

CzechInvest Newsletter

June 2012

Headline News

- As of July 2012, **investment incentives in the Czech Republic** will be available not only to manufacturers but also to investors launching or **expanding technology centres and business support services operations**. The Amendment to the Investment Incentives Act substantially improves conditions of state aid, extending the maximum **corporate tax relief period from 5 to 10 years**. The Act also introduces the concept of **strategic investment** which may be eligible for additional state support.

Source: CzechInvest, May 31

Business

- Automobile component manufacturer **Continental HT Tyres** has requested an environmental impact assessment (EIA) for its plans to build another part of a one-floor hall at its existing facility in Otrokovice. This plan is part of the project which has already been promised investment incentives and the company thus plans to invest roughly CZK 2 bln. The building will be connected to the existing hall. Thanks to the expansion more than 6 mln tires for passenger cars will be produced at the plant each year and 269 new jobs will be created on site.

Source: CIA, May 17

- Siemens** will start building a new hall in Trutnov in September

2012, in order to raise its production capacity and expand the product portfolio. Production will commence in Q1 2013. Siemens estimates that it will form approximately 30 new jobs. The plant has 547 employees now. The investment will total CZK 210 mln.

Source: CIA, May 9

- JC Interiors Czechia**, a member of the Johnson Controls group, is launching the second stage of its project at the Triangle Strategic Industrial Zone (SZP Triangle). Lenka Cizová, the director of the SPZ Triangle plant, said there will be a production hall covering 10,000 sq m. Johnson Controls expects to build a total of 40,000 sq m. The company has 122 employees now and plans to have 340 employees by 2014.

Source: CIA, May 4

- Gebauer a Griller Kabeltechnik** has asked for the environmental impact assessment for its intention to build the sixth stage in the area of the company in Mikulov. The capacity for the production of cable bundles will grow by 30% to 10 million units a year in the framework of the extension. The company will likely newly offer 250 jobs.

Source: CIA, May 16

- Yapp Czech Automotive Systems**, the Chinese producer of plastic fuel systems for automobiles, will invest CZK

252.64 mln in the Czech Republic and form 80 new job positions. **CzechInvest** has assisted the company to receive the investment incentives.

Source: CIA, May 17

- Henniges Hranice** will expand its existing stock premises in CTPark Hranice by 50% to 25,000 sq m. The company manufactures components for the automotive industry. The new operation will be launched in January 2013. The expansion will create about 150 new jobs.

Source: CIA, May 14

- Siemens** has opened a new hall into which it invested more than CZK 300 mln at its Mohelnice plant. The company wants to produce more than 120,000 units per year in two shifts at the plant intended for the production of special and customer versions of electrical engines with higher production demands. This year the company wants to produce 1.2 mln electrical engines. The hall will gradually employ up to 200 employees, existing and new. At present Siemens employs almost 2,200 people in Mohelnice.

Source: CIA, May 10

- Bosch** invested EUR 12 mln (CZK 307.3 mln) into its new hall in Ceske Budejovice, where it produces systems for spark ignition engines and the DeNOx system for compression ignition engines. According to Bosch, according to the spokesperson for Bosch Group,

Pavel Roman, the hall will be prepared building-wise and technologically by the fall of 2012. Thanks to this production expansion, ca. 700 new jobs for technicians and engineers will be formed within two years.

Source: **CIA**, May 30

- The new industrial zone in **Ceska Trebova** is expected to bring ca. 700 new jobs within five years. The information was provided to CIA by the town's deputy mayor, Jaroslav Zednik. According to him, Metrans, Ceska Posta and four other unspecified companies have expressed their interest in the project. The price of the construction of the Metrans railroad hub for container transportation totals ca. CZK 1.5 bln.

Source: **CIA**, May 15

R&D

- The company **Conteg** opened a new TestCenter for data centers (TC4DC) in Pelhrimov, Czech Republic. The project is in its solution and complexity unique in Central Europe. TC4DC deployment aims to validate many factors such as energy efficiency, safety, quality and commercial use in the IT field of comprehensive solutions of data centers. Conteg invested CZK 105 mil and the project was co-financed by the EU structural programs Enterprise and Innovations mediated by CzechInvest.

Source: *Czechinvest*, May 31

- The **Unipetrol** group's Inorganic Chemistry Research Center has started construction of the UniCRE research and education center at the Chempark Záluží facility. The construction project involves the reconstruction of the former spirit guild building and a trial base for research and development of chemical-technological processes. The center's construction costs will according to group spokesman Mikulas Duda total CZK 776 mln. The European Fund for Regional Development and the Czech Republic's state budget will contribute CZK 592.44 mln of this total. The center should be

launched in 2014 and should employ 85 people.

Source: **CIA**, May 10

- ON Semiconductor**, an US producer of semiconductor parts, has opened a new development centre at its branch based in Roznov pod Radhostem. The company has hired more than 50 experts focused on energy saving solutions in the field of consumer electronics, computers and LED lighting. The Roznov-based branch of the company employs 1,200 people.

Source: **CIA**, May 23

- The **Ostrava University** plans to commence the construction of facilities for medical, social, and natural research in the summer. The investment will likely exceed CZK 350 mln. The construction will likely be completed in 2014.

Source: **CIA**, May 30

CzechInvest

- The **CzechLink Project**, led by the **CzechInvest** Agency, helps foreign companies to find a Czech manufacturing company for acquisition. About 30 Czech firms considering acquisition by a strong foreign partner are on CzechLink's list at present, mainly in the automotive and precision engineering industries. Interest in capital or strategic partnerships keeps increasing on both sides: among local businesses as well as foreign investors. More information about the project is available at www.czechinvest.org/czechlink

Source: *CzechInvest*, May 31

- It is **CzechInvest's** ambition to make the Czech Republic a leader in innovation. The projects focused on innovation support under the New CzechInvest strategy, which is based on the **Strategy of International Competitiveness of the Czech Republic**, include, among others, the CzechAccelerator 2011-2014 and CzechEkoSystem, financed by the EU structural funds. The CzechAccelerator Programme helps Czech technological businesses to develop in

California's Silicon Valley, Boston, Singapore, Israel and Switzerland. For more information, kindly visit <http://www.czechaccelerator.cz/>.

The purpose of the CzechEkoSystem Programme is to support starting businesses and help them to implement their business plan successfully. For more information, see <http://www.czechinvest.org/projekt-czechekosystem>.

Source: *CzechInvest*, May 31

- Czech companies and institutions are presenting their current nanofibers research, development and production results at the **Nanofibers 2012** conference in Japan. Their participation in the conference is part of the 6th Czech-Japanese Technological Days organised by CzechInvest, the Ministry of Industry and Trade and the Ministry of Foreign Affairs. Foreign Affairs Minister Karel Schwarzenberg added that the event could result in the creation of strategic partnerships. Czech nanofibers will be represented in Tokyo by Contipro Biotech, Elmarco and Nafigate.

Source: **CIA**, Jun 4

- In the period 1993 – 2011, **CzechInvest** mediated a total of seven investments of **Chinese companies** in the Czech Republic in the total volume exceeding CZK 1.135 bln. The investments created over 820 jobs in various regions of the Czech Republic. CzechInvest also told CIA that no investment was implemented last year, but Chinese companies have shown continuing interest in the Czech Republic, especially in electronics, science and research, joint venture or acquisitions of existing enterprises.

Source: **CIA**, May 25

Exchange Rates

Averages for May 2012

EUR 1 = CZK 25.322

GBP 1 = CZK 31.512

USD 1 = CZK 19.824



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