

MONTHLY NEWSLETTER

September 2009



Headline News

Hyundai officially opens Czech plant

South Korea's largest automotive manufacturer Hyundai Motor Co has officially opened its EUR 1.1 bln manufacturing plant in Nošovice. Currently, the capacity of Hyundai Motor manufacturing is to build 200,000 vehicles annually, which will be increased to 300,000 in 2011. 2,000 new jobs have been directly created at the new plant, so currently the total number of associated employment is 6,000. Approximately 95 % of them are Czech citizens. By 2011, the company plans to extend this number of direct and indirect employees to 11,000 in total.

Business

ZF Industry opens a new plant

The German firm ZF Industry, which produces components for automobiles and construction machinery in Stankov, in the Domazlice district, has opened a new

factory for the production of vehicle axles. The investment in the building and technology has thus far reached CZK 200 million. The manufacturing plant will provide up to three hundred jobs; the current total is 40.

Ceska Sporitelna announces a new client centre

Ceska Sporitelna is opening a new client-contact centre in Ostrava. Its employees will handle clients that are in arrears. Telephone operators will remind clients of payments via SMS, e-mail or telephone. Ceska Sporitelna intends to recruit 150 new employees by the end of the year.

Trever to build a biomass power plant

Trever is planning to construct a wood-biomass power plant near Kelcany u Kyjova. With 5.6MW turbines plant should generate approximately 40 million kWh of power a year. The investor wants to complete the construction in the middle of 2010 and

launch test operation in May 2011.

Postova Banka coming to Prague

Postova Banka of Slovakia is preparing to enter the Czech banking market. The bank will open a branch in Prague later this year. Postova Banka is a leader in the Slovak consumer financing market. Its Prague branch should initially serve only corporate clients in the Czech Republic. Postova Banka may become involved in retail banking early next year.

Globus expands in Ostrava

Globus CR is opening a new hypermarket in Ostrava-Plesna that will employ roughly 460 people. It will be the 14th Globus store in the Czech Republic. The new store will have a sales area of more than 12,000 m². Tenants of smaller stores and service locations will create roughly 100 additional jobs.

Manner establishes a Czech branch

The Austrian food company Manner established its first Czech branch in Brno this summer. Manner products have been imported to the Czech market since 1997 but the company hitherto had no direct representation in the country. The firm's decision to open a branch in the Czech Republic was based on growing turnover and demand for its products.

General virtual mobile operator begins operations

The first general virtual mobile operator in the Czech Republic will begin operations November. The project is being readied by the youngest mobile operator on the Czech market, U:fon. MobilKom, which runs U:fon, would first like to announce wholesale cooperation in the mobile internet segment by the end of the year.

Amadeus to build a new retail centre

Amadeus CV is planning to build a new retail centre in Chomutov. It will include a hypermarket, restaurant, and 13 additional retail units that will be rented out to external retailers of non-foodstuffs goods. The built-up area of the new retail centre will total 14,807 m². The project involves a two-storey structure with a parking lot on the ground floor and sales premises in the first above-ground floor. The investor expects the facility to provide a total of 238 jobs. The retail centre should be operating at 100% capacity in 2012.

OBI to construct a new hobby shop

The Moravia-Silesia Region Office has approved the plan of the firm OBI to construct a new hobby shop in Frydek-Mistek. Construction is planned to begin next year and completed in 2011. The new OBI hobby shop will have a sales area of 6,532 m². The store is expected to provide approximately 120 jobs.

R&D

Tesco SW to build a science and technology park

The firm Tesco SW is preparing the construction of a science and technology park near the Palacky University complex in Olomouc. The project will be implemented in former barracks and will include an innovation centre and a university campus. The first stage of the project should start in the spring of 2010. The investment will total CZK 600-700 million.

Infrastructure

Container transit terminal to be built at railway junction

The city of Ceska Trebova, site of an important railway junction, is expecting an investment in the amount of CZK 1 billion within the next several months, as the joint-stock company Metrans has decided to build a transport-logistics centre here. Part of the centre should comprise a five-storey building from which container shipments in Central Europe will be directed in future. Construction of the transit terminal should create 800

to 900 new jobs and boost the city's development.

New gas pipeline to be built

RWE Transgas Net and Gaz System are planning to build a high-pressure gas pipeline that will link the gas grids in the Czech Republic and Poland near Cesky Tesin. The new gas pipeline, which will be roughly 30 kilometres long, should cost roughly CZK 180 million and will have annual transport capacity of roughly 500 million m³ of natural gas. Construction is to begin next year; the first gas delivery will be possible in 2011.

Other

Brownfields offer favourable investment opportunities

The Czech Republic currently is home to roughly 12,000 brownfield sites covering a total area of approximately 400 km². The number of brownfields is continually increasing despite the growing interest of investors in recent months. CzechInvest currently has on record 2,355 brownfields with resolved ownership relationships, which thus represent ideal investment opportunities with the possibility of financial aid from structural funds. Brownfields are typically disused sites of former industrial, agricultural, residential, military or other activities and cannot be used effectively without undergoing a process of regeneration.

Exchange Rates
Averages for September 2009
EUR 1 = CZK 25.349
GBP 1 = CZK 28.495
USD 1 = CZK 17.415

Sources: Czech National Bank,
Czech AM by Czech Information
Agency, Prague Daily Monitor, Radio
Prague, dailies Hospodarske noviny,
Pravo, MF Dnes and Lidove noviny

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