

CzechInvest Newsletter

October 2014

Headline News

- **In the first half of 2014 CzechInvest mediated 116 investment projects**, which is nearly three times the total for the same period last year and more than the number for the whole of 2013. Eighty-five percent of the projects involve reinvestments and expansions of existing projects. Besides Czech firms, the largest number of investors is from Germany, followed by the Netherlands and the United States. As in past years, vehicle manufacturing is the dominant sector, followed by metallurgy and metalworking, with mechanical engineering in third place. At a cost of CZK 22.8 bn, the largest project is Nexen Tire's construction of a tire-manufacturing plant. This year's investments will bring more than CZK 78 bn to the Czech economy and create more than 14,000 jobs, of which 5,745 will be in the regions in greatest need of job creation, specifically Moravia-Silesia and Usti.

Source: CzechInvest, September 11

Business & Investment

- Another Japanese investor is coming to the Czech Republic. **Fukoku Co. Ltd.**, a global leader in the production of rubber windscreen wipers, intends to manufacture plastic products for the automobile industry under the name **Fukoku Czech s.r.o.** The company is investing CZK 60 mln in its production centre in the Usti region with anticipated start of production at the beginning of 2015. The company's management values the Czech Republic's location in the centre of Europe, as well the presence of one of its main customers in the country.

Source: CzechInvest, September 5

- German manufacturer of spare parts for the automotive industry, **Mubea**, will build a new factory in Prostějov. The information was confirmed to CIANEWS by Prostějov's first deputy mayor Jiri Pospisil. The municipal board of deputies approved the relevant agreement on its session on September 23, 2014. According to Mr. Pospisil, the new plant will offer ca. 500 new jobs.

Source: CIA, September 24

- Sviadnov-based firm **Huisman**, which produces cranes, drilling systems or systems for the laying pipes on sea

bottom, will invest CZK 100 mln into the upgrade of its machine centre. The machine tools will be installed in early 2015. Huisman will use the Business and Innovations Operational Programme from the European Fund for Regional Development for the financing of a part of the renewal project.

Source: CIA, September 11

- **Synthesia** has launched the operation of a new production line for various types of high quality Pigment Yellow 155. According to the company, this is the final and biggest investment into the expansion of the production capacities of organic pigments within the 2012-2014 three-year investment plan, totalling CZK 264 mln. Thanks to the project, the total production capacity of organic pigments will grow by up to 900 tons. The usage of the new line in the coming years is expected to boost the sales in this segment by up to CZK 400 mln. At the same time, Synthesia hopes that the new line will raise the sales in Europe, Asia and North America significantly.

Source: CIA, September 29

- Construction of the American company **Amazon's** new distribution centre officially began in the town of Dobroviz near Prague on September 12, 2014. The groundbreaking ceremony was attended by Minister of Industry and Trade Jan Mladek; Tim Collins, Amazon's director of European operations; Milos Petera, governor of the Central Bohemia region; Martin Safr, mayor of Dobroviz; and representatives of CzechInvest. The company's investment in the new 95,000 m² warehouse will reach CZK 2.1 bn, making it the biggest industrial property intended for leasing in the Czech Republic. Amazon plans to open its new distribution centre in summer 2015 and will employ there nearly 2,000 people from districts with high unemployment. Up to 3,000 additional seasonal jobs will be created over the following three years.

Source: CzechInvest, September 15

R&D

- The **4Medical Innovations Ostrava Science and Technology and Translation Centre of Regenerative Medicine** has been commissioned at the Ostrava Teaching Hospital. According to the centre, its total area is 6,500 m², of which 3,050 m² consists of laboratory and production premises and 1,400 m² of cGMP premises. The construction project's

general contractor was OHL ZS. The costs for the centre's construction amounted to CZK 702 mln, with the investor having covered CZK 302 mln. The rest was funded from the Operational Programme Enterprise and Innovations – Prosperity.

Source: , September 22

- **FEI Czech Republic** opened its new technological centre in Brno on Thursday September 18, 2014. Its general manager Jiri Ocadlik said to CIANEWS that the building at Cernovicke terasy required an investment of CZK 700 mln. The new premises will enable the company, which produces electron microscopes, to increase production and will also widen the possibilities for development of new products. The capacity of the centre with 27,000 square metres may double and reach up to 1,100 employees. The company is thus, according to J. Ocadlik, able to nearly double the number of its employees from the current 600.

Source: , September 18

Events

- **The Gateway to Central and Eastern Europe** seminar was held at the Czech embassy in Helsinki on September 9, 2014. The event was attended by 16 representatives of manufacturing and consulting firms and universities. In cooperation with the Association for Foreign Investment and other partners, CzechInvest presented the Czech Republic as a suitable location for investments in Central and Eastern Europe. In addition, the seminar also featured a presentation of the CzechLink project, which helps Czech companies to find strategic partners for their business operations and conversely offers foreign investors the possibility of capital entry into Czech firms.

Source: CzechInvest, September 11

- **WebExpo**, the biggest internet conference in Central Europe, took place in Prague from 12 to 14 September 2014. More than 1,400 internet experts from around the world gave presentations at seven different locations. CzechInvest's **CzechAccelerator 2011-2014** project for start-up companies also had a stand at the event. Leading figures from companies such as Spotify, The Telegraph, Medium.com and Twitter gave talks at the conference. The local scene was represented by renowned personalities and top specialists from the companies **Avast**, **AVG**, **Seznam.cz** and **Social Bakers**. The three-day event included not only specialist debates, talks and workshops pertaining to the online world, but also talks on economics. The CzechAccelerator stand provided information not only about the project itself, but also its successes and future.

Source: CzechInvest, September 19

- At the beginning of September hundreds of start-up companies from around the world came together in San Francisco for the 2014 edition of the annual **TechCrunch Disrupt SF** conference and trade fair. CzechInvest and selected Czech firms were present at the event. Successful companies presented their innovative products to representatives of leading technology firms, venture-capital specialists and potential customers. The Czech firm **Oscar Tech**, which offers a mobile application for seniors and won the SiriusXM competition for the best exhibiting start-up, very successfully represented the Czech start-up environment. Other companies from the Czech

Republic such as Corinth, Czechgeeks and Be3D, all of which had participated in CzechInvest's CzechAccelerator 2011-2014 project, also exhibited at TechCrunch. The event was attended by the Czech Republic's ambassador to the United States, Petr Gandalovic.

Source: CzechInvest, September 24

- Together with the consulting firm KPMG, CzechInvest organised **a series of workshops** for German companies focused on the tax aspects of doing business in the Czech Republic and familiarising the participants with the country's system of investment incentives. The workshops were held in **Hamburg** on September 30, 2014 and **Düsseldorf** on October 1, 2014. The workshop participants were German firms operating primarily in the automotive and mechanical-engineering sectors. Tax legislation in the Czech Republic was presented by experts from KPMG Prague and KPMG Germany, whereas a representative of CzechInvest's office in Germany explained the Czech Republic's investment incentives for foreign investors.

Source: CzechInvest, October 1

- **The 2014 Resource Efficiency and Waste Management** (RWM) conference took place in Birmingham, England from 16 to 18 September 2014. CzechInvest was present at the event. The agency's sector manager for energy and clean technologies, Petr Ruzicka, moderated a seminar on the topic of "The Czech Republic - The current waste landscape and investment opportunities in the EFW market". RWM has a history dating back more than 40 years.

Source: CzechInvest, September 18

CzechInvest

- CzechInvest held the closing conference of the **CzechAccelerator 2011-2014** project at the **Wayra incubator** on September 17, 2014. In the course of the project, thirty-nine Czech participating firms received a total of nearly CZK 24 mln to aid their development, as well as valuable experience with conducting business in advanced foreign markets. The conference was attended by Alfredo Coppola, CEO of the US MAC incubator in Silicon Valley, and Christa Bleyleben, director of MassGlobal Partners in Boston. The three most successful firms that penetrated the international market via the project, Ki-Wi Digital s.r.o., ImageMetry s.r.o. and IDEA RS s.r.o., were recognised for their achievements. According to the agency's statutory Deputy, Ondrej Votruba, CzechInvest intends to continue the CzechAccelerator project in future.

Source: CzechInvest, September 18

Exchange Rates

Averages for September 2014

EUR 1 = CZK 27,598

GBP 1 = CZK 34,886

USD 1 = CZK 21,393



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