

CzechInvest Newsletter

November 2013

Headline News

- Czech Minister of Industry and Trade Jiri Cienciala visited South Korea from 16 to 19 October 2013. Minister Cienciala met with the president of South Korea, Park Geun-hye, and also attended the international trade fair **Korea Energy Show 2013**, where he met with representatives of CzechInvest leading a technology mission with the purpose of establishing Czech-Korean cooperation in the area of clean technologies and renewable sources of energy.

Source: [CzechInvest](#), October 24

Business & Investment

- Automobile industry component manufacturer **JC Interiors Czechia**, a subsidiary of Johnson Controls, plans to invest CZK 1.3 bln into the expansion of production at industrial zone Triangle in Lounsko in the next three years. Thanks to this investment 537 new jobs will be created on site. This was confirmed for CIA by Miroslav Kyncl from the Ministry of Industry and Trade, according to whom the company is thus seeking an investment incentive.

Source: [CIA](#), October 22

- CzechInvest organised a seminar held in Tokyo on 23 October with the aim of familiarising existing and potential **Japanese investors** with current changes in the Czech investment environment. Kolin mayor Vit Rakusan appeared at the event and several former presidents of Japanese firms in the Czech Republic shared their experience. The seminar is being followed up with a road show visiting significant Japanese firms, where representatives of CzechInvest discuss in detail the topics of visas and work permits, planned changes in regional aid for the period 2014-2020 issued this year by the European Commission and current topics that interest investors, particularly investment projects that could come to the Czech Republic in the foreseeable future.

Source: [CzechInvest](#), October 29

- Automotive industry component manufacturer **Johnson Controls** plans to launch production in a new plant in Bor u Tachova. The plant will offer ca. 300 jobs. CTP's regional director Tomas Novotny has stated that the project is worth ca. CZK 250 mln and will be custom-tailored for JC. Mr. Novotny refused to specify the length and value of the lease. As CIA has previously

informed, Johnson Controls announced in early July the termination of production in Roudnice nad Labem, where it has 1,635 employees. This is planned for September 2014.

Source: [CIA](#), October 11

- Wikov MGI** of the Wikov Industry Group has opened a new rolling stock gearbox development centre in Hronov. The activities of the testing site worth more than CZK 30 mln are expected to be quickly reflected in manufacturing and sales. There are only few of such testing rooms in Europe, said Wikov MGI's director Zbynek Berger.

Source: [CIA](#), October 3

- AGC Automotive** has commenced construction of a new production hall at its facility in Chudovice in Teplicko. GM Jiri Markuci stated that the investment totaling CZK 100 mln will enable the company to increase its automobile glass production capacity. The company plans to launch the hall in May 2014. The new facility will be part of the hardened glass production process and will be used to prepare the production of automobile glass.

Source: [CIA](#), October 9

- Brembo**, a producer of brake components, will extend its production capacities in CTPark Ostrava. The extension is being built by developer CTP. According to CTP CEO Remon Vos, the investment in the premise extension will reach CZK 200 mln. Brembo employs some 800 people in Ostrava and it plans to move to its new premises in March 2014.

Source: [CIA](#), October 9

R&D

- The construction of the **BIOCEV** scientific centre worth CZK 2.85 bln has begun in Vestec. Education Minister Dalibor Stys stated that in an area of 25,500 m², new laboratories would be built whose capacity would be 600 employees, of whom 450 scientific employees including almost two hundred master's degree and doctoral students. The centre should be completed in 2015.

Source: [CIA](#), October 7

- A bio-technology park connected with the business incubator **Biology Park Brno** will likely be built in Brno by mid-2015, according to information provided by the regional authority of South Moravia Region and the Regional Chamber of Commerce of South Moravia. According to Petr Kostik, the chairman of the board

of directors of Biology Park Brno, the workstation will be related with the current bio-medical incubator of South Moravia Region INBIT, the pavilion of integrated labs ILBIT or the Central European Institute of Technology CEITEC.

Source: , October 7

- **The Biotechnology 2013** conference was held in Ceske Budejovice on 17 October. More than one hundred scientists and businesspeople from the Czech Republic, Austria and Germany attended the conference, where they discussed, for example, research of new drugs, production of nanofibres and other new developments in the sector.

Source: *CzechInvest*, October 16

- The firm **Nupharo** has formed a technology incubator, with the main goal to commercialise innovations in the new energy segment. The Nupharo Park will target companies that have already finished the first start-up phase and are looking for ways to check the viability of their projects on the market. The company estimates that it will pick 7-10 projects with the highest potential from the hundreds of applying projects and offer them cooperation for 3 years. The total investment into the technology centre will reach over CZK 500 mln.

Source: , October 18

Economy

- CzechInvest organised **the Investment Incentives Now and in 2014 seminar** held on 8 October at **the International Engineering Fair in Brno**. The purpose of the seminar was to raise awareness of the prepared amendment of the Investment Incentives Act required by new, stricter rules issued by the European Commission in summer this year. The new regional-aid rules entail for the Czech Republic particularly a reduction of the maximum possible state aid intensity for large enterprises from the current 40% to 25% of eligible costs. The new rules will come into force on 1 July 2014. According to CzechInvest CEO Marian Piecha, amendment of the Investment Incentives Act is a necessity, though it is also an opportunity to offer investors new motivational tools so that the Czech Republic remains at least as attractive for them as it has been to date.

Source: *CzechInvest*, October 10

Support programmes

- **Austin Detonator s.r.o.**, currently the biggest European producer of industrial detonators, has invested nearly CZK 17 million in the construction and equipment of new laboratories and science and research facilities. The company received aid for the project in excess of CZK 6.5 million from the Operational Programme Enterprise and Innovation administered by CzechInvest. In the new laboratories the company's researchers will focus on development and production of new ecological explosives and pyrotechnic compositions.

Source: *CzechInvest*, October 25

- **Mann+Hummel** has opened a new hall covering nearly 8,000 m² in Nova Ves, Trebic district. The hall for about 60 specialists will accommodate a development centre with a test laboratory of the service centre. The construction has been subsidised from the European Union. The company

might get up to CZK 51 mln by mid-2014 for the building, software, machines and equipment worth CZK 127 mln.

Source: , October 10

- Czech businesses will have an additional CZK 6 billion available for their development. At the close of the 2007-2013 programming period for support from EU Structural Funds companies can obtain aid from **the Operational Programme Enterprise and Innovation** for, among other things, acquisition of new technologies, production improvement innovation of products and processes and development of information and communication technologies. Recipients must implement their projects no later than mid-2015.

Source: *CzechInvest*, October 29

CzechInvest

- CzechInvest and the Ministry of Industry and Trade announced the results of **the Entrepreneurial Project of the Year 2012** competition on 3 October at the New Town Hall in Prague. Awards were presented to eleven companies and institutions that successfully implemented their projects with support from the Operational Programme Enterprise and Innovation (OPEI) in 2012. The competition categories were Innovation, ICT and Business Support Services, Renewable Sources of Energy, Energy Savings, Potential, Prosperity, Training Centres, Properties, Clusters, Technology Platforms and CzechAccelerator. OPEI has been providing financial support to Czech businesses since 2007. To date, aid has been approved for nearly 9,200 projects in the total volume of CZK 79 billion.

Source: *CzechInvest*, October 4

- CzechInvest together with the Association for Foreign Investment awarded **Investor and Business property of the year 2012** on Wednesday, 6 November, at the Czech National Bank Congress Centre in Prague. Investment volume, the number of newly created jobs and benefit for the given region were among the factors in determining the most significant investors that chose the Czech Republic for their investments last year. **Automotive Lighting** took first place in the Manufacturing category, while **Eaton Elektrotechnika** and **Comdata Czech** took the top honours in the Research and Development and IT and Shared Services categories, respectively.

The second part of the evening was focused on business properties. **CTPark Mlada Boleslav** attracted the largest volume of investments in 2012 and thus won in the Industrial Zone category. **The Roztoky Science and Technology Park Complex** received the award in the category Property of the Year for Technology Centres and Services. A regenerated laundry facility that houses the headquarters of **DIKRT** was named Brownfield of the Year.

Source: *CzechInvest*, November 7

Exchange Rates

Averages for October 2013

EUR 1 = CZK 25.658

GBP 1 = CZK 30.297

USD 1 = CZK 18.827



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