

INVESTMENT OPPORTUNITIES

Sourcing in the Czech Republic



Make a date with Czech firms

Promoting business is our business

CzechInvest's task is to promote links between Czech and foreign businesses. We are ready to help you fully utilise the partnership opportunities in the Czech Republic by providing the following services:

- assistance in looking for suitable suppliers and business partners
- recommendation of suitable joint-venture partners
- networking with Czech companies
- preparation of visits to selected Czech companies
- organization of business-trip itineraries including accompaniment by a CzechInvest project manager
- meetings with potential suppliers at tailor-made supplier forums
- arrangement of contacts with members of the Association for Foreign Investment

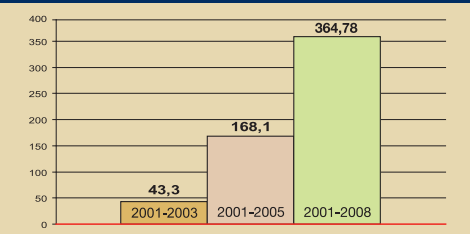
"The visit to Czech companies in 2006 was very fruitful and we have identified several opportunities at both the first- and second-tier levels. The preparation and support of CzechInvest were first-class. All suppliers were well-prepared and very open in their approach to Nissan Europe. Certainly they are considerable candidates for Nissan."

Geoff Smith,
General Manager, Nissan Europe Purchasing

"The Czech Republic attracted us mainly by its remarkable engineering tradition and high level of technical education. This is what we were looking for. We are also very satisfied with the quality of the local component manufacturers."

Jean-Martin Folz,
President of PSA Peugeot Citroen, 2001

Contracts concluded between Czech suppliers and MNCs, mediated by CzechInvest in 2001-2008, USD million; cumulative



Leave the legwork to us

Do you want to have a look at the production facilities of your potential suppliers or joint-venture partners? The Czech Republic is a small country, which gives it certain advantages: over the course of a few days, you can visit dozens of firms in every corner of the country and thus find out which companies will make the most suitable partners.

CzechInvest's project managers will organise visits exactly according to your requirements. Do you have a list of firms that you would like to check out at first hand? We will contact them for you and prepare the itinerary of your business trip. Are you not sure which firms in the Czech Republic could become your partners? That doesn't matter, as we will seek them out according to your specifications in our database of suppliers.

Sample:



Profile from database of suppliers

Alvopa, spol. s r.o.

CZECHINVEST

Address - Street, Nr.:	Martiny Růžčkové 2783	Switchboard:	+420 573500031
Area code (Zip), City:	76701, Albertov	Fax:	+420 573500036
Region:	Zlínský kraj	E-mail:	alvopa@alvopa.cz
Identification Number:	15522361	WWW-pages:	www.alvopa.cz

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Company established in:	2001
Number of Employees:	178
Turnover-last year (EURO):	€ 7 774 428
Turnover Export (%):	67
Quality Certification:	VDA 6.1, ISO 9001
Main Export Markets:	EU, Germany, Slovakia, Portugal
Main Customers:	Johnson Controls, Volkswagen, Skoda Auto, Vossli Westfalia

Sectors using company's product:	electronics - general, motorcars, trucks and utility v
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Product/Service:	Control Units For Trailers Programmable Switches of Windscreen Wiper Central Locking Control Unit Electronic Ballast Resistances Electronic Transformers Electronic Flashers Seat Heating Control Unit Remote control of Lights
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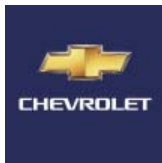
List of suppliers

1 AEV, spol. s r.o.	www.aev.cz
2 BEFRA ELECTRONIC, s.r.o.	www.befra.cz
3 DELTEC ELECTRONIC Domažlice s.r	www.deltecgroup.com
4 DI Industrial spol. s r.o.	www.diindustrial.com
5 Eurotec k.s.	www.eurotec-ks.cz
6 CHEIRON a.s.	www.cheiron.cz
7 MAGNETOTERAPIE DIMAP S.R.O	www.dimap.cz
8 MEDIPO-ZT, s.r.o.	www.medipo.cz
9 METRA BLANSKO a.s.	www.metra.cz
10 Mikroelektronika spol. s r.o.	www.mikroelektronika.com
11 MIKROTECHNA PRAHA a.s.	www.mikrotechna.cz
12 TESLA TECH, s.r.o.	www.teslatech.cz
13 TSE spol.s r.o.	www.tse.cz
14 Wendell electronics, a.s.	www.wendell.cz

MAP
<http://lsuppliers.czechinvest.org>

Information can cost you a fortune

Examples of car makers that have used our automotive database:



Mercedes-Benz



TOYOTA



Our sector databases offer it for free

CzechInvest's fundamental tool for seeking out suitable business partners is comprised of its **sector databases of Czech companies**. These databases contain more than 3,000 high-quality records with a broad scope of information on Czech suppliers interested in long-term cooperation with foreign partners. The databases are **regularly updated and supplemented** according to the demands of foreign companies, and contain companies from the following sectors:

- Aerospace
- Automotive
- Electronics and electrotechnics
- ICT
- Subcontracting Plastics
- Subcontracting Metal
- Materials and packaging
- Engineering
- Energy
- Healthcare, pharmacy and biotechnology

<http://suppliers.czechinvest.org>

On our website, you will find an on-line database that is a freely accessible simplified version of our own internal database. Through filtering by sector, technology, products, region, company name and by full text, the database enables fast and simple searching for suitable suppliers and partners from the Czech Republic.

The databases represent a complete summary of information on Czech firms in these sectors in a user-friendly, graphically vivid environment enabling detailed searching. The sector databases are also available on CD.

The screenshot displays the 'Sector Databases' interface on the CzechInvest website. It features a navigation menu on the left with categories such as Automotive, Aerospace, Subcontracting Plastics, Subcontracting Metal, Electronics & Electrical Engineering, ICT, Materials & packaging, Healthcare & Pharmacy & Bio, and Engineering. The main content area is titled 'Automotive Suppliers (Tier 1-3)' and includes a search bar, a 'Log in' button, and a map of the Czech Republic showing the locations of companies. A sidebar on the right provides detailed information about the automotive database, including its scope and search capabilities. The footer contains copyright information and contact details for CzechInvest.

Joint - Ventures

The establishment of a joint venture brings a range of advantages. Firms gain access to new markets much more rapidly than in the case of setting up a new branch or factory, but with substantially lower costs. At the same time, the partners in such a venture can utilise mutual distribution channels and marketing activities while sharing potential risks and high research and development costs.

If you are considering looking for a joint-venture partner in the Czech Republic, CzechInvest can offer you recommendations of suitable companies through its database of manufacturing firms, in which it is possible to filter companies according to their interest in forming a joint venture. We will arrange meetings with potential partners and organise visits to their production facilities.

Thanks to our partners from the Association for Foreign Investment, we are also able to arrange contacts to law offices and consulting firms that assist investors with the actual establishment of joint ventures.

Mutual cooperation

According to CzechInvest's experience in the area of joint ventures, foreign investors expect from Czech partners primarily flexibility, an innovative approach and knowledge specific to the local environment. Conversely, small and medium-sized Czech suppliers are looking for stronger partners with the aim of gaining access to distribution networks, expert knowledge and financial resources. Cooperation often begins with short-term projects and develops into a long-term partnership.



Supplier Forum for the German Engineering Federation 2006

(Verband Deutscher Maschinen - und Anlagenbau – VDMA) “Participants from the VDMA appreciated the quality preparation, the pleasant environment in which the exhibition took place, the technical provision and sufficient participation of Czech suppliers. This was a rather demanding task due to the number of German firms with various types a production and a broad spectrum of requirements for Czech suppliers. A large majority of participants established contacts with firms whose technical equipment and overall production capabilities correspond to their needs.”

Yvonne Blässer, VDMA Officer
for Central and Eastern Europe

Supplier forums

Does your company operate in the manufacturing industry, and are you considering the possibility of using Czech suppliers and you would like to know what they have to offer? If so, you have come to the right place. As a leading B2B promoter, CzechInvest organises tailor-made supplier forums to which we invite Czech firms according to our clients' needs. All you have to do is contact us and explain your supplier requirements. We'll take care of the rest.

CzechInvest has experience with organising both larger events for 15 multinationals and 200 potential suppliers and smaller meetings between a single foreign investor and a handful of suppliers. At these events, foreign companies can communicate their supply needs while suppliers have the opportunity to offer their products and services.

Examples of Supplier Forums

- JETRO (November 2003, February 2005)
- PARKER HANNIFIN (May 2004)
- KONE (May 2004)
- HONEYWELL (February 2005)
- ELECTROLUX (January 2006)
- DELPHI (February 2006)
- TELEFONICA (March 2006)
- VDMA (May 2006)
- Supplier forum for 5 MNCs' (October 2009)



Case Studies

Agrostroj to produce Japanese professional-grade lawnmowers, thanks to CzechInvest

Pelhřimov-based Agrostroj began in early 2009 production of large professional-grade ride on lawnmowers under the Japanese brand Chikusui Canycom. Annual production should total 1,000 machines.

Agrostroj Pelhřimov is the largest producer of agricultural technology in the Czech Republic, employing 1,200 people. Agrostroj focuses on production of finished machines and tools; an ever greater part of its production involves cooperation with significant multinational companies.

“Exporting from Japan through half of the planet is relatively expensive and time-consuming, so we wanted to find a way to get closer to our European customers. After consultations with CzechInvest, it was clear that the Czech Republic was the ideal choice” says Hitoshi Kaneyuki, president of Chikusui Canycom.

From its expansive database CzechInvest then prepared for Chikusui Canycom a list of fifteen potential suppliers that could precisely meet the company’s requirements. “We had visited five of the selected companies and in the end we chose Agrostroj Pelhřimov due to the quality of its production and testimonials from its existing clients,” adds Hitoshi Kaneyuki.

“We expect that the close cooperation with our Japanese partner will bring more Japanese know-how into our company, resulting in higher quality and rationalisation of production. In future this will become apparent particularly in the area of innovations and improvements of the subject of our cooperation,” says Lubomír Stoklásek, CEO of Agrostroj Pelhřimov.

Involvement of Czech suppliers in multinational supply chains

Wendell – Dioss&Celco – Matsushita (Panasonic)

In 2006 CzechInvest mediated contact between the Czech company DIOSS Nýřany and CELCO of Japan. DIOSS offered CELCO its manufacturing spaces which, upon completion of the existing production of batteries for Sanyo, provided the opportunity to use two halls suitable for technologically demanding production. The result is a joint venture of these two companies which supplies printed circuits to Panasonic AVC Networks Czech (Matsushita) in Plzeň, which assembles LCD and PDP televisions.

Wendell Electronics, a Czech company involved in the third round of the Supplier Development Programme, was chosen as the supplier of circuit boards. This medium-sized Czech firm (240 employees) produces tailor-made electronics and components for use in consumer electronics, security systems, telecommunications, mechanical engineering and the automotive industry.

With CzechInvest’s help, the Czech companies Dioss Nýřany and Wendell Electronics have secured orders worth CZK 350 million.



Factory for TV Sets
Key Global Player

Company for PCB Assembly
Czech&Foreign joint venture

Supplier of Printed Circuit Boards
Czech ownership



Development of Czech suppliers

Intensive contribution to company development and competitiveness based on the EFQM

CzechInvest has been running the Supplier Development Project since 2000. Since then the project has assisted more than 150 Czech small and medium-sized enterprises.

The goal of the Supplier Development Project is to improve the ability of Czech suppliers to compete, to secure good local sources for current investors operating on the domestic market and to increase the attractiveness of the Czech Republic for new investors. The process includes an initial overview of business activities and determination of priorities for further improvement. Within the process the selected suppliers will determine their priorities for further improvement and will formulate detailed long-term plans for improvement, which will enable them to meet the requirements of multinational companies.

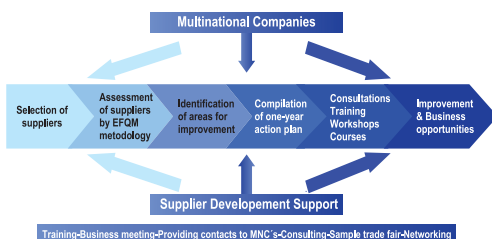
Evaluation of suppliers business enterprise based on the model of the European Foundation for Quality Management and other methods with the goal of determining areas for improvement and suggesting specific steps leading to further development of supply abilities.

Statistics:

Value of contracts concluded with CzechInvest’s assistance (2000–2007)	*EUR 225 mil.
Average labour-productivity growth	10%
Average turnover growth	15%
Average export growth	40%

*This concerns long-term contracts (at least three years) concluded between multinational company and Czech suppliers. However, it does not exclusively involve contracts concluded with participants in the Programme.

Supplier Development Project





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