

CzechInvest Newsletter

June 2013

Headline News

- According to the fifth assessment of countries and cities favoured by investors, which is conducted annually by the American magazine Site Selection, the Czech Republic is the second best country in Eastern Europe. Within the assessment, the number of new facilities, amount of capital investment and number of jobs created are evaluated on the basis of data from the companies **Conway Data** and **IBM**. At the same time, experts evaluate the most attractive cities, whereas Prague ranks eighth in Eastern Europe.

Source: *CzechInvest*, May 9

Business & Investment

- Bosch Diesel** is celebrating the 20th anniversary of its operation in Vysocina in the Czech Republic. In 1993 CzechInvest helped the company with selecting the most suitable location for the placement of its investment. Today the company is the biggest global manufacturing plant for Common Rail diesel injection systems within the Bosch group worldwide and employs 4,000 people, making it the biggest employer in the region.

Source: *CzechInvest*, May 6

- Carmaker **Skoda Auto** has applied for environmental impact assessment for the annex to the M14 hall in its plant in Mlada Boleslav. The annex building will be used as a welding plant. Work on the project is scheduled to take place from January 2014 until January 2015. The spokesperson for Skoda Auto, Jozef Balaz, has confirmed to CIA that the welding plant's expansion is a planned investment within the expansion of the domestic production base and is a part of the growth strategy, within which Skoda Auto plans to sell at least 1.5 mln cars per year by 2018. Serial production of the new Rapid Spaceback model, designed primarily for Western European markets, will start in Mlada Boleslav in August 2013.

Source: *CIA*, May 30

- Neturen**, a Japanese manufacturer of metal components, will begin construction of its first manufacturing plant in the Czech Republic in July 2013. The company chose the **Triangle Strategic Industrial Zone** in Zatec as the location for its investment in the value of CZK 400 million. It will employ 40 people in the facility. **CzechInvest** assisted

Neturen with its selection of the most suitable location. The company plans to commence production in April 2014. According to Shigeru Mizoguchi, COO of Neturen Czech, one of the reasons for placing the investment in this location was the potential of the local workforce, especially among students.

Source: *CzechInvest*, May 15

- ArcelorMittal Ostrava** has signed a supplier contract with **CKD Praha DIZ** and thus launched the ecological project for the denitrification of its metallurgical energy worth over than CZK 1 bln. The metallurgical company has stated that the investment will reduce annual emissions of nitrogen oxides by 600 tons. ArcelorMittal Ostrava plans to start building the facility this July and foresees full functionality by 2015. The firm will invest roughly CZK 1.5 bln into greening its energy overall. ArcelorMittal Ostrava will finance desulphurization of energy worth CZK 500 mln from its own funds and will use a European subsidy for the denitrification.

Source: *CIA*, May 30

- Siemens Group** has opened a new hall for the production of switching technology in Trutnov. The company has informed that it has invested CZK 210 mln into the new 7,422 m² sized hall. The director of the Trutnov plant, Eduard Tannhauser, has stated that the company plans to launch new production programmes for switching and signalisation components next year. According to Mr. Tannhauser, the company can realistically recruit ca. 30 employees. Siemens has also announced its plans for the development of the generator and electrical engine plant in Drasov near Brno. Siemens will start building a new hall in Drasov in September and plans to open it in the spring of 2014.

Source: *CIA*, May 21

- The firm **CVP Galvanika** has applied for environmental impact assessment for the expansion of the surface treatment capacity in its plant in Pribram. The project foresees the expansion of the galvanisation plant through the addition of another galvanisation line. After the installation of the new line, the total galvanised product surface capacity will grow from 860,000 m² per year to ca. 1.18 mln m² per year. Work on the project is scheduled to start in August 2013, while completion is foreseen for November 2013.

Source: *CIA*, May 21

R&D

- The company **OGB**, which ranks among the leading Czech manufacturers of special glass products, is modernising its production operation. OGB will obtain a grant in the amount of CZK 14.5 million from **the Operational Programme Enterprise and Innovation** for its project in the total value of CZK 29 million. The company conducts development of glass components for atypical solutions for modern structures in cooperation with the Faculty of Production Technologies and Management at the University of Jan Evangelista Purkyně in Usti nad Labem.

Source: **CIA**, May 2

- A **Czech-Israeli workshop** took place at the Ministry of Industry and Trade of the Czech Republic on Wednesday, 22 May 2013. Israeli specialists in the areas of venture capital, technology incubators and technology transfer came to the Czech Republic in connection with the Technology Mission project administered by **CzechInvest** and **the Ministry of Industry and Trade**. According to Petr Ocko, acting CEO of CzechInvest, Israel is a major inspiration for the Czech Republic in the field of venture capital.

Source: **CzechInvest**, May 27

- Regional Centre for Special Optics and Optoelectronic System Toptec** has opened in Turnov. The centre belongs organisationally under the Institute of Plasma Physics of the Academy of Sciences of the Czech Republic and was established through a direct expansion of the former Development Optical Workshop, with costs for the first stage exceeding CZK 200 mln. The centre participates in international research projects and also takes part in space research projects.

Source: **CIA**, May 29

- Thanks to **the CzechAccelerator 2011-2014** project, the young Czech firm **CUPtech** departed to the RocketSpace business incubator in San Francisco and is already gathering initial successes. The firm's **DesignBorg** project, which facilitates programmers' work with visual material, has received awards from the juries of professional competitions. CUPtech won third place in the Photo Hack Day 4 competition and first place in the Startup Weekend San Francisco competition.

Source: **CzechInvest**, May 27

- CGMC** has announced a public tender for the completion and commissioning of the **Jihlava Technology Park**. The subject of the tender is the construction of business premises for the operation of the park that would act as a business incubator and science and technology park. The newly renovated premises will be rented to innovation start-ups and to companies that want to launch a new product on the market. The estimated contract value is CZK 194.6 mln.

Source: **CIA**, May 29

Infrastructure

- CTP** has purchased the Zatec industrial zone covering an area of 23.6 ha and offering 36,000 m² of manufacturing premises. CTP also said it has entered into a fifteen-year lease contract with German **Grammer**, a company producing interior components for the automotive

industry. The new lessee is expected to move in the CTPark Zatec in July 2013.

Source: **CIA**, May 27

Economy

- The Czech Republic will most likely adopt the euro no sooner than in 2019. This was stated by **Czech National Bank's** governor Miroslav Singer at a financial conference in Prague. According to Mr. Singer, the government will probably apply for accession to the monetary union in 2016, which would mean accession among euro countries no sooner than in 2019.

Source: **CIA**, May 29

CzechInvest

- The 19th annual Prague Marathon** took place on Sunday, 12 May 2013. The winners traditionally included African runners. The fastest time was achieved Nicholas Kemboi of Kenya, followed by Girmay Birhanu of Ethiopia and Patrick Terer, also of Kenya. The fastest Czech runner was Jiri Homolac, who finished 12 minutes behind the winner. CzechInvest, which was a proud partner of the event, also celebrated success, as the agency entered two relay teams in the marathon, the first of which placed an outstanding 48th out of 556. The second **CzechInvest team** placed 149th.

Source: **CzechInvest**, May 13

- Czech promotion agency **CzechInvest** received a total of 25 intentions for investment incentives in a period from January 1 to May 30. The total value of investments reaches CZK 14.5 bln. The investments will likely establish up to 3,500 jobs. According to new rules, the rate of the public subsidisation will likely fall from 40 % to 25 % and conditions for the confirmation of the motivation effect of investment incentives or the compliance of the public subsidisation with regional rules will be stricter beginning January 1, 2014. The Czech Republic has expressed its disagreement with the proposed rules.

Source: **CIA**, May 31

- The Korea Overseas Investment Fair 2013** took place in Seoul at the end of May. During the event, CzechInvest signed a memorandum on closer cooperation in the area of mutual investments with Korea Trade-Investment Promotion Agency KOTRA. According to Minister of Industry and Trade Martin Kuba, Korean partners are playing an increasingly important role in the Czech economy. Proof of this consists in successful Korean investments implemented here, of which the biggest are a car manufacturing plant in Nosovice, which has produced more than one million vehicles over its seven years in existence, and the entry of a Korean partner into Czech airlines.

Source: **CzechInvest**, May 29

Exchange Rates

Averages for May 2013

EUR 1 = CZK 25.889

GBP 1 = CZK 30.485

USD 1 = CZK 19.955



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

www.cianews.cz