR 8.2 bln in 2012. This is according to the Growth Engine Stutters study by the Vienna Institute for International Economic Studies. According to the study, the exceptionally high inflow of foreign direct investments into the Czech Republic contrasts with the decline of GDP.

Source: **CIA**, June 11

## CzechInvest

- The Ministry of Industry and Trade of the Czech Republic has launched **the Rescue Programme for Czech small and medium-sized enterprises and self-employed persons** who were affected by this year's flooding. The set of measures within the programme is composed of five steps that have the objective of spurring the renewal of business operations, purchasing of new capital equipment, acquisition of

financial resources for replacing damaged stocks and provision of support services in the area of export and payment of taxes. CzechInvest, **the Chamber of Commerce of the Czech Republic, the Czech Export Bank and the Export Guarantee and Insurance Corporation** are involved in the programme too. CzechInvest has also set up an information line at 800 88 66 66, to which businesspeople can turn with their enquiries.

Source: *CzechInvest*, June 13

- Representatives of Czech start-ups and potential investors came together in Prague for **the Startup Summit 2013**. Mike Butcher, the British editor the TechCrunch website, and Alfred Coppola, a representative of a business incubator in Silicon Valley, shared their experiences and opinions with the Czech audience. Jakub Vrana, the first Czech to work for Facebook, came to motivate the attendees to make courageous plans. During the summit, CzechInvest presented **the CzechAccelerator 2011-2014** project, which helps Czech start-ups to gain experience in business incubators in the United States, Singapore, Switzerland and Israel.

Source: *CzechInvest*, June 25

- EuroNanoForum 2013** took place in Ireland from 18 to 20 June. The Czech Republic, which ranks among the world leaders in the area of research and development of nanofibres and nanomaterials, was represented at the event by officials of the Ministry of Industry and Trade and representatives of CzechInvest and CzechTrade. EuroNanoForum is Europe's biggest nanotechnology event and is attended by the leaders in this field. The event takes place every two years with support from the European Commission in the country that currently holds the presidency of the European Union.

Source: *CzechInvest*, June 25

- The Czech Republic was recently visited by a **Taiwanese delegation** led by **Woody Tyzz-Jium Duh**, deputy minister of economic affairs. The delegation took part in a roundtable conducted by the Ministry of Industry and Trade of the Czech Republic, as well as a workshop organised by CzechInvest. The Czech and Taiwanese sides signed a memorandum on closer cooperation in the area of research, development and innovation. Both countries also want to further increase the volume of bilateral trade, which currently amounts to CZK 26 billion per year. Mainly automobiles are exported to Taiwan from the Czech Republic, whereas Czech imports from Taiwan comprise especially electronics. New technologies are a guarantee of exchange also in other areas.

Source: *CzechInvest*, June 26

## Exchange Rates

Averages for June 2013

EUR 1 = CZK 25.761

GBP 1 = CZK 30.236

USD 1 = CZK 19.532



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

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