



Business

Aero set to profit from JCA programme

Participation in the Joint Cargo Aircraft (JCA) programme aimed at delivering smaller and less expensive aircraft than the C-130 Hercules for the US Army and US Air Force could result in revenues of up to CZK 6 billion for Aero Vodochody over the next ten years. The company, which is already a supplier for the Italian firm Alenia Aeronautica, among others, has been invited to take part in the above-mentioned programme. Within the JCA programme, the Pentagon is planning to purchase 145 medium tactical cargo aircraft (75 for the force, 70 for the army), followed in the second wave by 207 aircraft for which USD 6 billion has been earmarked for the next ten years. In the first phase a contract has been signed for the delivery of 78 C-27J Spartan aircraft, including training and service in the value of USD 2.04. The aircraft will be manufactured in

Vodochody as well as in Waco, Texas, and Pomigliano and Turin, Italy.

Chinese lunchmeat made in the Czech Republic

The Chinese canned-foods producer Shanghai Maling has come to Hrobčice u Bíliny for labour and raw material. The company is also looking for a suitable base here for exports to Europe and the United States, as it plans to export 95% of the cannery's production. Initial deliveries of canned pork will be shipped from Hrobčice to East Asia, the third destination on which the company wants to focus. In selecting a suitable location for its cannery in Europe, Shanghai Maling chose the Czech Republic due to the country's favourable logistics conditions as well as its high-quality raw materials and workforce. This year the company plans to produce three to four thousand tonnes at the new cannery. This amount could triple by the end of 2010 if the company stays on its present course.

Immorent to build offices in Plzen

The property developer Immorent will build the new Fabrika Business Park in the Borská Pole area of Plzen. Construction of the administrative complex, which will house eight office buildings covering a total of 38,000 m², will begin at the end of this year and should be completed by the end of 2011. Two American companies have already expressed serious interest in the Plzen region. Plzen is the Czech Republic's fourth most popular region among investors.

The Czech Republic at the top of car production

Czech vehicle manufacturers are very likely to produce more than one million units this year. With a ratio of 100 cars to 1,000 inhabitants, the Czech Republic will become the world's third largest automotive producer in terms of the number of cars per capita; only Belgium and Slovakia produce more. The Czech Republic will reach the top

spot next year with the start of production at Hyundai Motor in Nošovice. The domestic automotive industry currently employs 125,000 people, i.e. 8.5% of all workers in the Czech Republic, and accounts for 20.2 of industrial revenues and the same proportion of exports.

Iveco expanding in the Czech Republic

Iveco CR will produce and sell approximately 3,000 buses this year, up from last year's figure of 2,698. Investment in expansion of the company's paint facility will enable it to manufacture 13-14 buses daily. Maximum production capacity in Vysoké Mýto will increase to 3,350 vehicles next year. The company invested CZK 150 million in the construction of additional paint boxes. Construction began in April and will be completed in August. The additional buses produced by Iveco CR will be used particularly in Slovakia and France. The company plans to hire an additional 200-300 people to supplement its current staff of approximately 2,250. Iveco CR comprises the largest factory in the Irisbus-Iveco group. Its significance is underscored by a new logistics centre for Central and Eastern Europe, which was opened in Vysoké Myto in June. The central warehouse in Turin had previously been responsible for deliveries of replacement parts.

American filter manufacture begins construction in the Joseph industrial zone in the Most region

The American company Advanced Filtration Systems Inc. (AFSI) represented by its subsidiary AFSI Europe, has begun construction of a new production facility in the Joseph industrial zone near Havraň in the Most region. The new plant, which should be completed by the end of this year, will employ 180 people in the production of oil filters for technical uses. Start of production is planned for January 2009. The company purchased 4.25 hectares in the industrial zone and is interested in a neighbouring 2.7 hectares for future use by suppliers. AFSI Europe, a joint enterprise of the American companies Caterpillar and Donaldson, is investing roughly CZK 500 million in the Joseph zone. The Japanese firm Takenaka won the tender for construction works. AFSI will deliver filters to Caterpillar, a producer of heavy earth-moving equipment. The company plans to obtain up to 65% of all input raw materials from domestic suppliers.

U:fon launches standard mobile services

U:fon, the fourth mobile operator on the Czech market, began offering standard mobile voice service on June 16. The company had hitherto offered only wireless fixed lines, mobile internet service and digital transmitters. The operator offers calling free of charge within its network, which currently covers 75%

of the population; the company plans to increase coverage to 84% of the population and to have 70,000 clients by the end of the year. MobilKom, which manages U:fon, obtained a license for broadcast transmission in the 410-430 MHz spectrum, which will allow it to build a CDMA mobile network. The Czech-Slovak investment group Penta is backing the company and the entire project.

R&D

Mayo Clinic launches unique research in Brno

Unique research of cardiac disorders, which hitherto has not been undertaken in the Czech Republic, will begin in November at St. Anne's University Hospital in Brno. In roughly half a year, the first five special laboratories of the future International Clinical Research Centre (ICRC) will open. Czech and American doctors from the prestigious Mayo Clinic will cooperate on methods of treating chronic heart disease. From November, doctors and scientists will thus dedicate themselves to finding new methods of treating cardiac arrhythmia. All instruments and equipment used by the researchers will eventually be transferred to the ICRC, which is scheduled to open within two years in the St. Anne's University Hospital complex. Besides cardiac disorders, scientists and doctors at the ICRC will also be involved in cancer research. The state is contributing over CZK 2 billion towards construction of the centre, which will combine top-level research

with treatment. Mayo Clinic will provide Czech doctors with state-of-the-art treatment methods.

Czech company invents absorbable tubular-mesh esophagus stent

Patients suffering from a disease or injury of the esophagus and who are thus unable to receive nourishment now have a better chance of overcoming this condition thanks to a new Czech patent. The Hradec Králové-based firm Ella-CS is the first in the world to produce a special tubular-mesh stent that holds the esophagus open and is made of a material that dissolves in the body over time without any harmful effects. It is a truly unique product that has undergone certification in Europe. At the end of last year Ella-CS received European certification allowing it to sell absorbable stents throughout the European Union. The tubular mesh is produced from a polymer, a material similar to absorbable sutures used in surgical applications. The company, which has been involved in developing healthcare products for 18 years, currently sells esophagus stents in the Czech Republic and Slovakia, and from this year will market its products in other countries, including EU member states. Sweden, Spain and Great Britain have shown the greatest interest in the new product, which is also available in, for example, Australia and New Zealand. The esophagus stent is protected by patents in the European Union and the United States.

Green Energy

Solar panels installed in the Zlín region

The firm Technické služby (Technical Services) has introduced into operation a new photovoltaic solar power plant with installed performance of more than 200 kilowatts. Construction costs of the facility, which is located in a disused area of the Suchý důl warehouse complex, amounted to nearly CZK 28 million. The firm expects that in future a power plant generating up to two megawatts could be established in the complex. The solar power plant in Suchý důl covers an area of more than 1,600 m² and consists of 1,144 solar panels.

Miscellaneous

The Czech Republic remains the most attractive country in the region for German companies

For the third consecutive time German companies have named the Czech Republic the most attractive country for doing business in Central and Eastern Europe, according to the results of a survey conducted among German firms. The results were announced by the Czech-German Chamber of Commerce and Industry. Slovakia and Slovenia placed second and third, respectively. Poland also recorded success in the survey, advancing from tenth to fifth place. China, which the Chamber also included in the survey, fell to tenth place from fourth last year. German companies are

attracted to the Czech Republic due to its strong economic growth and positive trade balance, among other factors.

Ryanair to fly from Prague to Frankfurt

The Irish low-cost airline Ryanair will begin flights from Prague-Ruzyně to Frankfurt-Hahn airport by the end of October. Frankfurt will thus become the third German city, after Dortmund and Cologne, reachable from Prague on low-cost airlines.

Exchange Rates
Averages for June 2008
EUR 1 = 24,314 CZK
GBP 1 = 30,717 CZK
USD 1 = 15,634 CZK
Source: Czech National Bank

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

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