

CzechInvest Newsletter

November 2012



Headline News

- **Skoda Auto a.s.** was named Investor of the Past Twenty Years on Tuesday, 6 November 2012. The title was awarded by CzechInvest and the Association for Foreign Investment in cooperation with the Ministry of Industry and Trade for the carmaker's extraordinary benefit to the Czech economy on the occasion of the celebratory announcement of the results of **the Investor of the Past Twenty Years and Business Property of the Past Twenty Years competitions**. With CzechInvest's assistance, Skoda Auto a.s. invested CZK 36.5 billion in the expansion of its production capacities and created more than 4,000 new jobs in the period from 1998 to 2012.

Source: CzechInvest, Nov 6

Business & Investment

- The Czech company **TL elektronik a.s.** has concluded a major contract on long-term cooperation with the **BRP-Powertrain GmbH & Co KG**, an Austrian manufacturer of aircraft engines. The subject of the agreement consists in the delivery of the Integra engine-monitoring system for a new Rotax engine. Worth hundreds of millions of Czech crowns, the contract on delivery of the Integra system is a further step in the long-term cooperation between the Czech company and the Austrian manufacturer. Their

first cooperative project involved innovation of the Flydat cockpit instrument, which gained worldwide popularity.

Source: CzechInvest, Oct 22

- **ZKL holding** has launched production in its new hall in Brno intended for the manufacturing, measurements and assembly of large bearings. The hall was built in reaction to the growing demand for high-accuracy bearings. The investment totalled CZK 120 mln. The company received a contribution from the Investment and Real Property programmes announced by the Ministry of Industry and Trade.

Source: CIA, Oct 12

- Pardubice Magistrate has opened the zoning proceeding for the annex building of the technological development centre, planned next to the existing production hall in **Triton Pardubice's** facility in the cadastral area of Stary Materov. The Magistrate has scheduled public oral discussion of the project for November 22. The company produces e.g. data switchboards.

Source: CIA, Oct 18

- Automobile industry supplier **Faurecia** will build a production facility in Mlada Boleslav, into which it wants to invest CZK 350 mln. In the future 500 new jobs should be created at the plant. The company stated that this

construction project will not only increase the production capacity for exhaust systems but also activities that focus on development, prototype production and global IT support. The production of rear exhaust system parts for **Skoda Auto** will be transferred to the plant along with production of **Toyota** catalyst bodies and bending of pipes for internal customers.

Source: CIA, Oct 17

- Global production firm **3M** opened its Innovation Centre in Prague. The centre will serve primarily for the development and testing of new products. The company estimated that higher individualisation of the production programme will bring new contracts in the Czech Republic and the entire CEE region. The costs, incl. technical equipment, totalled CZK 20 mln.

Source: CIA, Oct 3

- **Ikea** plans to open three new retail centers in the Czech Republic. The investment should total roughly CZK 4 bln. This was stated for CIA by spokesman Petr Chadraba, according to whom a third retail center should be opened in Prague in roughly four to five years. The other two centers are to be opened in Plzen and in the Hradec Kralove region. According to Chadraba, they should open in four to five years.

Source: CIA, Oct 17

R&D

- Construction of new buildings of **the Central European Institute of Technology** began in Brno on 24 September 2012. New laboratories with a total area of 25,000 m² are being built at the Bohunice campus of Masaryk University and the Pod Palackeho vrchem campus of the Brno University of Technology. In the course of their studies, young scientists will have the opportunity to be involved in the work of top scientific teams after the facilities begin operation, which is expected at the end of 2014. Private companies will also be able to use the new laboratories' state-of-the-art equipment.

Source: *CzechInvest*, Oct 2

- Czech firms garnered strong interest at **the 2012 International GreenTech & Eko Products Exhibition & Conference**, which took place in Kuala Lumpur, Malaysia from 10 to 13 October. The Czech exhibition was personally visited by Malaysia's Minister of Energy, Green Technology and Water Management, Dato' Sri Peter Chin, who was especially intrigued by a vivid demonstration of water treatment based on the principle of hybrid asymmetric membrane separation (THASMS) from the company **TOP WaterIndustry Technologies**. Other companies representing the Czech Republic at the trade fair included **5P for RES**, **NAFIGATE Corporation a.s.**, **AVAS Export-Import spol. s r.o.** and **SVCS Process Innovation s.r.o.**

Source: *CzechInvest*, Oct 22

- Construction of research complex project **ELI** in Dolni Brezany worth almost CZK 7 bln began on Tuesday 9 October. The project, which is the result of collaboration among 40 research institutions from 13 EU countries, is financed from **Operating Program Research and Development for Innovation**. The Czech Republic will be responsible for developing ELI

pillar high-energy ray science. This information was provided by the Education Ministry, according to which the HiLASE worth almost CZK 800 mln has also been launched.

Source: *CIA*, Oct 9

- The city of Ostrava will expand the science and **technology park in Ostrava-Pustkovec** with two new multipurpose buildings in two years. The park currently has 670 employees in 26 firms. Once the new buildings are finished, there will be 20 more companies with about 450 new jobs. Roman Michalec, board chairman of **VTP Ostrava**, added for CIA the budgeted costs are CZK 420.6 mln exclusive of VAT.

Source: *CIA*, Oct 29

Infrastructure

- **Czech Airlines** will raise the number of flights to Brussels, Budapest, Dusseldorf, Copenhagen, Milano, Tel Aviv, Ufa, Warsaw, or Nizhniy Novgorod beginning the winter season 2012/2013. The airline has also restored regular flights connections from Prague to Berlin and Stuttgart. According to the company, the winter flight schedule will be valid from October 28, 2012 to March 30, 2013. It is also possible to buy air tickets with help of a wire transfer.

Source: *CIA*, Oct 25

Economy

- The Czech Finance Ministry expects **GDP** to fall 1 % this year. In 2013 **economic output** could increase by 0.7 %. According to the ministry the economy should be pulled by significant foreign trade surpluses. The ministry expects consumer prices to grow 3.3 % in 2012 and the average inflation rate should reach 2.1 % in 2013. The unemployment rate should according to the Finance Ministry reach 6.9 % this year and 7.3 % in 2013. The increase

in the volume of salaries should reach 2 % this and next year.

Source: *CIA*, Oct 31

CzechInvest

- CzechInvest and the Association for Foreign Investment, in cooperation with the Ministry of Industry and Trade of the Czech Republic, announced **the winners of the 2011 Investor of the Year and Business Property of the Year awards** at Veletrzní Palace on 6 November 2012. In the five standard categories **Johnson Controls, Red Hat Czech s.r.o.** and **Vyzkumny ustav zeleznicni, a.s.** received Investor of the Year awards, while **Alca PLAST, s.r.o** and **JIC Innovation Park** were granted the title of Business Property of the Year. Special Investor of the Past Twenty Years and Business Property of the Past Twenty Years awards were presented to **Skoda Auto a.s.** and the **Nosovice Industrial Zone**.

Source: *CzechInvest*, Nov 6

- The main arterial road to the new **industrial zone in Světa nad Sazavou** in the Vysocina region was ceremoniously opened on 1 October 2012 with the participation of Minister of Finance Miroslav Kalousek and representatives of the city, region and CzechInvest. Construction of the 10.7 ha industrial zone, which is located halfway between Prague and Brno, began in April this year. With the completion of the arterial road, the zone is now fully prepared for the entry of investors.

Source: *CzechInvest*, Oct 22

Exchange Rates

Averages for October 2012

EUR 1 = CZK 24.938

GBP 1 = CZK 30.914

USD 1 = CZK 19.221



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