

MONTHLY NEWSLETTER

November 2009



Headline News

Olympus launches development and production of endoscopes

The Japanese company Olympus is centralising development and production of endoscopes from Germany and Southeast Asia to the Czech town Prerov and thus creating 150 highly skilled jobs. Out of the total amount of EUR 6 million, the firm invested 3 million in the construction of a facility, 1.7 million in ecological technologies and the remainder in robots. The centre represents an investment in the future and in the region, which has a long tradition of medical-instruments manufacturing.

Business

Hennlich investing in development centre

Hennlich Industrietechnik of Litomerice will invest more than CZK 100 million in the expansion of its complex, in which it will also establish a new research and development centre. Research and development will be focused on products in the areas of environmental protection

and utilisation of renewable energy sources. The project will be completed in 2011.

Skoda Auto to produce inexpensive sedan

The largest Czech carmaker Skoda Auto is planning to manufacture an inexpensive family sedan to compete with low-priced large cars. The new model will cost approximately CZK 300,000 and will be introduced to the market within two to three years.

Hyundai launches production of new model

Hyundai Motor Manufacturing Czech has begun production of a new passenger-car model in Nosovice. The multi-purpose Kia Venga is the third model to enter production since the plant began operation in November. Due to expanded series production, in September Hyundai began two-shift operation in which it will employ 700 additional workers.

Two new Avion shopping centres to be built in the Czech Republic

Inter IKEA Centre Group, which builds and operates Avion Shopping Parks

around the world, is planning to invest up to CZK 5 billion in the Czech Republic in the next three to five years, resulting in two new shopping centres in the Hradec Kralove and Pardubice regions. The company already operates shopping centres in Prague, Brno and Ostrava.

R&D

Czech Republic to take part in construction of the world's most powerful laser

The Czech Republic is set to take part in the European Union's colossal Extreme Light Infrastructure (ELI) project, whose implementation will cost CZK 13 billion. In cooperation with Hungary and Romania, three large, state-of-the-art laser centres will be built under the ELI brand. The Czech centre in Dolni Brezany will concentrate on cross-sector applications with broad significance extending beyond the boundaries of physics. Among other things, the centre will help to make it possible to manufacture materials with completely new properties, to acquire more information on the structure of proteins in the

human body and perhaps to treat cancer with proton beams.

Czech scientists cultivate new cartilage

One of the successes of Czech scientists in the area of nanotechnology is the cultivation of new cartilage from cells obtained from waste bags following transplantation of bone marrow. Tissue is grown in a prepared matrix of hyaluronic acid and the material is actively formed into cartilage tissue. The method is aimed at treatments prepared to meet the particular needs of specific patients.

Infrastructure

New Holesov Strategic Industrial Zone opens

The new Holesov Strategic Industrial Zone is now open to potential investors after five years of preparation and one year of infrastructure construction. The 360-hectare zone should be attractive especially for companies operating in the automotive, aerospace and engineering industries.

Prague-Ostrava highway connection completed

The D1 highway linking Prague, Brno and Ostrava – the Czech Republic's three largest cities – has been completed. With a new thirty-kilometre section costing CZK 7.6 billion now in operation, drivers can travel the 385 kilometres from Prague to Ostrava in relative comfort on the highway. The Czech network of highways and expressways now covers 1,111 kilometres, having grown by roughly 50 kilometres annually over the past five years.

Other

Firms affected by the crisis attract investors in Central Europe

According to Deloitte's latest Private Equity Confidence Index, which reflects the mood of leading investment firms in the region, more than 90 percent of Central European investors expect the economic environment to remain the same or to improve. Companies are again beginning to place greater emphasis on new investments, which 68 % of firms stated as a priority. Nearly 40 % of investors are dedicating particular interest to firms that were seriously affected by the crisis.

Prague ranked as the best retail location in Central Europe

Prague is the thirteenth most attractive location for retail in Europe and number one in Central Europe, according to a recent ranking which the real-estate consulting firm Jones Lang LaSalle and the company Experian compiled based on consumer data and rental rates in the best locations of European capital cities. London placed first overall in the survey, followed by Paris and Rome. Prague has long been a popular tourist destination and, from the retail perspective, has a well-organised centre.

Exchange Rates
Averages for November 2009
EUR 1 = CZK 25.827
GBP 1 = CZK 28.710
USD 1 = CZK 17.315

Sources: Czech National Bank, 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