

MONTHLY NEWSLETTER

March 2010

Headline News

- **Solar Turbines**, a member of the **Caterpillar** group, has signed a preliminary agreement about its plan to build a gas turbine repair shop in the Triangle industrial zone near Zatec. The repair shop will be the only one in the Europe, Middle East, and Africa (EMEA) region to undertake such repairs. The firm decided to invest in the Czech Republic owing to its co-operation with the CzechInvest agency and the Usti nad Labem region.
- The planned investment is expected to create up to 450 new jobs. Solar Turbines is the largest manufacturer of 1MW - 22MW gas turbines. There are roughly 13,500 such turbines all around the world. A few thousands of them operate in the EMEA region. Each turbine has to undergo a general overhaul after each 30,000 hours of operation.

Source: **CIA**, Mar 4

Business

- **Kadatec** will build a **new facility** for the production of steel pressure vats with anti-corrosive surface treatment in Zdislavice. The facility will also include a ground floor production hall with a technical

addition and two-storey administrative building. The built-up area will total 5,956 square meters. Construction should commence in May 2010 and be completed one year later. The Central Bohemia Region Office is currently undertaking the environmental impact assessment for the project.

- In the future, the investor plans to use some of its plots above the northwest limit of the industrial zone for further construction. The basic premise for the construction of the production complex is at least two-shift operation in the production hall and administrative building.

Source: **CIA**, Mar 3

- **QAPS Czech Republic** will build a centre for surface treatment of planes with two paint halls at the Leos Janacek airport facility in Ostrava. It will create 57 jobs. Construction should begin in June 2010 and be completed in April 2011.

- The centre is designed for aircrafts up to the size of Airbus A321 or Boeing 737-900. The repair capacity will be 70 planes per year. The Moravia-Silesia Region Office is currently undertaking environmental

impact assessment for the project.

Source: **CIA**, Mar 5

- Car parts manufacturer **Mubea IT Spring Wire** plans to build a new production hall in the Prostějov Industrial Zone. Another spring production facility is to be added to the existing plant manufacturing input stabiliser and spring materials for the automotive industry. The existing facility is built on the area of 9,860 square meters and the new hall is to be built on 15,892 square meters. The company's plan is currently subject to the Environmental Impact Assessment.

- The annual production capacity of the existing plant is four million springs and it is to grow to ten million springs per year after the enlargement. Stabiliser production is also expected to go up by six million to nine million units. The new factory will offer 145 new jobs, i.e. the total number of the company's employees will grow to 196. Mubea IT Spring Wire plans to launch the construction in July and complete it in February 2012.

Source: **CIA**, Mar 16

- American filter and filter insert manufacturer **Advanced**

Filtration Systems Inc. will employ almost 200 people in North Bohemia. Production at the new plant in the Joseph industrial zone in Havran near Most began on March 19. This is Caterpillar group's second investment into the region in the past two weeks.

- The Most plant produces filters and filter inserts for Caterpillar machines and engines in Europe, Africa, Asia and Australia. New generation of filters for British firm Perkins will be produced from July. AFSI began building its Czech plant in April 2008. The facility has offered 142 jobs so far; the number is expected to grow to up to 185 until the end of the year.

Source: **CIA**, Mar 18

- TRW-Carr** is planning the expansion of its plant in Stara Boleslav. In the plant, two- and three-point safety belts and safety belts with a switch are manufactured. Related to the plan is the creation of 350 new jobs, with the company thus employing over 1,750 people. The Central Bohemia Regional Office is now assessing the plan from the view of its impact on the environment.

- The new production equipment will be installed in a new production hall with an area of 4,200 square meters. The total built-up area will thus increase to 15,600 square meters. The owner of the entire industrial site is Pembroke SB.

Source: **CIA**, Mar 15

R&D

- The Olomouc Region Office has approved **Regionální Centrum Olomouc's** plans to build an **innovation centre and university campus** that will connect to the existing university facility. Construction should commence in September 2010 and be completed in December

2012. The regional bureaucrats will no longer perform the environmental impact assessment for the project.

Source: **CIA**, Mar 16

Economy

- Last year the **Czech Republic** saw a smaller y/y drop in **foreign direct investment** than other countries from Central and Eastern Europe (CEE); its FDI fell 19 %. Investment fell the most in Latvia, down 71 % and grew 55 % in Slovakia. This stems from a **PricewaterhouseCoopers** analysis.

- FDIs in the CEE region dropped by roughly a half, from USD 155 bln in 2008 to USD 77 bln in 2009. The biggest decline was registered in the sectors of real estate and car parts, while chemical industry and electronic parts registered the biggest increase.

Source: **CIA**, Mar 12

- The rate of registered **unemployment** totaled 9.9 % at the end of February according to the Labor and Social Affairs Ministry. It was this 0.1 percentage points higher than in January and up 2.5 percentage points y/y. A total of 583,135 individuals were unemployed.

Source: **CIA**, Mar 8

Culture

- Prague's **National Theatre** will premiere Jacques Offenbach's *Les contes d'Hoffman*. Offenbach's final work is bizarre in terms of both content and origination and offers plenty of scope for interpretation and invention for today's opera-makers. *Les contes d'Hoffmann* will be staged by the renowned French conductor Michel Swierczewski in tandem with Czech director Ondřej Havelka.

Source: **CIA**, Mar 24

CzechInvest

- CzechInvest** plans to allocate CZK 750 mln for investments for the creation of new and development of existing clusters within the programme **Cooperation - Clusters**. Cluster initiatives may file their applications from March 1 until March 31. The subsidy may range from CZK 3 mln to CZK 80 mln.

- Further CZK 500 mln will be divided within the Marketing programme for firms' participation on international exhibitions and fairs and related expenditures. The minimum subsidy will reach CZK 300,000. Firms may send their applications from March 1 until June 30.

Source: **CIA**, Mar 1

- According to a study conducted by consulting company **Deloitte**, investment incentives have since their introduction in 1998 earned the Czech Republic CZK 229.97 bln. They have helped create 308,000 new jobs, or almost 10 % of all jobs in the country.

- Investment incentives were drawn by 486 projects by the year 2008 and investors have invested CZK 357 bln into the supported projects. According to Alexandra Rudysarova, the acting head of the **CzechInvest** promotion agency, each CZK 1 provided as an investment incentive has returned by over 8.5 times.

Source: **CIA**, Mar 31

Exchange Rates
Averages for March 2010
EUR 1 = CZK 25.530
GBP 1 = CZK 28.232
USD 1 = CZK 18.814

Source: Česká informační agentura, s.r.o.

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