

# CzechInvest Newsletter

August 2014

## Headline News

- On 29 July 2014 the Czech Republic signed a contract with the Korean firm **Hyundai Mobis** on an investment that will bring up to 900 jobs to the Moravia-Silesia region. The value of the investment will amount to as much as CZK 4 bn in the coming years, thus making it the second-biggest investment in the country in the past five year and third-biggest Korean investment here overall. The company is building its factory in the Ostrava-Mosnov strategic industrial zone in the Moravia-Silesia region.

Source: *CzechInvest*, July 29

## Business & Investment

- Opavia**, which belongs to the **Mondelez** concern, will expand its production of biscuits due to its expectation of increased demand for its products. The biggest and most advanced production facility operated by Mondelez will thus be established in Opava. Up to 200 people could find work thanks to the expansion. The total investment in the project should exceed CZK 2 bn, making it the biggest investment of the company in Europe in terms of volume in recent years. The celebratory laying of the cornerstone took place in Opava with Regional Development Minister Vera Jourova and Minister of Labour and Social Affairs Michaela Marksova in attendance.

Source: *CzechInvest*, July 7

- The television set producer **Changhong** is planning to expand and to invest EUR 20 mln in a project in Nymburk. On July 11, Changhong concluded a Memorandum on Understanding with the town of Nymburk, which will enable development of cooperation. According to Central-Bohemian governor and Nymburk mayor Milos Petera, the investment of Changhong will bring new jobs.

Source: *CIA*, July 14

- The Prague branch of the American company **Bell Helicopter** will become a regional centre, by means of which the company intends to satisfy rising demand in Europe. Bell Helicopter announced the planned change during a celebratory event with customers, which took place on 11 July 2014 at the firm's headquarters at Vaclav Havel Airport in Prague. The Prague centre will be focused on order management,

delivery services and post-sale service. The event was attended by the US ambassador to the Czech Republic, Norman Eisen, Canadian ambassador to the Czech Republic Otto Jelinek, Deputy Minister of Industry and Trade Karel Novotny and CzechInvest CEO Ondrej Votruba.

Source: *CzechInvest*, July 15

- SIAD Czech** is building new technology for the production of special gases in Rajhradice at Brno. The investment totals CZK 40 mln. Gas will be used for calibration of analytical devices used to measure the composition of exhaust gases. According to project manager Karel Kucera, the construction work was completed in May. The technology equipment installation started in June. According to Mr. Kucera, the project will likely be completed in September 2014. The construction part of the project was supplied by Brno-based SIDESTAV. Italian part of the parent group is a supplier of the technology part.

Source: *CIA*, July 29

- The production capacity of Pekarna Zelena louka of the **Penam** brand, which is part of the **AGROFERT** concern, will increase by 1,000 breads per hour to 3,000 pieces/ hour. This change will require construction adjustment of the bakery, meaning additional construction as well as adjustment of the current parts. The planned investment expenditure will probably reach more than CZK 270 mln. AGROFERT spokesperson Karel Hanzelka said that the increase of the capacity of Pekarna Zelena louka is part of investments in Penam backbone bakeries. The total investment will reach approximately CZK 1 bn in the period between the years 2014 to 2016. According to Karel Hanzelka, 4 to 5 backbone bakeries will probably be created, but the end form of the investment project has not been approved yet.

Source: *CIA*, July 15

- TATRA TRUCKS** has signed first contracts on supplies of machine tools, measuring technology, surface adjustment technology and other technology in the value of around CZK 100 mln. According to TATRA TRUCKS spokesman Andrej Cirtek, the supplies will be realised on the turn of years 2014 and 2015. The truck producer prepares a next stage of investments in the summer of 2015.

Source: *CIA*, July 29

- **INEKON GROUP** is preparing complete documentation for the construction of a new production plant in China with a capacity of up to 500 trams a year. INEKON GROUP board chairman and authorised representative Josef Husek said that with an average price of one set totalling almost CZK 55 mln, the company could expect revenues to reach up to CZK 27.5 bn. INEKON GROUP established a new joint venture called **Tong Hao Railway Vehicles** (THRV) in China with registered capital of CZK 1.1 bn.

Source: **CIA**, July 24

- The constructor of forklift trucks and other industrial trucks, **KION Group**, is planning to build a production plant near Pilsen. The company has informed about this, adding that from the new plant, it mainly wants to supply goods to the market in Southern and Eastern Europe. The company is planning to begin building the plant in October 2014. Production in the new plant will probably start at the beginning of the year 2016. The investment in the project will, according to a statement by KION Group, reach EUR 12 mln. Approximately 200 people will be employed at the plant.

Source: **CIA**, July 15

## R&D

- The memorandum on cooperation between research institutions in the Czech Republic and in Japan is the result of a meeting of deputy minister of interior Arnost Marks and **Japanese minister for internal affairs and communication Yoshitaka Shindo**. A. Marks said on the occasion that both parties are considering common projects in the realm of technology for automatic multilingual translations in the form of applications for various technical devices.

Source: **CIA**, July 7

## Economy

- New **European Commission regional-aid rules** came into force on 1 July 2014. State aid in the form of investment incentives for companies of all sizes in the Czech Republic was thus reduced by 15%. However, the Czech government wants to compensate investors for this reduction. The Ministry of Industry and Trade is therefore currently working on an amendment to the Investment Incentives Act that will harmonise the European and Czech rules. At the same time, the amendment will offer investors additional advantages so that the Czech investment environment remains sufficiently attractive and competitive for them.

Source: *CzechInvest*, July 1

## Events

- A series of scientific conferences organised by the **International Academy of Science, Engineering and Technology** took place in Prague from 11 to 15 August. The conferences will focus on various topics range from environmentalism to IT and mechanical engineering. The nanotechnology conference is especially deserving of attention, as it will be the first event of its kind held outside of Canada, which is home to the organiser of the series. The Czech scientific community as well as other participants will thus have the opportunity to establish new contacts and

obtain information on current developments in this prospective sector. **CzechInvest** is a partner of this major scientific event, which will contribute to the development and popularity of science. More information is available [here](#).

Source: *CzechInvest*, July 15

- Czech companies recently came together with the world's most significant aviation firms at the **Farnborough International Airshow**, one of the aviation industry's most important trade fairs, which began on Monday, 14 July and culminated with a public airshow on Friday, 18 July 2014. The national stand of the Czech Ministry of Industry and Trade was present at the airshow. A significant aspect of the event, which is held every two years in the southern English city of Farnborough, was the official unveiling of the new-generation L-39NG training plane manufactured by the Czech firm **Aero Vodochody**. The company and the Czech Ministry of Defence concluded an agreement on long-term partnership with **Draken International**, an American company focusing on training and services for armed forces, which will purchase 28 L-159 aircraft.

Source: *CzechInvest*, July 17

- Seminars held in Tokyo, Osaka and Nagoya from 1 to 3 July 2014 confirmed Japanese investors' interest in the Czech Republic. The seminars were focused on the investment environment in Central and Eastern European countries and the main advantages of investing in the region. Representatives of **CzechInvest** presented the Czech Republic's investment environment and held discussions with participants and potential investors. The seminars were organised by **the Bank of Tokyo-Mitsubishi UFJ** and the publisher **Toyo Keizai** and together were attended by roughly 400 people. Attention was focused on macroeconomic data, property markets and investment incentives.

Source: *CzechInvest*, July 17

## CzechInvest

- CzechInvest is preparing to establish a **new foreign office in Seoul, South Korea**. CzechInvest currently has six foreign offices, specifically in New York, San Francisco, Shanghai, Düsseldorf, Tokyo and London, which are being returned to CzechInvest's management after two years under the control of the Ministry of Industry and Trade. The offices are primarily focused on promoting CzechInvest's services while offering firms information support and assisting them in seeking out suitable business properties and advising them in the area of sourcing, as well as providing other investment-related services. Interested parties can address individual offices with their queries by using the contacts provided [here](#).

Source: *CzechInvest*, July 29

## Exchange Rates

Averages for July 2014

EUR 1 = CZK 27,457

GBP 1 = CZK 34,620

USD 1 = CZK 20,280



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

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