

CZECH REPUBLIC

MONTHLY NEWSLETTER

July 2009

Headline News

Synteract sets up its headquarters in the Czech Republic

The American company Synteract, which specialises in clinical testing of pharmaceuticals and medical technologies, will open its headquarters for Central and Eastern Europe in Prague in August. Its main activities will be arrangement and monitoring of clinical tests.

Business

Intelek to set up a new centre

The firm Intelek wants to build a new production, business, development and training centre in Brno. Construction and completion thereof is planned for 2010. The investor plans to build an operations, development and training facility allowing production and further expansion of the production portfolio and supplies, primarily to neighbouring EU countries.

Poštovní Spořitelna and ČSOB have a new call centre

Poštovní Spořitelna and ČSOB have opened a new call centre in Náchod. The centre is equipped with the latest contact-centre technologies, facilitating substantially faster and easier communication with clients. The call centre offers over 100 new jobs in the region.

Flabeg Czech to build a new line

Flabeg Czech, a manufacturer of rearview mirrors for automobiles, is planning to build a line for the silvering and painting of mirrors for thermo-solar power plants. The line's projected capacity is 2.2 million m² per year. The company wants to install the line at the end of 2009.

Hyundai to increase its production

The carmaker Hyundai Motor Manufacturing Czech is planning to build another manufacturing facility for the production of transmissions

in Nošovice. The company's plan is to increase production from 300,000 units per year to a projected annual capacity of 600,000 with full production expected in 2011 to 2012. The company will invest EUR 130 million (CZK 3.4 billion) in the project.

PolyComp to produce pellets from tire textiles

This September PolyComp will complete the first Czech line for processing textile material and chemlon from tires into solid fuel in Tušimice. The total investment amounts to CZK 15 million. The company has already secured a state certificate for its pellets and plans to produce roughly 12,000 tonnes per year.

Volvo Truck Centre to be built

Volvo Truck Czech is planning to build a Volvo Truck Centre in Havířov, where it will sell and service Volvo trucks. Construction is set to begin in January 2010 and will likely be completed in August 2010. The company will create 48 new

jobs. The built-up area of the facility will cover roughly 1,400 m². The regional authority of Moravia-Silesia is currently assessing the environmental impact of the project.

Enel enters the Czech Republic

The Italian concern Enel is entering the Czech electricity market. Its trading subsidiary Enel Trade secured a license for trading electricity in the Czech Republic and has been listed as an accounting entity with the Electricity Market Operator, which currently has on file 63 entities that can actively do business on the electricity market.

RSP Energy enters the Czech market

The newly established company RSP Energy has entered the Czech electricity and natural-gas markets. The company plans to focus on supplies of energy to medium-sized and large customers, primarily in the areas of industry, trade and services. RSP Energy is a 100% subsidiary of RSPE Holding of Switzerland.

R&D

Škoda Auto to cooperate with the Czech Technical University

Škoda Auto of Mladá Boleslav will cooperate with students of the Czech Technical University in the area of research and development. The students will commute to Škoda's new development centre in Mladá Boleslav, where they will actively participate in the conception of new projects.

South Bohemian Science and Technology Park to expand

The South Bohemian Science and Technology Park in České Budějovice is preparing to expand with the addition of two new structures. A 3,000 m² building will be built near the park's current location. Construction of a new facility for semi-operational testing of new products is also being prepared. The investment amount should reach up to CZK 300 million.

Infrastructure

New cargo terminal in Ostrava-Mošnov

HB Reavis Group is preparing to build a cargo terminal at the Ostrava airport in Mošnov by the end of 2010. The project involves a complex with two logistics facilities and will create 100 new jobs. The terminal will be exceptional in that it will combine three types of transport – air, road and rail.

Tourism

Czech capital scores highly in ranking of the most attractive retail locations

Prague is the 13th most attractive city for retailers in Europe and first in the region of Central Europe, according to this year's ranking compiled by the real-estate consulting firm Jones Lang LaSalle and the firm Experian. The ranking is based on consumer data and rental rates in the best locations of European cities. The main reasons for

Prague's high ranking include its attractiveness as a tourist destination and, from the retail perspective, the city's orderly centre.

Other

The Czech Republic remains attractive for foreign investors

Several international companies are preparing to move production to the Czech Republic. **Hewlett Packard** is transferring production of servers from Scotland and Germany to the Czech Republic in order to cut costs. This should create 700 new jobs. The leading German industrial and electronics group **Siemens AG** has decided to relocate up to 280 jobs, mostly in corporate accounting, from Germany to the Czech Republic. Another German firm, **Lincoln**, has opened a new logistics and assembly centre in the Sokolov district.

Exchange Rates
Averages for July 2009
EUR 1 = CZK 25.787
GBP 1 = CZK 29.948
USD 1 = CZK 18.293

Sources: Czech National Bank, Czech AM by Czech Information Agency, Prague Daily Monitor, Radio Prague, dailies Hospodarske noviny, Pravo, MF Dnes and Lidove noviny

www.czechinvest.org
fdi@czechinvest.org