

# CzechInvest Newsletter

June 2014



## Headline News

- **CzechInvest** accepted exactly 100 applications for investment incentives in the period from 1 January to mid-May, which is two more than the agency received in the whole of last year. The submitted applications could lead to the creation of ten thousand jobs, the greatest number of which would be in regions with high unemployment, particularly the Moravia-Silesia and Usti regions. The total volume of investments could reach CZK 55 bn. Even though new EU regulations will reduce the permissible state-aid intensity, CzechInvest is preparing new possibilities that should maintain the Czech Republic's attractiveness for investors.

Source: *CzechInvest, May 30*

## Business & Investment

- **Hartmann-Rico** is expanding its plant for the production of medical devices in Havickuv Brod. In this connection, the company announced that it would create 15 new jobs. The commissioning of a line for the production of surgical masks and dressings should result in up to a 20% increase in the production volume.

Source: *CIA, May 5*

- Japanese multinational company **Tsuchiya**, which manufactures dials for automobile dashboards, has opened a new production plant in Ceske Budejovice. The plant is located on totally 21,000 m<sup>2</sup> and has 130 employees. The firm expects to hire further 45 employees as production grows.

Source: *CIA, May 25*

- The Japanese company **Neturen** began operation of its new plant on 13 May at the Triangle industrial zone near Zatec in the Usti region. The company manufacturers, in particular, steel armatures and hardened wire used in the production of springs for automobiles and motorcycles. The new plant cost CZK 450 mln and employs several dozen people. CzechInvest assisted the firm in selecting the most suitable location for the plant's construction. The industrial zone near Zatec is one of the biggest in the Czech Republic and is anticipating the entry of more investors in this region with relatively high unemployment.

Source: *CzechInvest, May 14*

- **ABB** has laid in Trutnov the foundation stone of the new plant for the production of automation systems for substations. The firm has informed that the products and systems made by the company will enable its clients to boost their performance and reduce the effect on environment. The plant is scheduled to open in late 2014.

Source: *CIA, May 2*

- The firm **Industry Servis ZK**, which manages the **Strategic Industrial Zone in Holesov**, has informed that **Panattoni Czech Republic Development** has expressed its interest in 30 ha in the zone. According to Panattoni Europe CR's general director Pavel Sovicka, his company will prepare part of the lots in Holesov, so that finished buildings may be handed over to investors in 6-8 months. The cooperation talks between Panattoni and Industry Servis ZK, which manages the zone and is owned by Zlin Region, started already in summer 2013.

Source: *CIA, May 9*

## R&D

- Automotive industry supplier **Continental** is strengthening its position in the Czech Republic through the firm **Sensors & Actuators** Business Unit (S&A). The company has informed that it has opened a new research centre in Ostrava. According to the company, 200 new jobs will be formed in relation to the new unit. S&A's director Klauas Hau has added that the company has picked Ostrava e.g. due to its accessibility.

Source: *CIA, May 9*

- The winner of a competition held by the **StarCube** accelerator is the Indian start-up Observe Design, which created a pocket disinfection instrument for doctors with the intention of preventing the spread of infectious diseases that annually kill millions. Organised by the **South Moravian Innovation Centre**, the competition helps interesting projects to build up the foundations of a company over the course of three months. Six start-ups advanced to the final from the initial field of 84 projects involved in StarCube. The winning start-up received a year of rent-free office space in Silicon Valley, a voucher for legal services and consulting from the South Moravian Innovation Centre together with foreign and domestic mentors.

Source: *CzechInvest, May 19*

## Supporting Programmes

- The South Bohemian company **Biover** has developed a new biomass dryer that uses microwave radiation and consumes ninety percent less energy than standard dryers while also drying biomass faster. Development and production of the new device cost CZK 15.2 mln; the firm received a grant in the amount of half the costs from the Potential Programme, which is part of the Operational Programme Enterprise and Innovation. Biover developed the dryer at its research and development centre of biomass processing technology, which was also supported with European aid in the past.

Source: CzechInvest, May 5

## Events

- CzechInvest has prepared a major event called **Investment Week**, which will take place from 16 to 19 June 2014. The purpose of this event is to enhance cooperation between the state and particular investors and to actively resolve their problems consisting in, for example, the lack of skilled workers and absence of new information on state-aid possibilities. Investment Week will comprise excursions of secondary vocational-school students to the operating facilities of individual investors, which CzechInvest is arranging, as well as events organised by the agency's regional offices and an all-day conference in Prague, which will be followed by the Investor and Business Property of the Year 2013 awards ceremony.

Source: CzechInvest, May 30

- A delegation of business people and government representative from South Korea recently visited the Czech Republic. The delegation participated in a seminar on possibilities of **Czech-Korean cooperation** in the chemical industry on Thursday, 22 May, and visited the Pardubice region on the following day. The delegation was accompanied by South Korea's ambassador to the Czech Republic, Hayong Moon.

Source: CzechInvest, May 26

- At a conference of aviation manufacturers held in Washington on 8 May, the Czech Republic's ambassador to the United States, Petr Gandalovic, emphasised the fact that aviation is a traditionally strong sector in the Czech Republic. The event also included a presentation of the opportunities that the Czech aerospace industry can offer to American investors. Participation in the conference was part of CzechInvest's **Aerospace Roadshow** around the United States, within which the agency's representatives met directly with aviation firms regarding new investment projects to be implemented in the Czech Republic.

Source: CzechInvest, May 14

- CzechInvest recently participated in the **ILA Berlin Air Show 2014**, one of the world's most significant aviation trade fairs, which has been held in the German capital since 1909. The agency presented selected Czech aviation companies at the Czech stand during the trade fair. CzechInvest's presence at the event made it possible not only to address parties that may be interested in investing in the Czech Republic, but also to increase awareness of the Czech Republic's investment potential. The agency's

representative was prepared to provide direct consulting related to entering the Czech market.

Source: CzechInvest, May 25

- CzechInvest presented the possibilities of Czech shared services and outsourcing during the fourteenth annual **European Shared Services and Outsourcing Week**, which took place in Dublin from 12 to 15 May. Thanks to its location in the centre of Europe, high-quality infrastructure and experienced workforce with good language skills, the Czech Republic is an ideal location for investments of this type.

Source: CzechInvest, May 13

- CzechInvest was in attendance at **CeBIT Australia**, a major ICT trade fair that took place in Sydney from 5 to 7 May. Representatives of the agency presented investment opportunities in the Czech Republic's ICT sector. The country's stand at the trade fair also featured Czech technology firms. CeBIT Australia is annually attended by 30,000 people and exhibitors cover a full spectrum of firms ranging from start-ups to major global companies.

Source: CzechInvest, May 17

## CzechInvest

- The Czech Republic won second place in the **Best to Invest ranking** compiled by the American magazine **Site Selection**. European countries were divided into two categories, with the Czech Republic placing highly in the group of Eastern European countries, surpassing Russia and Turkey, for example. The ranking of countries was determined particularly according to the number of investment projects, including both expansions and completely new projects. The Czech Republic's success in the ranking was in part due to the efforts of CzechInvest, which in 2013 mediated 108 projects, which in turn brought nearly CZK 48 bn to the domestic economy and will help to create more than 10,500 new jobs.

Source: CzechInvest, Apr 25

- The twentieth annual **Prague International Marathon** wound through the streets of the Czech capital on Sunday, 11 May. CzechInvest was a partner of the event for the second time. As in past years, runners from Africa came out on top. Improving on his third-place finish last year, Kenyan Patrick Terer won the men's category with a time of 2:08:07. The best Czech marathoner, Petr Pechek, placed thirteenth, only thirteen minutes behind the Terer. CzechInvest women's team won its category with the time of 3:40:04 and the men's team finished with the time of 2:54:33, thus taking thirteenth place in the category of men's and mixed teams. More than 10,000 runners from 91 countries participated in the marathon.

Source: CzechInvest, May 12

## Exchange Rates

Averages for May 2014

EUR 1 = CZK 27,440

GBP 1 = CZK 33,672

USD 1 = CZK 19,999



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

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