

Czech Republic Trade with Australia & New Zealand - August 2011

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Economic and Trade News from the Commercial Office of the Consulate of the Czech Republic in Sydney - August 2011 -

Czech Economy Briefs

The Czech Republic is the **14th most attractive country for foreign investors**, according to a chart of the most attractive countries made public by Ernst & Young (E&Y). Foreign direct investments to the Czech Republic increased 16% y/y in 2010 and the number of newly created jobs grew by 22%.

The registered **unemployment rate** dropped by 0.4 percentage points to **8.2%** in May 2011. The y/y drop reached 0.5 p.p. According to the data from the Ministry of Labour and Social Affairs (MPSV), the Czech Republic has the sixth lowest unemployment rate among all EU member states. No. of job applicants in May dropped by 4.6% m/m to 489,956.

The **Czech Republic's three biggest automakers produced more than 1 million cars** for the first time in 2010. In the period between January and November, **Škoda, Hyundai** Nosovice and **TPCA** (Toyota Peugeot Citroen Automobile) Kolin produced 984,000 cars.

CzechInvest presented the Czech Republic as an advanced modern country with long-lasting experience in the automotive industry on the **Czech-Australian Technology Days** which were held in Melbourne on 4-8th July 2011. The Czech mission took the first steps to conclude a bilateral agreement on scientific and technological cooperation, joint projects of Czech and Australian research institutions and mutual exchange of students of technical universities. The mission's partners were Ministry of Foreign Affairs of the Czech Republic and **Austrade**.

Business Briefs

[ArcelorMittal Ostrava](#) (steel producer) is planning to invest over CZK 12 bln into new technology in next five years. According to Augustin Kochuparampil, the CEO of the company, the biggest investment will be the construction of a new steel factory worth CZK 5 bln. The company will invest also into environment-friendly technologies or the modernisation of the blast furnace technology. The company is planning to invest CZK 2 bln this year, which represents a growth by 100% compared with the year 2010.

Daechang Seat, producer of frames for Hyundai and KIA, will build a production facility in Trinec for EUR 7 - 8 mln. Daechang Seat's manager Jana Gerychova has told CIA that on Friday June 24, the company signed a contract with the town of Trinec for purchase of land in the Baliny industrial zone worth CZK 5.7 mln. Construction will be commenced in the spring

of 2012 and operation will be launched during autumn. The facility will offer about 300 job opportunities in three-shift operations.

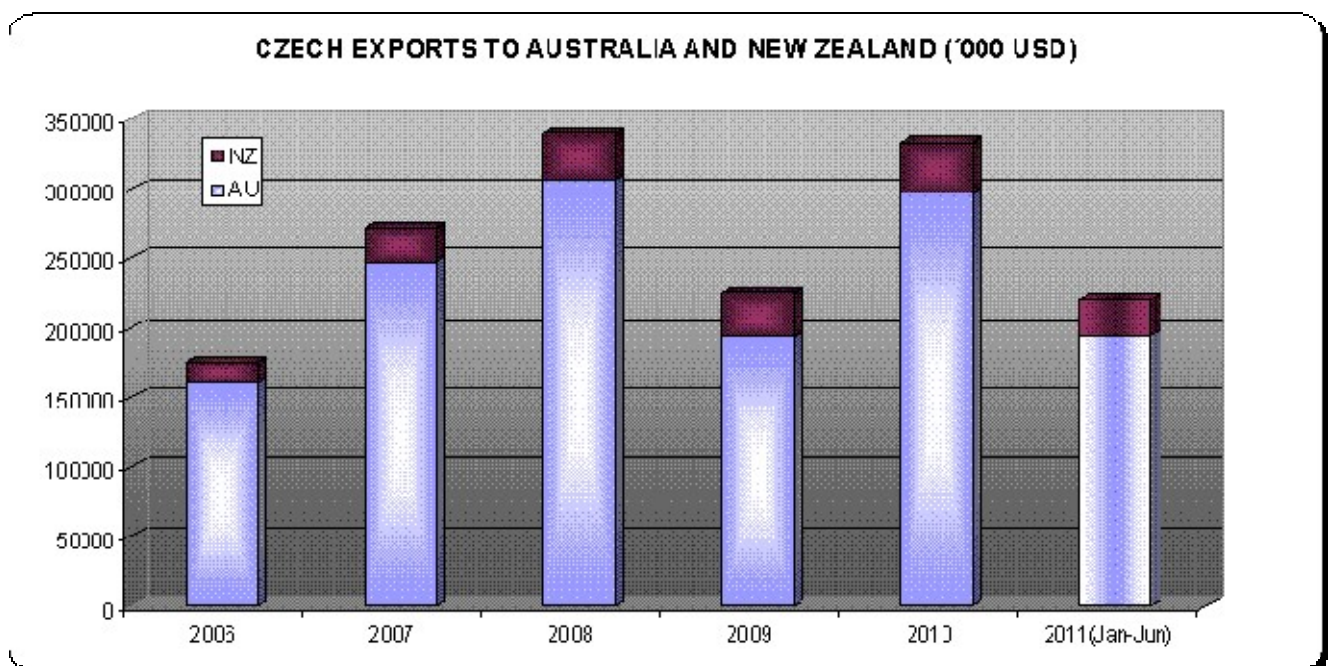
Lego (toy manufacturer) intends to expand production at its complex in Kladno. The plan includes the construction of a functional monoblock. The production halls will create roughly 600 jobs and roughly 490 will be employed in the administrative section. Completion is scheduled for the first quarter of 2013. The built up area will total 46,230 square meters. The main parts of the project will consist of four production halls, storage hall II, a warehouse and manipulation hall, and administrative buildings. A total of 320 parking spaces for cars will also be built. The Central Bohemian regional authority is currently assessing the environmental impact of the project.

AVG Technologies (Czech software antivirus technology) opened a new research center and office space in the Spielberg Office Center complex in Brno in the Czech Republic. The center is located in three buildings and will employ roughly 400 people with the possibility of expanding as needed.

Aero Vodochody (military and civil aerospace technology) opened its composites development and production workplace. The company is now preparing the second phase of the project, into which it wants to invest CZK 105 million (\$ 5.7 million). It should be completed in April 2012. It will result in the opening of a workplace for large-scale mass production of composites on an area of 5,400 square meters.

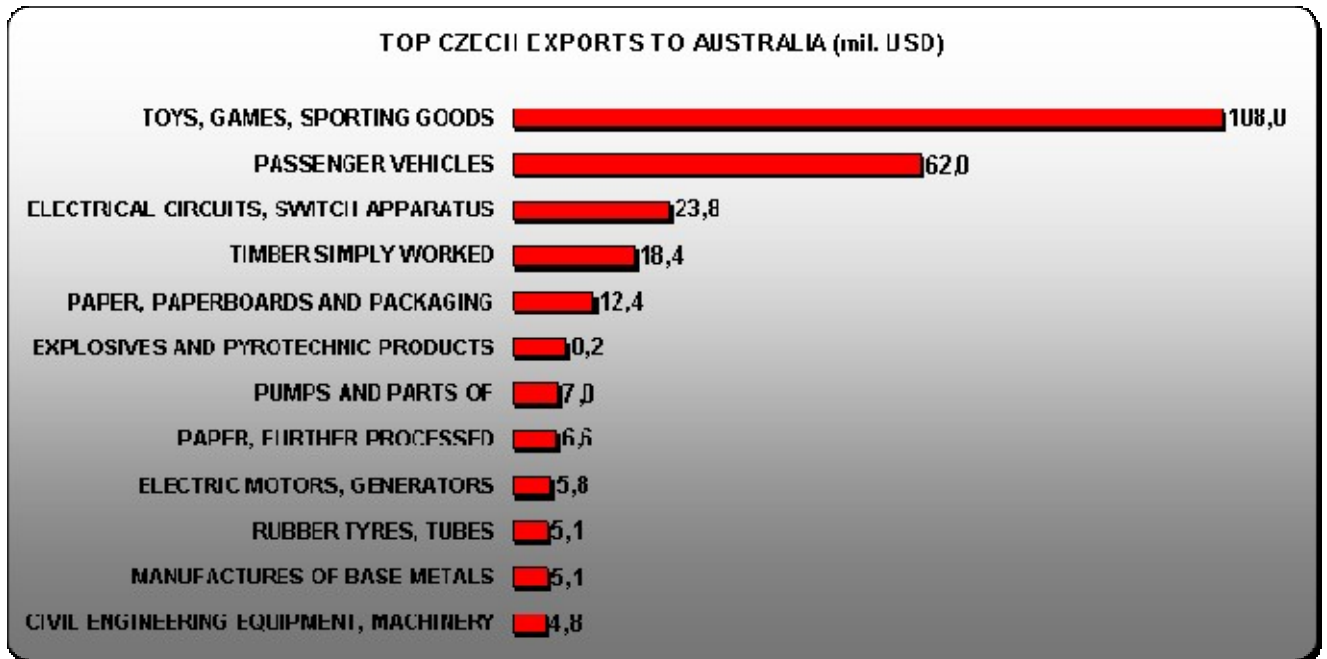
Czech exports to Australia and New Zealand

According to the latest export data of the Czech Statistical Office for the first 6 months of 2011, exports from the Czech Republic to Australia have reached 194 mil. USD and exports to New Zealand almost 26 mil. USD. Mid-year results indicate solid export performance in a given global environment.

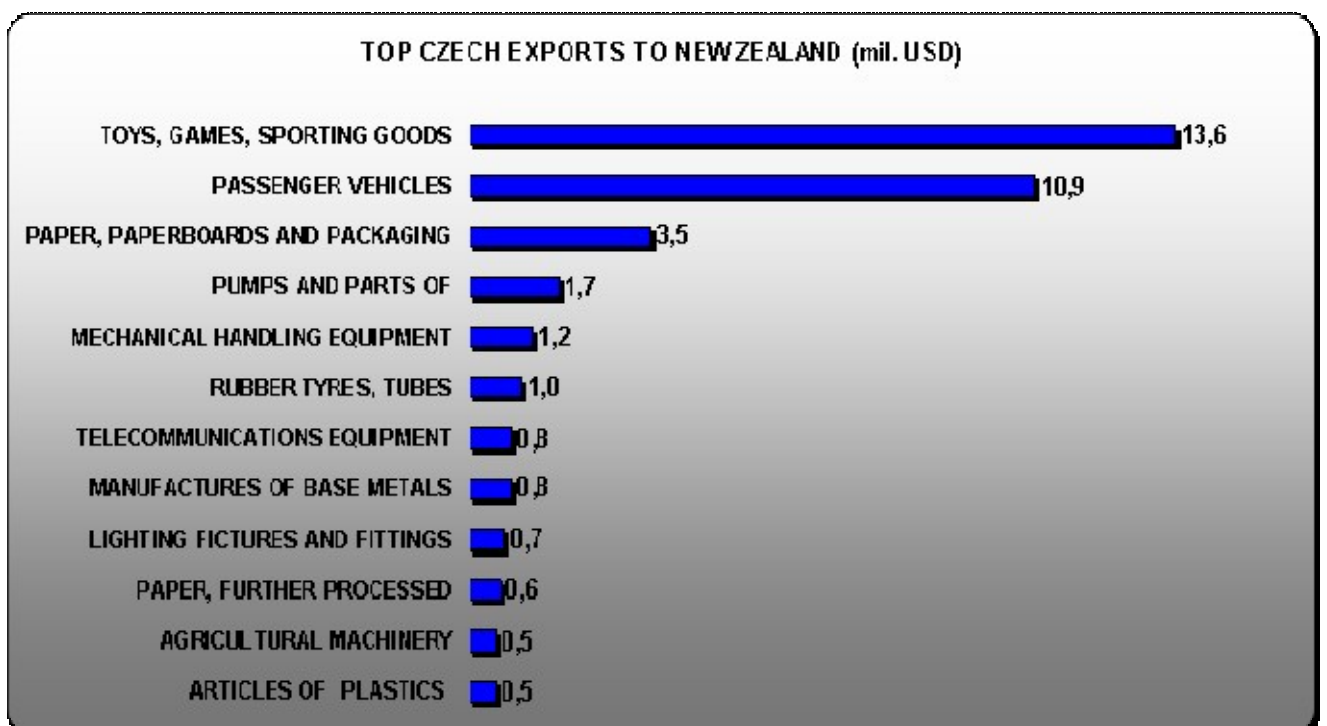


Toys and passenger vehicles remain the leading export articles to Australia and New Zealand in the last 12 months.

Comparing with the same period of the last year these volumes represent increase of 54% by toys and 100% by passenger vehicles in Australia.



Comparing with the same period of the last year these volumes represent increase of 20% by toys and 194% by passenger vehicles in New Zealand.



Czech companies seeking for Australian and New Zealand partners

ECOFLUID s.r.o.

Company has been established in 1993 as a designing department of water structures and **wastewater treatment** plants based on its own progressive **technology**. This technology is a result of more than fifty years of research, development and the practical experience of Mackrle brothers, inventors and founders of the Czech and Slovak tradition of fluid filtration (the so-called sludge blanket) for water treatment. This technology has later become known as the USBF (Upflow Sludge Blanket Filtration) and is internationally recognized. The company is seeking for AUS and NZ partners.

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Web: www.ecofluid.cz

ŠINDLAR s.r.o.

The company specializes in the design of constructions that ensure harmonization of **water management** requirements (the **water and flood control**), nature protection requirements and the restoration of damaged ecosystems. The company is seeking for AUS and NZ partners.

Contact: Miloslav Sindlar, Owner Director
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E-mail: sindlar@sindlar.cz
Web: www.sindlar.cz

KOVOBEL v.d.

Kovobel is currently one of the largest manufactures of **demountable containers** (about 4.000 pcs a year) in Europe and also the largest producer of **poultry equipment** in the Czech Republic. A large majority of the production output is exported, mainly to Germany, Austria, Italy, Switzerland, Danemark, Great Britain, Canada, Poland, Hungary, Slovakia, Finland, Norway, Sweden, Netherlands, Belgium, Slovenia, France and Brazil. The company is seeking for AUS and NZ partners – distributors.

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Web: www.kovobel.cz

BIONA JERSIN s.r.o.

Biona is the biggest Czech producer of **bio-oils and plastic lubricants** and one of the biggest producers of these oils in Europe. Bio-oils and plastic lubricants are produced both on vegetable oils and synthetic esters basis. The company is seeking for direct AUS distributor.

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E-mail: l.zelenka@biona.cz
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JUTA a.s.

Successful exporter of **polypropylene and polyethylene products** to New Zealand. Production of the company is widely used mainly **in construction** (isolation plastic foils, geotextiles) **and agriculture** (ground covers, bale twines and nets, tree guards) as well as other products including sandbags or artificial grass. The company is seeking for AUS partners – distributors.

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Introducing: Škoda Australia

ŠKODA is one of the oldest automotive brands in the world. First established as a bicycle manufacturer in 1895, it switched to building cars in 1905 and has been in continuous production ever since – over 100 years.

Today it manufactures close to one million vehicles annually, is the Czech Republic's largest company, biggest employer and most prolific exporter, and is a wholly-owned subsidiary of Volkswagen AG.

The Volkswagen Group's association with ŠKODA began back in 1991, when the company took a 30 percent equity position in ŠKODA and began a joint venture partnership aimed at satisfying the growing demand for cars in central and Eastern Europe.

The Czech-based manufacturer was ideally placed, both technically and geographically, with a strong engineering reputation and a highly skilled work force – plus a robust cost/benefit economic position.

ŠKODA



Volkswagen grew its equity in ŠKODA progressively and the company became a Volkswagen subsidiary over 10 years ago in 2000, when Volkswagen took up the remaining share of the company's equity to own the company outright.

ŠKODA is one of the newest European car companies in Australia, after launching its all-new operation at the Australian International Motor Show in Sydney in October 2007.

ŠKODAAustraliahas re-engineered the value equation surrounding the European driving experience: all our vehicles are engaging, refined, and packed with exactly the kind of equipment today's discerning buyers demand.

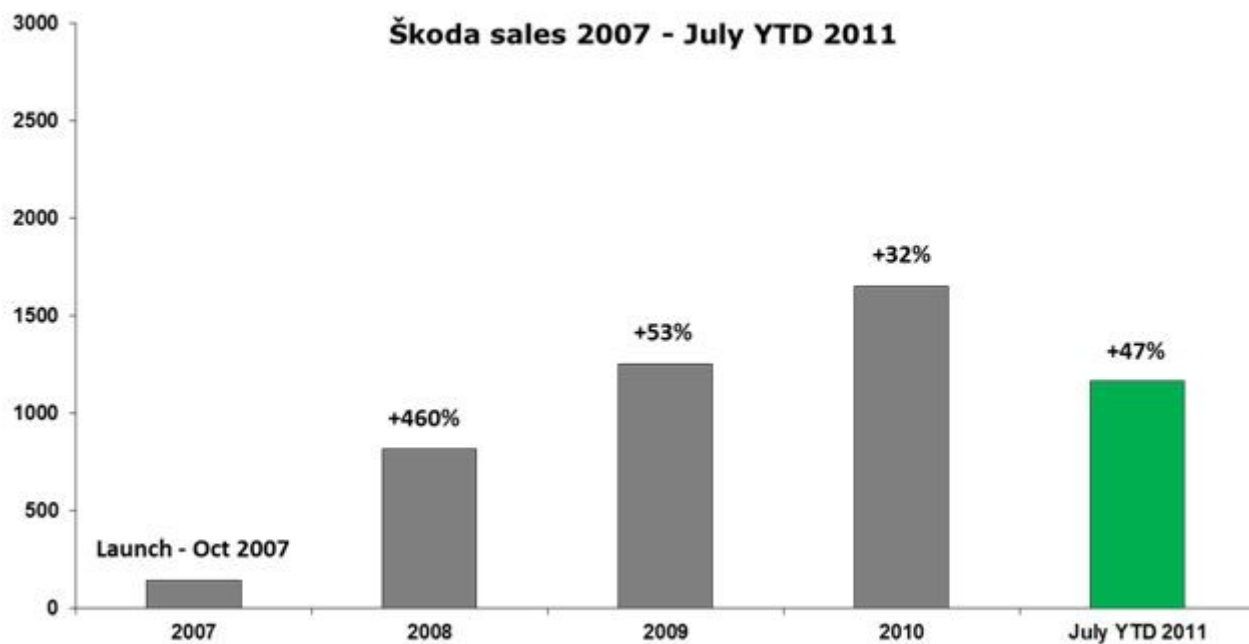
Economy, safety, innovation, European design cues, and dynamic driving attributes are just some of the features inherent in everyŠKODAVEHICLE.

In Australia, ŠKODA is the Major Partner of the Greater Western Sydney GIANTS, the new AFL team based in Western Sydney, which enters the competition in 2012.

ŠKODA Australia is also the Premier Partner and official vehicle supplier of the Tour Down Under – a direct reflection of our global cycling sponsorship program that includes the Tour de France. In 2011, close to 800,000 spectators watched the Tour Down Under, making it Australia's greatest spectator sporting event.

ŠKODAhhas been recognized withmany prestigious awards over the years and is now winning plaudits in Australia, too, including:

- Superb Wagon – Best Large Car Under \$60,000 – Australia's Best Cars (2010)
- Superb Wagon (first in class) *Wheels* magazine 'Gold Star Cars Awards' (2010)



Introducing new models Fabia and Yeti at the Australian International Motorshow in Melbourne (July 2011)

Tradeshows and Exhibitions in the Czech Republic

International Engineering Fair (MSV) in Brno

The largest technology fair in Central Europe is sought as the crossroads of experts and an important place for introducing innovation. It is regularly attended by over two thousand exhibitors among whom almost 800 are international companies especially from Germany, Slovakia, Italy and Austria. In five days the displays are viewed by a hundred thousand visitors. Surveys show that 90 per cent of them are professionals. The proportion of international visitors has been growing recently and last year it exceeded 13 per cent. The International Engineering Fair offers perfect conditions for discovering future market demands, contact with the production of leading world producers. A valuable programme of conferences and seminars on current topics in the trade, technical issues and economics accompany the MSV each year.

Date: 3.-7. October 2011 , www.bvv.cz/en/msv/

Business and Trade Websites

General Information www.czech.cz

Czech Supplier www.supplier.cz

CzechTrade www.czechtrade.cz

CzechInvest www.czechinvest.org

Tradeshows www.veletrhyavystavy.cz

Doing Business in the Czech Republic www.doingbusiness.cz

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Sources: CzechTrade, CzechInvest, Czech Statistical Office and public media.

Interested to learn more about Czech industry? View our short [introductory presentation](#).

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