



Headline News

ABS Jets to open Embraer service center in June

Aviation firm ABS Jets of the J&T group will open an authorized service center for airplanes manufactured by Brazilian Embraer in Prague-Ruzyně in June. This will be the first authorized Embraer service center in Central and Eastern Europe. The center will provide service for Embraer Legacy aircraft owners; later on, it will be prepared to assume also full-scope maintenance of Phenom 100 and Phenom 300 aircrafts scheduled for 2009 by Embraer.

Business

Oracle European centre opened in Prague

Oracle, a major business software supplier worldwide, opened its first European sales promotion centre in Prague. According to Oracle representatives, the Oracle Studio is aimed at providing service, particularly, for Oracle's partners operating in SME market sectors. Currently, Oracle has 200 partners in Czechia, who are increasingly heading for

the – still not fully saturated - SME market.

Amagasaki Pipes to expand production of pipe

Having launched production of air-conditioning systems for cars in Kožlany u Plzně two years ago, Japanese **Amagasaki Pipes** is planning a substantial increase of its staff and annual production now. Additional four hundred employees should be added to current hundred and twenty staff members. In Kožlany, Amagasaki manufactures parts for one of world's largest air-conditioning suppliers, Daikin, which has one-third of the global air-conditioning market.

New investors coming to North Moravia

Korean **Pyeong Hwa Automotive** aims to build a factory with 260 staff to manufacture car doors in Český Těšín. French **Rossignol Pierre**, a company manufacturing minor automotive parts, is moving to Ostrava. The company plans to build a strategic centre for Central and Eastern Europe here. Over the past 15 months, CZK 57 billion have been invested in Northern Moravia.

John Laing wants to modernize airport in Pardubice

British investment firm **John Laing** wants to modernize the **airport in Pardubice**. The firm wants to invest CZK 2 billion on site and intends to transport 3.5 million individuals per year. American firm **Odien** and a Korean-Japanese concern are also interested in the reconstruction of the airport. If the municipality fails to close an agreement with an investor, it is prepared to carry out the reconstruction at its own costs.

Czech organic food market turnover increased by 49 % y/y in 2006

According to a survey carried out by GfK, the **organic food market** grew faster in the Czech Republic than in any other country last year. Retail turnover from the sale of organic food totaled CZK 760 million and increased by 49 % on 2005. The Green Marketing agency expects the Czech organic food market to grow on average by 35 % annually over the next five years and to be worth CZK 3.2 billion in 2011.

R&D

Elmarco further invests into nanofibres

Liberec-based company **Elmarco** will invest roughly CZK 750 million into the development and production of nanofibers by 2010. At the end of this year Elmarco will begin with construction of a **research and development center** worth roughly CZK 200 million in Liberec. The firm is to increase its employee base by roughly 140 workers by 2009 as a result. So far, Elmarco has been the only company worldwide able to supply machinery for industrial-scale production of nanofibres.

Promoting cooperation between schools and businesses

The **South-Moravian Innovation Centre** has been awarded the European Prize for the best examples of cooperation between universities and industry among fifty projects from eight countries. The contest was organized within the framework of the **RUISNET** (Regional University - Industries Strategies Network) international project aimed at support of the cooperation between universities and industrial companies. One of RUISNET's outputs will be an Internet portal encompassing data on the business – academia cooperation. A similar website - **www.spoluprace.org** - has already been launched in the Czech Republic to provide an interface, where universities and companies can present their offers for cooperation.

Politics & Legislation

Ministry wants to complete highway and main artery network by 2015

The Transport Ministry wants to complete the **domestic network of highways and main arteries** totalling roughly 2,000 km by 2015. Roughly half of this network has already been completed. Priorities include the completion of segments of highway D8 in Ceske Stredohori, highway R7 between Zatec and Slany, and highway D47 connecting Lipnik with Poland via Ostrava.

Ministry has proposed amendment to simplify doing business

The Industry and Trade Ministry has proposed an **amendment to the trade act** which should simplify administration related to doing business. The system of trade licenses and concession bills should change – entrepreneurs will be allowed to carry out more than one trade with a single document. Fees related to doing business and changes thereto should also be altered.

Miscellaneous

Prague has a direct flight connection to Atlanta

In May, a direct connection with the world's largest airport in American municipality Atlanta was launched at the Prague Ruzyně airport. The exclusive direct flight operator will be Delta Air Lines accelerating its international expansion in rapidly developing economies worldwide. Delta operates more trans-Atlantic flights to Eastern Europe than any other American air carrier. Five Prague-Atlanta flights per week will be available from May.

CR had 4.91 broadband connections for every 100 residents last year

According to British firm Point-Topic, the number of **broadband Internet connections** per 100 residents more than doubled to 4.91 connections in the Czech Republic last year. The country has thus managed to outperform Poland, which had 4.75 connections per 100 residents. Slovakia had 3.4 connections for every 100 residents.

Exchange Rates
Averages for the 2nd half of 2006
EUR 1 = CZK 28.185
GBP 1 = CZK 41.674
USD 1 = CZK 21.992
Source: Czech National Bank;
January 2007

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