

MONTHLY NEWSLETTER

May 2012

Headline News

- On Wednesday April 25, the Senate passed **the amendment to the Act on Investment Incentives**. Jan Linhart, a partner with KPMG ČR, says this is a positive element, as incentives have not been very attractive for investors now. The extended period to apply tax relieves from 5 to 10 years is the most important change in the view of the overall investment environment. This measure will attract investors with expensive state-of-the-art technologies where the return of the investment is longer, i.e. tax relieves can be applied later.

Source: **CIA**, Apr 25

Business

- Karlovy Vary Region Office has approved the plan of the firm **PlanConsulting Group** for the construction of the Ostrov production plant within the environmental impact assessment (EIA). As CIA has previously informed, the plant should produce air conditioning systems, coolers and air filters for combustion engines. A total of 1,182 jobs are foreseen in the plant. Work on the project is scheduled to start in July 2012 and be completed in March 2020.

Source: **CIA**, Apr 6

- Hradec Kralove Region Office has approved carmaker **Skoda Auto's** plan for the expansion of its existing hall in

Kvasiny in the environmental impact assessment. The hall is used for the welding of car bodies from metal mouldings. The foreseen capacity after the completion of the project totals 1,200 bodies per day. 600 new employees will be recruited. Work on the project is scheduled to start in Q4 2012 and be completed in Q3 2013.

Source: **CIA**, Apr 10

- The firm **Teva Czech Industries** plans to complete the building of the twin new plant for further expansion of the production of solid pharmaceutical substances. This was stated by Teva Czech Industries' general director and executive Jiri Urbanec in an interview for CIA. According to Mr. Urbanec, the completion will require costs exceeding CZK 1 bln and will raise the production capacity to the final total of 16 bln pills. The task for 2013 will be to prepare the new factory for an audit by European Union authorities and US FDA. Teva wants to recruit 300-350 new workers in late 2012.

Source: **CIA**, Apr 4

- Grammer CZ** has started producing sets for Daimler and DAF trucks in its new facility in Tachov. The company has invested CZK 320 mln into the new production halls. To accommodate the expansion, Grammer CZ recruited ca. 200 persons and wants to have 510 employees by the end of 2012.

The company currently accounts for 36% of the European market and would like to raise its share by more than a half in the future.

Source: **CIA**, Apr 13

- The Central Bohemia Region Office has approved the plan of the firm **Argil-Invest** for the construction of a warehouse hall in Nehvizdy within the environmental impact assessment (EIA). The project foresees the building of four halls. The building work will take place in phases of individual separate units. The complex will have 248 employees. Work on the project started in March 2012.

Source: **CIA**, Apr 2

- The firm **Huisman Konstrucke**, which designs and produces hi-tech engineering products with high added value, has opened a new assembly hall in Sviadnov. The investment into the hall totalled CZK 200 mln. Company director Roman Stankovic has added that the hall is part of the corporate brownfield development strategy. The company is now building also the modern development and design centre. The firm will recruit 100 employees this year.

Source: **CIA**, Apr 26

- Air conditioning and security systems manufacturer **Ingersoll Rand** plans to build a new production facility in the industrial zone in Ovcary near Kolin. The new space should start operating

in the second half of 2013 and existing activities are expected to move by the end of the same year. According to Vit Rakusan, Kolin's mayor, the new facility will enable the company to expand its production activities.

Source: [CIA](#), Apr 3

R&D

- Japanese company **Yamazaki Mazak**, the world's largest producer of computer-controlled metal cutting machine tools, officially opened its new Technology Center in the Czech Republic. Group Managing Director for Europe, Marcus Burton, commented on the new facility: "The Czech Republic has a long history of producing highly skilled engineers for the manufacturing sector. Our new Technology Center enables us to serve customers in the Czech Republic and also attract customers from across Central Europe to see the latest machine tools and machining techniques."

Source: [CzechInvest](#), Apr 30

- **Contipro Biotech** has invested CZK 117 mln into the expansion and completion of its research and development centre for medical nanobiotechnologies in Dolní Dobruč. The company gained half of the money from the Potential programme, which is part of the Business and Innovations Operating Programme. The research subsidies mediated by CzechInvest help the company significantly.

Source: [CIA](#), Apr 11

Economy

- The **GDP of the Czech Republic** should increase slightly by 0.2 % this year. This stems from a prediction by the Czech Finance Ministry. The economic growth of the Czech Republic totaled 1.7 % in 2011 according to updated figures. The situation on the labor market should in 2012 reflect the slow growth of the economy and high degree of uncertainty regarding further development. This year employment should fall by 0.5 %, the unemployment rate should according to the ministry increase

from last year's 6.7 % to 7.0 %. Consumer prices should increase by 3.3 % this year and by 2.3 % in 2012.

Source: [CIA](#), Apr 12

CzechInvest

- On 31 May 2012 **CzechInvest** in cooperation with the **Technology Centre of the Academy of Sciences of the Czech Republic (TC AV)** and **Association of Chemical Industry of the Czech Republic** will hold a conference "Nanotechnology Development and Risk Capital in the Czech Republic". The workshop and panel discussion will focus on the financing and commercialization of R&D projects, start-ups and available support for nano SMEs in the Czech Republic. The conference will be held in Prague at TC AV. **Association for Foreign Investment (AFI)** is the main partner of the event.

Source: [CzechInvest](#), Apr 30

- Miroslav Krizek, CEO of **CzechInvest** met members of the **Canadian Chamber of Commerce in the Czech Republic** on April 11. He discussed the present situation and prospects for the future as regards business opportunities in the Czech Republic.

Source: [CzechInvest](#), Apr 30

- The celebratory announcement of results of the prestigious Manager of the Year 2011 competition took place on 26 April 2012 at Zofin Palace in Prague under the auspices of Prime Minister Petr Necas. **CzechInvest CEO Miroslav Krizek was named Manager of the Year 2011 in the Business and Public Services sector.** "I see this award as recognition for everything that CzechInvest has done to support Czech businesses, which of course is the work of the entire team, not just one person," says Miroslav Krizek, CEO of CzechInvest, adding: "For me personally, this prize is also motivation to continue in our efforts to provide the best possible support and to develop a healthy and competitive business

environment in the Czech Republic."

Source: [CzechInvest](#), Apr 30

- Entrepreneurs and other parties interested in subsidies from the **Business and Innovations Operating Programme** have sent a total of 11,457 enquiries to experts from the free Green Information Line of CzechInvest for support for business. The questions mostly concerned eAccount issues, the rules for the provision of subsidies and the Real Estate and Training Centres programmes. The highest number of enquiries was sent in November – 1,133. **The Minister of Industry and Trade, Martin Kuba**, says that the aim is to offer support for as many quality projects from Czech entrepreneurs as possible.

Source: [CIA](#), Apr 4

- The agency **CzechInvest** has postponed the deadline for the submission of applications for the 3rd prolonged call in the **CzechAccelerator 2011 - 2014** project to May 8. The agency has invested CZK 6.8 mln. CZK 5.6 mln out of the total came from the Business and Innovations Operational Programme.

Source: [CIA](#), Apr 23

- **Czech ICT Alliance**, in cooperation with governmental agency **CzechInvest** and the Czech Republic's General Consulate in New York, held the Partnering in Innovation meeting of US entrepreneurs with Czech ICT companies and projects on April 18. The presented Czech companies are doing business in various segments, incl. security, programming, event management or energy system management.

Source: [CIA](#), Apr 25

Exchange Rates
Averages for April 2012
EUR 1 = CZK 24.791
GBP 1 = CZK 30.129
USD 1 = CZK 18.853



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