

CzechInvest Newsletter

May 2014



Headline News

In the next six years, businesses in the Czech Republic will receive aid for their projects from the European Union in the amount of EUR 4.2 bn, i.e. half a billion euros more than in the 2007-2013 period. CzechInvest and the Ministry of Industry and Trade presented a rough outline of the new **Operational Programme Enterprise and Innovation for Competitiveness** (OPEIC) at a conference held recently in Brno in connection with the **Urbis Invest 2014** trade fair. New European Commission regulations will have a significant impact on the actual form of European aid in the coming period. Among other things, in the Czech Republic these regulations will reduce the state-aid ceiling for small enterprises from 60% to 45% of eligible costs, from 50% to 35% for medium-sized enterprises, and from 40% to 25% for large enterprises.

Source: CzechInvest, Apr 25

Business & Investment

Johnson Controls will open a new factory for the production of plastic containers and lids for car batteries. The company has informed that its operations will employ ca. 120 persons by the end of 2015.

Source: CIA, Apr 30

Aircraft with Czech lights will be operated in Afghanistan. At its facility in Jacksonville, Florida, the American branch of the Brazilian aviation firm **Embraer** will install lights manufactured by the Czech firm **Aveo Engineering** in Embraer Super Tucan planes. Embraer won the order for 20 aircraft in 2013 within a programme supported by the United States Department of Defence.

Source: CzechInvest, Apr 9

ZVZ Machinery launched in February 2014 a new universal machining centre worth over CZK 40 mln. The company has informed that the centre guarantees precise machining of rotors, ventilator cases or altitude valves for nuclear power plants. The investment contributed to lower costs, as the production times and thus also the requirements on the production, dropped.

Source: CIA, Apr 22

Following its restructuring, **Tatra Trucks** is now set to stabilise; later on, the company's management plans to invest in innovated products and adequate technological background. This was stated by the Koprivnice-based truckmaker's general director Petr Karasek without any additional details after the meeting with KOVO trade union chairman Josef Stredula.

Source: CIA, Apr 26

After nine years, carmaker **Toyota Peugeot Citroën Automobile Czech** (TPCA) in Kolin has terminated production of the Toyota Aygo, Peugeot 107 and Citroën C1 models. Almost 2.4 mln of these models have been manufactured since 2005. Production of a new generation of vehicles will be launched in the middle of May. The car manufacturer needs to fill in almost 700 vacant positions, primarily working positions, by the end of this summer.

Source: CIA, Apr 29

Foodstuffs company **Bidvest** (formerly Nowaco) is completing the upgrade of its ice cream factory in Opava. The investment, totalling over CZK 90 mln, will raise the production capacity by 25%. Prima brand's manager Lukas Dedek has told CIA that the production capacity will thus theoretically reach 20 mln litres of ice cream per year. The reconstruction took 4.5 months.

Source: CIA, Apr 14

R&D

The Czech Republic and **China** plan to boost mutual investments, stimulate business growth and invite their firms to invest in the other country. This statement was provided in the joint declaration by the ministries of foreign affairs of both countries on the occasion of the Czech delegation's visit to China. Both countries will also support their firms to examine the option to build an economic and technology park in the Czech Republic. Both states want to cooperate on third markets through their companies.

Source: CIA, Apr 29

Representatives of the academic, industrial and government spheres came together at CzechInvest on 8 April 2014 for the **"Direction of Research and Development in Cybernetics and Robotics"** conference. The conference

participants mainly discussed the transfer of research results into practice and the necessity of improving communication between the academic and application spheres. CzechInvest is planning to organise more professional events related to various branches of research and development. According to CzechInvest CEO Ondrej Votruba, the agency thus intends to popularise useful scientific results among representatives of Czech industry.

Source: CzechInvest, Apr 11

- **CEITEC**, the Central European Institute of Technology of Brno University of Technology, has obtained funding for the project aimed at developing a new type of electron microscope from the EU sources. The principal project investigator is the Czech company **Tescan**. CEITEC is among the other investigators together with six firms and academic institutions from Germany and Switzerland.

Source: , Apr 8

- **ModemTec** has opened the Smart Energy Centre in Trinec. The centre will be available for research projects for Smart Grid technologies and for commercial testing of electrical appliances and equipment. The main centre parts include a software laboratory and a testing laboratory. The research centre will be open not only for its incorporator, but also for other firms active in the field and for the academic sphere. The investment exceeded CZK 17 mln. It was co-funded by the European Union via the Operational Programme Enterprise and Innovation – Potential (with CZK 8 mln).

Source: , Apr 3

Supporting Programmes

- **The Integrated Regional Operational Programme** could receive the most money in the 2014-2020 period – 22.5 % of the total allocation, the deputy Minister for Regional Development for European programmes, Klara Dostalova, has stated at the 2014 National Conference on Czech Infrastructure, held by the Czech PPP Association. **The Transportation Operational Programme** should get 21.7 % of the allocation, **the Business and Innovations for Competitiveness Programme** 19.3 %. The new partnership treaty foresees the total allocation of EUR 21.64 bn (ca. CZK 594.34 bn).

Source: , Apr 17

- Thanks to European aid, **Plastkon product, s.r.o.** has acquired new technological equipment for manufacturing innovative bobsleds, toboggans and other winter sporting goods for children. The company obtained for its project more than CZK 16 mln, i.e. half of the total costs, from the Operational Programme Enterprise and Innovation 2007-2013. The company develops its own products and exports them throughout Europe.

Source: CzechInvest, Apr 10

Events

- In mid-April CzechInvest took part in **the Hannover Messe** global industrial trade fair. The agency's representatives answered questions pertaining to doing business in the Czech Republic and the local investment environment. They also discussed potential new investments and expansions, and presented the possibilities of Czech suppliers and firms that

would be open to possible capital entry. Visitors that stopped by the Czech stand were predominantly from Germany, the United States, Austria and Switzerland.

Source: CzechInvest, Apr 16

- The **SIMTOS** mechanical-engineering trade fair took place in South Korea in April. The event was organised by KOMMA (Korean Machine Tools Manufacturers' Association). During the trade fair, CzechInvest's representatives met with several potential investors in the area of precision engineering. Because the popularity of the Czech Republic is rising among South Korean investors, the Czech stand at SIMTOS attracted the attention of numerous visitors. South Korean companies particularly value the Czech Republic's logistically advantageous location, proximity to the German market and direct air link between Prague and Seoul.

Source: CzechInvest, Apr 17

- **The British Day event** took place at the Science and Technology Park in Plzen on 23 April 2014. The event was organised by the British Chamber of Commerce in cooperation with the Plzen city government and the Plzen region, and with support from major local firms. Participants had the opportunity to attend an interactive seminar and lectures given by experts, successful businesspeople and representatives of business-support organisations. Emphasis was placed primarily on sharing practical experience and useful advice for firms that would like to expand to foreign markets. A representative of CzechInvest presented current possibilities of support.

Source: CzechInvest, Apr 23

CzechInvest

- For the first time, the Czech Republic hosted the **ASD (AeroSpace and Defence Industries Association of Europe)** aviation conference in Prague from 23 to 25 April 2014. Leading experts discussed the competitiveness of European aviation firms, the challenges and opportunities of the aviation sector and the common strategy for the coming years. The conference brought together representatives of European aviation associations and companies, as well as politicians. CzechInvest was the bronze partner of the event. The aviation industry has a strong tradition in the Czech Republic and provides key impetus for advancement of local research and development.

Source: CzechInvest, Apr 25

- **Technological centre of Hradec Kralove**, supported by CzechInvest, has opened a co-working centre in Hradec Kralove. Its main purpose is to support starting entrepreneurs, students, sole traders and freelancers. Co-working works on the principle of a shared office.

Source: , Apr 22

Exchange Rates

Averages for April 2014

EUR 1 = CZK 27,450

GBP 1 = CZK 33,270

USD 1 = CZK 19,874



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

www.cianews.cz

Contact: CzechInvest - Investment and Business Development Agency
Stepanska 15, 120 00 Prague 2, Czech Republic
Tel.: +420 296 342 579, E-mail: fdi@czechinvest.org
Web: www.czechinvest.org