

Czech Trade Focus

Good News from the Czech Commercial Offices in the United States / August 2003

Czech PM Visits the U.S. Czech Business Mission to the U.S. Czech Glass, Ceramics and Wooden Building Materials New Czech Products in the USA Tradeshows and Exhibitions / Autumn 2003

2003 TOP U.S. IMPORTS FROM THE CZECH REPUBLIC

In the period January – May U.S. exports from Czech Republic stood at \$546.9 mil., up \$97.8 mil.. This suggests that the total exports in 2003 will reach over \$1.3 billion. The leading exports are (\$ mil.):

Electronic, electro-technical components	87.4	Aircraft parts	20.3
Steel, steel products	38.5	Optical devices, components	18.7
Organic and inorganic chemicals	31.8	Rubber and plastics	16.1
Agricultural tractors	27.4	Furniture, chandeliers	12.3
Glassware and glass beads	26.9	Turbines and aircraft engines	11.2
Pumps for ignition engines	23.2	Arms and ammunition, explosives	11.4

Other significant imports from CR are industrial machinery, engineering components, industrial fittings, transport vehicles including for public transportation, toys and sports equipment, beer, confectionery products, textiles, apparel and footwear.

CZECH ECONOMIC OUTLOOK

□ **Growth of Industrial Production 3.2%**

Czech industrial production grew by 3.2% year-on-year in May, down from April's 5.6%. The industrial output has been growing for nine consecutive months. The growth in May was based on increases in rubber and plastics industry, transport equipment, electricity, paper and metal.

□ **June Inflation below Forecast**

The Czech economy got out of deflation in June and consumer prices started to grow again. Most analysts polled by CTK put month-on-month inflation for June at 0.2 percent and year-on-year CPI growth at 0.5 percent. 2004 prices are expected

to grow faster, in particular due to EU accession, which will bring more tax burden.

□ **GDP growth forecast for 2004 from 3.0 to 2.8 pct**

Finance Ministry revised downwards its forecast of Czech economic growth for next year from 3.0%, estimated in April to 2.8%. Economic growth in 2003 is estimated at 2.4%.

□ **Czech Currency**

During the period May – August, the Czech crown (CZK) was trading in the range 26.40 – 29.10 CZK per 1 USD, reflecting the decline of USD exchange rate and strong position of Central European currencies.

□ **Unemployment up to 9.5%**

Unemployment grew to 9.5% in June, up since May. The number of unemployed totaled 500,000.

□ **Czech wages increasing**

Wages rose by 7.4% in the first quarter to Kc 15,407, for the fastest growth since 1996. The recent growth of wages matters to companies more than the strong crown. The wage rise in the private sector was 6%. Companies are saving by reducing the workforce. In the state sector, the average teachers' salaries grew by 16.7%, healthcare workers 14.9%, state employees by 12%.

ECONOMIC POLICY

Reform bills pass hurdle in Chamber

The first wave of sweeping reform measures designed to reorganize government finances has received the initial endorsement of the Chamber of Deputies, heralding a wide range of changes in taxes, pensions, health

insurance and welfare benefits. It represents a centerpiece of the legislative agenda for Prime Minister Vladimir Spidla. The package's current form will transform the tax system, cutting the corporate income tax from 31 to 24 percent over a three-year period, while mandating

a hike in excise taxes. Most services and some goods that currently fall within the present 5 percent value-added-tax (VAT) bracket will become subject to a 22 percent VAT (starting January 1, 2004).

The government expects the reform to slash the state's budget deficit an estimated 6.1 percent of GDP in 2003 to 4 percent in 2006.

ODS plan for zero public finance deficit in 2010

The opposition, Civic Democrats (ODS), presented an alternative public finance reform plan based on 7.5% GDP growth in 2006 and a zero public finance deficit in 2010. The reform, based on a flat 15% tax, would pull the public deficit to 3% of GDP, a level required for the adoption of the euro in 2006. In contrast, the cabinet reform plan counts with a deficit of 4% of the GDP in 2006. The ODS alternative plan is based on economic growth, accompanied by a simple tax system, a rational budget system and a favorable business environment.

Accounting

The cabinet approved a proposal for requiring unincorporated businesses with annual revenue of more than Kc 3 mil. to

use double-entry bookkeeping. This would apply to about 50,000 self-employed people, including doctors and lawyers, and would increase their tax liabilities.

The cabinet also approved a measure requiring all companies with publicly tradeable shares to adopt international accounting standards as of 2005.

Minister of Finance announces budget cuts

Finance Minister Sobotka announced the introduction of even more radical budget cuts. Over the next three years, he wants to double the savings announced earlier to \$7.2 billion. By 2006, this would decrease the deficit of public finance from the current 6.2% to 4% of GDP. The government debt is supposed to increase to \$18.4 billion by the end of 2003.

Labor Ministry luring foreigners

Czech Labor Ministry launched a pilot project aimed at attracting to the Czech Republic specialists from Croatia,

Bulgaria, and Kazakhstan. 4,000 Bulgarians and 2,000 Croatians are working in the CR already. Labor Minister Skromach is not afraid of an influx of foreign workers from the three countries to threaten the Czech labor market. "There are 100,000 foreigners working here. The applicants will be admitted for vacancies which we are unable to fill with Czech staff," Skromach said.

The project is designed to improve the country's worsening demographic situation. The government estimates that by 2030, the Czech labor market will be lacking 420,000 people. Other countries may be included in the project in the future.

"E-government" project

IT Minister Mlynar confirmed "e-government" project to be launched in October. The project aims to accelerate internet communication between citizens, business and the state.

FIRST VISIT OF PM SPIDLA TO THE U.S.

Czech Prime Minister, Mr. Vladimir Spidla, accompanied by Minister for Industry and Trade, Mr Milan Urban, and a business delegation visited Washington, DC, Houston and Miami from July 15 – 20, 2003. In Washington Prime Minister Špidla met with President Bush, Vice President Cheney, Secretary Evans, Secretary Powell, Secretary Rumsfeld, with members of Congress, and the representatives of the U.S. Chamber of Commerce.

In Washington, the U.S. Chamber of Commerce hosted a Czech - U.S. Business Council off-the-record lunch where Prime Minister Spidla and Minister Urban discussed, among other topics, EU accession, Czech energy policy, investment opportunities in biotechnology and other sectors, Czech participation in Iraq's reconstruction, and the development of small and medium size businesses.

Minister Urban addressed a business forum of Maryland based business representatives at the World Trade Center luncheon in Baltimore and also at a business seminar hosted by the Houston Business Partnership in Houston, Texas.

In his speeches in Baltimore and Houston, Minister Urban endorsed the positive effects of EU accession on Czech – U.S. trade and investment: *"For U.S. firms the Czech Republic's EU membership translates into better transparency of legislation and easier logistics. The outside border will disappear and the country will be a part of the European single market, the world's largest single market.... Our country has a sincere interest in further development of bilateral trade and economic relations with the U.S. More Europe does not mean less America,"* Mr Urban said.

The Prime Minister, Minister Urban and business mission members met with representatives of U.S. engineering firms Bechtel, KBR, Halliburton, Schlumberger. Prime Minister Špidla and Minister Urban endorsed the readiness of Czech companies to team up with U.S. prime contractors in Iraq's reconstruction projects. The Czech companies offer expertise and design know-how in Iraqi oil explorations and refining. In the past, about 60% of oil refineries in Iraq, along with projects in other sectors, were accomplished by Czech consortia.

During the visit to HP/Compaq Center in Houston, Prime Minister Špidla and Minister Urban stressed the country's interest to attract more activities of hi-tech multinationals such as HP. The government investment incentives for strategic services, in particular software development, research and development, maintenance, service and call centers, introduced in 2002 have been designed to foster the attractiveness of the country to hi-tech industries. Thanks to the involvement of Hewlett Packard in the Czech Republic, the country has become a leading European exporter of information technology and PCs. Czech government officials do not share the fear by foreign corporation of dramatically raising wages after the EU accession.

OUTLINE OF CZECH BUSINESS MISSION TO THE U.S.

The Confederation of Industry of the CR has an impressive membership of over 1,600 Czech firms from all industries. The confederation consists of 30 professional associations. It represents the major voice of Czech industry voicing industry concerns towards the government on economic policy, business legislation, and all other areas affecting the business climate in the country. The Confederation

led a business mission, which accompanied Prime Minister Spidla on his recent visit to the U.S. The participants primarily showed interest in contacts to U.S. firms working on engineering projects in third markets, in particular in Iraq.

Petrochemical and energy engineering

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Water treatment engineering

SIGMAINVEST Ltd.
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EU WATCH / CZECH REPUBLIC ACCESSION TO EU

□ **EU Accession**

In June, the EU referendum paved the way to the country's EU membership with a 77.3% yes vote and a 55.2% turnout.

□ **Czech automotive industry and importers gearing up for EU entry**

EU membership is likely to be a mixed blessing for Czech car and components producers. Skoda Auto looks forward to a wealthier domestic market and a bigger EU single market, while non-EU car

manufacturers look forward to cuts in current import duties after the Czech Republic aligns its tariffs with the EU.

Czech import duties on U.S. cars will fall from 17.1% to 10%.

□ **Closer to EU after GDP revision**

The revision of GDP data will raise the annual level by 6.2-8.2%, which will inch the CR closer to the EU level. According to estimates, the country has a chance to catch up with Germany in 2020, provided the Czech economy grows by 5%.

SKODA CAR EXPORTS STRONG

Despite a recessive trend in Western Europe, the Skoda brand has asserted itself and maintained its positions. It has kept its market share at the 2002 level (1.6%) with 121,258 cars sold. Its largest export market remains to be Germany where Skoda cars went to 34,960 customers during the period in view. SkodaAuto has recorded positive development on the Finnish (+66.1%), Dutch (+22.6%), and Austrian markets (+15.9%) among others.

Sales in the Central and East European market grew dynamically. The Skoda brand's position has strengthened especially in Central Europe where total sales have increased by 3.3% thanks to consolidation on the Polish (+26.9%), Hungarian (+42.1%), and Slovenian (+140.0%) markets. General revitalization in Poland has resulted in this country becoming SkodaAuto's second largest export market. The company's market share in Poland has increased to 11.80% (+12.6%) with 20,310 cars sold consolidating the second spot on the market in terms of brand marketability statistics.

CZECH GLASS, CERAMICS AND WOODEN BUILDING MATERIALS

Glass, ceramics, porcelain, and building materials production is an important industrial sector contributing 5% to the overall output of Czech manufacturing. Production and exports of building materials have a long tradition in the country.

The ceramics and glass industries supply luxurious products developed according to new architectural trends and designs. Technically, all products correspond to ISO standards and are CE-marked. The glass, ceramics, and building materials industries use predominantly cost-effective domestic quality raw materials.

Despite a weaker European economy, the production of building and special materials showed healthy growth due to the active Czech building industry, refurbishment of buildings, and construction of new commercial buildings, residential houses, and apartment buildings. Demand in the domestic market and exports to demanding foreign markets were favorable to the building materials industries.

The growth of building materials manufacturing has been particularly influenced by foreign investment. The glass, ceramics, and building materials industries saw a substantial improvement in the technological standards. The industries have been supported by the investment incentives and strategic partnerships with foreign firms (Glaverbel, Vetropack, Avirunion, Vertex).

Due to the introduction of the latest technology, in the glass and ceramics industries in particular, the number of employees has been slightly declining, while productivity has been growing. New designs are developed to meet market requirements. Domestic and foreign firms have established new production plants in the last decade, as these sectors generate a high level of added value and profits. Investment in technology and consistent internal restructuring including closures of inefficient small plants took place. Overall productivity in the building materials production exceeds the values of other industries.

While the largest trading partners for the glass, ceramics, and building materials industry are the neighboring countries - Germany, Slovakia, Poland, Austria, the special building products are being exported more and more to overseas markets.

Products suitable for U.S. market include:

Flat glass for high-rise buildings, incl. security glass, two-ply glass

Glaverbel Czech – www.glaverbel-czech.com

Glass, mineral fiber isolation materials

Saint-Gobain Vertex – www.saint-gobain-sklo.cz

Union Lesni Brana – www.rotaflex.cz

Glass bricks/glass blocks

Vitrablok – tel. +420 417 818302

e-mail: petr.hartman@vitrablok.cz

Crystal chandeliers

Preciosa – www.preciosa.com

Classic Bohemia Chandeliers – www.cbc.cz

Elite Bohemia – www.elitebohemia.cz

Artglass – www.artglassweb.cz

Lighting glass fixtures, special-made lighting glass fixtures for interiors

Classic Bohemia Chandeliers – www.cbc.cz

Liglass – www.liglass.cz

Stained decoration glass, sanded glass

Vitaze Hlavenka – www.hlavenka.cz

Vladimir Gracias – www.gracias.cz

Vitrail Servis Petr Hoplicek – www.vitrailservis.cz

Sklenarstvi Pudil – www.webinfo.cz/pudil

Decorative glass and ceramic fixtures for interiors and exteriors

For more information contact the Association of the Glass and Ceramics Industry

www.askpcr.cz, e-mail: askpcr@pha.inecnet.cz

Artistic glass (custom design made)

J. Blazek Sklo Podebrady – www.blazek-glass.com

Rubin Glass – www.rubin-glass.cz

ELEF – www.elf.iol.cz

For more information contact the Association of the Glass and Ceramics Industry

Ceramic design tiles

Rakovnicke keramicke zavody – www.rako.cz

Keramika Horni Briza – www.hob.cz

Chlumcanske keramicke zavody – www.chkz.cz

Ceramic stoves, tiles for stoves

Kachlova kamna – www.kachlovakamna.com

Ceramic bricks for fireplaces

Moravske keramicke zavody – www.mkz.cz

Sanitary ceramics, utility stoneware

Laufen CZ – www.laufen.cz

Wooden and plastic window frames, doors

Ligna – www.ligna.cz

Bohemia Lignum – www.bohemialignum.cz

Wooden flooring, wooden parquets

Magnum Parket – www.magnumparket.cz

APIA Brno – www.parkety.com

Shingles and ceramic roof tiles

Tondach – www.tondach.cz

Wienerberger cihlarsky prumysl – <http://wienerberger.cz>

Drevovyroba Mader – www.volny.cz/mader

IBF 2004 – International Building Fair, special topic for 2004: Glasswork in building industry and architecture

April 20 – 24, Brno – www.bvv.cz

INVESTMENT UPDATE

□ **Czech Business Climate**

The EIU ranked the CR as the 26th most attractive country for foreign investors. It cited political stability, good infrastructure, liberal economy, and investment incentives. The CR ranked highest of all Central European countries.

□ **Businesslike Prague**

A survey by the EIU among 300 CEOs of global companies found that 41% consider Prague to be developed to a new business center in Central Europe. Prague is considered attractive for its relatively low costs and low wages. Cushman & Wakefield H&B found that Prague is No. 36 in the world in terms of office rental rates. Warsaw is twice as expensive.

□ **U.S. Andrew to open manufacturing facility in Brno**

Andrew Corporation (NASDAQ: ANDW), a global leader in the design, manufacture and supply of communications equipment and systems, announced the opening of a manufacturing facility in Brno, the second largest Czech city. Andrew Corporation's Brno facility will employ 300 people and will be used for manufacturing microwave antennas and other wireless equipment. Andrew Corporation provides proven solutions for wireless, fixed-line and

satellite broadband service providers and broadcasters throughout the world.

□ **U.S. Younger Optics in Prague**

Younger Optics, the U.S. special optic lenses manufacturer, has chosen the Pruhonice business park as the center for its European operations, a customer support center for special optic lenses for the healthcare industry. The company is considering construction of a new production base in the Czech Republic next year.

□ **Japanese Nachi-Fujikoshi to manufacture in the CR**

Nachi-Fujikoshi Corp., Japan announced its intent to build a factory for high precision bearings in the CR. Nachi-Fujikoshi employs 5,650 people worldwide in 47 companies within the NACHI group with sales valued \$1,100 mil. The company manufactures cutting tools, machine tools, ball and roller bearings, hydraulic equipment, industrial robots, special steels and industrial furnaces.

□ **Japanese Daikin new European facility**

Daikin Industries Ltd. is to invest 9.5 mil. EUR over a period of seven years. Start of the production of air-conditioning equipment is planned for April 2004. The Plzen factory plans to manufacture up to

300,000 units per year. Daikin Industries Ltd. is a multinational company, which ranks among the world's prime manufacturers of AC systems. Daikin operates in Japan, Europe, South-East Asia, Oceania, USA.

□ **The world's #1 producer of notebooks in the CR**

Taiwanese Quanta Computers Inc. has placed its new manufacturing and service center near Prague. This high-tech center will be serving customers all over Europe. Quanta Computers Inc. is the number one producer of notebook computers and is the fourth largest private manufacturer in Taiwan. The number of notebook and desktop computers produced in 2002 is estimated at 6.13 million. Its customers include HP and Dell.

□ **Head expands its operations**

Head, a leading world manufacturer and seller of brand sports equipment, has decided to start manufacturing ski boots in the CR. Head acquired the Czech company Massive to ensure quick production start. Annual volume of production in the Czech Republic should reach 440,000 pairs of ski boots. The company plans to invest two million euros.

□ **Japanese Oiles prefer the CR to Poland**

Tokyo-based Oiles Corp., a major supplier of seal and self-lubricating bearing components for automotive industry, is to invest 6 to 7 million EUR over the next three years in North Bohemia region. The corporation produces seal and self-lubricating bearings from graphite and plastics. "We initially wanted to build our factory close to Walbrzych in Poland," says Shohei Nakamoto, International Operations Director of Oiles Corporation and adds: "We were mainly interested in

their Special Economic Zone that seemed to promise good incentives and infrastructure in relation to the Toyota engine plant project. In the end, we chose Kadan, mainly for its better infrastructure and friendly and well-educated people with the same level of incentives."

□ **Japanese FUTABA Industrial Co., Ltd.**, the world's number one producer of a stamping press part used in car manufacturing, have begun construction today of a new manufacturing plant with

state-of-the-art machinery. The Czech facility is the company's first investment in continental Europe.

□ **DEMAG's expansion**

DEMAG, the world's number one producer of lifting and handling technology, is expanding its Czech activities to include a center to produce process cranes for the entire world. The company plans to launch production of fully automated process cranes in a new production hall in January 2004.

COMPANIES AND BUSINESS

□ **Czech Airlines privatization in 3 years**

The national airline, Czech Airlines (CSA), could be privatized in two to three years, Transport Minister Milan Simonovsky told the BBC. The sale should be gradual, and CSA's Sky Team partners is being considered. The state controls 91% of CSA shares through the National Property Fund and bail-out agency CKA. CSA, which operates 35 planes, transported 3.06 million passengers last year, exceeding for the first time the three million level. Besides CSA, other SkyTeam members are Air France, Delta Air Lines, Korean Air, Aero Mexico and Alitalia.

□ **Brown-coal mining to be sold**

The cabinet is to decide on new owners of the state-owned stakes in brown-coal mining companies Severoceske doly and Sokolovska uhelna in 2003. Industry and Trade Minister Urban did not specify the amount the government could get for the stakes. The state-owned stakes would be sold in two parallel one-round tenders. To be admitted to the tender, potential buyers will have to prove expertise in mining for the last 5 years with a minimum output of 2 million tones and capabilities in raw material sales, and in land reclamation.

□ **The schedule for UNIPETROL privatization in 2004** has been confirmed. The tender will go public in October 2003, while the tender process is to be completed by March 2004. Law White & Case office has been entrusted the legal part, while McKinsey & Co. will handle the financial aspects of the sale.

□ **CEZ looks to Slovakia**

Prior to its privatization, power giant CEZ is moving ahead with plans to expand abroad. Its first target is Slovakia's dominant electricity producer, Slovenske elektrarne (SE). Analysts are divided over whether the move will increase or decrease the company's attractiveness to potential strategic investors. The acquisition of SE might whittle down the number of potential buyers for CEZ, since it could increase the company's stock price. SE is the largest electricity supplier in Slovakia, producing more than 80 percent of the nation's power.

□ **GE Capital Bank hikes net profits**

GE Capital Bank's net profits, calculated to US accounting standards soared by 73 percent year-on-year to Kc 770.7m in the first half of 2003. The rise in loans was achieved especially thanks to retail banking and small and medium-sized companies. GE Capital Bank belongs to the GE Consumer Finance group, a subsidiary of General Electric.

□ **Philip Morris Czech raises net profit**

Tobacco maker Philip Morris Czech raised net profits by 24.4 percent year-on-year to Kc 2.2 billion in the first half. Sales rose to Kc 6.7 billion due to better cigarette sales. Philip Morris CR, the largest producer and distributor of tobacco products in the Czech Republic, is an arm of the Philip Morris International, Inc. group, in turn a unit of the Altria Group, Inc.

□ **CEZ increases unconsolidated net profit**

CEZ has increased its forecast of unconsolidated net profits for 2003 from CZK 1 bln to CZK 4 bln.

□ **Cell phones penetration** in the Czech Republic is up to 87%.

In the second quarter of 2003 alone, the number of cell phone users increased to 167,000. Eurotel added 43,000 customers, T-Mobile 57,000, Cesky Mobil Oskar 66,900.

□ **Telecom to introduce ADSL data transfer limits**

On September 15, Czech Telecom will introduce limits to the volume of data that is transferred via ADSL connections. At the same time, the firm will accelerate the basic service's speed from 192/64 kbit/s to 512/128 kbit/s while maintaining the monthly rate.

□ **CT seeks Eurotel buyout financing**

Cesky Telecom is in the final stage of talks with banks to finance its recently-agreed buyout of 49 percent of Eurotel from the U.S. Atlantic West consortium. The deal is worth \$1.05 billion (29.4 billion Kc) and would make the dominant operator a 100% owner of the nation's No. 1 mobile phone operation.

□ **Telecom shares sold**

KPN NV sold its 6.48% direct stake in Czech Telecom to Credit Suisse First Boston (CSFB) for E220 million, a move aimed at reducing the Dutch telecom operator's debt. The sale leaves KPN with a 13.8% indirect stake in Telecom through its 51 percent ownership of Telsource, a joint venture with Swisscom. KPN also plans to sell this stake.

□ **Czech Budweisser Budvar brewery** has now unlimited access to Japanese market, after the Tokyo court confirmed its decision and declined the appeal by U.S. Anheuser Bush in the on-going worldwide dispute over the Budweiser brand.

□ **Aero Vodochody**, the largest Czech aviation and defense company, partially owned and managed by Boeing, has sealed a contract to deliver Ae270 airplanes to Taiwanese Aerospace

Industrial Development Corp. The purchaser is Florida based East Coast Jet Center.

□**Mexican NEMAK** will finally start the production of aluminum engine heads in the Czech Republic. The first 20,000 pcs are to be delivered to General Motors in 2003. The production in its Most plant with 1,500 employees is to total 150,000 pcs.

□**U.S. Monsanto is the first** in the Czech Republic to market locally grown GMO products, corn grown in Znojmo region in South Moravia. Monsanto recently applied for a license with the Czech Ministry for Environment.

□**Metrostav Co. was awarded the Prague** Airport extension contract to build the Europe Terminal North II. The project is to be completed by September 2005.

□**Construction firms interested in construction of highway D 47**

Five construction groups have presented proposals for the construction of the first section of the D47 highway. (Skanska, ZS Brno, Tchas, Dopravni stavby Ostrava, Dalnicni stavby Praha.) A government committee should choose the winner by October.

□**Prague's train station to be remodeled**

Czech Railways expects to sign a contract with the Italian Grandi Stazioni to remodel Prague's main train station. Grandi Stazioni won the tender for the reconstruction and management of the station last November. The company is also to remodel stations in Carlsbad and Marianske Lazne.

CZECH COMPANIES LOOKING FOR REPRESENTATIVES, IMPORTERS, DISTRIBUTORS

Products for beverage vending machines

AG Foods is seeking a partner for distribution of Instant Soft Drink Blends for vending machines (instant tea, cappucino, chocolate, milkshakes, sweeteners) AG Foods also supplies a wide range of kosher foods. ISO 9002 certification.

AG FOODS

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www.agfoods.net

Software development

FairNet Systems develops PCInfo, a high-end tool for administration of small to large networks. PCInfo detects exactly a SW and HW configuration of every PC, and is suitable for HW and SW audits, network maintenance and planning, and for software legalization. It also enables a remote control of a PC over the network, remote program installations and configurations, HelpDesk and other services. FairNet is seeking distributors, agents in the U.S.

FairNet Systems, s.r.o.
Nadrazni 167
702 00 Ostrava 1
Tel.: +420 596 133232
Fax: +420 596 133223
fair-net@fair-net.cz
www.pcinfo.biz
www.fair-net.cz

Rubber producer

Gumarny Zubri, manufacturer of technical rubber for automotive, engineering and constructive industries, protective masks. Customers: Audi, BMW, Delphi Automotive Systems, Doma Plattling, Dunlop Tech Hanau, Hammerlit Leer, Henniges Rehburg, Paguag Düsseldorf, Certifications: ISO 9001, Skoda Automotive, VDA 6.1, ISO/TS 16949. The company is looking for agent, distributor in the U.S.

Gumarny Zubri
Hamerska 9
756 54 Zubri
Tel.: +420 571 662 111
Fax: +420 571 658 744
marketing@guzu.cz
www.guzu.cz

Mechanical, electric, and electronic components

STEZ offers custom manufacturing of smaller and middle-sized mechanical, electric and electronic components. The company is seeking foreign investor or strategic partner to widen its operations.

STEZ Mechanical
Cooperative
Na Rejsce 930

551 03 Jaromer 3
Mr. Ludek Hubka
Tel.: +420 491 810251
Fax: +420 491 815172
ludek.hubka@experta.cz
www.sweb.cz/stez-cz

Heating devices, vacuum techniques, industrial electrical engineering

The company PZP Komplet is a major manufacturer of heating devices, thermal pumps, vacuum techniques, technological switchboards and industrial electrical engineering. The company is seeking agents, distributors in the U.S.

PZP Komplet, a.s.
Semechnice 132
518 01 Dobruska
Tel./fax: +420-443 642252,
+420 443 668252
Mr. Vaclav Prokop
pzp@pzp.cz
www.pzp.cz

Molds & tools

WM Molds provides outsourcing services focusing on specially engineered products, molds & tools, prototyping, parts manufacture & assembly, and material resources. The company is looking for importers, agents, distributors in the U.S. market.

WM Molds, s.r.o.
Zirovnicka 3124
10 600 Prague 10
Tel.: +420 267 182749
Fax: +420 272 770036
Mr. Eduard Vitek
Sales Director
eduard.vitek@wmmolds.cz
www.wmmolds.cz

Screw machining parts, door stops

Preciturn offers custom made machining parts. The firm is looking for clients, representatives and importers in the U.S.

Preciturn, LLC
Dum 185
273 29 Kolec
Tel: +420 315 783876
Fax: +420 315 783876
Cell: +420 608 782842
Mr. Mathieu Burtthey
mburthey@vol.cz
www.preciturn.org

Textile products

Tylex Letovice is a major manufacturer of curtains, laces, tablecloths and other textile materials. The company is looking for importers and distributors in the U.S. market.

Tylex Letovice
460 31 Liberec 1
Tel./fax: +420 486 112151

Mr. Pavel Horak
Horak_lbc@volny.cz

Crystal products

Radka Glassworks is a producer of hand-cut 24% lead crystal products cut with the finest and richest decoration. The hand-cut Bohemian Crystal is cut in traditional way, on grindstone with the old technology without using diamond impregnated grinding wheels in the way as it was invented in the year 1929. The company is looking for importers, distributors in the U.S.

Radka Glassworks Ltd.
Foltynova 10
635 00 Brno
Tel./fax: +420 546 213266
Mr. Zdenek Bezdek
zdebez@centrum.cz
www.radka.crystal.zde.cz

Mold bases, mold components

TIRAD offers a complete production of mold bases, plates and frames and components for molds, as well as production of cavities for

molds. The company is looking for customers in the U.S.

TIRAD, s.r.o.
Šasovice 62
675 26 Zeletava
Tel.: +420 568 455240
Mr Radek Dvorak
www.tirad.cz

Office furniture

HOBIS, a manufacturer of high-quality office furniture, has been awarded a special trademark - Ecologically Safe Product. The company is looking for importers, agents, distributors in the U.S. market.

HOBIS
Brazdimska 1843
Brandys nad Labem
Tel.: +420 602 204670
Mr. Petr Martinek
www.hobis.cz

Car mats, technical rubber products

ZPV Roznov, traditional manufacturer of car mats and technical rubber pressed products, is a leading European supplier to

automotive industry. The company is seeking agents in the U.S.

ZPV Roznov
Televizni 2614
Roznov p. Radhostem
Tel.: +420 571 604370
Mr Robert Kubela
www.zpv.cz

Fire-fighting robots

A dynamic new invention manufactured by Laboratories Co. called the "FireBot," helps to fight extreme fires. Laboratories Co. is interested in licensing FireBot to the U.S. or manufacture it for U.S. customers.

Laboratories Company, s.r.o.
Zdrahalova 22
613 00 Brno
Tel: +420 545 240676,
+420 545 240688
Fax: +420 545 240695
Mr. Petr Mares
petr.mares@laboratories.cz

COMMERCIAL AND TOURIST SERVICES

Promotion Agency

ProMoPro, provides equipment and services for congress meetings, conferences and exhibition activities. ProMoPro wishes to serve U.S. customers.

ProMoPro, s.r.o.
Rubenska 1/215
190 00 Praha 9
Tel.: +420 283 891660
Fax: +420 283 892757
Mr. Jaroslav Vesely, Director
provovz@promopro.cz
www.promopro.cz

International trade & distribution

Concordia is focused on food products and technical equipment deliveries to Iraq. The firm wants to team up with U.S. food and frozen food exporters.

Concordia Limited
International Trade & Cooperation
Prague
Tel./fax: +420 272 940705
Mr M. Rozehnal, Director
world_trade@volny.cz

CZECH PRODUCTS IN THE USA

Czech Streetcars on The Way West

After Portland, OR, Czech streetcars will operate in Tacoma, WA, for the Tacoma Link light rail. The electric powered light rail vehicles are planned to travel up to 14 hours a day seven days a week on steel tracks built into the center of the street starting at the Tacoma Dome Station.

The seating capacity of the 60-foot Czech cars, delivered by INEKON Co. Prague, is 30 passengers and up to 26 standing passengers. This represents a load factor (ratio of total number of passengers to the number of seats) of 1.85 and is in compliance with Sound Transit's design criteria. The new LRT project will start operation on August 22 at Tacoma Dome Station Plaza.

Mattoni Mineral Water to Be Imported to the U.S.

C-Overseas, Inc. is to import Mattoni Naturally Carbonated Mineral Water from the Czech Republic. The brand Mattoni originated in Carlsbad (Karlovy Vary) area of the Czech Republic in 1867 when it was first bottled. The area is a mineral spa, famous for its natural springs and beautiful valley, forest and mountain scenes. The water originates from the Ohre River where it seeps into natural caverns and infuses with carbon dioxide, which develops from the carbon rock lining the caverns. The mineral water develops at a depth of 125 to 230 meters before it is harvested and bottled. The Mattoni brand is the most valued mineral water in the Czech market.

Initial distribution of Mattoni mineral water is indented for the market in the West (South California, and Las Vegas, followed by North California, Denver, Phoenix, and Reno).

In addition to Mattoni, C-Overseas is going to import another brand of Czech mineral water: Magnesia Mineral Water. This product also originates in the natural springs and has proven health benefits.

C-OVERSEAS, Inc.
25-1828 Lilac Dr.
Surrey, BC V4A5C9
Tel.: 760 832 1510, 1-805 445 7701
Contact person: Michael Kolsky, National Sales Manager
E-mail: *michaelkolsky@earthlink.net*

Czech Airborne Engines

July 29th through August 4th Oshkosh, WI, experienced one of the largest air shows in the world.

This year's show attracted 2,100 visitors from 65 countries around the world. 2,800 planes participated at the exhibition. Traditionally, companies from the Czech Republic attend the show, among them LOM Praha exhibited at this year's event.

LOM Praha is a producer of aeronautical piston engines and airscrews for small sport aircrafts. The motor capacity ranges from 120k to 250k. Over 80 motors, produced by LOM Praha, is currently being used within the United States.

LOM Praha

Cernokostelecka 270

108 00 Praha 10

Tel.: +420 296 505600

Contact person: Mr. Vladimír Zasadil, Director

E-mail: vladimir.zasadil@lompraha.cz

TRADESHOWS AND EXHIBITIONS / AUTUMN 2003

Brno Exhibition Center / www.bvv.cz

October 6 – 10

INVEX / International Fair of Information and Communication Technology

October 21 – 24

WOOD-TEC / International Fair of Machinery, Equipment and Materials for the Wood Industry

GAUDEAMUS / European Educational Exhibition

November 4 – 7

MEFA / International Fair of Medical Technology and Pharmacy

REHAPROTEX / International Trade Fair for Rehabilitation, Prosthetics and Health

November 13 – 16

SPORT LIFE / International Sports Fair

BOAT BRNO / International Boats and Water Sports Show

CARAVANING BRNO / International Caravan Show

November 14 – 16

BOOKWORLD BRNO / National Book Fair

Prague Exhibition Grounds / www.incheba.cz

October 7 – 9

CHEMTEC PRAHA / International Chemistry and Plastics Fair

October 16 - 19

TRANSPED / International Exhibition of Truck, Air, Railway and Naval Transportation

AJA PRAHA / Auto Parts + Auto Equipment

AUTOSHOW PRAHA / International Automobile and Motor Design Exhibition

October 30 – November 2

LOVECKE A SPORTOVNI ZBRANE / International Exhibit of Hunting and Sporting Arms

YACHT SHOW & CARAVAN SHOW / Boats and Watersports Show, Camping, Recreational Vehicle & Trailer Exhibition

MS. KAROLINA VALASKOVA – NEW HEAD OF THE CZECHINVEST OFFICE IN CALIFORNIA

Twenty-eight year old Karolina Valaskova comes to California after her tenure as head of the Section of Multinational Service Centers and New Technologies at CzechInvest. She started at CzechInvest in 2000 as a marketing executive. Since mid-2002, she has worked in the Investment Projects Department where she specialized in non-manufacturing investments.

Radomil Novak, who until now has been director of CzechInvest's California office, is assuming the position of Deputy for Operations Management at CzechInvest.

Contact: Karolina Valaskova, tel: 408-376 4555, fax: 408-376 4557, e-mail: california@czechinvest.org

CZECH COMMERCIAL OFFICES IN THE UNITED STATES

Czech Embassy in Washington, D.C.: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Texas, Tennessee, Virginia, West

Virginia, Wisconsin (Midwest, South, and eastern part of the West)

Contact: Ms. Marketa Janikova, Phone: 202.274.9104

Fax: 202.244.2147, eco_washington@embassy.mzv.cz

Consulate General in Los Angeles: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming (western portion of the West).

Contact: Mr. Michal Korycanek, Phone: 310.473.0889 x.229
Fax: 310.473.9813, losangeles@embassy.mzv.cz

Consulate General in New York: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont (Northeast).

Contact: Mr. Josef Dvoracek, Phone: 212.717.5643
Fax: 212.717.5064, consulate.newyork@embassy.mzv.cz

CzechTrade - Chicago Office (information on Czech products)

Contact: Ms. Ivana Ingram, Phone: 312.644.1790, Fax: 312.527.5544, chicago@czechtrade.cz

CzechTrade - Miami Office (information on Czech products)

Contact: Mr. Roman Matyas, Phone: 305.261.6313,
Fax: 305.261.6314, miami@czechtrade.cz

Czech Center New York

Contact: Mr. Jan Zahour, Phone: 212.288.0830 x.106,
Fax: 212.288.0971, zahour@czechcenter.com

CzechInvest – Chicago Office

(investment projects in the CR)

Contact: Ms. Hana Lasslerova, Phone: 312.245.0180,
Fax: 312.245.0183, chicago@czechinvest.org

CzechInvest – San Jose Office

(investment projects in the CR)

Contact: Ms. Karolina Valaskova, Phone: 408.376.4555,
Fax: 408.376.4557, california@czechinvest.org

BUSINESS AND TRADE WEBSITES

General Information	www.czech.cz	CzechInvest	www.czechinvest.org
Czech Supplier	www.supplier.cz	Tradeshows	www.veletrhyavystavy.cz
CzechTrade	www.czechtrade.cz	Czech Embassy	www.mzv.cz/washington

SUBSCRIPTION INFORMATION

The Czech Trade Focus© is published by the Commercial Office of the Czech Embassy in Washington DC

Layout&Edit: Marketa Janikova

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