

CzechInvest Newsletter

September & October 2012

Headline News

- When **the amendment of the Investment Incentives Act** came into force in the Czech Republic on 12 July 2012, CzechInvest received four new applications for investment incentives and more soon followed. In the first half of 2012 CzechInvest accepted seven investment projects with a total anticipated value of CZK 1 billion. Since the introduction of the new incentives system, the agency has already registered 18 more projects with an anticipated total investment value of CZK 11.2 billion. The amendment has greatly spurred the launch of projects especially in the automotive, chemical, printing and mechanical-engineering sectors.

Source: *CzechInvest*, Sep 27

Business & Investment

- Boshoku Automotive Europe GmbH, a subsidiary of Toyota Boshoku Corporation, will establish its first new manufacturing company for automobile interior components, **Boshoku Automotive Czech s.r.o.**, in the Czech Republic for automobile interior components. This is Toyota Boshoku Group's first manufacturing facility in the Czech Republic. Boshoku Automotive Europe (BAE) began operations in July 2011 after Toyota Boshoku acquired the automobile interior business of European parts manufacturers.

BAE develops and produces interior components such as door trims and headliners for major German automobile manufacturers including BMW, Daimler AG, Volkswagen Group and Opel.

Source: *CzechInvest*, Aug 30

- Toray Textiles Central Europe s.r.o.**, a manufacturer of lining materials and technical textiles, has begun construction of a new production facility in Prostějov, thus expanding its area of operations. Production of plates for ecological waterless offset printing of newspapers, magazines and other materials will begin here at the beginning of 2014, making Toray the first manufacturer of its kind in Europe. The company was one of the first applicants for investment incentives under the new system. Thanks to its investment of CZK 628 mln, 48 new jobs will be created in the Olomouc region. Production will be focused primarily on the European market with the possibility of deliveries to markets in South America and the Middle East.

Source: *CzechInvest*, Sep 20

- Carmaker **Skoda Auto** has so far invested CZK 800 mln into the expansion of the Skoda Parts Center logistic centre, which supplies original parts and accessories to more than 100 countries of the world. According to Skoda Auto, the expansion is driven by

the growth registered by Volkswagen Group. Skoda will expand its parts and accessories portfolio by ca. 50 % to 214,000 items by 2018.

Source: *CIA*, Sep 11

- Machinery producer **Buhler CZ** asks for the environmental impact assessment for its intention to extend its current plant in Zamberk and an installation of new technology. A new powder painting room will likely have a capacity of 283,000 m² of painted area a year. The employee base of the company will likely grow from 250 to 400 thanks to the production extension.

Source: *CIA*, Sep 11

- Kiekert – CS** has requested from the Pardubice regional authority an environmental impact assessment for its plans to build a new production hall at the company's facility in Prelouc. Kiekert's main business activities are the assembly and completion of automobile locks. The company's production capacity will increase by 35 % to 85 mln units as a result of the project. Its employee base will increase by 520 to 2,523. Construction should commence in November 2012 and be completed in May 2013.

Source: *CIA*, Aug 9

- The firm **Gerresheimer Horsovsky Tyn** has applied for environmental impact assessment for the plan for

the construction of a production hall in the municipality of Horsovsky Tyn. The hall is designed for the production of plastic product, subsequent assembly and completion works for medical technology. Some 140 jobs are foreseen. Work on the project is scheduled to start in February 2013, completion is foreseen for January 2014.

Source: **CIA**, Aug 27

- The firm **Robert Bosch** has opened new buildings in Ceske Budejovice. The company invested CZK 230 mln into the expansion of its plant. The building work took almost a year. According to the company, the new hall will enable the company to boost its production in Ceske Budejovice and to expand the existing development and testing centre. Robert Bosch has prepared tens of job positions for later this year within the foreseen expansion.

Source: **CIA**, Sep 5

- Czech engineering concern **ZKL** has built a new production hall designed for the production and assembly of large bearings in Brno. According to ZKL CEO Jiri Prasil, the new hall will make it possible to raise the production of bearings by up to four times from the current volume of CZK 50 mln to CZK 200 mln in years 2013-2014.

Source: **CIA**, Sep 18

- The firm **Fehrer Bohemia** will boost the production capacity of polyurethane components in its production plant in Dubice to 12,000 tons p.a. The information was provided to CIA by Fehrer Bohemia's technical representative Marian Fabini. The company plans to invest ca. CZK 150 mln into the production boost. The 12,000 ton capacity production is scheduled to be launched in late March/early April 2013.

Source: **CIA**, Aug 28

R&D

- Science and research expenditures** grew by a fifth in

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2011 to CZK 70.7 bln, i.e. 1.86% of GDP. Domestic private business resources remain the most important financing resource for Czech science, accounting for 46.9% of total expenditures. The research sector had 55,697 employees after recalculation working on full-time research and development positions. Research and development employees formed 1.1 % of all employees in the Czech Republic.

Source: **CIA**, Sep 19

Infrastructure

- The town of As talks with **Accolade Reality**, which wants to build an industrial area covering over 41,000 m² near As. The town could get over CZK 8 mln for plots with no supply networks. The piece of information was confirmed for CIA by AS Mayor Dalibor Blazek. According to his words, the plots are designed for small production and the town does not cope with the establishment of logistic parks there. The town will sell the plots to the company after the investment is made. The investor wants to buy other adjacent plots from private owners.

Source: **CIA**, Sep 11

- The Pardubice Airport** completed the modernisation of the civil airport on Tuesday, September 25. The modernisation applies to the technology of the airport and movement areas. The project was executed by **Chladek a Tintera** and its total costs reached about CZK 280 mln.

Source: **CIA**, Sep 25

Economy

- The economic growth** of the 25 most important fast-growing economies, including the Czech Republic, has been slowing down since the beginning of this year. According to the quarterly forecast by Ernst & Young, however, this is just a temporary fluctuation. These countries will continue driving the world economy.

According to the forecast, GDP of these countries will this year grow on average by 4.9 %, while the eurozone's economy will report a 0.6 % decrease. However, in 2013, these countries will show up to a 6 % growth rate. Korea, Poland, Mexico, Brazil, China, Russia and Vietnam are among these countries.

Source: **CIA**, Aug 24

- The Czech Republic has ranked 39th in the global competitiveness chart compiled by **the World Economic Forum**, thus losing one position on 2011. Switzerland has retained its leading position. CR is the leader among Visegrad Four countries. Poland ranked 41st, Hungary dropped from 48th to 60th position and Slovakia ranked 71st, down two positions.

Source: **CIA**, Sep 5

CzechInvest

- CzechInvest organised **the Czech-Indian Investment and Technology seminar** at the International Engineering Fair 2012 in Brno, whose partner country was India. On Wednesday, 12 September, fifty representatives of Czech and Indian firms and institutions came together at the seminar to discuss the possibilities for developing cooperation, investment opportunities and new technologies. Members of the Indian delegation participating in the seminar included, for example, representatives of the Indian Embassy in the Czech Republic, the Invest India agency and the Czech-Indian Chamber of Commerce.

Source: **CzechInvest**, Sep 14

Exchange Rates
Averages for September 2012
EUR 1 = CZK 24.730
GBP 1 = CZK 30.983
USD 1 = CZK 19.246



Source: Česká informační agentura,
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