

Headline News

Czech House opened on 11 October

Czech House in Brussels opened its doors on Thursday, 11 October. The opening ceremony included Deputy Prime Minister Alexandr Vondra, Foreign Minister Karel Schwarzenberg, and European Commissioner Vladimir Spidla. The offices of the permanent Czech EU representation, the Czech embassy in Belgium, the offices of eight Czech regions and the agencies CzechInvest, CzechTrade and CzechTourism, as well as those of CEZ and Czech Airlines are all situated in Czech House.

Prague ranked 14th in Cushman & Wakefield study

Prague has been ranked fourteenth on the list of the **favorite European cities to do business in**. This stems from a study conducted by Cushman & Wakefield, in which 500 firms assessed 33 large

European municipalities using criteria that included taxes, salaries, and living standards. For investors, Prague is the second most popular city after Moscow. According to the study, 45 leading international firms want to start doing business in the Czech capital in the next five years.

The Czech Republic second in growth of investments in science and development

Last year the Czech Republic placed second right behind China in the ranking of countries with the fastest growing rate of investment in science and research. Last year the country spent CZK 49.9 billion on science and research; this represents an 18% increase on 2005. These expenditures totalled 1.55% of GDP, whereas the EU average 1.84%. Domestic firms with foreign participation increased their investments in science and research by 38% last year, which was this was roughly five times more than firms in other EU states and

3.5 times more than firms in other parts of the world.

R&D

The Czech Republic to have its own medical-technology innovation centre

A National Innovation Centre for Medical Technology will be created in the Czech Republic next fall. The centre will be part of a European network. Its construction is being promoted by CzechMed, an association of healthcare product suppliers which includes firms such as Bochemie, Hartmann-Rico, Johnson & Johnson and Linet, and the European association Eucomed.

Plzen to have new science and technology park

Within the next two years a science and technology park will be built in Plzen which will serve as the basis of a regional research and development centre. Designed by local architect Karel Hanzlík and providing

8,000 m² of space, the complex is comprised of an administrative building and separate structures for laboratories and testing facilities. The first phase, construction of which began in October, includes offices, testing facilities and conference rooms. The project is the culmination of construction of the Borská pole industrial zone. The technology centre was prepared, at a cost CZK 170 million, by the Plzen Science and Technology Park, which is 95% owned by the city of Plzen; the remaining 5% belongs to the Plzen region. The European Union also contributed to the investment. The Kolín-based company Geosan was awarded the construction contract.

Algae from a bio-incubator

A completely new biotechnology involving the closed cultivation of micro-organisms has been introduced and tested by the Czech firm B.P. Medical at the science and technology park in Nové Hradky. In cooperation with the Autotrophic Micro-organisms Research Division of the Institute of Microbiology in Třebon, which is part of the Academy of Sciences of the Czech Republic, and the South Moravian Innovation Centre, B.P. Medical is endeavouring to cultivate micro-organisms in a solar photo-bioreactor. The final products of this process are, for example, human nutritional supplements, substances for enriching animal feed and additives for cosmetic products.

Czech proteins in space

Brno-based biotechnology firm Enantis participated in a global experiment. On 14 September at 13:00 CET, a European Foton M3 satellite was launched into space aboard a Russian Soyuz-U rocket. Among the 43 experiments prepared by the European Space Agency, one was the result of intensive work by scientists in Brno. This experiment involved proteins that originated in Enantis's Brno laboratory. Since 2006 Enantis has also had a research agreement with the company CPN, s.r.o. for production of recombinant proteins. These proteins will be used in the chemical, pharmaceutical and defence industries. The results of the experiment conducted in space may help Enantis to improve the structure of these proteins.

Business

AL opens new plant near Jihlava

Automotive Lighting has opened a new production facility in Střítež u Jihlavy, where the company will produce replacement parts for automotive headlamps. The plant was established in the logistics centre of the Jihlava-based company Jipocar. The company should hire 100 new employees in the very near future, with that number rising to 200 by the end of year, including those from the company's existing operations. Headlamp production should soon exceed one million units. Approximately 400 people should be employed in the production of aftermarket replacement parts by 2011. Replacement-

part production has been transferred from the company's plant in Pávov and from a rented space in Rantířov.

Aero to deliver doors to Brazil

Aero Vodochody, a Czech aerospace firm, has concluded a new billion-crown contract. Over the next five years, the company will supply components for Brazilian-made Embraer 170 and 190 transport planes. Last week Aero signed a contract with the French aviation company Latécoère, which, along with Kawasaki Heavy Industries of Japan and the Belgian company Sonaca, is one of Embraer's three key suppliers. Aero's most important partners are currently the helicopter manufacturer Sikorski, EADS and Alenia Aeronautica.

Foxconn begins construction of a factory in Kutná Hora

The Taiwanese company Foxconn has officially commenced construction of its factory in Kutná Hora for production of computers and components thereof. The first part to be constructed will enter operation in February of next year with the rest to follow in June. The company is investing USD 147 million (approx. CZK 3 billion) in the plant, which should eventually employ up to 5,000 people.

Swiss-French association acquires stake in Elmarco

A Swiss-French association of renowned investment funds has acquired a minority stake in Liberec-

based **Elmarco**, which manufactures machines for the production of nanofibre textiles. The investor paid EUR 11 million (CZK 303 million) for the stake of less one-third. The strategic investor will not only contribute funds for development but will also take part in the creation of an international sales, marketing and service network.

Education

Liberec region appeals to young technicians

The Liberec region is focusing on increasing children's interest in technical education. According to experts, hundreds of technical positions could be created in the region if it had the people to fill them. The regional authorities have therefore launched the TechYes campaign, which is aimed at convincing young people to opt for technical fields. Over half of the Liberec region's workforce is employed in mechanical engineering, construction, electrical engineering and other industrial sectors, which also account for over half of the region's GDP. Graduates in technical fields are eight times more likely than others to find employment here. The TechYes campaign is intended to address children over the age of ten and their parents, teachers, academic advisors and employers. The aim of the campaign is to assure students they will find good, stable employment in the region after finishing their education in a technical field.

Miscellaneous

Labour costs in the Czech Republic still favourable for investors

Labour costs in the Czech manufacturing industry continue to be below the European average, according to a recent study by the German Economics Institute in Cologne. Whereas manufacturing workers last year earned EUR 38 (over CZK 1,000) per hour in Norway, EUR 34 in Belgium and only slightly less in western Germany, the average hourly wage in the Czech Republic was EUR 6.71.

Nearly 45 km of new highways to open by the end of the year

Each week until the end of this year one new section of highway or expressway will be opened to drivers in the Czech Republic. The six new sections of road, measuring a total of 44.5 km, are located in the Karlovy Vary, Olomouc and Ostrava regions, and also include a section on the Prague-Písek route.

Exchange Rates
Averages for October 2007
EUR 1 = CZK 27.336
GBP 1 = CZK 39.271
USD 1 = CZK 19.218
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