



Business

Siemens expands production capacity in the Czech Republic

Siemens, which due to economic reasons recently announced the sale or closure of its plant for production of rail vehicles in Prague's Zličín district, is expanding production of large electric motors at its Siemens Elektromotory facilities in Mohelnice, in the Šumperk region, and in Frenštát in the Novojičín region. Siemens' plants in Mohelnice and Frenštát pod Radhoštěm will increase production by an additional 130,000 units and will offer 160 new jobs next year.

Denso prepares expansion

Denso Manufacturing Czech, which manufactures automotive air-conditioning systems in the Liberec South industrial zone, is preparing a substantial expansion of its factory. According to the current plan, after 2011 the number of employees should increase by 500-600 from

the existing 1,800. Denso was one of the first Japanese companies to set up operations in Central Europe. The company is also placing great emphasis on its training centre, which was established in July last year. The centre, which currently employs 15 designers and is hiring additional staff, cooperates with schools, such as the Technical University of Liberec.

Škoda Auto to expand its Vrchlabí plant

Škoda Auto is planning to expand its plant in Vrchlabí. By the end of the year, Volkswagen is expected to decide whether it will produce compact cars under the VW and Škoda brands at the Vrchlabí plant. According to sources from the Mlada Boleslav-based carmaker, the decision should be made by the end of November and it is expected to be positive. The project would require complete conversion of the plant (the estimated investment being at least CZK 6 billion; the size of the production hall would have

to be quadrupled and the welding shop tripled, and a completely new paint shop would have to be built). This month Škoda produced in Vrchlabí its one-millionth car since 1991, when the company was acquired by Volkswagen.

ArcelorMittal investing CZK 1.5 billion in ecology

The steel giant from Ostrava signed an agreement this month with suppliers of two new technologies that will significantly improve the city's air quality. This concerns a project involving particulate collection in process gases and energy desulphurisation. The suppliers of these technologies are the German company Lühr Filter, for particulate collection, and the Swedish firm Mobotec, which supplied the desulphurisation technology.

Ashok Leyland considering further investments in the Czech Republic

The India firm Ashok Leyland, which acquired the

Czech vehicle manufacturer Avia in 2006, is considering further investments in the Czech Republic, not only in the automotive industry but also in the electrical-engineering and defence industries.

Automotive glass from Teplice

AGC Flat Glass Czech has launched a new sheet-glass production line producing 700 tonnes of glass daily, most of which is intended for use in the automotive industry around Europe. Glass from Teplice is used by a wide range of carmakers, including Škoda, Fiat, Toyota, Mercedes and BMW.

Lira renews production

Lira, a Český Krumlov-based manufacturer of picture mouldings and frames, has begun production of a new collection, the first with the PEFC logo which guarantees that the wood used for frames comes from forests or areas where the principle of permanent sustainable development is applied. The company is reportedly the world's first manufacturer of picture mouldings and frames to receive such certification.

IBM receives enormous order for updating the state treasury

IBM, together with Hewlett-Packard, Logica and SAP ČR has won a tender to digitalise the state treasury. The aim of the project is to build a computer system that will make the state's financial management more transparent and efficient, while ensuring sufficient information for handling

money. The system should also connect all state organisations, making it possible to closely monitor their financial management. Another important feature is the possibility to continuously update data, thus enabling an immediate overview of the state budget.

Aero Vodochody to hire up to 700 people

Aircraft manufacturer Aero Vodochody is planning to hire up to 700 new employees within five years. This year the company will fill 50 positions and is looking for manual and technical workers. Aero Vodochody currently employs roughly 1,300 people.

From Prague to the Atlantic by highway

The last 20km section of highway connecting East and West, from Amberg to Nuremberg in Bavaria, was opened this month by German Chancellor Angela Merkel and Czech Minister of Transportation Aleš Řebíček. From September, it will thus be possible to travel by highway from Prague through Nuremberg and Paris to the Spanish Atlantic coast. The new Praha-Plzeň-Rozvadov-Amberg-Nuremberg highway has been given the name Via Carolina in honour of an important road from the time of Emperor Charles IV in the 14th century. The D5 is the first Czech highway that connects directly to the Western European road network.

R&D

Device possibly capable of destroying cancer cells developed in Brno

A team of innovators in Brno has invented a new instrument which they say is able to destroy cancer cells. The device was originally developed to enhance skin appearance and is now awaiting thorough testing to confirm its anti-cancer effects.

T-Mobile tests virtual assistant

The mobile operator T-Mobile has launched pilot operation of a virtual assistant at its customer centre. The automated system, which works on the basis of advanced human-voice recognition, is intended to replace the existing touch-tone system.

Škoda ForCity tram wins award at trade fair

The Škoda ForCity tram won the annual award of the Association of the Czech Rail Industry at a global trade fair in Berlin earlier this month. The tram was recognised for its new 100-percent low-floor design as well as for its drive system.

Green Energy

Plzeňská teplárenská builds biomass-powered generating unit

Plzeňská teplárenská, the largest heat producer in the Plzeň region, has begun construction of a "green" furnace for burning biomass. The furnace is the largest of its kind in the Czech

Republic. The ecological production unit costing CZK 850 million will annually reduce coal consumption by 120,000 tonnes, i.e. one-fifth of the company's requirement.

Other

Czech address attracts global firms

Multinational corporations have discovered Prague as an ideal headquarters location. The American software giant IBM is only the latest company to select the Czech capital from which to manage its Central European activities. DHL, Adobe and Parker Hamnifin are among the other companies with key operations in Prague. The Swedish concern AF-Kontroll, which focuses on industrial engineering, technical inspection and testing, is now preparing a similar move. All of these companies chose the Czech Republic primarily due to the country's skilled and flexible workforce, reliable telecommunications network, good air-transport accessibility and advanced industrial base.

Direct line from Prague to Brno fairgrounds

The companies Student Agency and Veletrhy Brno have begun operation of a new bus line joining Prague and the Brno fairgrounds. Four morning and four afternoon return routes will be operated only during trade-fair events. The service was first offered during this year's 50th International Engineering Trade Fair.

The best Champagne sparkles in Prague

The second annual Grand Jour de Champagne Prague 2008 will soon take place at Prague's Municipal House. This unique and important event is the only one of its kind in the world. Significant Champagne producers, such as Boizel, deVenoge, Cattier, Delamotte, Grand Cru and numerous others, will be in attendance. The event will also feature world premiers; for example, deVenoge will introduce a completely new prestige cuvée – vintage 2002 Louis XV rosé 2002, and Maily Grand Cru will unveil its unique cuvée Exception Blanche – blanc de blanc 1999.

Exchange Rates
Averages for September 2008
EUR 1 = 24,497 CZK
GBP 1 = 30,649 CZK
USD 1 = 17,052 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

www.czechinvest.org
fdi@czechinvest.org