

CzechInvest Newsletter

October 2013

Headline News

- In the first half of 2013, CzechInvest mediated domestic and **foreign direct investments** in the value of nearly CZK 19.5 billion, thanks to which nearly 5,000 new jobs will be created in the Czech Republic. The investments primarily involve expansions of firms already operating in the country. For the Czech Republic it is extremely important and beneficial that foreign firms which have come here in recent years trust the country and are thus expanding their projects here, says Minister of Industry and Trade Jiri Cienciala. The largest number of projects is from Germany, though a significant number is being undertaken by Czech, Swiss and Japanese companies. The dominant sectors among the investments are vehicle manufacturing and the rubber and plastics industry. CzechInvest this year has also introduced a new methodology for compiling investment statistics.

Source: CzechInvest, September 13

Business & Investment

- **Continental Barum** plans to invest almost CZK 2.5 bln into expanded truck tyre production. The plant in Ostrokovice, Zlin district, will offer more than 290 new jobs. This is the largest investment mediated by CzechInvest in the first six months of this year.

Source: CIA, September 13

- **Kamax**, a producer of connecting material for the automotive industry, plans to invest CZK 1.2 bln in the extension of its production in Turnov and Daliměřice, Semily district. The company plans to employ 120 new people there.

Source: CIA, September 20

- **Shape Corp.**, a world leader in vehicle-bumper manufacturing, has sent Jiri Suchan, a Czech student, to the United States for an internship within the Industry-sponsored Graduate Assistant Programme, in which the company cooperates with Grand Valley State University. According to representatives of Shape Corp., this is the best formula for the inflow of new ideas that help to meet the current requirements of clients and thus also the whole company's prosperity. CzechInvest assisted with bringing

the American company's sole European manufacturing plant to the Czech city of Plzeň.

Source: CzechInvest, September 9

- The firm **Unipetrol RPA** has signed a licence agreement with Ineos, granting it the rights to use the production process and technologies for a new polyethylene unit (PE3). According to Unipetrol's board of directors, chairman and general director, Marek Switajewski, the PE3 building project is a key investment project. Unipetrol will now set the implementation schedule and pick the general supplier. This is foreseen for H1 2014.

Source: CIA, September 30

- **Smith Medical Czech Republic a.s.** ceremoniously began operation of its new plant at CTPark in Hranice, in the Prerov region, on 19 September. The plant will produce especially single-use medical devices to support breathing and drug delivery. The company will employ up to 300 people there upon full completion of the project within roughly one year. CzechInvest helped to mediate the investment.

Source: CzechInvest, September 20

- **CPI Moravia Books** is investing almost CZK 830 mln into the expansion of the production of books and other printed materials in Pohorelice, Brno-venkov district. The company will build two new production halls and create 74 new jobs.

Source: CIA, September 26

- Moravia-Silesia Region Office has approved the plan of the firm **Teva Czech Industries** to build a new production capacity for the Glatiramer substance. Work on the project is scheduled to start in November 2013, while completion is foreseen for June 2014.

Source: CIA, September 9

- **Bachl** has asked for the environmental impact assessment for its intention to build a new factory producing semi-prepared products made of concrete, in the industrial area Zebrak. The project will likely begin in March 2014 and the completion is scheduled to April 2015.

Source: CIA, September 12

R&D

• Together with representatives of the state administration, Czech specialists in the field of space technology took part in a technology mission to Brazil from 9 to 13 September. In the course of the mission, the Czechs met with their counterparts from the Brazilian Ministry of Development, Industry and Foreign Trade and leading local aerospace institutions. The highlight of the visit was a meeting at the Technology Park of São José dos Campos, which is called the "Brazilian Silicon Valley". CzechInvest and CzechTrade, the Czech Space Alliance and the Czech Embassy in Brazil jointly participated in **the Czech-Brazilian technology mission**.

Source: *CzechInvest, September 18*

• The firm **Vyrtych – Technologický Park a Inkubator** plans to build a technology park and business incubator complex in Zidneves, Mlada Boleslav district. The company plans to invest CZK 650 mln into the project. Vyrtych's Petra Antosova has told CIA that the company expects to obtain a subsidy of CZK 300 mln for the project from the Business and Innovations Operational Programme.

Source: *CIA, September 12*

• EUCYS 2013, the 25th anniversary edition of **the European Union Contest for Young Scientists**, took place in the Czech Republic in September. Thanks to EUCYS, young scientists aged 16 to 21 can not only receive financial awards, but also have the opportunity to travel to international science festivals in London and Stockholm, attend the Nobel Prize ceremony and receive an internship abroad.

Source: *CzechInvest, September 20*

• **Aicta Design Work** has asked for the environmental impact assessment for its intention to build the Research and Development Centre of Heating Machines in the current industrial premise of the company **Metaz Tynec**. The intention consists of two workstations for tests of engines with maximal outputs of 2 and 0.5 MW. The company will thus develop in its own premises, which will contribute in its ability to compete. The project will likely be executed in the autumn 2013. The centre will likely be opened at the beginning of 2014.

Source: *CIA, September 12*

• Representatives of Czech nanotechnology firms, two universities and CzechInvest took part in **a technology mission to China**. With the cooperation of the Czech Embassy in Beijing and Suzhou Industrial Park, the Czech delegates met with their Chinese counterparts in order to discuss the further development of cooperation in the area of nanotechnology. According to Marian Piecha, CEO of CzechInvest, the Czech Republic is a world leader in the field of nanotechnology and Czech nanotechnology firms are highly respected in the Chinese market.

Source: *CzechInvest, September 25*

Infrastructure

• **Industrial & Logistics Developments** and **Goldbeck** have commenced the construction of the project Jenec Business Park. The premise will accommodate 30 commercial units on a total area of 6,000 m². They will serve as

warehouses, production premises, shops, or showrooms. Investment costs will likely exceed CZK 100 mln. The sale of the premises is secured by realtor 108 Agency.

Source: *CIA, September 20*

Economy

• Czech government has approved **the budget for 2014** with a deficit of CZK 112 bln. The previous draft calculated with a deficit of CZK 110 bln. The new budget foresees higher economic growth, amounting to 1.3 %. This higher growth rate is expected to bring CZK 4-5 bln more in taxes. According to the Prime Minister in demission, Jiri Rusnok, many requirements have not been satisfied, but the budget is a pro-growth one, given the circumstances.

Source: *CIA, September 25*

• The Czech Republic has closed contracts in the volume of nearly 86 % of funds in EU funds. The country has paid 55 % of the allocated budget to applicants. **The payment from the EU** experiences problems as only 33 % of expenses have been certified. This stems from an analysis made public by KPMG. The total budget of the Czech Republic for structural EU funds reaches CZK 798.6 bln in the period of years 2007-2013. The Czech Republic closed contracts in the value of CZK 683.2 bln in mid-2013. The Czech Republic thus had to manage contracts on projects for CZK 115.4 bln by the end of this year.

Source: *CIA, September 12*

CzechInvest

• CzechInvest welcomed a delegation from Ukraine at the beginning of September. During meetings in Prague and Hradec Kralove, representatives of **the Ukrainian delegation** led by Yaroslav Yurtsaba, national project manager of the Organisation for Security and Cooperation in Europe, and CzechInvest exchanged their experience with attracting foreign investments at the national and regional levels.

Source: *CzechInvest, September 12*

• In cooperation with Patria Finance, CzechInvest organised **the CzechLink Breakfast business meeting** with representatives of British companies, which was held on 12 September. The purpose of the meeting was to present CzechInvest's capital participation project. The breakfast was commenced by Czech Ambassador Michael Zantovsky, who emphasised that it is necessary to further deepen cooperation between the United Kingdom and the Czech Republic. Great Britain is currently the fifth biggest foreign investor in the Czech Republic.

Source: *CzechInvest, September 16*

Exchange Rates

Averages for September 2013

EUR 1 = CZK 25.787

GBP 1 = CZK 30.636

USD 1 = CZK 19.321



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

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