



**Business**

**Czech Airlines records profit of CZK 406 million**

Despite the negative impacts of high fuel prices, the strong crown and the deepening global financial crisis, Czech Airlines recorded a profit of CZK 406 million for the first nine months of the year. According to the IFRS international accounting standards, Czech Airlines' pre-tax profit amounted to USD 22.051 million dollars, which is a year-on-year increase of 12.207 million.

**IBM confirmed as the supplier of the state digital treasury system**

The Czech finance minister has confirmed a government commission's decision reached at the end of September and announced IBM as the winner of a tender for a project involving the digitisation of the state treasury. The aim of the project is to build a computer system that will accelerate and make more transparent the state's

financial management and ensure sufficient information for handling monetary resources.

**Kentico software of Brno to open branch in the United States**

The Brno-based firm Kentico software, which focuses on web publishing systems, will open a branch in the United States. The branch in Nashua, New Hampshire, will be responsible for the North American market.

**Burger King opens its first restaurant in the Czech Republic**

Burger King, an American fast-food chain, opened its first restaurant in the Czech Republic in November at the Metropole Zličín shopping centre in Prague. A license to operate Burger King franchises in the Czech Republic was awarded to AmRest in the first half of October.

**Hyundai factory in Nošovice to produce 185,000 cars next year**

Hyundai Motor Manufacturing Czech has

officially commenced series production of passenger cars in Nošovice, in the Frýdek-Místek region. The company plans to manufacture 185,000 vehicles next year. The factory will reach full production capacity of up to 300,000 vehicles per year in 2011.

**The Czech Republic continues to attract new investors despite crisis**

Even though the Czech Republic is also facing the global financial crisis and companies are adopting austerity measures, the country is continuing to attract new investors. For example, in November C.H. Robinson, one of the world's leading third-party logistics firms, announced the opening of its branch in Prague. eSys Technologies, a supplier of inexpensive computers, is considering locating its centre for Central and Eastern Europe here. At the beginning of the month the Costa Coffee international café chain opened its first facility in the Czech Republic, while the Irish property-development firm Parker Green

International is preparing to open a branch office here.

## Economy

### **The Czech Republic expected to weather the recession next year**

The Czech Republic is holding up well in the face of the global economic crisis. The Organisation for Economic Cooperation and Development (OECD) forecasts that the country's gross domestic product will decline in 2009 in comparison with this year, to 2.5%, which will keep the country near the top of the OECD's growth ranking. The OECD forecast also indicates that the Czech economy will not slow significantly in the long term. The economy is expected to grow at a relatively robust rate of 4.4% in 2010, thus surpassing Poland's economy and ranking second among OECD member immediately behind Slovakia.

## R&D

### **Czechs invent virtual toll-booths**

The domestic firm Princip this month submitted a patent application for a unique system of virtual toll-booths. With the use of satellite technology, the small Czech firm's invention is able to record the passage of automobiles in a particular place with nearly 100% effectiveness. The system, which is currently undergoing tests on German highways, will open up further possibilities of using satellite technology for toll collection. Princip is planning

to enter the system in a tender for a toll-collection solution for first class highways in the Czech Republic and Slovakia. The company is currently staffed by roughly 30 young scientists focusing primarily on research in the area of applications for satellite and microwave technologies. Princip expects turnover to reach CZK 200 million this year with a profit margin of roughly 20%.

## Other

### **First Czechs land in the United States without visas**

Czech citizens are no longer required to have visas for short-term travel to the United States. As of 17 November visas for holiday and business travel have been replaced by ESTA (electronic system for travel authorisation), in which citizens of other EU member countries will be able to register in future.

### **Czech government wants to allow foreigners to acquire property in the Czech Republic beginning in May**

From May next year, foreigners will likely be able to freely acquire residential property in the Czech Republic. In November the government approved the finance ministry's draft amendment of the Foreign Exchange Act, which would repeal the existing restrictions. The amendment still must be approved by parliament and signed by the president.

### **Luxury shopping centre to be established on Prague's Na Příkopě street**

Prague will soon have its first luxury shopping centre, which is being realised through the renovation of the former ČSOB headquarters on Na Příkopě street by the property-development firm Lordship. The aim of the project is to create exclusive retail spaces within the palatial historic building and thus attract some of the world's more expensive retailers to the city centre.

Exchange Rates  
Averages for November 2008  
EUR 1 = 25,183 CZK  
GBP 1 = 30,351 CZK  
USD 1 = 19,773 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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